ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
Consolidated Financial Statements
For the year ended 31 July 2022
together with the
Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ataa Educational Company "the Company" and its subsidiaries (collectively referred to as the "Group") as at July 31, 2022, its financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia. And other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the consolidated financial statements of the Group, which comprise of the following:

- The consolidated statement of financial position as at July 31, 2022;
- The consolidated statements of profit or loss for the year then ended;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. 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 from the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate provide a basis for our opinion.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

KEY AUDIT MATTERS (Continued)

Key audit matters	How our audit addressed the key audit matter
1-Revenue recognition	
The Group's revenues for the year ended July 31, 2022 amounted to 577.5 million Saudi riyals. Revenue is one of the essential indicators to measure performance, and this entails the existence of inherent risks in the process of recognizing revenue. Revenue is recognized from educational, training, recruitment, bus subscriptions services as in note (33). Given the significant value of revenue recorded as well as the inherent risks in the revenue recognition process, revenue recognition was considered as a key audit matter. Please refer to the accounting policy relating to the revenue recognition, as in note (3-16) and revenue-related disclosures as in note (22-23).	Our audit procedures included the following: - Assessment of the appropriateness of the Group's revenue recognition policy based on IFRS 15 "Revenue from contracts with customers". - Evaluation of the design and implementation of the internal control over revenue recognition. - Testing on a sample basis of the revenue transactions and comparing it with the supporting documents to verify the recorded revenue. - Perform substantive analytical procedure on educational services revenues based on the number of students and approved fee to assess the reasonableness of the revenue. - Inquires with management representatives about their knowledge of fraud risks and whether there were actual instances of fraud. - We assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the key audit matter
2-Goodwill impairment assessment	
The consolidated financial statements include goodwill amounting to 581 million Saudi riyals as of July 31, 2022G, which represents the excess of the value of the merged and acquired companies over the net assets transferred to the Group. The management performed a goodwill assessment by comparing the carrying amount of each cash-generating unit ("CGU") including goodwill, against its recoverable amount based on value-in-use ("VIU") calculations, using discounted cash flow model through the use of cash flow projections based on financial budgets approved by management covering a period of five years. The Group's VIU calculation used in the goodwill impairment assessment includes significant judgments and assumptions regarding cash flow projections, long-term growth rates and discount rates, and is highly sensitive to changes in these assumptions, and, thus was considered as a key audit matter. Please refer to the summary of significant accounting policies No. (3-11) for the policy of goodwill and note No. (7) that includes disclosures related to goodwill and impairment assessment of goodwill.	Our audit procedures included the following: - Evaluation of the design and implementation of the internal control relating to goodwill impairment assessment. - We analyzed the identification of the different CGU and whether these were in line with our understanding of the business and consistent with the internal reporting of the business. Furthermore, we assessed the reasonableness of allocation of the goodwill to each identified CGU. - We involved our experts to assess the reasonableness of the VIU calculations and the key assumptions, including cash flow projections, discount rates used. - We tested the input data used in the VIU calculation on a sample basis and reviewed the mathematical accuracy of the calculation. - We assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the key audit matter
3-Business combination	
The Group acquired 100% of the share capital of the Arabian Group for Education and Training Holding Company and its subsidiaries as of August 1, 2021, and acquired Nabaa Educational Company as of August 1, 2021, through a tripartite contract under which 2,087,215 shares would be issued in Ataa Educational Company for the benefit of the former partners in Nabaa Educational Company in exchange for the acquisition of all shares in Nabaa Educational Company through the Arab Group for Education and Training Holding Company, for a total amount of 230 million Saudi riyals in accordance with IFRS (3) "Business Combination" using the acquisition method. During 2022, the Group completed the implementation of the comprehensive purchase price allocation, where the management hired an independent third party and finalized the fair valuation adjustments to the assets acquired and the liabilities incurred. The purchase price allocation required significant management judgment in determining the fair value of the assets acquired and the liabilities incurred, including intangible assets that are discretionary in nature and subject to the assumptions used in their appropriate valuation, and accordingly was considered as key audit matter. Please refer to the summary of significant accounting policies No. (3-2) for the policy of business combination and note No. (35-3) which includes a disclosure on the acquisition transaction.	Our audit procedures included the following: - Evaluation of the design and implementation of the internal control relating to business combination. - We reviewed relevant acquisition agreements and minutes of the board to understand the business combination process. - We reviewed the operating/strategic plan as approved by management and its appropriate application in the assessment of the fair value of acquisition. - We involved our expert to evaluate the approach and key assumptions used in the purchase price allocation including fair valuations. - We reviewed and tested the appropriateness of the useful lives assigned to the identified intangible assets. - We assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

OTHER INFORMATION

The other information consists of the information included in the Group's 2022 annual report, other than the consolidated financial statements and the auditor's report thereon. Management is responsible for the other information in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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, 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 MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSILDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the SOCPA and Regulations for Companies and the Company's By Laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e., the Board of Directors, are responsible for overseeing the Group financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to fluence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group's to cease to discontinue its business.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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 establishments or commercial activities within the Group. To express an opinion on the consolidated financial statements. We are responsible for directing, supervising and implementing the Group review process. We remain solely responsible for the audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, with relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ATAA EDUCATIONAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANICAL STATEMENTS

REPORT ON OTHER REGULARLY AND LEGAL REQUIREMENTS

Based on the information made available to us, nothing has come to our attention when performing our audit procedures that make us believe that the Company is not in compliance with the requirements of the Companies Law and the Company's Articles of Association with regard to the preparation and presentation of the consolidated financial statements.

For Al-Bassam & Co.

Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337
Riyadh: 9 Rabie Althanie 1444H
Corresponding to: 3 November 2022

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
License 520/11/323
Al-Bassam & Co.
Certified Public Accountants

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSISTION
As at 31 July 2022
(Expressed in Saudi Riyals unless otherwise stated)

	Note	31 July 2022	31 July 2021 Amended (Note 36)
Assets			
Non-current assets			
Real estate, property and equipment	5	804,742,006	495,142,467
Investment properties	6	-	37,419,722
Intangible assets	7	621,524,338	423,876,851
Right-of-use assets	8	497,472,930	295,355,802
Total non-current assets		1,923,739,274	1,251,794,842
Current assets			
Inventories		4,002,557	1,041,847
Accounts receivable	9	116,215,585	57,325,556
Prepaid Expenses and other receivable	10	34,337,592	25,842,979
Due from related party	11-1	336,110	8,375
Cash and cash equivalents	12	48,961,017	7,498,833
Total current assets		203,852,861	91,717,590
Total assets		2,127,592,135	1,343,512,432
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	420,872,150	400,000,000
Share premium	13-1	276,786,861	209,594,000
Statutory reserve	14	41,756,561	34,694,964
Actuarial reserve		(9,919,614)	(7,686,781)
Retained earnings		130,149,649	106,595,273
Total Equity attributable to the company's shareholders		859,645,607	743,197,456
Non-controlling equity		78,916,954	10,651,773
Total Shareholder's Equity		938,562,561	753,849,229
LIABILITIES			
Non-current liabilities			
Lease obligation- Non- current portion	8	503,346,927	300,630,208
Long term-Loans	16	367,920,761	172,575,968
Deferred revenue of government grants	17	1,043,614	1,442,813
Employee's post-employment benefits	18-2	60,261,770	33,220,577
Total non-current liabilities		932,573,072	507,869,566
Current liabilities			
Short term-Loans	16	122,867,861	31,627,570
Lease obligation -current portion	8	54,799,655	21,779,897
Revenue received in advance	19	26,958,505	6,793,198
Trade payables		13,251,206	961,243
Deferred revenue of government grants	17	399,199	457,068
Accrued expenses and other liabilities	20	30,024,394	18,433,021
Due to related parties	11-2	3,401,214	148,961
Provision for Zakat	21-2	4,754,468	1,592,679
Total current liabilities		256,456,502	81,793,637
Total liabilities		1,189,029,574	589,663,203
Total Shareholder's Equity and liabilities		2,127,592,135	1,343,512,432
Contingent liabilities and capital commitments	31		

Chief financial Officer	**Chief Executive Officer**	**Chairman**
Adel Nader	Fahad Abdulaziz Al Tuwaijri	Tariq Othman Al Qasabi

The accompanying notes 1 through 38 from an integral part of these consolidated financial statements.

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF PROFT OR LOSS
For the year ended 31 July 2022
(Expressed in Saudi Riyals unless otherwise stated)

	Note	31 July 2022	31 July 2021 Amended (Note 36)
Revenue	22/33	577,493,411	280,346,699
Government grants	23/33	14,829,070	1,765,339
Cost of revenue	24/33	(460,370,365)	(206,218,461)
Gross profit		131,952,116	75,893,577
Marketing expenses	25	(3,164,605)	(978,470)
General and administrative expenses	26	(62,489,561)	(23,924,617)
Provision for impairment of accounts receivable and others	9/10	(1,060,884)	(693,663)
Gains from the acquisition of a subsidiary	27	38,121,000	-
Operating profit		103,358,066	50,296,827
Other income	28	16,491,821	6,481,365
Capital (losses)/ gains		(3,595,400)	49,051
Finance costs	29	(40,703,722)	(20,260,795)
Net income for the year before Zakat		75,550,765	36,566,448
Zakat	21-2	(1,494,503)	(1,071,762)
Net income for the year		74,056,262	35,494,686
Net income / (loss) for the year attributed to:			
Shareholders in parent company		70,615,973	35,521,640
Non-controlling equity		3,440,289	(26,954)
		74,056,262	35,494,686
Basic and diluted earnings per share:			
Basic and diluted earnings per share as per net income for the year attributable to the shareholders of the company	30	1,76	0,89

Chief financial Officer	Chief Executive Officer	Chairman
Adel Nader	Fahad Abdulaziz Al Tuwaijri	Tariq Othman Al Qasabi

The accompanying notes 1 through 38 from an integral part of these consolidated financial statements.

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 July 2022
(Expressed in Saudi Riyals unless otherwise stated)

	Note	31 July 2022	31 July 2021 (Amended)
Net income for the year		**74,056,262**	35,494,686
Other Comprehensive income			
Actuarial (losses) on re-measurement of employees' post-employment benefits	18-2	**(2,000,360)**	(5,974)
Actuarial adjustments		-	(1,093,917)
Total comprehensive income for the year		**72,055,902**	34,394,795
Total comprehensive income for the year attributed to:			
Shareholders of the company		**68,383,140**	34,372,599
Non-controlling equity		**3,672,762**	22,196
		72,055,902	34,394,795

Chief financial Officer	Chief Executive Officer	Chairman
Adel Nader	Fahad Abdulaziz Al Tuwaijri	Tariq Othman Al Qasabi

The accompanying notes 1 through 38 from an integral part of these consolidated financial statements.

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 July 2022
(Expressed in Saudi Riyals unless otherwise stated)

	Capital	Share primum	Statutory reserve	Actuarial reserve	Retained earnings	Total equity attributed to company shareholders	Non-controlling equity	Total equity
Balance as at 1 August 2020	400,000,000	209,594,000	31,142,800	(6,313,678)	114,625,797	749,048,919	-	749,048,919
Transferred from acquired companies	-	-	-	(224,062)	-	(224,062)	10,629,577	10,405,515
Net income for the year - before adjustment	-	-	-	-	37,064,600	37,064,600	(26,954)	37,037,646
Previous years adjustments	-	-	-	-	(1,542,960)	(1,542,690)	-	(1,542,960)
Net income for the year - after adjustment	-	-	-	-	35,521,640	35,521,640	(26,954)	35,494,686
(loss)/ Other comprehensive income	-	-	-	(1,149,041)	-	(1,149,041)	49,150	(1,099,891)
Total comprehensive income	-	-	-	(1,149,041)	35,521,640	34,372,599	22,196	34,394,795
Dividends (Note 15)	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Transferred to statutory reserve	-	-	3,552,164	-	(3,552,164)	-	-	-
Balance as at 31 July 2021	400,000,000	209,594,000	34,694,964	(7,686,781)	106,595,273	743,197,456	10,651,773	753,849,229
Transferred from acquired companies	-	-	-	-	-	-	64,592,419	64,592,419
Net income for the year	-	-	-	-	70,615,973	70,615,973	3,440,289	74,056,262
(loss) other comprehensive income	-	-	-	(2,232,833)	-	(2,232,833)	232,473	(2,000,360)
Total comprehensive income	-	-	-	(2,232,833)	70,615,973	68,383,140	3,672,762	72,055,902
Dividends (note15)	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Issuance of shares (note 13-1)	20,872,150	71,140,432	-	-	-	92,012,582	-	92,012,582
Shares issuance expenses (note 13-1)	-	(3,947,571)	-	-	-	(3,947,571)	-	(3,947,571)
Transferred to statutory reserve	-	-	7,061,597	-	(7,061,597)	-	-	-
Balance as at 31 July 2022	**420,872,150**	**276,786,861**	**41,756,561**	**(9,919,614)**	**130,149,649**	**859,645,607**	**78,916,954**	**938,562,561**

Chief financial Officer
Adel Nader

Chief Executive Officer
Fahad Abdulaziz Al Tuwaijri

Chairman
Tariq Othman Al Qasabi

The accompanying notes 1 through 38 from an integral part of these consolidated financial statements.

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 July 2022
(Expressed in Saudi Riyals unless otherwise stated)

	Note	31 July 2022	31 July 2021 (Amended)
Cash flows from operating activities			
Net income for the year before Zakat		75,550,765	36,566,448
Adjustments for:			
Depreciation Real estate, property and equipment	5/33	26,207,256	16,087,971
Depreciation investment property	6	-	332,327
Amortization of intangible assets	7	3,023,096	1,916,715
Depreciation of right-of-use assets	8	55,023,742	30,019,741
Modification gains for leases on right-of-use assets	24/28	689,159	(1,917,479)
Provision for impairment of receivables	9/10	1,060,884	693,663
Finance costs	29	40,703,722	20,260,795
Provision for employees' post employment benefits	18-2	12,153,073	6,222,165
Gains from the acquisition of a subsidiary	27	(38,121,000)	-
Provision for slow moving inventory	24	135,554	-
Capital gains /(losses)		3,595,400	(49,051)
actuarial adjustments		-	(1,093,917)
		180,021,651	109,039,378
Changes in operating assets and liabilities:			
Inventories		978,832	(238,395)
Accounts receivable		(30,339,971)	23,588,975
Prepayments and other current assets		4,569,318	(10,077,075)
Due from a related party		(287,485)	(8,375)
Revenue received in advance		13,009,112	(735,331)
Trade payables		3,027,355	(4,238,744)
Accrued expenses and other liabilities		(4,864,690)	(6,147,461)
Due to a related party		59,702	(10,355,901)
Cash generated from operating activities		166,173,824	100,827,071
Paid end of service benefits	18-2	(9,883,303)	(8,496,239)
zakat paid	21-2	(2,228,511)	(1,956,760)
Net cash generated from operating activities		154,062,010	90,374,072
cash flow from investing activities			
Additions to Real estate, property and equipment	5	(46,314,119)	(9,356,172)
Proceeds from the sale of Real estate, property and equipment		422,164	59,701
Net cash flow from the acquisition of subsidiaries, net of cash acquired	35	(195,011,759)	(38,792,222)
Net cash (used) in investing activities		(240,903,714)	(48,088,693)
cash flows from financing activities			
Paid lease liabilities	8	(60,412,524)	(35,816,107)
Issuance of shares for capital increases	13	20,872,150	-
Share premium, net	13-1	67,192,861	-
Dividends Paid	15	(40,000,000)	(40,000,000)
Received from loans	16-2	380,025,000	259,852,889
repaid to loans		(232,771,486)	(214,704,899)
Finance costs paid		(6,085,469)	(6,000,100)
Deferred government grant revenue	17	(516,644)	(512,712)
Net cash used in financing activities		128,303,888	(37,180,929)
Net Chang in cash and cash equivalents		41,462,184	5,104,450
Cash and cash equivalents at beginning of the year	12	7,498,833	2,394,383
Cash and cash equivalents at the end of the year	12	48,961,017	7,498,833
Non-cash transactions	34		

Chief financial Officer	**Chief Executive Officer**	**Chairman**
Adel Nader	Fahad Abdulaziz Al Tuwaijri	Tariq Othman Al Qasabi

The accompanying notes 1 through 38 from an integral part of these consolidated financial statements.

(Expressed in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

Ataa Educational Company (the "Company") is a Saudi joint stock Company, incorporated under the Regulations for Companies in the Kingdom of Saudi Arabia and was registered in Riyadh under Commercial Registration number 1010186435 dated 10 Rabi' I 1424H (corresponding to 11 May 2003), as a saudi joint stock Company under the Ministerial Resolution No. (71/s) on 10 Rabi' I 1431H (corresponding to 24 February 2010).

On 29 Thul-Qi'dah 1440H (corresponding to 31 July 2019), the Company's shares were listed and started trading on Saudi Stock Exchange (Tadawul) under the code (4292).

The principal activities of the Company include the establishment of national and international schools, kindergarten, primary, middle and secondary schools for boys and girls (general and memorization), colleges and universities in the Kingdom of Saudi Arabia and abroad, establishing, managing and maintaining training centers purchasing existing schools and educational and training facilities, and developing and managing them owning, managing and operating educational and training institutes, owning and managing vocational training centers, and establishing, owning and managing special education schools. The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities.

Trading in the Company's shares began on the Saudi stock market on July 31, 2019 after obtaining the approval of the Capital Market Authority in the Kingdom of Saudi Arabia.

The Company's head office is located in Riyadh city and its official address is as follows:

P.O. Box 87527

Riyadh 11652

Kingdom of Saudi Arabia

In accordance with the Company's By-Laws, the fiscal year of the Company commences on 1 August and ends at 31 July of each year.

The Company operates through its following branches:

Branch Name	**CR No.**
Al-Rowad Schools (Izdihar branch)	1010362199
Al-Rowad Schools (Al Rawabi branch)	1010275978
Al-Rowad Schools (Al Mansoura branch)	1010397500
Al-Rowad Private School (Al Rawda branch)	1010203258
Al-Rowad Schools (Ishbiliyah branch)	1010469726
Al-Rowad Ishbiliyah International Schools, Ataa branch	1010450854
Al Fikr Private School	1010192540
Middle East International School	1010192541
New Middle East International School	1010250798
Modern Middle East International School	1010352008
Al Sulaymaniyah International Private School	1010196919
Branch of Ataa Educational Company for Maintenance and Operation	1010452144

(Expressed in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS (CONTINUED)

The subsidiaries in which the Company directly or indirectly owns (collectively referred to as the "Group") are as follows:

Subsidiary	Country of incorporation	Legal form	Effective shareholding (Direct / Indirect) 31 July 2022	31 July 2021
Al Nokhbah Educational Company (1)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	100%
Al Oruba International Company for Education Services (2)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	100%
Al-Rowad Company for Supporting Services (3)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	100%
Elm International Schools Company (4)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	100%
Wasat National Training and Education Company (5)	Kingdom of Saudi Arabia	A limited liability Company	**52%**	52%
Arabian Education and Training Group Holding Company (6)	Kingdom of Saudi Arabia	Closed joint stock Company	**100%**	-
Creative Development Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	-
Alfaisal International Academy Institutes Training Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	-
Amjad Qurtuba Educational Services Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	-
Nabaa Educational Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**100%**	-
Al-Alsun International Private Schools Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**62.8%**	-
Academic Company for Educational Services (6)	Kingdom of Saudi Arabia	Closed joint stock Company	**52.2%**	-
Jasmine International Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**49%**	-
Jeel Al Majd International Private Schools Company (6)	Kingdom of Saudi Arabia	A limited liability Company	**45%**	-

(1) The Nokhbah Educational Company is a limited liability Company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010231261 on 26 Rabi Al-Awwal, 1428 H corresponding to 14 April 2007.

The principal activity of the Company is to own private schools for all levels – kindergarten /preparatory/ primary / middle/ secondary for boys and girls, wholesale and retail trade in educational materials and aids, and exercises its activity after obtaining the necessary licenses from the competent authorities.

The Company operates through Al Nokhba Educational Schools, Al Kharj Branch, Al Nahda District, which holds commercial registration No. 1011010525 issued by the city of Riyadh on 15 Jumada Al Awwal 1425H corresponding to July 3, 2004.

(2) Al Oruba International Company for Education Services is a limited liability Company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010259834 on 25 Dhual-Hijjah 1429 H corresponding to 24 December 2008.

The principal activity of the Company is to establish American curriculum schools, establish manage and operate international schools, language and translation institutes educational training centers, private institutes and colleges, and computer centers.

1. LEGAL STATUS AND OPERATIONS (CONTINUED)

(3) Al-Rowad Company for Supporting Services is a limited liability Company established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010299500 on 19 Muharram 1432 H corresponding to 25 December 2010.

The principal activity of the Company is in general contracting for buildings, establishing schools operating school canteens, and trading in stationery, furniture and building materials.

On 22 Jumada Al-awwal 1439 H corresponding to 7 February 2018 the Company opened a new branch and registered in Riyadh under Commercial Registration No. 1010933937 and the principal activity of the branch is in maintenance and operation.

(4) Elm International Schools Company is a limited liability Company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010218835 on Rabi' Al-Thani 3, 1427H (corresponding to May 1, 2006).

Elm International Schools Company's main ,activity is pre-school education Kindergarten with a national and international curriculum operating independent schools teaching kindergarten with a national and international curriculum, primary education for male and female students with a national and international curriculum operating independent schools, primary education with a national and international curriculumc intermediate education for male and female students with a national curriculum and international, operating independent schools, intermediate education, with a national and international curriculum, secondary education for male and female students, with a national and international curriculum operating independent schools, secondary education with a national and international curriculum, mixed intermediate education, including community schools, mixed secondary education including community schools, institutes for teaching languages and conversation skills, centers for memorizing the Noble Qur'an and the Noble Hadith, training in the use of computers and supplementary programs, administrative training institutes, electronic training, institutes of teaching Arabic for non-native speakers, institutes Teaching Arabic calligraphy, academic advising services, private educational supervision and training centers.

Elm International Schools Company operates through the Elm International Schools Company branch, which holds a commercial registration number 1010393369 issued in the city of Riyadh on 1 Rabi' al-Akhir 1435H corresponding to February 1, 2014.

(5) During 2021, the Company acquired Al-Wasat National Training and Education Company a limited liability Company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010192295 dated Shawwal 26, 1424 H (corresponding to December 20, 2003)

Al-Wasat National Training and Education Company's main activity is primary education for male and female students with a national curriculum intermediate education for male students with a national curriculum, secondary education for male students with a national curriculum, mixed middle education including community schools, the operation of independent schools, secondary education with a national curriculum.

Al-Wasat National Training and Education Company operates through the branch of Al-Wasat National Training and Education Company, which holds a commercial registration number 1010949634 issued in the city of Riyadh on Rajab 11, 1439 H corresponding to March 28, 2018.

(6) On August 8, 2021, the Company acquired the Arabian Education and Training Group Holding Company and its subsidiaries as of August 1, 2021. It is a closed Saudi joint stock Company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under the Register Commercial No. 1010206103 dated Muharram 18 1426 AH (corresponding to February 27, 2005).

The Arabian Education and Training Group Holding Company's main activity is the establishment and management of language and computer institutes, administrative programs and health institutes, and the establishment and management of private schools, colleges, universities and all educational, educational and training activities under the letter of the Technical and Vocational Training Corporation No.

On December 13, 2021 , a tripartite agreement was signed between Ataa Educational Company "the exporting Company" and the Arabian Education and Training Group Holding Company "as the buyer" and the partners of the Nabaa Educational Company "in the capacity of sellers" to sell Nabaa Educational Company to the Arabian Education and Training Group Holding Company by issuing shares to the partners of Nabaa Educational Company in Ataa Educational Company, provided that the sale process is conditional on fulfilling all the conditions contained in Article 4 of the sale agreement, including the approval of the Extraordinary General Assembly of Ataa Educational Company to buy shares from sellers and increase the capital for the purpose of the buyer's acquisition of Nabaa Educational Company.

On June 29, 2022, the Extraordinary General Assembly approved an increase in the Company's capital by an amount of 20.87 million Saudi riyals to become 420.87 million Saudi riyals by issuing 2,087,215 shares with a nominal value of 10 Saudi riyals per share for the benefit of the partners in Nabaa Educational Company in exchange for transferring all the shares In Nabaa Educational Company for the Arab Group for Education and Training Holding Company, as of August 1, 2021. (Note 13)

Nabaa Educational Company's main activity is to operate independent schools teaching kindergarten with a national curriculum, operating independent schools for intermediate education with a national curriculum, operating independent schools with secondary education with a national curriculum, training institutes and centers for rehabilitation and non-academic development, academic advising services, testing and evaluation services.

Nabaa Educational Company operates through the National Curriculum Branch for Boys and Girls, which holds commercial registration No. 1010370411 issued in the city of Riyadh on Jumada Al Thani 3, 1434 corresponding to April 13, 2013.

2. BASIS OF PREPARATION

a. Applied accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA). The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all periods presented, unless otherwise stated.

As indicated in Note 1-6, the Company acquired the Arab Group for Education and Training Holding Company and Nabaa Educational Company as of August 1, 2021. Accordingly, the comparative figures presented in the consolidated financial statements for the year ending on July 31, 2021 attached do not include the acquired companies.

b. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent Company and its subsidiaries as disclosed within note (1). as of July 31, 2022
Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has the right, 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 only when 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

When the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses the extent of its controls over its investment, 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 its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group gains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributed to shareholders of the parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

2. BASIS OF PREPARATION (CONTINUED)

b. BASIS OF CONSOLIDATION (CONTINUED)

A change in the ownership shares of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in consolidated statement of profit or loss.
- Reclassifies the parent Company’s share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the recognition of employee end-of-service benefits liabilities and Ministry of Finance loan at the present value of future obligations and using the projected unit credit method.

D. Going Concern

As of July 31, 2022, the Group's current liabilities exceeded its current assets by SAR 52.6 million, which is mainly attributable to loan, and lease liability under right of uses cumulatively amounting to SAR 177.7 million. Despite the defficency in working capital, the Group has a generated operating cash flow of SAR154.06 million, which is an indication of the Group’s ability to meet its obligations when they become due. The Group’s management also monitors cash management and analyzes liquidity risks intensively and is confident of its ability to continue as a going concern Accordingly, the acCompanying consolidated financial statements have been prepared on a going concern basis.

As required by the Capital Market Authority through its circular issued on October 17, 2016, the Group must apply the cost model to measure property, equipment and intangible assets when adopting IFRS for a period of three years starting from the date of applying IFRS. Later until December 31, 2024.

According to the Authority’s circular on January 2, 2020, the listed companies were allowed to use the fair value or revaluation model to measure investment properties for the financial periods beginning during 2022 or after, and the Group’s management decided to apply the cost model in accordance with paragraph (30) of International Accounting Standard No. 40) Investment real estate.

E. Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group, all figures have been rounded off to nearest Saudi riyals unless otherwise mentioned.

(Expressed in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

F. New standards, amendments to standards and interpretations

Amendments

A number of new amendments to the standards, described below, are effective during the current year but do not have a material impact on the Group's consolidated financial statements:
New amendments to standards issued and applied as of 2022

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9, IAS 39, IFRS 4 and IFRS 16	Adjustments to the Standard Interest Rate - Stage 2	January1, 2021	These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9
IFRS 16	Amendments to IFRS 16 Leasing - COVID-19 Related rental concessions	April 1, 2021	This amendment extends the exemption from assessing whether a COVID-19-related rent concession is a lease modification for payments originally due on or before June 30, 2022 (rather than payment due on or before June 30, 2021).

(Expressed in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

G. New standards and amendments to revised International Financial Reporting Standards issued but not yet effective

The Group has not applied new and revised International Financial Reporting Standards and the following amendments to International Financial Reporting Standards that have been issued but not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or	Summary of the amendment
IAS 37	Onerous Contracts Cost of Fulfilling a Contract	1 January 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. These amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.
IFRS 16, IFRS 9, IAS 41 and IFRS 1	Annual Improvements to IFRS Standards 2020–2018	1 January 2022	IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements IFRS 9: The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender. The amendment is to be applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.
IAS 16	Property, Plant and :Equipment Proceeds before Intended Use	1 January 2022	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. Additionally, the amendments also clarify the meaning of 'testing whether an asset is functioning 'properly.
IFRS 3	Reference to the Conceptual Framework	1 January 2022	The amendment as a whole updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the Framework 1989.
IFRS 17	Insurance contracts	1 January 2023	This new accounting standard is comprehensive for insurance contracts that covers recognition, measurement, presentation and disclosure. Once in force, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification
IAS 1 and Practice Statement 2	Disclosure of accounting policies	1 January 2023	This amendment deals with assisting entities in determining the accounting policies that should be disclosed in the consolidated financial statements.
IAS 8	Modify the definition of an accounting estimate	1 January 2023	These amendments to the definition of accounting estimates help organizations distinguish between accounting policies and accounting estimates.
IAS 12	Income Taxes	1 January 2023	This amendment addresses clarification regarding deferred tax accounting for transactions such as leases and decommissioning obligations.
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets .between an investor and its associate or joint venture Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

2. BASIS OF PREPARATION (CONTINUED)

G. New standards and amendments to revised International Financial Reporting Standards issued but not yet effective (continued)

Management anticipates that these new standards interpretations and amendments will be adopted in the Group's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Certain comparative figures have been reclassified to the current year's presentation. The following is a summary of the significant accounting applied by the Group:

3-1 Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-2 Business combinations

Business combinations are accounted for using the acquisition method upon transfer of control to the Group. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognized in the consolidated statement of profit or loss as incurred.

When the Group acquires a business, it assesses the identifiable assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value with limited exceptions.

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value at the acquisition-date of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then a gain on bargain purchase at a differential price is recognized in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing for goodwill acquired from the business combination and from the date of acquisition, it will be allocated to cash-generating units ("CGU") that are expected to benefit from the consolidation regardless of whether the other assets or liabilities acquired have been allocated to those units.

If goodwill is not allocated to designated cash-generating units because of an incomplete initial calculation, the initial impairment loss will not be tested unless impairment indicators are available to enable the Group to distribute the carrying amount of the goodwill to the cash generating units or the Group of cash generating units expected to benefit from business combination. Where goodwill is allocated to the cash generating unit and part of the operations of that unit are disposed of, goodwill associated with the discontinued operation will be included in the carrying amount when determining the gain or loss on disposal of the operation. The goodwill in such circumstances is Measured on the basis of the value of a similar disposed operation and the remaining portion of the cash-generating unit.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (orGroup of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's 'net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another relevant IFRS approved in Kingdom.

Any contingent consideration to be paid (if any) will be recognized at fair value at the acquisition date and classified as equity or a financial liability. Contingent consideration classified as a financial liability is subsequently remeasured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the consolidated statement of profit or loss where such treatment would be appropriate if that interest were disposed of

If the initial accounting for the business combination is not completed by the end of the reporting period which constitutes the period in which the combination occurred, the Group presents the items whose value calculation has not been completed in a temporary manner in the consolidated financial statements. During the measurement period, which is not more than one year from the acquisition date, the temporary value recognized on the acquisition date is retroactively adjusted to reflect the information obtained about the facts and circumstances that existed at the date of acquisition and if it is determined that this will affect the measurement of amounts recognized as of that date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial assets considers a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities can be obtained at the measurement date.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly (derived from prices).

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs)

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on .the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3-4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, current accounts, deposits with banks and other short-term highly liquid investments with original maturities of three months or less, which can be readily converted into a specified amount of cash and are subject to an insignificant risk of change in value and are available for the Group's use.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-5 Inventory

Inventories consist of textbooks, stationery and school uniforms Inventories are valued at cost or net realizable value, whichever is lower, and cost is determined on a weighted average basis. The realizable value is the difference between the estimated selling price in the ordinary course of business, less the estimated costs of completion and expenses to complete the sale.
The Group reviews the carrying amount of inventories on a regular basis. When necessary, inventories are written down to their net realizable value or provision is made for obsolescence if there is a change in the usage pattern or physical form of the related inventories
Management estimates the net realizable value of inventory, considering the most reliable evidence at the time the estimates are used and making a provision for obsolete inventory. These estimates consider changes in demand for goods, technological changes, and fluctuations in quality and prices. Accordingly, the Group considers and considers these factors in calculating the provision for obsolete, slow moving and obsolete inventory.

3-6 Account receivables

A mounts due from parents for services performed in the ordinary course ofthe Group's business and the receivable does not bear interest. If credit exceeds normal credit terms, accounts receivable are measured at amortized cost using the effective interest rate method. At the end of each reporting period, the carrying amounts of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. In this case, the impairment loss is recognized directly in the consolidated statement of profit or loss.

3-7 Property and equipment

Property and equipment are recognized initially at the cost of acquisition, including any directly attributable costs of bringing .the assets to the location and condition necessary for them to operate in the manner intended by the Group's management These assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When the major components of property and equipment have different useful lives, they are accounted for as separate items of property and equipment Depreciation is charged to the consolidated statement of profit or loss and calculated using the . straight-line method to allocate the costs of the related assets after deducting the residual values over the estimated useful lives of each item of property, plant and equipment. The following are the estimated depreciation rates for the assets:

Asset	Years
Buildings and constructions	7.7 – 50
Electrical tools & equipment	4 – 10
Motor vehicles	5 – 10
Furniture & fixture	4 – 10

Repair and maintenance expenses are charged to the consolidated statement of profit and loss. Repair and maintenance expenses that significantly increase the value of the assets or extend their useful life are capitalize.

The depreciation method, residual value estimates and useful lives are reviewed annually.

Any item of property and equipment and any significant part initially recognized is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised. The carrying amount of the asset is written down immediately to its recoverable amount if the carrying amount of the asset exceeds its estimated recoverable amount.

Projects under construction

Assets under construction or development are capitalized under capital projects in progress. Assets under construction or development are transferred to the appropriate category of property, equipment or intangible assets (depending on the nature of the project), when the asset reaches the location and/or condition necessary for it to operate in the manner deemed by management. The cost of the capital work-in-progress item includes the purchase price, construction/development cost, and any other costs directly associated with creating or acquiring the capital work-in-progress item that management considers. Costs associated with testing items of capital work-in-progress (before they are available for use) are capitalized net of proceeds from selling any production during the testing period. Capital projects in progress is not depreciated or amortized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-8 Investment properties

Investment properties are properties held to earn rentals or for capital appreciation (including property under construction). Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss. The cost less estimated residual value, if any is depreciated using straight-line basis over the useful lives of the property. The cost includes the cost of replacing major parts and borrowing costs for long-term construction projects if the recognition criteria are met.
Although the Group measures investment properties using the cost model, the fair value of investment properties is disclosed in the notes to the financial statements. Fair value is determined based on an annual evaluation performed by an independent valuer who holds recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.
Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use or when no future economic benefit is expected from their disposal. Gains or losses resulting from disposal of investment properties are recognized in the consolidated statement of profit or loss.
Properties are depreciated using the strait-line basis over their estimated useful life of 50 years and depreciation is charged to consolidated statement of profit or loss.
Rental income of these investment properties and their related depreciation are included in statement of profit or loss.
The carrying amount of the investment property is derecognized on its disposal (either through sale or a finance lease) or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between (a) net proceeds from disposal of investment property and (b) its carrying amount, is recognized in the profit or loss in the period of disposal or write-off.
If the use of investment property changed to a property occupied by the Group, it will be reclassified to property and equipment item at the same carrying value at the date of reclassification. If the use of a property occupied by the Group that was classified under property and equipment, it will be reclassified to investment properties item at the same carrying value at the date of reclassification. The residual value of the investment property and its useful life are reviewed at the end of each financial year and the necessary adjustments are made as a result of a change in an accounting estimate.

3-9 Assets held for sale

Non-current assets, or disposal Groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets, or disposal Groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the consolidated statement of income. Once classified as held for sale, property and equipment are no longer amortized or depreciated.

3-10 Intangible assets (Except Goodwill)

Intangible assets are presented in the consolidated statement of financial position at cost less accumulated amortization and any accumulated impairment losses. It is recognized in the consolidated statement of profit or loss in the period in which the expenses are incurred.
The useful lives of intangible assets are assessed as finite or indefinite.
Intangible assets with finite lives are amortized over their economic useful lives. The estimated useful life and the method of amortization are reviewed at the end of each financial year, considering the effect of any changes in estimates on a prospective basis.
Intangible assets that do not have a definite life are amortized, but are tested annually to ensure that there is a decrease in their value. The useful life of intangible assets that do not have a definite life is reviewed annually to ensure whether the assessment is made for the useful life, and there is still support for it. The effect of a change from a finite to an indefinite life is considered a future adjustment.

3-10-1 Computer software

Software licenses purchased from other parties are initially recorded at cost. These are amortized using the straight-line method over its estimated useful life of four years.

3-10-2 Student List

The list of students that the Group obtains from the acquisition of subsidiaries and has a finite useful life is measured at cost less accumulated amortization and any accumulated impairment losses.
Amortization is calculated to write off the cost of intangible assets less their estimated residual value using the straight line method over the estimated useful lives of 8 years and is recognized in consolidated profit or loss.
The amortization methods, useful lives and residual value are reviewed at each reporting date and adjusted if it is necessary.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-10-3 Franchise

The franchise is the exclusive right to use the trademark within the Kingdom of Saudi Arabia and is measured at initial proof at cost. Subsequently, it is carried at cost less accumulated amortization and any impairment losses. The franchise is amortized on a straight-line basis over the life of the franchise agreement.

3-11 Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.
Goodwill is allocated to cash-generating units or Groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified.
Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

3-12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that the asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount of an asset is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its usable value.
The recoverable amount of an individual asset is determined unless the asset does not generate cash inflows that are largely independent of those of other assets or aGroup of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are 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. Recent market transactions are taken into account in determining fair value less costs of disposal. In the event that such transactions cannot be determined, the appropriate valuation form is used. Goodwill is tested annually for impairment and no impairment losses to goodwill are reversed.
The Group bases its calculation of impairment on detailed budgets and operating plans, which are prepared separately for each of the cash-generating units of theGroup to which the individual assets are distributed. These operating budgets and plans generally cover a period of five years. The long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.
Impairment losses from continuing operations are recognized in the consolidated statement of profit or loss in categories of expenses consistent with the function of the impaired asset.
For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses no longer exist or have decreased. When such indication exists, the Group estimates the recoverable amount of the asset or cash-generating unit. Impairment losses are reversed so that the carrying amount of the asset does not exceed its recoverable amount and does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in previous years. This response is recognized in the consolidated statement of profit or loss

3-13 Zakat

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia ("the Authority"). Zakat is accrued and charged to the consolidated statement of profit or loss for the current period. Additional zakat liabilities, if any, related to assessments made on previous years are calculated by the Authority in the period in which the final assessments are issued.
TheGroup is primarily eligible to pay zakat only. Since the reversal of the timing differences, if any, is not expected to have any material impact on the amount of zakat in the foreseeable future, and therefore no deferred tax liability or asset is recognized in these consolidated financial statements.

3-13-1 Value Added Tax)"VAT"(

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable tothe taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

  The net amount of VAT recoverable from, or payable to, ZATCA as part of purchase asset or expenses items in consolidated statement of financial position

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-14 Employees' post employment benefits

3-14-1 Short-term obligations

Liabilities relating to wages and salaries, including non-monetary benefits, accrued leave and travel tickets that are expected to be paid in full within twelve months after the end of the period in which the employees render the related services, are recognized based on the services provided by the employees up to the end of the reporting period. It is measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit liabilities under accrued expenses in the consolidated statement of financial position.

3-14-2 Other obligation related to long term employees' benefits

The liability or asset is recognized in the consolidated statement of financial position in respect of the defined reward. The employees' end of service benefit obligation is the present value of the defined benefit obligation in the reporting year. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the obligation determines the defined benefits by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the rewards will be paid, and whose terms are similar to those of the related obligation.

The defined benefit costs are classified as follows:

Service cost

Service costs include current service cost and past service cost, which are recognized immediately in the consolidated statement of profit or loss.
Changes in the present value of the defined benefit obligation on plan modifications or reductions are recognized directly in the consolidated statement of profit or loss as past service costs.

Interest cost

The net interest cost is calculated by applying the discount rate to the net defined benefit obligation balance. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurement gain or loss

Remeasurement gains or losses arising from adjustments or changes in actuarial assumptions in the year in which they occur are recognized directly in other comprehensive income.

3-15 Statuary reverse

In accordance with the Company's articles of association and the provisions and regulations of companies in the Kingdom of Saudi Arabia, the Company must annually transfer 10% of the net income for the year to the statutory reserve until this reserve reaches 30% of the capital. This reserve is not available for distribution to shareholders.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from providing services in the ordinary course of the Group's business taking into consideration contractually determined payment terms. Revenue is stated net of trade discounts, incentives and discounts.

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

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with the customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price.	The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Group recognizes revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Identify the contract with the customer
The Group carefully evaluates the terms and conditions of contracts with its customers because revenue is recognized only when the performance obligations in contracts with customers are satisfied. A change in the scope or price of the contract (or both) is considered a contract modification and the Group determines whether that change will be considered a new contract or counted as part of an existing contract.

Identify the performance obligations
Once the Group has identified a contract with a customer, it evaluates the contractual terms and customary business practices to determine all of the agreed services within the contract and determine which of those agreed services (or Group of agreed services) will be treated as separate performance liabilities.

Determine the transaction price
The Group determines the transaction price as the amount it expects to receive. It includes an estimate of any variable consideration, the effect of a significant financing component (ie the time value of money), the fair value of any non-cash consideration and the effect of any consideration paid or owed to a customer (if any). The variable consideration is limited to the amount by which it is probable that a material reversal in the amount of cumulative revenue recognized will not occur when the uncertainties associated with the variable consideration are subsequently clarified.
The amount of consideration is determined based on the transaction price agreed with the customers and there are no other promises in the customer contract that are identified as separate performance obligations for which a portion of the transaction price must be allocated. In determining the transaction price for the services, the Group considered the effects of variable consideration, the presence of significant financing components, the non-cash consideration and consideration payable to the customer (if any) and concluded that such considerations are not included in the transaction price.

Contract modifications, eg change orders, are accounted for as part of the existing contract, with a cumulative revenue adjustment. For material contract modifications, a separate contract may be recognized, based on management's assessment of the following factors:
• The scope of the contract increases due to the addition of the promised distinct goods or services; And the
• The contract price is increased by an amount that reflects the entity's independent selling prices for the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.
There were no material contract modifications during the year ended July 31, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-16 Revenue recognition(continued)

Allocate the transaction price
In determining the performance obligations and the transaction price, the transaction price is allocated to the performance obligations, which is usually in proportion to their independent selling prices (ie on the basis of the relative future selling price). In determining standalone selling prices, the Group is required to use observable information, if any. If independent selling prices are not directly observable, the Group uses estimates based on reasonably available information.

Revenue recognition
The Group recognizes revenue in accordance with the terms and conditions of contracts with customers. To the extent that performance obligations relating to customer contracts are satisfied by the Group by transferring control of an agreed service to the customer, control may be transferred over time or at a point in time. When the performance obligation is satisfied within a period of time, the Group determines the progress under the contract based on the input or output method that works to better measure the performance completed to date. The specified method is consistently applied to similar performance obligations and in similar circumstances. The Group believes that it meets the performance obligations in its contracts with customers over time for education sector and at a point of time in training and employment services, and therefore it generates revenue when it fulfills its obligations under its contracts with customers.

3-16-1 Tuition fees (educational sector)
Tuition revenue (for the educational sector) is recognized in the consolidated statement of profit or loss during the student's study period and is recognized net of deductions and exemptions. Revenue is recognized over time

3-16-2 Bus subscription
Revenue from bus subscription services is recognized in the consolidated statement of profit or loss over the period of the school year for students subscribing to the service with either “one way” or “round trip”. Revenue is recognized over time

3-16-3 Employment Services.
Revenues from employment services are recognized when the employee is registers in the social insurance system and after the contract is sgined by the employee. Revenue is recognized at a point in time

3-16-4 Training Services
Revenue is recognized from courses such as language, computer and other courses when the training services are performed and completed. Revenue is recognized at a point in time

3-17 Expenses
Revenue cost/ update after joining the Arab Group
All expenses are recognized on an accrual basis. Operating costs are recognized on a historical cost basis. The bulk of this item includes the costs of teachers' salaries and rents for educational buildings.

marketing expenses
Marketing expenses consist of all marketing costs of educational services, recruitment and training services for the Group, and include advertising expenses, marketing fees through electronic platforms, and rental of external fixed and digital panels.

General and administrative expenses/ update after the accession of the Arab Group
General and administrative expenses include costs that are not necessarily part of marketing expenses, cost of revenue, financing costs or zakat expenses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-18 Earnings per share

Basic earnings per share / (losses)

Basic earnings per share is calculated by dividing:

- Profit / (loss) attributable to the shareholders of the Group, after deducting any equity service costs other than ordinary shares, on the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share (losses)

The numbers used to determine the basic earnings/(losses) are adjusted to the diluted earnings per share,taking into account :

- The effect of interest after income tax and other financing costs associated with the reduction of potential common stock
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all ordinary shares with the effect of the potential dilution.

3-19 Foreign currency transactions

Transactions in foreign currencies are converted into Saudi Riyals using the exchange rate prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions and from the re-measurement of monetary items denominated in foreign currency at the exchange rates prevailing at the end of the year are recognized in the consolidated statement of profit and loss.

Non-monetary items at the end of the year are not retranslated and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value that are translated using the exchange rates at the date when the fair value was determined.

3-20 Provisions

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount thereof can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Unwind of discount is recognized as finance cost in the consolidated statement of profit or loss.

3-21 Contingent Liabilities

All contingent liabilities arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the Group's control, or all present liabilities arising from past events but are unrecognized for the following reasons: (i) there is no possibility that an outflow of economic benefits will be required to settle the obligation,
or (ii) the amount of the obligation cannot be measured with sufficient reliability; All of them must be evaluated at the date of each consolidated statement of financial position and disclosed in the consolidated financial statements of theGroup within the contingent liabilities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-22 Segment reporting

Operating segment
The operating segment is one of the components of theGroup which carries out activities from which it may generate , revenues and incur expenses, including revenues and expenses related to transactions with any of the other segments of the Group All segment results are periodically evaluated by the operating decision maker to make decisions and assess the . performance of the resources allocated to each segment and the financial information available separately.

Segment results that are reported to the operating decision maker include items directly attributable to the segment as well as those that can be allocated on an appropriate basis. Head office expenses, research and development costs, related assets/liabilities, and zakat assets and liabilities.

In the Kingdom of Saudi Arabia, the Group has three operating sectors (educational sector - training sector - employment sector). The training segment has not met the quantitative limits set out in IFRS 8 Operating Segments but it is disclosed separately as management believes that information about the segment will be useful to users of the consolidated financial statements.

Geographical segment
A geographical segment is aGroup of assets, operations or entities engaged in profitable activities in a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

The Group has no geographical segments, as all revenues from the Group's activities are made within the Kingdom of Saudi Arabia, and therefore there are no geographical segments to be disclosed.

3-23 Financial instruments

1) **Classification and measurement of financial assets and financial liabilities**

On initial recognition, a financial asset is classified as measured at: amortized cost, or at fair value through comprehensive income – debt investment, or at fair value through other comprehensive income – equity investment, or at fair value through profit or loss.

A financial asset is measured at amortized 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 of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income 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 achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not designated as measured at amortized cost or at fair value through comprehensive income 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 amortized cost or fair value through comprehensive income or as assets at FVTPL, if doing so, eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-23 Financial instruments (continued)

1) **Classification and measurement of financial assets and financial liabilities (continued)**

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial asset at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in comprehensive income. On derecognition, gains and losses accumulated in comprehensive income are reclassified to profit or loss.
Equity investments at FVTCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recognized in the comprehensive income and are never reclassified to profit or loss.

Derecognition

Financial assets

A financial asset (or part of a Group of similar financial assets) is mainly derecognized (i.e. excluded from the Group's statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired.
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities

The Group derecognize a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognize financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the carrying amount extinguished and the amortized and the amount paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-23 Financial instruments (continued)

2) **Impairment of financial asset**

The financial assets recognized at amortized cost consist of trade receivables, cash and cash equivalents.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information

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 cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income 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.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Offsetting of financial instruments

Financial assets and liabilities are offset and reported net in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3-24 Right-of-use assets

The Group recognizes right-of-use assets on the commencement date of the lease (ie the date that the underlying asset becomes available for use). Right-of-use assets are measured at cost less any accumulated depreciation and any impairment losses, adjusted for any remeasurement of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the lease commencement, less any lease incentives received and asset recovery costs. Unless the Group is reasonably certain about obtaining ownership of the asset

Lessee At the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over their estimated useful life or the lease term, whichever is shorter. Right-of-use assets are subject to impairment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-25 Leases liabilities
The Group, at inception of the lease, recognizes lease liabilities that are measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including actual fixed payments) less any lease incentives receivable, index or rate variable rent payments, and amounts expected to be repaid under residual value guarantees. Lease payments also include the exercise price of the purchase option reasonably certain to be exercised by the Group and payment of lease termination penalties if the lease reflects the Group .s exercise of the option to terminate' Variable rent payments that do not depend on a specific index or rate are recognized as an expense in the year in which the event or circumstance causes the payment to be made.

In calculating the present value of lease payments, the Group uses the default borrowing rate at the commencement of the lease if the interest rate implicit in the lease cannot be readily determined. After the lease commencement date, the amount of the lease commitments is added to reflect the increased interest and reduced by the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a modification or change in the lease term; Whether it is a change in the actual fixed lease payments or a change in the valuation of the purchase of the underlying asset.

3-26 Short-term leases and leases of impairment assets
The Group applies the short-term lease recognition exemption to its short-term leases of leasehold properties for leasee and lessor (ie leases with a term of 12 months or less from the commencement date that do not include a purchase option) , and the recognition exemption for leases with low value assets. Lease payments relating to short-term leases and leases of low-value assets are recognized as an expense on the straight-line method over the term of the lease.

3-27 Borrowing
The borrowing areinitially recognized at fair value (as proceeds received). net of transaction costs, if any . Subsequent to -initial recognition, longterm borrowing are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the term of borrowing usingthe effective interest rate method . Fees paidon borrowing facilities are recognized in transaction costs ofborrowing to the extent that it is probable that some or all of the facility will be withdrawn. In this case, the fees are deferred until the facility is withdrawn, and the fees are capitalized within the advance payments for liquidity services to the extent that there is no evidence that part or all of the facility may be withdrawn, and are amortized over the period of the related facility.
Loans are derecognised in the consolidated statement of financial position when the obligation is discharged, canceled or expires. The difference between the carrying amount of a financial liability that has been amortized or transferred to a third party and the consideration paid, including non-monetary assets transferred or liabilities assumed, is recognized in the consolidated statement of profit and loss in other income or finance costs.
Borrowing are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

3-27-1 Finance cost
General and specific borrowing directly related to the purchase, construction or production of assets eligible for ,capitalization are capitalized over the period of time required to complete and prepare the asset for its intended use or sale as appropriate. Qualifying assets are assets that necessarily take a significant period of time to become ready for use or sale for which they are intended. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
Other borrowing costs are recognized as an expense in the year in which they are incurred in the consolidated statement of profit or loss.

3-28 Government Grants
Government grants are recognized when there is reasonable assurance that the grant will be received and that all associated conditions will be complied with. When the grant relates to an expense item, it is recognized as revenue on a regular basis over the periods for which the Group intends to offset the costs being expensed.
When the grant relates to an asset, it is recognized as revenue in equal amounts over the expected useful lives of the related asset.
When the Group obtains non-cash grants, the asset and the grant are recorded in the aggregate at nominal value and transferred to the consolidated statement of profit or loss over the expected useful life of the asset based on the pattern of consumption of the asset's benefits specified in equal annual installments. When borrowing or similar assistance are granted from governments or related institutions at an interest rate lower than the prevailing interest rate, the effect of these preferential interests is considered a government grant and recorded within the non-current liabilities in the financial position as deferred government grants.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3-29 Cash dividends and non-cash dividends to shareholders
Cash or non-cash distributions to shareholders are recognized as liabilities when the distribution is approved, and according to the Companies Law in the Kingdom of Saudi Arabia, dividends are approved when approved by the shareholders. The amount distributed is deducted directly from equity and recognized as a liability.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these consolidated financial statements, management has used judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. A revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the revision period and future periods if the revision affects both current and future periods.

Significant judgments in applying the Group's accounting policies
The following are the significant judgments, except for the estimations described below, made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements.

4-1 Employees' post employment benefits liabilities
The present value of the retirement obligations depends on a number of factors which are determined using actuarial valuations that use a number of assumptions. The assumptions used in determining the net cost (income) of retirement include the discount rate. Any change in these assumptions will affect the carrying amount of the retirement obligations.
The Group determines the appropriate discount rate at the end of each year, which is the interest rate used to determine the present value of estimated future cash flows that are expected to be required to settle its post-employment obligations. In determining the appropriate discount rate, the Group considers the interest rates on government bonds
Saudi Arabia has a rating of at least "A" or above, as determined by an internationally recognized rating agency, with the period of government bonds consistent with the estimated period of post-employment benefit liabilities.
Other key assumptions for post-employment liabilities are based in part on current market conditions.

4-2 Provision for Expected Credit Loss
The Group uses a model to estimate lifetime expected credit losses that are neither credit impaired nor credit impaired based on the change in credit risk associated with the financial instrument. The Group uses the simplified model using a dedicated matrix to measure the expected credit losses of parent receivables, which usually consist of a very large number of small balances. To measure expected credit losses, receivables are Grouped on the basis of common credit risk characteristics and the periods in which they are due. Historical loss rates are adjusted to reflect current and future information according to indicators of macroeconomic activity that affect parents' ability to settle receivables.

4-3 Fair value measurement and valuation process
Certain assets and liabilities of the Group have been measured at fair value for financial reporting purposes. Group management is responsible for determining appropriate valuation inputs and techniques for measuring fair value. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent available. In the event that Level 1 inputs are not available, the Group hires accredited third-party evaluators to conduct the assessment. Group management works closely with approved external valuers to determine appropriate inputs and valuation techniques.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

4-4 Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 CGUs. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or Groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or Groups of units. The subsidiaries are regarded as a cash-generating unit for the purpose of impairment testing of their respective goodwill. Impairment losses are recognised in the consolidated statement of income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets including the intangible assets in the unit (Group of units) on a pro rata basis on condition that the carrying amount of other assets should not be reduced below their fair values

The previously recognised impairment loss in respect of goodwill cannot be reversed through the consolidated statement of income

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

Business combination and impairment assessment of 4-5goodwill

The Group has exercised its judgment in relation to the acquisition of Arab Group for Education and Training Holding (Note 35) and assessment of impairment of the related goodwill (Note 7).

4-6 Useful lives of property and equipment

As explained in Note 3 to these consolidated financial statements, the Group estimates that the useful lives of property and equipment at the end of each reporting date. These estimates are determined after considering the expected usage of the assets or depreciation arising from physical use. Management reviews the residual value and useful lives annually and future years of depreciation will be adjusted when management believes that the useful lives differ from previous estimates
.

4-7 Lease discount rate

The Group uses estimates in determining the incremental borrowing rate in calculating the present value of the minimum lease payments. As well as the expected duration if there are extension options.
of the year.

4-8 Provision for zakat

The management has assessed the status of zakat and income tax, considering the local zakat and income tax legislation, periodically issued resolutions and agreements. The interpretation of such legislation, decisions and agreements, which will not be completely clear, necessitates the completion of the assessment by the Zakat, Tax and Customs Authority

(Expressed in Saudi Riyals unless otherwise stated)

5- PROPERTY AND EQUIPMENT

	31 July 2022						
	Lands*	**Buildings and improvements***	**Electrical tools&equipment**	**Motor vehicles**	**Furniture & fixture**	**Projects under construction**	**Total**
Cost:							
Beginning of the year	156,010,372	371,048,884	37,480,534	32,634,457	37,959,600	8,537,174	**643,671,021**
Transferred from acquired companies (note 35-3)	26,071,303	197,447,042	59,454,401	2,957,398	53,916,463	6,384,867	**346,231,474**
Additions during the year	-	1,978,880	6,344,165	330,000	2,614,440	35,046,634	**46,314,119**
Revaluation differences arising from the acquisition (note 24/35-3)	63,217,582	14,420,239	-	-	-	-	**77,637,821**
Transferred from real estate investment (note 6) *	22,380,500	16,616,375	-	-	-	-	**38,996,875**
Transferred from projects in progress during the year	-	15,532,852	2,326,070	-	661,641	(18,520,563)	-
Disposals during the year	-	(2,727,906)	(902,901)	(499,995)	(505,209)	(2,811,639)	**(7,447,650)**
End of the year	**267,679,757**	**614,316,366**	**104,702,269**	**35,421,860**	**94,646,935**	**28,636,473**	**1,145,403,660**
Accumulated depreciation							
Beginning of the year	-	55,888,475	31,658,865	31,505,463	29,475,751	-	**148,528,554**
Accumulated depreciation transferred from acquired companies (note 35-3)	-	69,535,519	51,404,913	2,462,068	44,376,277	-	**167,778,777**
Transferred from real estate investment (note 6) *	-	1,577,153	-	-	-	-	**1,577,153**
Charged for the year	-	13,916,943	6,121,309	790,961	5,065,735	-	**25,894,948**
Depreciation of valuation differences resulting from the acquisition	-	312,308	-	-	-	-	**312,308**
Disposals for the year	-	(1,672,035)	(895,067)	(433,722)	(429,262)	-	**(3,430,086)**
End of the year	**-**	**139,558,363**	**88,290,020**	**34,324,770**	**78,488,501**	**-**	**340,661,654**
Net book value	**267,679,757**	**474,758,003**	**16,412,249**	**1,097,090**	**16,158,434**	**28,636,473**	**804,742,006**

* On Dhu al-Hijjah 5, 1443 corresponding to July 4, 2022, the Company's board of directors decided to reclassify the real estate investments represented in the land located in Al-Izdihar neighborhood on Othman Bin Affan Road in Riyadh and the buildings built on it within, property and equipment to be used as the Company's administrative headquarters. (note 6)
-The board of directors decide on Dhu al-Hijah 5,1443 corresponding to July 4,2022 to exclude an amount of SAR 2.8 from the account of project under construction and right it off the consolidated statement of profit and loss.
Carry the depreciation premium for the year as follows:

	31 July 2022
Revenue cost (note 25)	**23,704,343**
General and administrative expenses (note27)	**2,502,913**
	26,207,256

(Expressed in Saudi Riyals unless otherwise stated)

5- PROPERTY AND EQUIPMENT(CONTINUED)

	31 July 2021						
	Lands	**Buildings and improvements**	**Electrical tools& equipment**	**Motor vehicles**	**Furniture & fixture**	**Projects under construction**	**Total**
Cost							
Beginning of the year	156,010,372	365,715,109	33,203,421	28,942,832	35,766,164	5,108,082	**624,745,980**
Assets transferred from acquired companies (note 35-1/35-2)	-	2,809,822	4,702,159	3,870,369	1,106,100	-	**12,488,450**
Additions during the year	-	235,000	1,482,021	-	1,921,106	5,718,045	**9,356,172**
Transferred from projects in progress during the year	-	2,288,953	-	-	-	(2,288,953)	-
Disposals during the year	-	-	(1,907,067)	(178,744)	(833,770)	-	**(2,919,581)**
End of the year	**156,010,372**	**371,048,884**	**37,480,534**	**32,634,457**	**37,959,600**	**8,537,174**	**643,671,021**
Accumulated depreciation							
Beginning of the year	-	45,472,737	25,807,802	27,399,814	26,481,869	-	**125,162,222**
Accumulated depreciation from acquired companies (note 35-1/35-2)	-	1,600,176	4,033,797	3,637,199	916,120	-	**10,187,292**
Charged for the year	-	8,815,562	3,723,646	639,663	2,909,100	-	**16,087,971**
Disposals for the year	-	-	(1,906,380)	(171,213)	(831,338)	-	**(2,908,931)**
End of the year	-	**55,888,475**	**31,658,865**	**31,505,463**	**29,475,751**	-	**148,528,554**
Net book value	**156,010,372**	**315,160,409**	**5,821,669**	**1,128,994**	**8,483,849**	**8,537,174**	**495,142,467**

Carry the depreciation premium for the year as follows

	31 July 2021
Revenue cost (note 24)	16,087,971
	16,087,971

(Expressed in Saudi Riyals unless otherwise stated)

5- PROPERTY AND EQUIPMENT(CONTINUED)

As on July 31, 2022, some lands and buildings amounting to 392.14 million Saudi riyals (31 July 2021: 77.81 million Saudi riyals) are mortgaged in return for obtaining some credit facilities as shown in Note (16)

As on July 31, 2022 AD, the projects under construction amounting to 28.6 million Saudi riyals (31 July 2021: 8.54 milliom Saudi riyals) are represented in the construction project of an extension to the educational complex located in the Al-Izdihar district, the development of buildings in the educational complexes, the construction of the educational complex in the Al-Wurud district, and works Building the educational complex of Al-Wasat Company in Al-Salam neighborhood and the buildings of Al-Alsun International Schools Company and Al-Faisal International Academy Company. It is expected that these projects will be completed by the end of the year 2023 and the estimated cost to complete them is .106.5 million Saudi riyals

6-INVESTMENT PROPERTIES

	31 July 2022		
	Lands	**Buildings**	**Total**
Cost			
Balance beginning of the year	**22,380,500**	**16,616,375**	**38,996,875**
Transferred to, property and equipment (note 5) *	**(22,380,500)**	**(16,616,375)**	**(38,996,875)**
Balance end of the year	**-**	**-**	**-**
Accumulated depreciation			
Balance beginning of the year	**-**	**1,577,153**	**1,577,153**
Transferred to, property and equipment (note 5) *	**-**	**(1,577,153)**	**(1,577,153)**
Balance end of year	**-**	**-**	**-**
Net book value	**-**	**-**	**-**

* On Dhu al-Hijjah 5, 1443 corresponding to July 4, 2022, the Company’s board of directors decided to reclassify the investments properties represented in the land located in Al-Izdihar neighborhood on Othman Bin Affan Road in Riyadh and the buildings built on it within property and equipment to be used as the Company’s administrative headquarters. (note 5)

	31 July 2021		
	Lands	Buildings	Total
Cost			
Balance beginning of the year	22,380,500	16,616,375	38,996,875
Balance end of the year	22,380,500	16,616,375	38,996,875
Accumulated depreciation			
Balance beginning of the year	-	1,244,826	1,244,826
Charged for the year (note 26)	-	332,327	332,327
Balance end of the year	-	1,577,153	1,577,153
Net book value	22,380,500	15,039,222	37,419,722

Estimated useful life of the investment property is as follows:

	Years
Building	50

* These lands and buildings are secured against obtaining certain credit facilities as described in Note (16-2).

Fair value measrument according to IFRS 13 as at 31 July 2021 is as follows:

Properties	**Valuation methodology**	**Purpose**	**Key input and evaluation assumptions**	**Fair value as at 31 July 2021**
Administrative building on Uthman bin Affan Road	Cost approach for buildings, market value for lands	Impairment assessment	Recent transactions	38,825.704

Valuation techniques used are categorized as level 3 of fair value hierarchy.

The valuation mechanism of properties adopted in valuation of investment properties are consistent with the international board for valuation standards as well as guidance of the Saudi Authority for Accredited Valuers (TAQEEM).

The name and qualifications of the valuer who conducted the evaluation of the investment properties are as follows:

Name of valuer	Assets Price Real Estate Appraisal
Valuer’s qualifications	Licensed (TAQEEM).

(Expressed in Saudi Riyals unless otherwise stated)

7-INTANGIBLE ASSETS

31 July 2022

	Goodwill*	**Computer software**	**Student list**	**Trademark**	**Franchise**	**Total**
Cost						
Balance beginning of the year	**412,355,688**	**1,440,880**	**12,343,682**	**-**	**-**	**426,140,250**
Assets transferred from acquired companies (note 35-3)	**168,732,494**	**555,000**	**-**	**25,090,710**	**12,107,104**	**206,485,308**
Balance end of the year	**581,088,182**	**1,995,880**	**12,343,682**	**25,090,710**	**12,107,104**	**632,625,558**
Accumulated amortization						
Balance beginning of the year	**-**	**720,439**	**1,542,960**	**-**	**-**	**2,263,399**
Accumulated amortization transferred from companies (note 35-3)	**-**	**181,561**	**-**	**-**	**5,633,164**	**5,814,725**
Charged for the year	**-**	**471,211**	**1,542,960**	**-**	**1,008,925**	**3,023,096**
Balance end of the year	**-**	**1,373,211**	**3,085,920**	**-**	**6,642,089**	**11,101,220**
Net book value	**581,088,182**	**622,669**	**9,257,762**	**25,090,710**	**5,465,015**	**621,524,338**

31 July 2021

	Goodwill*	Computer software	Student list	Trademark	Franchise	Total
Cost:						
Balance beginning of the year	376,399,169	1,570,880	-	-	-	377,970,049
Additions during the year as a result of the acquisition of subsidiaries (note 35-1/35-2)	35,956,519	-	12,343,682	-	-	48,300,201
Disposal	-	(130,000)	-	-	-	(130,000)
Balance end of the year	412,355,688	1,440,880	12,343,682	-	-	426,140,250
Accumulated amortization						
Balance beginning of the year	-	392,720	-	-	-	392,720
Charged for the year	-	373,755	1,542,960	-	-	1,916,715
Disposals	-	(46,036)	-	-	-	(46,036)
Balance end of the year	-	720,439	1,542,960	-	-	2,263,399
	412,355,688	720,441	10,800,722	-	-	423,876,851

Carrying the amortization premium for the year as follows:

	31 July 2022	31 July 2021
Revenue cost (note24)	**2,551,885**	1,542,960
General and administrative expenses (note26)	**471,211**	373,755
	3,023,096	1,916,715

(Expressed in Saudi Riyals unless otherwise stated)

7. INTANGIBLE ASSETS (CONTINUED)

*Goodwill represents the diffrence between the net assets transferred to the Group from the merging and acquired companies and the value of those companies at the date of acquisition.

Goodwill has been allocated to cash-generating units of the Group as follows:

	31 July 2022	31 July 2021
Orouba International Company for Educational Service	**87,400,000**	87,400,000
Amjad Qurtuba Educational Services Company*	**70,427,040**	-
Nabaa Educational Company*	**70,410,615**	-
Middle East International Schools	**66,600,000**	66,600,000
Middle East Modern International Schools	**60,575,000**	60,575,000
New Middle East International Schools	**53,375,000**	53,375,000
Al-Ruwad Schools, Al-Rawda Branch	**33,091,250**	33,091,250
International Elm Schools Company	**29,318,044**	29,318,044
Al Rowad Schools, Al Rawabi Branch	**28,413,273**	28,413,273
Jasmine International Company	**16,382,422**	-
Alfiker Private School	**14,100,000**	14,100,000
Sulaymaniyah International Private Schools	**14,000,000**	14,000,000
Academic Company for Educational Services	**9,776,086**	-
AL Nokhba Schools, Al-Kharj Branch	**8,846,495**	8,846,495
Al Wasat National Schools Company for Education and Training	**6,638,475**	6,638,475
Alrowad Schools, Ishbiliyah branch	**7,479,000**	7,479,000
Alrowad schools, Mansoura branch	**2,519,151**	2,519,151
Al-Alsun International Private Schools Company	**1,736,331**	-
	581,088,182	412,355,688

* These companies are represented in the subsidiaries of the Arab Group for Education and Training Company, which is 100% owned by Ataa Educational Company. (Note 1-6)

Impairment assesment on goodwill:

The Group's management performs annual impairment test of goodwill for the purpose of impairment assesment and to identify whether the carrying value of goodwill is less than its recoverable value. The recoverable value is determined based on information used in the expected work plans for the five years following the financial statements and their related cash flows. Impairment assesment is performed based on the measurement of current value of the future cash flows for five years in accordance with reasonable and objective assumptions to estimate cash flow depending on recent variable budgets approved by the management.

The key assumptions used in the estimation of the recoverable amount are set out below:

The values assigned to key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	31 July 2022		31 July 2021	
	From	**to**	from	to
Discount rate	**11,2%**	**11,4%**	12,68%	13,28%

	31 July 2022	31 July 2021
Growth rate	**2%**	0,5%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. Terminal growth rate has been determined based on the management's estimate of the long-term compounded annual growth rate for profit before interest and depreciation, consistent with the assumptions that the market participant may make.

Sensitivity to changes in assumptions
Management believes that there is no reasonable probable change in any key assumptions that may lead to a significant change in goodwill over its recoverable value.

(Expressed in Saudi Riyals unless otherwise stated)

8- RIGHT-OF-USE ASSET

	31 July 2022	31 July 2021
Right-of-use assets at the beginning of the year	**351,527,714**	284,677,430
Right-of-use assets transferred from acquired companies (note 35)	**295,072,733**	1,651,285
Assets recognized during the year	**9,399,065**	65,198,999
Disposals during the year	**(2,997,071)**	-
Adjustments for the right to use assets	**(6,760,508)**	-
Balance at the end of the year	**646,241,933**	351,527,714
Accumulated depreciation		
Balance at the beginning of the year	**56,171,912**	25,648,488
Accumulated depreciation transferred from acquired companies (note 35)	**44,917,601**	503,683
Charged during the year	**55,023,742**	30,019,741
Disposals during the year	**(2,997,071)**	-
Adjustments for the right to use assets	**(4,347,181)**	-
Balance end of the year	**148,769,003**	56,171,912
Net book value as of July 31, 2022	**497,472,930**	
Net book value as of July 31, 2021		295,355,802

Carry the depreciation premium for the year as follows

	31 July 2022	31 July 2021
Revenue cost (note 24)	**55,023,742**	30,019,741
	55,023,742	30,019,741

Lease liabilities on right-of–use assets

	31 July 2022	31 July 2021
Lease liabilities as at the beginning of the year	**322,410,105**	281,211,005
Lease liabilities transferred from acquired companies (note 35)	**265,499,791**	1,198,386
Additions during the year	**9,399,065**	65,198,999
Interest charged during the year (note 29)	**22,974,313**	12,535,301
Paid during the year	**(60,412,524)**	(35,816,107)
Settlement of lease liabilities under right-of-use assets	**(485,458)**	-
Concessions on leases (note 28)	**(1,238,710)**	(1,917,479)
	558,146,582	322,410,105

Lease liabilities on right-of-use assets included in the consolidated statement of financial position are as follows:

	31 July 2022	31 July 2021
Non-current	**503,346,927**	300,630,208
Current	**54,799,655**	21,779,897
Lease liabilities on right-of-usebassets	**558,146,582**	322,410,105

	31 July 2022	31 July 2021
Less than one year	**54,799,655**	21,779,897
1-5 years	**194,119,330**	113,039,168
More than 5 years	**309,227,597**	187,591,040
	558,146,582	322,410,105

(Expressed in Saudi Riyals unless otherwise stated)

9- ACCOUNT RECEIVABLES

Account receivables	**31 July 2022**	31 July 2021
	128,874,798	64,819,651
Less: impairment provision in account receivables	**(12,659,213)**	(7,494,095)
	116,215,585	57,325,556

Receivables are not subject to any interest

Movement of impairment provision in account receivables as follows:

	31 July 2022	31 July 2021
Balance at the beginning of the year	**7,494,095**	4,356,815
Balance transferred from acquired companies	**40,052,544**	2,444,143
Charged during the year	**4,615,041**	783,699
Right-off	**(35,293,867)**	(526)
Provision reverse	**(4,208,600)**	(90,036)
	12,659,213	7,494,095

- Note 32-2 shows details of credit risk for account receivables

10- PREPAYMENTS AND OTHER CURRENT ASSETS

	31 July 2022	31 July 2021
Prepaid government fees	**6,049,329**	5,045,955
Advance to suppliers and contractors	**5,898,603**	6,781,289
Employee's receivables	**5,067,196**	1,101,752
Adminstrative building- clients	**3,124,613**	1,779,220
letters of guarantee- secured	**2,725,442**	-
Insurance for others	**2,503,090**	-
Management fees	**2,471,461**	1,735,656
Accrued government grants	**1,298,322**	838,045
Prepaid medical insurance	**1,081,384**	2,088,762
Prepaid housing allowance	**930,791**	1,079,098
Exams fees	**384,649**	-
VAT	**-**	1,399,254
Professional fees	**-**	1,643,628
Other	**3,827,642**	2,350,320
Less: provision for impairment of other debit balances	**(1,024,930)**	-
	34,337,592	25,842,979

The movement in the provision for impairment in other receivables is as follows:

	31 July 2022	31 July 2021
Balance beginning of the year	**-**	-
Balance transferred from acquired companies	**3,719,911**	-
Charged during the year	**654,443**	-
Used during the year	**(3,349,424)**	-
	1,024,930	-

(Expressed in Saudi Riyals unless otherwise stated)

11- RELATED PARTY TRANSACTIONS

Transactions with related parties represent the value of renting educational complexes, expenses paid on behalf, contracting services, training services, supervision, salaries, bonuses, compensation, committee allowances, board members, senior executives and senior management that took place between the Group and related parties, and between the Group and members of the board of directors, committees, senior executives and senior management. These transactions are carried out in the course of the normal activity of the Group and according to the same principles of dealing with third parties. The most important transactions with related parties and the balances resulting from them are as follows:

			Transaction's volume	
	Nature of relationship	**Nature of transactions**	**31 July 2022**	31 July 2021
Hayat Al-Shahrani	Partner in subcedaries Company	Expenses paid on behalf	788,747	-
AlOmran AlMutaqadima	Affliate Company	Contractors' services	-	491,625
Sunrise Pioneers Academy Company	Affliate Company	Expenses paid on behalf	435,835	-
Dr. Ahmed bin Nasser Elmet'eb	Shareholder and BOD member	Rent	13,596,333	13,188,000
Building Development Holding Company	Affliate Company	Expenses paid on behalf	50,000	-
Fawzia Al Haqbani	Partner in subsidiaries Company	Expenses paid on behalf	799,172	-
Mtwroon Company – Leaders Center	Affliate Company	Training and supervision services	-	284,968

11-1 Due from a related party

	31 July 2022	31 July 2021
Hayat Al-Shahrani	**336,110**	-
AlOmran AlMutaqadima	**-**	8,375
	336,110	8,375

11-2 Due to related parties

	31 July 2022	31 July 2021
Sunrise Pioneers Academy Company	**1,764,790**	-
Dr. Ahmed bin Nasser Elmet'eb	**874,558**	-
Building Development Holding Company	**664,300**	-
Fawzia Al Haqbani	**97,566**	-
Mtwroon Company – Leaders Center	**-**	148,961
	3,401,214	148,961

(Expressed in Saudi Riyals unless otherwise stated)

11. RELATED PARTY TRANSACTIONS (continued)

11-3 Benefits, remunerations and compensation of senior management and senior executives

	For the year ended 31 July 2022		For the year ended 31 July 2021	
	BOD and committees' members	Senior management personal	BOD and committees' members	Senior management personal
Benefits and allowance	**2,431,000**	**10,227,317**	2,443,000	-
Salaries, remunerations and end of service benefits	**-**	**10,357,629**	-	2,876,084
	2,431,000	**20,584,946**	2,443,000	2,876,084

12. CASH AND CASH EQUIVALENTS

	31 July 2022	31 July 2021
Cash at banks	**48,633,690**	7,457,756
Cash on hand	**327,327**	41,077
	48,961,017	7,498,833

13- Share Capital

The authorized and paid-up capital of the Group was set at 420.87 million Saudi riyals as on July 31, 2022 AD (July 31, 2021: 400 million Saudi riyals) divided into 42,087,215 shares (July 31, 2021: 40,000,000 shares) the value of each share is 10 Saudi riyals, as the extraordinary general assembly decided On 26 June 2022 the capital increase by issuing 2,087,215 shares with a total value of 20.87 million Saudi riyals in favor of the partners in Nabaa Educational Company in exchange for transferring all the shares in Nabaa Educational Company to the Arab Group for Education and Training Holding Company (a wholly owned Company of Ataa Company educational).

13.1 Share premium

- On 2 Dhul Hijjah 1436 AH corresponding to September 15, 2015 AD, the Extraordinary General Assembly decided to approve an increase in the Company's capital by an amount of 74.4 million Saudi riyals by issuing new shares amounting to 7.4 million shares with a nominal value of 10 riyals per share and an issuance premium of 28.17 Saudi riyals per share. The one, provided that the increase will go to the partners in the Jarir National Schools Complex Company for Boys and Girls.

- On 30 Dhu al-Qa'dah 1443 AH corresponding to June 29, 2022 AD, the Extraordinary General Assembly decided to approve the increase in the Company's capital by an amount of 20.87 million Saudi riyals, by issuing 2,087,215 shares with a nominal value of 10 riyals per share and an issuance premium of 34.08 Saudi riyals per share. In favor of the partners in Nabaa Educational Company in exchange for transferring all the shares in Nabaa Educational Company to the Arab Group for Education and Training Holding Company - a wholly owned Company of Ataa Educational Company - in accordance with the purchase agreement concluded between the partners in Nabaa Educational Company, Ataa Educational Company and Arab Group for Education and Training Holding Company on 9 Jumada the first 1443 AH corresponding to December 31, 2021 AD.
The share premium of 71.140 million Saudi riyals was reduced by 3.9 million Saudi riyals, which is the costs related to the issuance of those shares.

14- Statutory reserve

In accordance with the Company's articles of association and the provisions of the Companies Law in the Kingdom of Saudi Arabia, the Company must transfer 10% of its annual net profits to the statutory reserve until this reserve reaches 30% of its capital. This statutory reserve is not distributable to shareholders. However, it can be used to raise capital after approval by the shareholders.

(Expressed in Saudi Riyals unless otherwise stated)

15- Dividends

On 3 Rabi' al-Thani 1443 AH corresponding to November 8, 2021 AD, the Ordinary General Assembly decided to distribute dividends for the year ending on July 31, 2021 AD in the amount of 40 million Saudi riyals at the value of one Saudi riyal per share (July 31, 2021: 40 million Saudi riyals at the value of one Saudi riyal per share).

16. Borrowing

Borrowing represent the following:

16-1 A Loan from Ministry of Finance

The Group obtained long-term borrowing from the Ministry of Finance in the amount of 37.5 million Saudi riyals to finance the contracting and construction works necessary for the construction of the educational complex in Mansoura district and the complex of private schools for quality for boys. The facility is repaid in ten annual installments after the grace period of four years from the date of signing the agreement. This facility was granted without a profit margin or commission.

Collaterals

These facilities are secured by mortgaging the land of the staff housing villa in Al Rawabi, the land located in Al Salam neighborhood and Al Mugharazat neighborhood land for a total amount of 21.29 million Saudi riyals (July 31, 2021, AD: 21.37 million Saudi riyals) Note (5).

Movement in borrowings obtained from the Ministry of Finance during the year is as follows:

	31 July 2022	31 July 2021
Balance at the beginning of the year	**13,326,600**	15,230,400
Balance transferred from acquired companies (note 35-3)	**3,097,980**	-
Finance obtained during the year	**(5,001,780)**	(1,903,800)
Balance end of the year	**11,422,800**	13,326,600

Movement in the present value of loan obtained from the Ministry of Finance is as follows:

	31 July 2022	31 July 2021
Borrowing at end of the year	**11,422,800**	13,326,600
Less: deferred finance charges		
Balance beginning of the year	**(1,899,881)**	(2,412,593)
Balance transferred from acquired companies (note 35-3)	**(59,576)**	-
Finance obtained during the year (note 29)	**516,644**	512,712
Balance end of the year	**(1,442,813)**	(1,899,881)
Present value of loan at end of the year	**9,979,987**	11,426,719

16-2 Borrowing granted from local banks

The Group has signed Shariah-compliant facility agreements with several local banks in the form of Islamic Murabahas with a total amount of 948.9 million Saudi riyals. Fixed, these facilities are secured by land and real estate amounting to 370.85 million Saudi riyals (July 31, 2021 AD: 56.44 million Saudi riyals) Note (5), and (14) promissory notes amounting to 884.09 million Saudi riyals, agreements with banks contain Bank pledges and these pledges are monitored on a monthly basis by the management, in the event of a breach or possible breach of these pledges, actions are taken by the management to ensure that these pledges are fulfilled.
The following is a statement of the movement of borrowing granted by local banks:

	31 July 2022	31 July 2021
Balance at the beginning of the year	**192,776,819**	144,512,347
Balance transferred from acquired companies (note 35-3)	**124,649,226**	-
Finance obtained during the year	**380,025,000**	259,852,889
Accrued finance expenses	**17,212,765**	1,212,682
Payment during the year	**(233,855,175)**	(212,801,099)
Total borrowings from local banks at the end of the year	**480,808,635**	192,776,819

(Expressed in Saudi Riyals unless otherwise stated)

16. Borrowing (continued)

16-2 Borrowing granted from local banks

Details of borrowings were presented in the consolidated statement of financial position as follows:

	31 July 2022	31 July 2021
Non-current portion of borrowing *	**367,920,761**	172,575,968
Current portion of borrowing*	**122,867,861**	31,627,570
	490,788,622	204,203,538

* Includes a loan from Ministry of Finance (Note 16-1)

17. DEFERRED REVENUE OF GOVERNMENT GRANTS

	31 July 2022	31 July 2021
Balance at the beginning of the year	**1,899,881**	2,412,593
Balance transferred from acquired companies (note 35-3)	**59,576**	-
Movement during the year (note 23)	**(516,644)**	(512,712)
	1,442,813	1,899,881
Non-current portion of deferred revenue of government grants	**1,043,614**	1,442,813
Current portion of deferred revenue of government grants	**399,199**	457,068
	1,442,813	1,899,881

18. EMPLOYEES POST OF EMPLOYMENT

The system provides for post-employment benefits for all employees who complete the qualifying period of service and are entitled to the amounts stated under the Labor Law for each year/period of such service.
The annual provision is based on an actuarial valuation. The assessment was performed as on July 31 2021, and July 31, 2020 by theCompanys management, using the projected credit unit method'.
The actuarial assumptions that were relied upon in calculating employees' end of service benefits are as follows:

18-1 Significant actuarial assumptions

	31 July 2022	31 July 2021
Discount rate – non-Saudi	**٪4,25 - 4**	2.25% - 3.5%
Discount rate – Saudi	**٪4,25 - 4**	1.1% - 1.22%
Salary increase rate (% annum)	**٪0,3**	0.3% - 2%
Employees turnover rate (% annum) - non-Saudi	**٪2,4**	3%
Employees turnover rate (% annum) – Saudi	**٪25**	40%

18-2 Movement in current value of defined benefits obligation

	31 July 2022	31 July 2021
Present value at the beginning of the year	**33,220,577**	33,363,510
Present value transferred from acquired companies (note 35)	**22,771,063**	2,125,167
Present service cost	**10,189,659**	5,335,339
Interest cost	**1,963,414**	886,826
	12,153,073	6,222,165
Payment during the year	**(9,883,303)**	(8,496,239)
Actuarial losses	**2,000,360**	5,974
	60,261,770	33,220,577

(Expressed in Saudi Riyals unless otherwise stated)

18-EMPLOYEES POST OF EMPLOYMENT (continued)

	31 July 2022	31 July 2021
Less than a year	**11,451,342**	9,000,000
1-5 years	**19,979,132**	14,000,000
More than 5 years	**28,831,296**	10,220,577
	60,261,770	33,220,577

18-3 The sensitivity of the defined benefit obligation to changes in the weighted average of the key assumptions is:

Working	**Change in assumption**	**31 July 2022**	31 July 2021
Discount rate	+0.5%	**35,016,345**	30,791,599
	-0.5%	**37,170,115**	33,160,758
Long-term salary	+0.5%	**36,628,493**	33,187,974
	-0.5%	**35,496,225**	30,757,231

The above sensitivity analyzes are based on the change in one of the assumptions while all other assumptions are held constant. In practice, this is unlikely to happen, as some changes in some assumptions may be related to each other. When calculating the sensitivity of employees' end-of-service benefits to a material actuarial assumption, the same method is applied (the present value of the employees' defined benefit obligation calculated on the basis of the estimated unit credit cost method at the end of the reporting period) when calculating employees' post-employment benefits recognized in the consolidated statement of financial position

19. REVENUE RECEIVED IN ADVANCE

This balance represents the total tuition fee revenue received in cash for the first semester 2022/2023.

20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 July 2022	31 July 2021
Amounts due to GOSI	**8,537,646**	815,767
Accrued salaries and benefits	**7,037,829**	2,027,044
Accrued franchise rights	**5,042,715**	-
Payable to parents	**2,152,220**	1,923,148
Advance payments from clients	**1,939,273**	-
VAT	**1,481,787**	-
Deferred rent revenue	**702,349**	681,777
Accrued professional fees	**430,697**	295,500
Accrued dividends	**278,439**	10,013,906
Accrued rent	**-**	1,042,476
Other	**2,421,439**	1,633,403
	30,024,394	18,433,021

(Expressed in Saudi Riyals unless otherwise stated)

21. ZAKAT PROVISION

21-1 Zakat Status

The Group submitted its zakat returns to the Zakat, Tax and Customs Authority ("the Authority") until the year ended on July 31, 2021 AD and obtained a certificate from the Authority valid until Jumada Al-Awwal 6, 1444H corresponding to November 30, 2022.

Ataa Educational Company (the "Parent Company") has obtained the necessary regulatory approvals and obtained the approval of the Authority to calculate Zakat in accordance with the consolidated financial statements, where the Zakat provision is calculated on the basis of the consolidated Zakat base of the parent Company and its directly owned subsidiaries, with the exception of Al-Wasat National Schools Company Education and Training and the Arab Group for Education and Training Holding Company.

On September 19, 2021, the Company received from the Authority the revised zakat assessments for the year 2020, which resulted in a zakat difference of 53,292 Saudi riyals, with the Company giving a grace period to respond to the authority until September 26, 2021. The Company did not object and these amounts were paid.

21-2 Zakat base

	31 July 2022	31 July 2021
Balance at the beginning of the year	**1,592,679**	1,810,241
Balance transferred from acquired companies (note 35)	**3,895,797**	667,436
Charged for the the year *	**1,494,503**	1,071,762
Paid during the year	**(2,228,511)**	(1,956,760)
	4,754,468	1,592,679

* Zakat expense components:

	31 July 2022	31 July 2021
Expense during the year	**2,890,213**	1,071,762
Zakat asswssment for 2020 year	**53,292**	-
Dedicated out of purpose	**(1,449,002)**	-
	1,494,503	1,071,762

22. Revenue

	31 July 2022	31 July 2021
Tuition fee	**588,332,484**	381,205,802
Tuition fee discounts	**(106,531,882)**	(101,203,371)
Recruitment revenue (note 33)	**52,725,107**	-
Training courses (note 33)	**29,798,370**	-
Bus subscription revenue	**11,134,080**	-
Others	**2,035,252**	344,268
	577,493,411	280,346,699

23. Government grants

	31 July 2022	31 July 2021
Subsidies of Human Resources Development Fund grants	**12,400,423**	172,200
Ministry of Education subsidies	**1,912,003**	1,080,427
Revenue from government grants (Note 17)	**516,644**	512,712
	14,829,070	1,765,339

-The Ministry of Education subsidy is granted to the Group annually in accordance with the specific regulations of the ministry and is mainly related to the budget allocated for this by the ministry and the number of students registered with each school.

-The Human Resources Development Fund subsidy (HDF) is granted in accordance with the agreement concluded between the Group and HDF on the basis of a lump sum of the monthly salary for a certain period of Saudi employees included in the agreement.

(Expressed in Saudi Riyals unless otherwise stated)

24. COST OF REVENUE

	31 July 2022	31 July 2021
Salaries and equivalents	**310,063,245**	133,552,877
Depreciation on right-of-use assets (Note 8)	**55,023,742**	30,019,741
Depreciation on property and equipment (Note 5)	**23,704,343**	16,087,971
Government fees	**17,041,111**	12,363,337
Repair and maintenance	**6,508,474**	2,128,524
Textbooks Expenses	**4,911,673**	-
Electricity and water	**4,735,841**	2,822,412
Buses rent expense	**4,534,191**	-
Hired labor	**3,729,913**	-
Students' activity fees	**3,321,157**	244,616
Training course expenses	**3,105,510**	-
Cleaning and hosting	**2,366,330**	107,402
Stationery and prints	**2,657,823**	1,376,837
Amortization of intangible assets (note 7)	**2,551,885**	1,542,960
Lease settlements (note 8)	**1,927,869**	-
Security expenses	**1,848,820**	-
Telephone, mail and internet	**854,219**	549,650
Provision for slow moving items	**135,554**	-
Other	**11,348,665**	5,422,134
	460,370,365	206,218,461

25- Marketing expenses

These expenses represent the value of the marketing campaigns, promotion through electronic platforms and the rental of external fixed and digital panels carried out by the Group to promote the services provided by the Group.

26. GENERAL AND ADMINISTRATIVE EXPENSES

	31 July 2022	31 July 2021
Salaries and equivalents	**39,417,014**	**15,675,565**
Bank fees	**4,221,185**	**1,759,382**
Professional and consulting fees	**3,508,053**	**2,107,284**
Government fees	**2,997,172**	**1,319,250**
Amortization on property and equipment (Note 5)	**2,502,913**	**-**
Technical and computer support expenses	**1,823,490**	**1,384,671**
Repair and maintenance	**905,307**	**27,583**
Depreciation on intangible assets (Note 7)	**471,211**	**373,755**
Stationery and prints	**450,666**	**118,247**
Cleaning and hosting	**440,018**	**151,333**
Electricity and water	**365,064**	**18,021**
Telephone, mail and internet	**156,506**	**154,263**
Depreciation of investment properties (note 6)	**-**	**332,327**
Other	**5,230,962**	**502,936**
	62,489,561	**23,924,617**

(Expressed in Saudi Riyals unless otherwise stated)

27. Gains from the acquisition of a subsidiary

On August 8, 2021, Ataa Educational Company acquired the Arab Group for Education and Training Holding Company (the "Company") and its subsidiaries as of August 1, 2021. The acquisition resulted in a gain of SAR 38.121 million, which represents the difference between the net assets of the Arab Group Company Education and Training Holding Company (the "acquired") and the purchase value on the date of acquisition, as follows:

	Note	31 July 2022	31 July 2021
Net assets of the Arab Group for Education and Training Holding Company at the date of acquisition		**190,495,761**	-
Lands and buildings evaluation teams owned by the Arab Group for Education and Training Holding Company	5/35-3	**77,637,821**	-
Total	35-3	**268,133,582**	
Deduct: Purchase value on the date of acquisition	35-3	**(230,012,582)**	-
	35-3	**38,121,000**	-

28. OTHER ICOME

	31 July 2022	31 July 2021
Revenue from the sale of books	**6,724,743**	375,000
Rental of the administrative building and halls	**5,368,458**	2,550,368
Revenue from sale of uniform	**1,364,455**	-
Discount on Lease liability (Note 8)	**1,238,710**	1,917,479
Other	**1,795,455**	1,638,518
	16,491,821	6,481,365

29. FINANCE COSTS

	31 July 2022	31 July 2021
Interest on right-of-use assets obligations (note 8)	**22,974,313**	12,535,301
Finance costs – borrowings from local banks	**17,212,765**	7,212,782
Ministry of Finance loan financing costs (note 16-1)	**516,644**	512,712
	40,703,722	20,260,795

30. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the income for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the Group does not have any dilutive instruments.

	31 July 2022	31 July 2021
Net income for the year	**70,615,973**	35,521,640
Weighted average number of shares	**40,188,707**	40,000,000
	1.76	0.88

(Expressed in Saudi Riyals unless otherwise stated)

31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	31 July 2022	31 July 2021
Suppliers	**4,677,788**	3,843,324
Capital commitments - projects in progress	**2,214,115**	21,470,665
	6,891,903	25,313,989

- The following are the amounts payable for lease contracts not recognized as right-of-use assets:

	31 July 2022	31 July 2021
Less than one year	**1,988,956**	4,920,448
years 3-1	**-**	9,840,976
More than 3 years*	**-**	-
	1,988,956	14,761,424

- There are no rents due for more than three years, given that the Company plans that all educational buildings during the coming period will be either owned buildings or rented buildings according to long-term lease contracts, and with regard to staff housing, cash housing allowances will be granted to employees instead of providing housing for them on Company expense.

32. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group's principal financial liabilities include borrowing, lease liabilities on right of use assets deferred, government grant .income, accounts payable, revenue received in advance, accrued expenses and other current liabilities due to a related party The Group's principal financial assets consist of accounts receivable, prepaid expenses and other current assets, cash and cash equivalents, due from a related party. The main financial risks arising from the Group's financial instruments are market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. Management reviews and aligns policies to manage those risks.

32-1 Market risk

It is the risk of fluctuation in a financial instrument due to changes in prices prevailing in the market, such as foreign exchange rates and interest rates, which affect theGroup s income or the value of its financial instruments. Market risk management aims to' manage and control market risk exposures within acceptable parameters, while maximizing returns. There has been no change in the Group's exposure to market risk or the way it is managed and how it is measured.

32-1-1 Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the ,Group's financial position and cash flows. The Group is exposed to interest rate risk on its interest-bearing assets and liabilities which mainly consist of bank facilities andborrowing Management limits interest rate risk by monitoring changes in interest . rates. Management monitors changes in interest rates and believes that the cash flow and interest rate risks to the fair value of the Group are not significant.

Group receivables and payables carried at amortized cost are not subject to interest rate risk as defined in IFRS 7 as the carrying amount or future cash flows do not change due to changes in market interest rates. Accordingly, the Group is not exposed to fair value interest rate risk.

The Group’s exposure to risk of changes in interest rates are as follows:

	31 July 2022	31 July 2021
Variable interest rate borrowings	**480,808,635**	192,776,819
Fixed interest rate borrowings	**9,979,987**	11,426,719

- All existing credit facility agreements are concluded with local banks and are compatible with the provisions of Islamic Sharia.

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONNTUNED)

32-1-1 Interest rate risk (continued)

Sensitivity analysis

The following table shows the sensitivity of income to reasonably possible changes in interest rates, with other variables held constant, there is no direct impact on the equity of the Group.

	Statement of profit or loss			
	31 July 2022		31 July 2021	
	Increase 100 points	**Reduce 100 points**	Increase 100 points	Reduce 100 points
Variable interest rate borrowings	**4,808,086**	**(4,808,086)**	1,927,768	(1,927,768)
Changes in cash flow	**4,808,086**	**(4,808,086)**	1,927,768	(1,927,768)

There is no impact on statement of equity.

32-1-2 Foreign currency risk

.Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates Foreign currency risk arises when future commercial transactions, assets and liabilities are denominated in a currency other than the Saudi Riyal. The Group's management believes that it is not exposed to foreign currency risk because the bulk of theGroup s' transactions are in Saudi riyals. Management monitors the risks of fluctuations in exchange rates closely and on an ongoing basis, and based on its experience and market reactions, management does not believe that it is necessary to hedge against foreign exchange risks as most of the foreign exchange risks are relatively limited in the medium term.

32-2 Credit risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The Group does not have a significant concentration of credit risk. Cash and cash equivalents are deposited with local banks with high credit ratings. Accounts receivable and other receivables are mainly due from customers in the local market and are stated at their recoverable amount. The Group has policies in place to reduce its exposure to credit risk. The carrying amounts of the financial assets represent the maximum credit risk.

The following is the credit rating of the banks that theCompanydeals with and their balances as on July 31, 2022 :

Credit rating	**31 July 2022**	31 July 2021
BAA1	**2,904,728**	1,112,029
A1	**16,128,926**	2,465,570
A2	**9,074,424**	2,232,730
A3	**20,525,612**	1,647,427
	48,633,690	7,457,756

(Expressed in Saudi Riyals unless otherwise stated)

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONNTUNED)

32-2 Credit risk (continued)

Account receivables

31 July 2022	**Total**	**Expected credit losses**	**Expected credit losses**
Less than 1 year	**94,932,129**	**2,123,738**	**2٪**
More than 1 year and less than 2 years	**13,044,747**	**1,637,951**	**13٪**
More than 2 year and less than 3 years	**10,296,447**	**1,942,792**	**19٪**
More than 3 year and less than 4 years	**5,528,575**	**2,288,689**	**41٪**
More than 4 years	**5,072,900**	**4,666,043**	**92٪**
Total	**128,874,798**	**12,659,213**	

31 July 2021	**Total**	**Expected credit losses**	**Expected credit losses**
Less than 1 year	43,097,256	1,862,188	4٪
More than 1 year and less than 2 years	11,969,033	1,275,907	11٪
More than 2 year and less than 3 years	5,806,090	1,806,519	31٪
More than 3 year and less than 4 years	2,576,187	1,382,091	54٪
More than 4 years	1,371,085	1,167,390	85٪
Total	64,819,651	7,494,095	

The managementbelieves that it is able to collect receivables because it holds students' files. the students are unable to move or leave to another school without return to the Company and pay all the liabillities to be able to obtain their education file and obtain a clearance from the school.
The provision of expected credit loss is calculated based on the simplified approach as per the international financial reporting standard no.9 "financial instrument"

32-3 Liquidity risk

It is the risk that the Group will encounter difficulty in obtaining the financing necessary to meet commitments associated with .financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value .Liquidity risk is managed by regularly monitoring the adequacy of liquidity available to meet the Group's financial obligations ,The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due .under both normal and established conditions, without incurring unacceptable losses or risking damage to the Group's reputation

The following table summarizes the Group's financial liabilities into relevant maturityGroup ings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

(Expressed in Saudi Riyals unless otherwise stated)

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONNTUNED)

32-3 Liquidity risk (continued)

31 July 2022	Carrying Value	Less than 1 year	1 year to 5	More than 5 years
Lease liabilities on right-of-use assets	**558,146,582**	**54,799,655**	**194,119,330**	**309,227,597**
Borrowings	**490,788,622**	**122,867,861**	**321,920,761**	**46,000,000**
Deferred government grants revenue	**1,442,813**	**399,199**	**1,043,614**	**-**
Advance revenue	**26,958,505**	**26,958,505**	**-**	**-**
Accounts payable	**13,251,206**	**13,251,206**	**-**	**-**
Accrued expenses and other payables	**30,024,394**	**30,024,394**	**-**	**-**
Due to a related party	**3,401,214**	**3,401,214**	**-**	**-**
	1,124,013,336	**251,702,034**	**517,083,705**	**355,227,597**

31 July 2021	Carrying Value	Less than 1 year	1 year to 5	More than 5 years
Lease liabilities on right-of-use assets	322,410,105	21,779,897	113,039,168	187,591,040
Borrowings	204,203,538	31,627,570	168,103,737	4,472,231
Deferred government grants revenue	1,899,881	457,068	1,369,590	73,223
Advance revenue	6,793,198	6,793,198	-	-
Accounts payable	961,243	961,243	-	-
Accrued expenses and other payables	18,433,021	18,433,021	-	-
Due to a related party	148,961	148,961	-	-
	554,849,947	80,200,958	282,512,495	192,136,494

32-4 Capital Risk Management

It is the policy of the Board of Directors to maintain an adequate and strong capital base to maintain investor creditor and market confidence and to sustain the future development of the business. The Board of Directors monitors the return on capital employed and the level of dividends paid to ordinary shareholders and monitors its capital base using the net debt to equity ratio. Net debt is calculated asborrowingless cash and cash equivalents .

The following is the net debt to equity ratio of the Group at the end of the year:

	31 July 2022	31 July 2021
Borrowing (note 16)	**490,788,622**	204,203,538
Less:		
Cash and cash equivalents (note 12)	**(48,961,017)**	(7,498,833)
Net debt	**441,827,605**	196,704,705
Total Equity	**859,645,607**	743,197,456
Net debt rate to equity	**51%**	26%

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONNTUNED)

32-5 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, in a transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer :the liability will take place either

Through the principal market for the asset or liability, or

- By the most advantageous market for the asset or liability in the absence of the principal market.

The principal or most advantageous market must be accessible to theGroup.

The fair value of an asset or liability is measured using the assumptions that market participants use when pricing the asset or .liability, assuming that market participants act in their best economic interests

The fair value measurement of a non-financial asset takes into account the ability of the market parties to provide economic benefits by using the asset for the best benefit from it or by selling it to another party in the market to use it for the best benefit .from it

The Group uses valuation techniques that are appropriate to the circumstances and conditions and have sufficient data to measure .fair value, maximize the use of relevant observable data, and minimize the use of unobservable data

All assets and liabilities whose fair values are measured or whose fair values are disclosed in the consolidated financial statements are categorized within the fair value hierarchy set out below based on the lowest level inputs that are significant to :the fair value measurement as a whole

.First level: prices traded in active markets for the same assets or liabilities

Level two: other valuation techniques in which the minimum amount of material data is directly or indirectly observable to the .fair value measurement

Level Three: Other valuation techniques in which minimal inputs that are material to the fair value measurement are .unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have taken place between levels in the above hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. From preparation of .the consolidated financial statements

The carrying amount of a financial asset that cannot be measured at fair value is the approximate value of its fair value. The .financial liabilities are measured at amortized cost, which reasonably approximates their fair value

(Expressed in Saudi Riyals unless otherwise stated)

33- SEGMENT REPORTING

The Group's main activity is the establishment of private and international schools, kindergartens, primary, intermediate and secondary for boys and girls in the Riyadh region, mediating the employment of Saudis, recruitment agencies via the Internet, the activities of temporary employment agencies for expatriate labor services, providing other human resources, owning, managing, operating and establishing institutes Training and higher training institutes. Information relating to the Group's operating segments shown below is regularly submitted to the Group's operating decision makers and is described as follows:

- Education sector: this sector specializes in establishing and managing private schools, international, French and Indian schools.
- Training sector: this sector is concerned with establishing and operating training institutes.
- Employment sector: this sector specializes in mediating the recruitment of Saudian and recruitment agencies via the Internet.

31 July 2022

	Educational sector	**Training sector**	**Employment sector**	**Total**
Revenue (note 22)	**494,969,934**	**29,798,370**	**52,725,107**	**577,493,411**
Government grants (note 23)	**11,053,194**	**512,215**	**3,263,661**	**14,829,070**
Cost of revenue (note 24)	**(387,108,095)**	**(25,806,780)**	**(47,455,490)**	**(460,370,365)**
Gross profit	**118,915,033**	**4,503,805**	**8,533,278**	**131,952,116**
Property and equipment (note 5)	**763,702,153**	**35,399,213**	**5,640,640**	**804,742,006**
Depreciation, property and equipment (note 5)	**22,064,142**	**1,837,834**	**2,305,280**	**26,207,256**

31 July 2021

	Educational sector	Training sector	Employment sector	Total
Revenue (note 22)	280,346,699	-	-	280,346,699
Government grants (note 23)	1,765,339	-	-	1,765,339
Cost of revenue (note 24)	(206,218,461)	-	-	(206,218,461)
Gross profit	75,893,577	-	-	75,893,577
Property and equipment (note 5)	495,142,467	-	-	495,142,467
Depreciation, property and equipment (note 5)	16,087,971	-	-	16,087,971

- Due to the nature of the Group's activity and its management structure, it is not practically possible to allocate items of assets and other liabilities to different operating segments.

(Expressed in Saudi Riyals unless otherwise stated)

33- SEGMENT REPORTING (CONTINUED)

Reconciliation of information on reportable segments to the Group's net income before Zakat:

	31 July 2022	31 July 2021
Gross profit from reported segment	**131,952,116**	75,893,577
Unallocated amount:		
Marketing expenses (note 25)	**(3,164,605)**	(978,470)
General and administrative expenses (note 26)	**(62,489,561)**	(23,924,617)
Reverse/(Charge) provision for impairment of accounts receivable and others (note 9/10)	**(1,060,884)**	(693,663)
Gains from the acquisition of a subsidiary (note 27)	**38,121,000**	-
Other income (note 28)	**16,491,821**	6,481,365
Capital losses/(gains)	**(3,595,400)**	49,051
Finance costs (note 29)	**(40,703,722)**	(20,260,795)
Total unallocated amount	**(56,401,351)**	(39,327,129)
Income before Zakat	**75,550,765**	36,566,448

	31 July 2022			
	Educational sector	**Training sector**	**Employment sector**	**Total**
Timing of Revenue Recognition:				
At point in time	**-**	**29,798,370**	**52,725,107**	**82,523,477**
At period over time	**494,969,934**	**-**	**-**	**494,969,934**
Total revenue	**494,969,934**	**29,798,370**	**52,725,107**	**577,493,411**

	31 July 2021			
	Educational sector	Training sector	Employment sector	Total
Timing of Revenue Recognition:				
at point in time	-	-	-	-
At period over time	**280,346,699**	**-**	**-**	**280,346,699**
Total revenue	**280,346,699**	**-**	**-**	**280,346,699**

34- NON-CASH TRANSACTIONS

	Notes	**31 July 2022**	31 July 2021
Converting from investment property to property and equipment	**5/6**	**37,419,722**	-
Addition of Right-of-use assets against lease liabilities	**8**	**9,399,065**	65,198,999
Actuarial losses from employee post-employment benefit remeasurement	**18-2**	**2,000,360**	5,974
Disposal of intangible assets against payable	**7**	**-**	83,964

(Expressed in Saudi Riyals unless otherwise stated)

35- ACQUIRING SUBSIDIARIES

The acquisition was calculated using the acquisition method under IFRS 3- Business Combinations (the “Standard”(with Ataa Educational Company being the acquiring party, Al Elm International Schools Company, Al Wasat National Schools Company for Education and Training and the Arab Group for Education and Training Holding Company as the acquired parties. As required by the standard, Ataa Educational Company has allocated the purchase consideration for identifiable assets and liabilities, and the purchase price allocation was included in the consolidated financial statements during the fiscal year ending on July 31, 2022

1- Elm International Schools Company

As of August 1, 2020, the Company acquired %100 of the capital of the International Elm Schools Company in exchange for a payment of 40 million Saudi riyals, according to the sale contract signed on December 21, 2020, and thus the Company became in control of the International Elm Schools Company. The activity of the International Elm Schools Company is represented as shown in (Note 1-4). It is represented as a commercial Companyas defined in IFRS 3 . The International Elm Schools Company was acquired to develop the Group's operations. The book value of the identifiable assets and liabilities acquired from the International Elm Schools Company amounted to 283,624 Saudi riyals, and the purchase allocation process was carried out during the current year by an independent valuer, which resulted in intangible assets “student list” amounting to 10.398 million Saudi riyals. Recognition of goodwill amounting to SR 29.318 million, which represents amounts in excess of the identifiable net assets acquired at the date of acquisition and transferred to the Group ("acquired").

The legal procedures related to the purchase of the International Elm Schools Company were completed during the past year, and a no-objection approval was obtained from the General Competition Authority.

The assets and liabilities recognized as a result of the acquisition are as follows:

	Notes	Acquired assets
Property and equipment	5	1,742,211
Intangible Assets - Student List	7	10,398,332
Account receivables		2,970,736
Prepayments and other current assets		588,234
Cash and cash equivalents		1,207,778
Actuarial reserve		224,062
Employee post-employment benefits	2-18	(1,534,035)
Revenue received in advanced		(2,080,145)
Account Payable		(233,929)
Accrued expenses and other current liabilities		(804,194)
Zakat provision	2-21	(432,094)
Due to a related party		(1,365,000)
Total of the identifiable assets and liabilities acquired		10,681,956
Intangible Assets - Goodwill	7	29,318,044
Total		40,000,000
Net cash used generated from the acquisition		
Accrued amounts		40,000,000
Cash and cash equivalents		(1,207,778)
Total		38,792,222

(Expressed in Saudi Riyals unless otherwise stated)

35- ACQUIRING SUBSIDIARIES (continued)

2- Wasat National Training and Education Company

As of 1 August 2020, the Company acquired 52% of the capital of the Wasat National Training and Education Company in exchange for emptying a plot of land owned by the Company under deed No. 610121031192 for the benefit of Wasat National Training and Education Company, with a book value of 20,099,200 Saudi riyals, and thus the Company became controlling the Wasat National Training and Education Company. The activity of Wasat National Training and Education Company is as shown in (Note 1-5) It . represented as commercial Companyas defined in IFRS 3 . Al Wasat National Schools for Education and Training Company was acquired to develop the Group's operations. The book value of the identifiable assets and liabilities acquired from Al-Wasat National Company for Education and Training amounted to 3.59 million Saudi riyals, and the purchase allocation process was carried out during the current year by an independent valuer, which resulted in intangible assets “student list” amounting to 1.945 million Saudi riyals Accordingly, goodwill amounting to SR 6.638 million has been recognized, which represents the amounts in excess of the identifiable net assets acquired at the date of acquisition transferred to the Group ("acquired").
The legal procedures related to the purchase of the International Elm Schools Company were completed during the past year, and a no-objection approval was obtained from the General Competition Authority.

The assets and liabilities recognized as a result of the acquisition are as follows:

	Notes	Acquired assets
Property and equipment	**5**	**558,947**
Intangible Assets - Student List	**7**	**1,945,350**
Right-of-use assets	**8**	**1,147,602**
Account receivables		**2,810,671**
Prepayments and other current assets		**651,241**
Cash and cash equivalents		**448,243**
Lease liabilities on right-of–use assets	**8**	**(1,198,386)**
Employee post-employment benefits	**18-2**	**(591,132)**
Revenue received in advanced	**21-2**	**(235,342)**
Zakat provision		**5,537,194**
Intangible Assets - Goodwill	**7**	**6,638,475**
Total		**12,175,669**
Net cash used generated from the acquisition		
Amounts due		**12,175,669**
Cash and cash equivalents		**(448,243)**
Total		**11,727,426**

(Expressed in Saudi Riyals unless otherwise stated)

35- ACQUIRING SUBSIDIARIES (continued)

3- The Arab Group for Education and Training Holding Company

During the month of August 2021, the Company acquired 100% of the capital of the Arab Group for Education and Training Holding Company as of August 1, 2021, in return for a payment of 138 million Saudi riyals, according to the sale contract signed on August 8, 2021, thus the Company became controlling the Arab Group Company Education and Training Holding. The activity of the Arab Group for Education and Training Holding Company is represented as shown in (Note 1-6). It is represented as commercial Company as defined in IFRS 3. The Arab Group for Education and Training Holding Company was acquired to develop the Group's operations. On December 13, 2021 AD, a tripartite agreement was signed between Ataa Educational Company "the exporting Company" and the Arab Group for Education and Training Holding Company "as the buyer" and the partners of the Nabaa Educational Company "in the capacity of sellers" to sell Nabaa Educational Company to the Arab Group for Education and Training Holding Company by issuing shares to the partners in the Company Nabaa Educational in Ataa Educational Company at a value of 44.08 Saudi riyals per share. Where 2,087,215 shares were issued with a total value of 92.012 million Saudi riyals. The carrying amount of the identifiable assets is The liabilities acquired from the Arab Group for Education and Training Holding Company were 190.5 million Saudi riyals, and the purchase allocation process was carried out during the current year by an independent evaluator, which resulted in differences in valuation of lands and buildings amounting to 77.637 million Saudi riyals, and accordingly, this resulted in gains in the amount of 38.121 million Saudi riyals, which represents the less than the identifiable net assets acquired at the date of acquisition and transferred to the Group ("acquired") and the gains from the acquisition were settled in the consolidated statement of profit or loss.The legal procedures related to the purchase of the International Elm Schools Company were completed during the past year, and a no-objection approval was obtained from the General Competition Authority.

The assets and liabilities recognized as a result of the acquisition are as follows:

	Notes	Acquired assets
Property and equipment	5	178,452,697
Land and building appraisal teams	5/27	77,637,821
intangible assets	7	200,670,583
Right to use assets	8	250,155,132
Inventory		4,075,096
Receivables		28,956,499
Prepaid expenses and other current assets		13,718,374
Due from related parties		40,250
Cash and cash equivalents		35,000,823
Lease liabilities under right-of-use assets	8	(265,499,791)
Borrowing	16	(127,687,630)
Deferred government grant revenue	17	(59,576)
End of service benefits for employees	18-2	(22,771,063)
Revenue received in advance		(7,156,195)
Trade payables		(9,262,608)
Accrued expenses and other current liabilities		(16,456,063)
Zakat provision	21-2	(3,895,797)
Due to related parties		(3,192,551)
Total of the identifiable assets and liabilities acquired		332,726,001
Non-controlling rights		(64,592,419)
Total of the identifiable assets and liabilities acquired		268,133,582
Gains from the acquisition of a subsidiary	27	(38,121,000)
Total		230,012,582
Net cash used from the acquisition		
Amounts due		230,012,582
Cash and cash equivalents		(35,000,823)
Total		195,011,759

- The value of the costs related to the acquisition of the subsidiaries amounted to 112,500 Saudi riyals (July 31, 2021 AD: 944,128 Saudi riyals).

(Expressed in Saudi Riyals unless otherwise stated)

36- RECLASSIFICATION OF COMPARATIVE YEAR FIGURES

The following are the reclassifications and adjustments to the balances of the fiscal year ending on July 31, 2021, as follows:

Item name	Balance before adjustment	reclassify debit/(credit)	Debit/(credit) settlements	Balance after adjustment	Comment
Consolidated (1) statement of financial position					
intangible assets					
Goodwill (note 7)	424,699,370	-	(12,343,682)	412,355,688	The purchase price identified for Al-Elm International Schools Company and Al-Wasat National Schools Company for Education and Training, which resulted in intangible assets (student list)
List of students (note7)	-	-	12,343,682	12,343,682	
Statutory reserve	(34,849,260)	-	154,296	(34,694,964)	It is the value of the year's amortization for the list of students and its effect on retained earnings and statutory reserve
Retained earnings	(107,983,937)	-	1,388,664	(106,595,273)	
Consolidated (2) profit or loss statement					
General and administrative expenses	24,903,087	(978,470)	-	23,924,617	Marketing expenses have been reclassified as a separate line in the consolidated statement of profit or loss
marketing expenses	-	978,470	-	978,470	
Other income	(8,640,023)	2,158,658	-	(6,481,365)	Capital gains have been reclassified as a separate line item in the consolidated statement of profit or loss
Revenue	(280,002,431)	(344,268)	-	(280,346,699)	
Government grants	-	(1,765,339)	-	(1,765,339)	
Capital gains	-	(49,051)	-	(49,051)	
Cost of revenue	204,675,501	-	1,542,960	206,218,461	Is the amortization value of the year for the student list

37- SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events since the end of the financial year that may require disclosure or amendment of these consolidated financial statements.

38- APPROVAL OF THE FINANCIAL STATEMENTS

The Group’s consolidated financial statements for the year ended July 31, 2022 were approved by the Board of Directors on 5 Rabie Althanie 1444H corresponding 30 October 2022.