

**ATTA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**  
**For the three-month and six-month periods ended  
31 January 2020**  
Together with the  
**INDEPENDENT AUDITOR'S REPORT  
ON REVIEW OF CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**



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Licence No. 46/11/323 issued 11/3/1992

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

To the Shareholders of Ataa Educational Company

## Introduction

We have reviewed the accompanying condensed consolidated interim financial statements as of 31 January 2020 of Ataa Educational Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 January 2020;
- the condensed consolidated statement of profit or loss for the three-month period and six-month periods ended 31 January 2020;
- the condensed consolidated statement of comprehensive income for the three-month period and six-month periods ended 31 January 2020;
- the condensed consolidated statement of changes in equity for the six-month period ended 31 January 2020;
- the condensed consolidated statement of cash flows for the six-month period ended 31 January 2020;
- and the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of review

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

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

To the Shareholders of Ataa Educational Company (Continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as of 31 January 2020 of Ataa Educational Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Al Fozan & Partners  
Certified Public Accountants

**Khalil Ibrahim Al Sedais**  
License No: 371



Riyadh on: 3 Rajab 1441H  
Corresponding to: 27 February 2020

**ATTA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Interim Statement of Financial Position (Unaudited)**  
**As at 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

	Note	31 January 2020 (Unaudited)	31 July 2019 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	501,485,301	502,327,385
Investment properties	6	37,917,002	38,084,376
Right-of-use assets	4	268,339,680	--
Intangible assets	7	377,772,617	376,399,169
<b>Total non-current assets</b>		<u>1,185,514,600</u>	<u>916,810,930</u>
<b>Current assets</b>			
Cash and cash equivalents		21,175,174	7,053,316
Inventories		748,267	790,665
Accounts receivable		44,977,877	55,670,914
Prepayments and other receivables		19,383,722	41,553,519
<b>Total current assets</b>		<u>86,285,040</u>	<u>105,068,414</u>
<b>Total assets</b>		<u>1,271,799,640</u>	<u>1,021,879,344</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		400,000,000	400,000,000
Share premium		209,594,000	209,594,000
Statutory reserve		23,562,892	23,562,892
Retained earnings		77,800,917	113,389,382
<b>Total equity</b>		<u>710,957,809</u>	<u>746,546,274</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current portion of lease liability on right-of-use assets	4	248,502,418	--
Non-current portion of long-term loans	8	58,337,660	83,528,820
Deferred revenue of government grants	9	2,156,239	2,412,598
Employees' benefits		29,795,256	29,403,300
<b>Total non-current liabilities</b>		<u>338,791,573</u>	<u>115,344,718</u>
<b>Current liabilities</b>			
Current portion of long-term loans	8	94,750,974	97,240,577
Unearned revenue		45,716,075	14,870,438
Accounts payable		623,636	3,018,740
Deferred revenue of government grants	9	539,465	566,215
Accruals and other payables		39,305,577	36,625,651
Provision for Zakat		837,121	1,673,699
Current portion of lease liability on right-of-use assets	4	40,176,587	--
Due to related parties	12	100,823	5,993,032
<b>Total current liabilities</b>		<u>222,050,258</u>	<u>159,988,352</u>
<b>Total liabilities</b>		<u>560,841,831</u>	<u>275,333,070</u>
<b>Total equity and liabilities</b>		<u>1,271,799,640</u>	<u>1,021,879,344</u>

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

**ATAA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Interim Statement of Profit or Loss (Unaudited)**  
**For the three-month and six-month periods ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

	<b>For the three-month period ended 31 January</b>		<b>For the six-month period ended 31 January</b>	
	<b>2020 (Unaudited)</b>	2019 (Unaudited)	<b>2020 (Unaudited)</b>	2019 (Audited)
Revenue	84,479,489	80,386,785	165,589,613	157,909,328
Cost of revenue	<u>(59,593,296)</u>	<u>(57,993,115)</u>	<u>(115,177,992)</u>	<u>(112,619,572)</u>
<b>Gross profit</b>	<u>24,886,193</u>	<u>22,393,670</u>	<u>50,411,621</u>	<u>45,289,756</u>
General and administrative expenses	(5,716,771)	(5,327,742)	(9,788,644)	(8,987,308)
Impairment of accounts receivable	(222,754)	(238,099)	(2,294,348)	(2,100,000)
Other income	<u>4,797,627</u>	<u>2,408,257</u>	<u>8,372,220</u>	<u>5,308,727</u>
<b>Operating profit</b>	<u>23,744,295</u>	<u>19,236,086</u>	<u>46,700,849</u>	<u>39,511,175</u>
Finance costs	<u>(6,042,711)</u>	<u>(2,787,663)</u>	<u>(12,328,559)</u>	<u>(5,543,802)</u>
<b>Net income for the period before Zakat</b>	<u>17,701,584</u>	<u>16,448,423</u>	<u>34,372,290</u>	<u>33,967,373</u>
Zakat	<u>(418,290)</u>	<u>(289,132)</u>	<u>(836,580)</u>	<u>(689,132)</u>
<b>Net income for the period</b>	<u>17,283,294</u>	<u>16,159,291</u>	<u>33,535,710</u>	<u>33,278,241</u>
<b>Earning per share:</b>				
Basic and diluted earnings per share as per income for the period attributable to the shareholders of the Group Note (10)	<u>0.43</u>	<u>0.40</u>	<u>0.84</u>	<u>0.83</u>

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

**ATTA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Interim Statement of Comprehensive Income (Unaudited)**  
**For the three-month and six-month periods ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

	<b>For the three-month period ended 31 January</b>		<b>For the six-month period ended 31 January</b>	
	<b>2020 (Unaudited)</b>	<b>2019 (Unaudited)</b>	<b>2020 (Unaudited)</b>	<b>2019 (Audited)</b>
<b>Net income for the period</b>	<u>17,283,294</u>	<u>16,159,291</u>	<u>33,535,710</u>	<u>33,278,241</u>
<b><u>Other comprehensive income</u></b>				
<b><u>Items that will not be reclassified subsequently to profit or loss</u></b>				
Actuarial losses on re-measurement of employees' end of service benefits	(649,450)	(1,085,525)	(1,254,400)	(253,025)
<b>Total items that will not be reclassified to profit or loss in subsequent periods</b>	<u>(649,450)</u>	<u>(1,085,525)</u>	<u>(1,254,400)</u>	<u>(253,025)</u>
<b>Other comprehensive loss</b>	<u>(649,450)</u>	<u>(1,085,525)</u>	<u>(1,254,400)</u>	<u>(253,025)</u>
<b>Total comprehensive income for the period</b>	<u>16,633,844</u>	<u>15,073,766</u>	<u>32,281,310</u>	<u>33,025,216</u>

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

**ATTA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)**  
**For the six-month period ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

	Share capital	Share premium	Statutory reserve	Retained earnings	Total equity
Balance at 1 August 2018 (Audited)	400,000,000	209,594,000	15,288,380	100,130,919	725,013,299
Net income for the period	--	--	--	33,278,241	33,278,241
Other comprehensive losses	--	--	--	(253,025)	(253,025)
Total other comprehensive income for the year	--	--	--	33,025,216	33,025,216
Dividends (Note 16)	--	--	--	(60,000,000)	(60,000,000)
<b>Balance at 31 January 2019 (Audited)</b>	<b>400,000,000</b>	<b>209,594,000</b>	<b>15,288,380</b>	<b>73,156,135</b>	<b>698,038,515</b>
Balance at 1 August 2019 (Audited)	400,000,000	209,594,000	23,562,892	113,389,382	746,546,274
Effect of change in accounting policy (Note 4)	--	--	--	(27,869,775)	(27,869,775)
Restated balance as at 1 August 2019	400,000,000	209,594,000	23,562,892	85,519,607	718,676,499
Net income for the period	--	--	--	33,535,710	33,535,710
Other comprehensive losses	--	--	--	(1,254,400)	(1,254,400)
Total other comprehensive income for the year	--	--	--	32,281,310	32,281,310
Dividends (Note 16)	--	--	--	(40,000,000)	(40,000,000)
<b>Balance at 31 January 2020 (Unaudited)</b>	<b>400,000,000</b>	<b>209,594,000</b>	<b>23,562,892</b>	<b>77,800,917</b>	<b>710,957,809</b>

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

**ATTA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**For the six-month period ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

	<b>31 January 2020 (Unaudited)</b>	31 January 2019 (Audited)
<b>Cash flows from operating activities</b>		
Net income for the period before Zakat	34,372,290	33,967,373
<b>Adjustments for:</b>		
Depreciation and amortization	8,725,824	7,938,159
Depreciation - right-of-use assets	11,516,693	--
Losses on sale of property and equipment	10,502	--
Impairment of accounts receivable	2,294,348	2,100,000
Finance costs	12,328,559	5,543,802
Provision for employees' benefits	2,168,700	2,461,000
	<u>71,416,916</u>	<u>52,010,334</u>
<b>Changes in operating assets and liabilities</b>		
Inventory	42,398	587,954
Accounts receivable	8,398,689	19,926,566
Prepayments and other receivables	12,720,949	(169,942)
Accounts payable	(2,395,104)	(2,283,414)
Unearned revenue	30,845,637	23,455,454
Due to related parties	(5,892,209)	3,198,632
Accruals and other payables	(2,393,002)	(7,942,804)
<b>Cash generated from operating activities</b>	<u>112,744,274</u>	<u>88,782,780</u>
Employees' benefits paid	(3,031,144)	(2,126,290)
Finance costs paid	(7,561,458)	(9,160,526)
Zakat paid	(1,673,158)	(1,527,618)
<b>Net cash generated from operating activities</b>	<u>100,478,514</u>	<u>75,968,346</u>
<b>Cash flows from Investing Activities</b>		
Additions to property and equipment and projects in progress	(9,166,100)	(17,467,518)
Proceeds on sale of property and equipment	65,784	--
<b>Net cash used in investment activities</b>	<u>(9,100,316)</u>	<u>(17,467,518)</u>
<b>Cash flow from financing activities</b>		
Proceeds from long-term finance	45,272,128	35,579,220
Repayment of long-term finance	(73,236,000)	(50,056,498)
Dividends paid	(39,694,174)	(30,000,000)
Operating lease commitments paid	(9,598,294)	--
<b>Net cash used in financing activities</b>	<u>(77,256,340)</u>	<u>(44,477,278)</u>
<b>Net change in cash and cash equivalents</b>	<u>14,121,858</u>	<u>14,023,550</u>
Cash and cash equivalents at beginning of the period	7,053,316	10,171,019
<b>Cash and cash equivalents at end of the period</b>	<u>21,175,174</u>	<u>24,194,569</u>

**Non-cash transactions (Note 15)**

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.



**ATTA EDUCATIONAL COMPANY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**  
**For the six-month period ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

**1. REPORTING ENTITY**

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 as a Saudi joint stock company under Commercial Registration number 1010186435 dated 10 Rabi I 1424H (corresponding to 11 May 2003), under the Ministerial Resolution No. (71/s) on 10 Rabi I 1431H (corresponding to 24 February 2010).

On 29 Dhul-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 in Riyadh region under licenses granted by the Ministry of Education. Further, the licensed activities of the Company under the Commercial Registration include establishment, management, operation and maintenance of computer training centers.

In accordance with the Company’s By-Laws, the fiscal year of the Company shall commence at 1 August and ends at 31 July of each year.

The Company operates through its following branches:

<u>Branch name</u>	<u>Commercial Registration No.</u>
Al-Rowad Schools (Izdihar branch)	1010362199
Al-Rowad Schools (Al Rawabi branch)	1010275978
Al-Rowad Schools (Al Mansoura branch)	1010397500
Middle East International School	1010192541
New Middle East International School	1010250798
Modern Middle East International School	1010352008
Al Sulaimania International Private School	1010196919
Al Fikr Private School	1010192540
Al-Rowad Private School, Al Rawda branch	1010203258
Al-Rowad School (Ishbilia branch)	1010469726
Ataa for Maintenance and Operation Company Branch	1010452144
Al-Rowad Private School for girls (Marine Housing Compound - Kharj Road)	1010369368
Rowad Eshbilia International School - Branch of Ataa Company	1010186435

These condensed consolidated interim financial statements include the financial statements of the Company, its branches and the following subsidiaries in which the Group directly or indirectly owns 100% of their share capital (collectively referred to as the “Group”):

<u>Subsidiary</u>	<u>Country of incorporation</u>	<u>Legal form</u>	<u>Effective shareholding</u>	
			<u>As at 31 January 2020</u>	<u>As at 31 July 2019</u>
Al Nokhbah Educational Company	Kingdom of Saudi Arabia	Limited liability	100%	100%
Al Oruba International Company for Education Services	Kingdom of Saudi Arabia	Limited liability	100%	100%
Al-Rowad Company for Supporting Services	Kingdom of Saudi Arabia	Limited liability	100%	100%

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

**ATTA EDUCATIONAL COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
**For the six-month period ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

**BASIS OF PREPARATION**

**Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants ("SOCPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Group's annual financial statements prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants for the year ended 31 July 2019.

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented, unless otherwise stated.

**Basis of measurement**

These condensed consolidated interim financial statements have been prepared on historical cost basis except for employees' benefits obligations that have been recognized at the present value of future obligations using the projected unit credit method, using the accrual basis of accounting and going concern.

**Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the functional currency of the Group.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 takes into account 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 condensed consolidated interim 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).

**ATTA EDUCATIONAL COMPANY**  
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(Expressed in Saudi Riyals unless otherwise stated)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Fair value measurement - (continued)**

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 condensed consolidated interim 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.

**Seasonal changes**

The results of operations for the six-month period do not necessarily reflect an accurate indicator of the actual results for the full year of operations as the Group's activities, revenue and expenses are influenced by several factors including enrolment and withdrawal of students during the year that leads to certain change in the Group's revenue from a quarter to another accordingly. In addition to the operational expenses that also vary from a period to another during the year due to seasonal and summer holidays. Those changes are reflected on the financial results of the Group's operations during the year. Therefore, the results of operations for this interim period could not be an accurate indicator of the actual results for the full year of operations.

**4. CHANGES IN ACCOUNTING POLICIES**

**4-1 IFRS 16 'Leases'**

IFRS 16 'Leases' replaces the following standard and interpretations:

- IAS 17 'Leases'.
- IFRIC 4 'Determining whether an Arrangement contains a lease'.
- IFRIC 15 'Operating leases - incentives'.
- SIC 27 'Evaluating the substance of transactions involving the legal form of a lease'.

The standard determines the principles of recognition, measurement, presentation and disclosure of leases and requires lessees to recognize leases in accordance with a consolidated accounting framework in the condensed consolidated interim statement of financial position.

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

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(Expressed in Saudi Riyals unless otherwise stated)

**4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

***As a lessee***

At the commencement date, the Group shall assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underlying asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received. The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

After the commencement date, a lessee shall measure the lease liability by:

- (a) increasing the carrying amount to reflect interest rate on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group's estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the condensed consolidated interim statement of income if the carrying amount of the related asset is nil.

**Short-term leases**

The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

**Extension options**

In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was a significant event or major change in the circumstances that fall under its control.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
**For the six-month period ended 31 January 2020**  
(Expressed in Saudi Riyals unless otherwise stated)

**4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

***As a lessor***

When the Group is a lessor, it determines, at the commencement of the lease, whether the lease is a finance lease or operating lease.

To classify each lease, the Group perform overall assessment whether lease transfers all substantially all the risks and rewards incidental to ownership of an underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers specific indicators such as whether the lease term is for the major part of the economic life of the underlying asset.

The initial measurement in case of finance leases: the lessor shall use the interest rate implicit in the lease to measure the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- (a) fixed payments;
- (b) variable lease payments that depend on an index or a rate;
- (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee; and
- (c) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

Upon subsequent measurement, a lessor shall recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The initial measurement in case of operating leases: A lessor shall recognize lease payments from operating leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Upon subsequent measurement, a lessor shall apply IAS 36 to determine whether an underlying asset subject to an operating lease is impaired and to account for any impairment loss identified.

When the Group is an intermediate lessor, it calculates its interest in the head lease and sublease separately. Classification of the sublease is assessed by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

If the head lease is a short-term lease, the Group applies exemption, the sublease shall be classified as an operating lease.

If the arrangement includes lease and non-lease components, the Group shall allocate the consideration in the contract by applying IFRS 15 for allocation the consideration in the contract.

The Group recognizes lease payments received under operating leases as revenue on a straight-line basis over the lease term as part of "other income".

The accounting policies applicable to the Group as a lessor in the comparative period are not different from IFRS 16. However, when the Group is an intermediate lessor, subleases are classified by reference to the underling asset.

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**4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

The Group adopted the application of IFRS 16 retrospectively with recognizing the accumulated effect for the initial application of the standard on 1 August 2019. Under this method, for leases that had been classified as operating leases, a lease liability is measured at present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The resulting right-of-use asset is measured at the carrying amount of the right-of-use asset that represents the carrying amount of the lease liability at the date of initial application. A lease liability is settled adjusted by an amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position directly before the date of initial application. Any lease accruals or incentives relating to a previous operating lease against the right-of-use asset at the date of initial application. In addition, the Group also used practical expedients to apply a single discount rate to a portfolio of leases with similar characteristics and excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Previously, the Group had classified leases as operating leases or finance leases based on its assessment whether the lease substantively transfer all risk and rewards associated with ownership of the original asset to Group. The Group classified all leases as operating leases for the year ended 31 July 2019. As of 1 August 2019, the Group recognized the right-of-use assets and lease liabilities in the condensed consolidated interim statement of financial position in accordance with requirements of IFRS 16.

**Impact on the condensed consolidated interim financial statements**

On transition to IFRS 16, the Group recognized right-of-use assets and lease liabilities, with settling the prepaid rent and recognizing the difference in retained earnings. The impact of transition at 1 August 2019 is summarized below:

Right-of-use assets presented in the financial statements	232,218,409
Lease liabilities on right-of-use assets	(250,639,336)
Prepaid rent	(9,448,848)
<b>Impact on retained earnings</b>	<b>(27,869,775)</b>
Assets recognized during the period	279,856,373
Depreciation charged for the period	(11,516,693)
<b>Balance at the end of the period</b>	<b>268,339,680</b>

**Lease liabilities included in the statement of financial position as at 31 January 2020**

Current	40,176,587
non-current	248,502,418
Lease liabilities on right-of-use assets	<b>288,679,005</b>

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period ended  
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***Amounts recognized in the statement of profit or loss***

Depreciation on right-of-use assets	(11,516,693)
Interest expense on lease liabilities	5,575,864

***Reconciliation of lease liabilities***

On the date of initial application, a discount rate of 4.10% to 4.53% was used. The below table represents the lease reconciliation as at 1 August 2019:

<b>Minimum lease payments as at 1 August 2019</b>	250,639,336
Additions during the period	47,637,963
Paid during the period	(9,598,294)
<b>Total lease liabilities as at 31 January 2020</b>	<b>288,679,005</b>

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**5. PROPERTY AND EQUIPMENT**

	Lands	Buildings and constructions	Electrical tools & equipment	Motor vehicles	Furniture and fixtures	Projects in progress	Total
<b>Cost</b>							
As at 1 August 2018	177,190,872	248,487,275	31,518,313	29,546,616	41,361,995	115,338,652	643,443,723
Additions during the year	--	1,421,597	1,786,696	--	2,720,181	16,536,502	22,464,976
Transferred from projects in progress	--	48,612,669	536,533	--	--	(49,149,202)	--
Transferred to investment properties	(22,380,500)	(16,616,375)	--	--	--	--	(38,996,875)
Disposals during the year	--	--	(50,159)	--	(10,777)	--	(60,936)
As at 31 July 2019	154,810,372	281,905,166	33,791,383	29,546,616	44,071,399	82,725,952	626,850,888
Additions during the period	--	647,557	1,884,719	--	876,255	5,757,569	9,166,100
Transferred from projects in progress	--	80,649,890	--	--	--	(80,649,890)	--
Transferred to intangible assets	--	--	--	--	--	(1,570,880)	(1,570,880)
Disposals as a result of scrapping during the period	--	--	(4,015,563)	(245,987)	(11,089,945)	--	(15,351,495)
As at 31 January 2020	154,810,372	363,202,613	31,660,539	29,300,629	33,857,709	6,262,751	619,094,613
<b>Accumulated depreciation</b>							
As at 1 August 2018	--	30,952,281	22,715,930	26,551,213	29,381,621	--	109,601,045
charge for the year	--	6,886,191	3,857,341	670,238	4,482,123	--	15,895,893
Accumulated depreciation transferred to investment properties	--	(912,499)	--	--	--	--	(912,499)
Accumulated depreciation of disposals	--	--	(50,159)	--	(10,777)	--	(60,936)
As at 31 July 2019	--	36,925,973	26,523,112	27,221,451	33,852,967	--	124,523,503
Charge for the period	--	4,271,939	1,432,023	512,753	2,144,303	--	8,361,018
Accumulated depreciation of disposals	--	--	(4,015,563)	(245,987)	(11,013,659)	--	(15,275,209)
As at 31 January 2020	--	41,197,912	23,939,572	27,488,217	24,983,611	--	117,609,312
<b>Net book value</b>							
As at 31 January 2020	154,810,372	322,004,701	7,720,967	1,812,412	8,874,098	6,262,751	501,485,301
As at 31 July 2019	154,810,372	244,979,193	7,268,271	2,325,165	10,218,432	82,725,952	502,327,385

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**5. PROPERTY AND EQUIPMENT (CONTINUED)**

- As at 31 January 2020, projects in progress of SR 6.2 million (31 July 2019: SR 82.7 million) represent a construction project attached to the educational complex located in Al-Izdihar district and building development in Al-Morouj complex.
- The Group has capitalized borrowing cost of SR Nil during the period ended 31 January 2020 and an amount of SR 3.7 million during the year ended 31 July 2019.

**6. INVESTMENT PROPERTIES, NET**

<u>Cost</u>	<u>Lands</u>	<u>Buildings</u>	<u>Total</u>
As at 31 July 2019	22,380,500	16,616,375	38,996,875
Additions during the period	--	--	--
<b>As at 31 January 2020</b>	<b>22,380,500</b>	<b>16,616,375</b>	<b>38,996,875</b>
<u>Accumulated depreciation</u>			
As at 31 July 2019	--	912,499	912,499
Charge for the period	--	167,374	167,374
<b>As at 31 January 2020</b>	<b>--</b>	<b>1,079,873</b>	<b>1,079,873</b>
<u>Net book amount:</u>			
As at 31 January 2020	22,380,500	15,536,502	37,917,002
As at 31 July 2019	22,380,500	15,703,876	38,084,376

Estimated useful life of the investment property is as follows:

	<u>Years</u>
Buildings	50

6.1 These lands and buildings are mortgaged as security in return for obtaining certain credit facilities, as disclosed in Note (8).

**7. INTANGIBLE ASSETS**

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
At 31 July 2019	376,399,169	--	376,399,169
<b>31 January 2020</b>	<b>376,399,169</b>	<b>1,570,880</b>	<b>377,970,049</b>
<u>Amortization:</u>			
At 31 July 2019	--	--	--
Charged during the period	--	197,432	197,432
<b>31 January 2020</b>	<b>--</b>	<b>197,432</b>	<b>197,432</b>
<u>Net book amount:</u>			
<b>31 January 2020</b>	<b>376,399,169</b>	<b>1,373,448</b>	<b>377,772,617</b>
At 31 July 2019	376,399,169	--	376,399,169



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**8. LONG-TERM LOANS**

Long-term loans are represented as follows:

**Ministry of Finance loan**

- 8.1 On 5 Jumada I 1436H (corresponding to 24 February 2015), the Group obtained a long-term loan from the Ministry of Finance for a total amount of SR 19.03 million to finance contracting and construction works needed to build the educational complex in Mansoura District. This facility is repaid in ten annual installments after the grace period which is estimated as four years from the signing date of the agreement. The last installment of the loan is payable on 10 June 2027. This agreement has been granted without a margin or commission.

**Collaterals**

These facilities are secured by mortgage of the land of staff accommodation villa located in Rawabi District of SR 1.33 million and the land located in Salam District of SR 20.099 million.

Movement in loans granted by the Ministry of Finance during the period/ year is as follows:

	<b>31 January 2020</b>	31 July 2019
Balance at the beginning of the period / year	17,134,200	19,038,000
Proceeds during the period / year	--	--
Repayments during the period / year	<b>(1,903,800)</b>	(1,903,800)
Balance at the end of the period / year	<b>15,230,400</b>	17,134,200

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

Total loans at end of the period / year	<b>15,230,400</b>	17,134,200
<u>Less: deferred finance charges</u>		
Balance at the beginning of the period / year	<b>(2,978,813)</b>	(3,596,477)
Finance charges for the period / year	<b>283,109</b>	617,664
Balance at the end of the period / year	<b>(2,695,704)</b>	(2,978,813)
Present value of loans at end of the period/ year	<b>12,534,696</b>	14,155,387

**Movement in loans granted by local banks during the period is as follows:**

- 8.2 On 2 Dhul Qi'dah 1435H (corresponding to 28 August 2014), the Group has entered into a long-term credit facilities agreement with a local bank for a total amount of SR 80 million to finance 80% of the purchase amount of Al Oroba International School. The Group used an amount of SR 68.7 million. The facility is to be paid in semi-annual installments after the six-month grace period from the date of signing the agreement with the bank. The last installment of the loan is payable on 28 February 2019. This facility has been granted at a profit margin and commission on the facility that specified at SIBOR plus an agreed upon rate of 2.25%. Installments have been paid in full.

**Collaterals**

This facility is secured by a promissory note for the full value of the loan and joint amerceable bail and performance, in-kind guarantees represented in mortgaging title deed of Mansoura complex land of SR 15 million and the administrative building land of Rawabi branch of SR 1.6 million.

- 8.3 On 5 Jumada I 1436H (corresponding to 24 February 2015), the Group has entered into a long-term credit facilities agreement with a local bank for a total amount of SR 140 million to finance contracting and construction works needed to build the educational complex in Ishbilia. This facility is repaid in semi-annual installments after the grace period estimated as two years from the signing date of the agreement with the bank. The loan's last installment is payable on 31 July 2023. This facility has been granted at a margin and commission specified at the revenue rate at SIBOR plus an agreed percentage of 2.75%.

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**8 LONG-TERM LOANS (CONTINUED)**

**Collaterals**

These facilities are secured by a promissory note for the full value of the financing available to the Group. In addition to keeping the mortgage of the land located in Ishbilia (with the same funded bank) of SR 43 million.

- 8.4 On 17 Dhul-Hijjah 1436H (corresponding to 30 September 2015), the Group entered into a long-term credit facilities agreement with a local bank dated 28 August 2014 with a total amount of SR 29.6 million to finance 80% of the purchase the administrative building on Uthman bin Affan Road in Izdihar District. This facility is repaid on the same terms of the original agreement over 5 years and the last installment is payable on 30 September 2020. This facility has been granted at a margin and commission specified at the revenue rate at SIBOR plus an agreed upon rate of 2.25%.

**Collaterals**

These facilities are guaranteed by promissory notes for the full value of the Group's available finance in addition to the mortgage of the land and buildings erected on it of amounted to 37 million.

- 8.5 On 9 Sha'ban 1437H (corresponding to 16 May 2016), the Group entered into a short-term credit facilities agreement with a local bank with a total amount of SR 30 million to finance working capital support. On 17 Ramadan 1440H (corresponding to 22 May 2019), the Group used SR 30 million of the loan and it has been paid on 27 Rabi' I 1441H (corresponding to 24 November 2019). This facility has been granted at margin and commission on the facility specified at SIBOR plus an agreed rate of 2.50%.

**Collaterals**

These facilities are secured by a promissory note for the full value of the Group's available finance amounting to SR 30 million.

- 8.6 On 9 Jumada' II 1438H (corresponding to 8 March 2017), the Group entered into a short-term credit facilities agreement with a local bank for a total amount of SR 20 million to finance working capital support. The Group used SR 20 million of the facility on 10 Shawwal 1440H (corresponding to 24 June 2019). The payment is made after 6 months from the date of obtaining the facility, and it was paid in full. The Group reused the facility with a value of SR 20 million on 27 Jumada I 1441H (corresponding to 22 January 2020). This facility has been granted at a margin and commission on the facility at SIBOR plus an agreed upon rate of 2.50%.

**Collaterals**

These facilities are secured by a mortgage of the title deed of Mansoura Complex land of SR 13.4 million and a promissory note for the entire amount of financing available to the Group in the amount of SR 20 million.

- 8.7 On 11 Dhul-Qi'dah 1440H (corresponding to 14 July 2019), the Group entered into a short-term credit facility agreement with a local bank without collateral with a total amount of SR 15 million to finance working capital support. The Group used SR 15 million of the loan and the repayment is after 75 months from the date of obtaining the facility. This facility has been granted at a margin and commission on the facility at SIBOR plus an agreed upon rate of 3%.
- 8.8 On 8 Safar 1441H (corresponding to 7 October 2019), the Group entered into a short-term credit facilities agreement with a local bank for a total amount of SR 25 million to finance working capital support. The Group used SR 25 million of the facility on 25 Jumada I 1441H (corresponding to 20 January 2020). Payment is made after 6 months from the date of obtaining the facility. This facility was granted with a profit margin and commission on the facility specified at SIBOR plus an agreed upon rate of 2%.

**Collaterals**

These facilities are secured by a promissory note with the full amount of the financing available to the Group in the amount of SR 25 million.

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**8 LONG-TERM LOANS (CONTINUED)**

- 8.9 On 8 Safar 1441H (corresponding to 7 October 2019), the Group entered into a long-term credit facilities agreement with a local bank for a total amount of SR 250 million to finance the acquisition and establishing new schools. This facility was granted at margin and commission on the facility of SIBOR plus an agreed upon rate of 1.50%.

This facility has not been used yet.

**Collaterals**

These facilities are secured by a promissory note with the full amount of the financing available to the Group in the amount of SR 250 million.

Movement in loans from local banks is as follows:

	<b>31 January 2020</b>	31 July 2019
Balance at the beginning of the period / year	166,614,010	188,152,905
Finance obtained during the period/ year	45,272,128	86,015,525
Repayments during the period / year	<u>(71,332,200)</u>	<u>(107,554,420)</u>
Total loans from local banks	<u>140,553,938</u>	<u>166,614,010</u>

Breakdown of loans were presented in the condensed consolidated interim statement of financial position as follows:

	<b>31 January 2020</b>	31 July 2019
Current portion of long-term loans *	94,750,974	97,240,577
Non-current portion of long-term loans*	<u>58,337,660</u>	<u>83,528,820</u>
	<u>153,088,634</u>	<u>180,769,397</u>

\* Includes a loan from Ministry of Finance

**9. DEFERRED REVENUE OF GOVERNMENT GRANTS**

	<b>31 January 2020</b>	31 July 2019
Balance at beginning of the period /year	2,978,813	3,596,477
Movement during the period / year	<u>(283,109)</u>	<u>(617,664)</u>
	<u>2,695,704</u>	<u>2,978,813</u>
Current portion of deferred revenue of government grants	<u>539,465</u>	<u>566,215</u>
Non-current portion of deferred revenue of government grants	<u>2,156,239</u>	<u>2,412,598</u>

**10. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing income for the period attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the Group has no diluted instruments.

	<b>For the three-month period ended 31 January</b>		<b>For the six-month period ended 31 January</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Income for the period	17,283,294	16,159,291	33,535,710	33,278,241
Weighted average number of shares	40,000,000	40,000,000	40,000,000	40,000,000
	<u>0.43</u>	<u>0.40</u>	<u>0.84</u>	<u>0.83</u>

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**FINANCIAL INSTRUMENTS**

**11.1 Financial assets**

	<u>31 January 2020</u>	<u>31 July 2019</u>
Financial assets at amortized cost:		
Accounts receivable	44,977,877	55,670,914
Cash and cash equivalents	21,175,174	7,053,316
<b>Total financial assets at amortized cost</b>	<b>66,153,051</b>	<b>62,724,230</b>

**11.2 Financial liabilities**

	<u>31 January 2020</u>	<u>31 July 2019</u>
Financial liabilities at amortized cost:		
Borrowings	153,088,634	180,769,397
Accounts payables	623,636	3,018,740
<b>Total financial liabilities at amortized cost</b>	<b>153,712,270</b>	<b>183,788,137</b>
Current portion of financial liabilities	95,374,610	100,259,317
Non-current portion of financial liabilities	58,337,660	83,528,820
<b>Total financial liabilities</b>	<b>153,712,270</b>	<b>183,788,137</b>

Fair values of financial assets and financial liabilities measured at amortized cost are not significantly different from their carrying amounts.

**11. RELATED PARTIES**

The Group transacted with related parties in ordinary course of business. Following are the details of major transactions with related parties:

	<u>Nature of the relationship</u>	<u>Nature of transaction</u>	<u>31 January 2020</u>	<u>31 January 2019</u>
Dr. Ahmed bin Nasser Elmet'eb	Shareholder and BOD member	Leases	4,252,745	3,838,130
Al Qasabi Contracting Company Limited	Shareholder of the Company	Contracting services	1,602,921	10,215,476

The above transactions resulted in following balances:

	<u>31 January 2020</u>	<u>31 July 2019</u>
Dr. Ahmed bin Nasser Elmet'eb*	4,303,155	5,993,032
Al Qasabi Contracting Company Limited	--	3,676,592

\* The balance due to Dr. Ahmed bin Nasser Elmet'eb of SR 4,303,155 was classified as follows:  
(SR 4,202,332) due for leases within lease liabilities under right-of-use assets  
(SR 100,823) classified under due to related parties

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**12. RELATED PARTIES (CONTINUED)**

**Key management personnel compensations**

Key management consists of Board members and executive management. Remunerations paid or payable to key management personnel for employees' services are listed below:

	<u>For the three-month period ended 31 January</u>		<u>For the six-month period ended 31 January</u>	
	<u>2020</u> <u>(Unaudited)</u>	<u>2019</u> <u>(Unaudited)</u>	<u>2020</u> <u>(Unaudited)</u>	<u>2019</u> <u>(Audited)</u>
Salaries & compensations	1,084,090	1,111,590	1,996,090	2,094,840
<u>End of service benefits and employees' benefits</u>	420,651	457,526	825,989	915,051
	<u>1,504,741</u>	<u>1,569,116</u>	<u>2,822,079</u>	<u>3,009,891</u>

**13. SEGMENT REPORTING**

The Group's revenues of SR 165.6 million are concentrated in education fees representing 100% of total revenues for the financial period ended 31 January 2020 (financial period ended 31 January 2019: SR 157.9 million). Accordingly, all the Group's assets and liabilities are dedicated to education sector.

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**13. SEGMENT REPORTING- (CONTINUED)**

The Group is mainly involved in the establishment of national and international schools activity, kindergarten, primary and secondary schools for boys and girls in Riyadh region. Information related to operating segments of the Group mentioned below are regularly reported to Operating Decision Makers in the Company are described as follows:

- Private schools
- International schools
- Indian schools
- French schools

**As at the period ended 31 January 2020**

	<b><u>Private schools</u></b>	<b><u>International schools</u></b>	<b><u>Indian schools</u></b>	<b><u>French schools</u></b>	<b><u>Total</u></b>
Revenues	99,510,233	43,082,171	18,384,928	4,612,281	165,589,613
Cost of revenue	(66,544,831)	(29,410,013)	(15,425,370)	(3,797,778)	(115,177,992)
Gross profit	32,965,402	13,672,158	2,959,558	814,503	50,411,621
Property, plant and equipment	420,641,807	71,674,545	7,945,790	1,223,159	501,485,301
Depreciation	(5,721,725)	(1,635,930)	(783,093)	(220,270)	(8,361,018)

**As at the period ended 31 January 2019**

	<b><u>International schools</u></b>			<b><u>French schools</u></b>	<b><u>Total</u></b>
	<b><u>Private schools</u></b>	<b><u>Indian schools</u></b>	<b><u>International schools</u></b>	<b><u>French schools</u></b>	<b><u>Total</u></b>
Revenues	96,170,480	18,329,948	38,874,854	4,534,046	157,909,328
Cost of revenue	(64,794,938)	(15,987,321)	(28,119,562)	(3,717,751)	(112,619,572)
Gross profit	31,375,542	2,342,627	10,755,292	816,295	45,289,756
Property, plant and equipment	459,937,809	9,211,851	72,374,926	1,847,451	543,372,037
Depreciation	(6,075,193)	(941,825)	(696,393)	(224,748)	(7,938,159)

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(A Saudi Joint Stock Company)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
For the six-month period ended 31 January 2020  
(Expressed in Saudi Riyals unless otherwise stated)

**13. SEGMENT REPORTING - (CONTINUED)**

Reconciliation of information on reportable segments to net income of the Group

	<b>31 January 2020</b>	31 January 2019
Gross profit from reported segment	<b>50,411,621</b>	45,289,756
<b><u>Undistributed amount</u></b>		
Other income	<b>8,372,220</b>	5,308,727
Impairment of accounts receivable	<b>(2,294,348)</b>	(2,100,000)
General and administrative expenses	<b>(9,788,644)</b>	(8,987,308)
Finance costs	<b>(12,328,559)</b>	(5,543,802)
Total unallocated amount	<b>(16,039,331)</b>	(11,322,383)
Profit before Zakat	<b>34,372,290</b>	33,967,373

**14. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

	<b>31 January 2020</b>	31 July 2019
Uncovered letter of guarantee	--	760,000
Capital commitments - projects in progress	<b>220,000</b>	1,600,000
	<b>220,000</b>	2,360,000

**15. NON-CASH TRANSACTIONS**

Transferred from projects in progress to property and equipment	<b>80,649,890</b>	49,009,202
Right-of-use assets against lease liabilities	<b>268,339,680</b>	--
Transferred from projects in progress to intangible assets	<b>1,570,880</b>	--
Dividends against accruals and other payables	<b>305,826</b>	30,000,000
Actuarial loss on re-measurement of employees' end of service benefits	<b>(1,254,400)</b>	(253,025)

**16. DIVIDENDS**

On 25 Jumada I 1441H (corresponding to 20 January 2020), the Extraordinary General Assembly decided a dividend of SR 40 million at SR 1 per share) (for July 2018: SR 60 million).

**17. SUBSEQUENT EVENTS**

On 7 Jumada II 1441H (corresponding to 1 February 2020), the Company has extended a Memorandum of Understanding with Al-Falah Private Company Limited (a limited liability company) to acquire Al-Falah Private Schools, which was signed on 6 Rabi I 1441H (corresponding to 3 November 2019).

**18. APPROVAL OF THE FINANCIAL STATEMENTS**

The condensed consolidated interim financial statements have been approved for issuance by the Audit Committee under the authorization of the Board of Directors on 3 Rajab 1441H (corresponding to 27 February 2020).