

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

<u>INDEX</u>	<u>PAGES</u>
Independent auditor's review report on the interim condensed consolidated financial statements	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 23

**Independent Auditor's Review Report on the
Interim Condensed Consolidated Financial Statements****To the Shareholders,
Al Khaleej Training and Education Company**

(A Saudi Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Khaleej Training and Education Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2023 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three and nine-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards 34 "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410), 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements 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 as 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.

Conclusion

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

Other Matter

The consolidated financial statements for the year ended 31 December 2022 and the interim condensed consolidated financial statements for the three and nine-month periods ended 30 September 2022 of the Group were audited and reviewed by another auditor who expressed unmodified opinion and conclusion on 14 May 2023 and 16 November 2022 respectively.

Baker Tilly MKM & Co.
*Certified Public Accountants***Bader Hatem Al Tamimi**
(License No. 489)Riyadh on 25 Rabi' al-Thani 1445H
Corresponding to 9 November 2023G

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023
(SAUDI RIYALS)

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited) (Restated, note 17)	1 January 2022 (Audited) (Restated, note 17)
ASSETS				
Non-current assets				
Property and equipment		647,059,833	575,163,833	477,513,806
Right of use assets		406,189,197	427,270,026	428,195,323
Investments in equity instruments carried at fair value through other comprehensive income (FVOCI)		147,068,353	275,592,374	308,366,773
Intangible assets		103,630,625	85,350,546	31,867,528
Financial derivative instrument carried at fair value through profit or loss (FVPL)		6,904,934	6,923,382	3,112,228
Recoverable amount from employees' benefits		13,377,867	10,188,303	7,740,337
Total non-current assets		1,324,230,809	1,380,488,464	1,256,795,995
Current assets				
Inventories		5,261,082	7,519,296	9,640,686
Prepayments and other receivables		59,198,605	42,083,858	82,477,316
Due from related parties	11	6,926,140	9,588,371	4,307,051
Contract assets and cost to fulfil contracts	8	80,894,789	46,111,957	35,627,070
Trade receivables	7	360,752,997	376,837,590	328,116,455
Cash and cash equivalents		79,943,991	43,285,792	123,992,614
Total current assets		592,977,604	525,426,864	584,161,192
Assets classified as held for sale	12	11,708,751	11,841,584	-
Total assets		1,928,917,164	1,917,756,912	1,840,957,187
EQUITY AND LIABILITIES				
EQUITY				
Share capital		650,000,000	650,000,000	650,000,000
Statutory reserve		83,043,571	83,043,571	83,043,571
Actuarial reserve		(45,798,387)	(45,798,387)	(40,220,672)
Accumulated losses		(17,946,973)	(23,015,666)	(14,081,396)
Foreign currency translation reserve		(2,232,026)	(1,788,464)	(2,728,551)
Fair value reserve		(16,959,152)	21,467,583	54,241,981
Total equity attributable to the shareholders of the Company		650,107,033	683,908,637	730,254,933
Non-controlling interests		34,788,026	35,478,318	3,517,416
Total equity		684,895,059	719,386,955	733,772,349
LIABILITIES				
Non-current liabilities				
Lease liabilities		416,057,294	433,521,238	426,758,733
Long-term borrowings	9	217,266,375	98,845,446	-
Long-term retention		-	6,932,819	1,641,758
Employees' end of service benefits		91,512,147	83,214,564	83,232,596
Deferred gain from sale and leaseback transactions		8,640,295	9,243,106	10,046,854
Total non-current liabilities		733,476,111	631,757,173	521,679,941
Current liabilities				
Short-term borrowings and bank overdrafts		181,056,811	149,866,529	166,173,347
Current portion of long-term borrowings	9	46,027,118	180,942,983	218,882,714
Deferred gain from sale and leaseback transactions		803,748	803,748	803,748
Current portion of lease liabilities		63,862,016	68,915,908	76,777,974
Trade and other payables		151,184,020	92,175,213	80,543,094
Due to related parties	11	21,073,744	12,117,950	263,277
Contract liabilities	13	29,264,026	43,775,036	31,311,175
Zakat and income tax payable	10	12,661,215	13,145,832	10,749,568
Total current liabilities		505,932,698	561,743,199	585,504,897
Liabilities directly associated with assets classified as held for sale	12	4,613,296	4,869,585	-
Total liabilities		1,244,022,105	1,198,369,957	1,107,184,838
Total equity and liabilities		1,928,917,164	1,917,756,912	1,840,957,187

Chief Financial Officer
Sherif Esmat

Chief Executive Officer
Alwaleed A. Aldryaan

Chairman of Board of Directors
Abdulaziz Alrashed

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

AL KHALEEF TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

	Note	For the three-month period ended		For the nine-month period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
			(Restated, note 17)		(Restated, note 17)
Continuing operations					
Revenue	15	273,939,540	220,396,492	693,279,642	644,314,541
Cost of revenue		(206,163,662)	(178,960,421)	(546,130,354)	(544,617,638)
Gross profit		67,775,878	41,436,071	147,149,288	99,696,903
Selling and marketing expenses		(4,023,452)	(4,194,916)	(11,178,898)	(14,035,200)
General and administrative expenses		(23,821,004)	(22,259,595)	(64,715,171)	(58,603,040)
(Charge) / reversal of provision for expected credit losses	7	(4,421,720)	3,220,477	(2,469,138)	(6,765,361)
Other income		7,028,033	12,555,342	27,398,685	27,408,174
Operating profit		42,537,735	30,757,379	96,184,766	47,701,476
Finance cost		(19,510,277)	(14,345,910)	(53,815,149)	(43,430,923)
Unrealized profit / (loss) on financial derivative instrument carried at FVPL		950,136	3,445,560	(18,448)	2,764,435
Profit before zakat and income tax for the period		23,977,594	19,857,029	42,351,169	7,034,988
Zakat and income tax	10	(5,821,000)	(2,259,243)	(9,977,766)	(5,555,233)
Profit for the period from continuing operations		18,156,594	17,597,786	32,373,403	1,479,755
Loss from discontinued operations	12	(642,714)	(1,569,170)	(1,760,330)	(4,598,176)
Net profit / (loss) for the period		17,513,880	16,028,616	30,613,073	(3,118,421)
Profit / (loss) for the period attributable to:					
Shareholders of the Company		14,973,713	13,796,021	24,994,593	(6,606,726)
Non-controlling interests		2,540,167	2,232,595	5,618,480	3,488,305
		17,513,880	16,028,616	30,613,073	(3,118,421)
Basic and diluted earnings per share for profit / (loss) attributable to the shareholders of the Company					
- from continuing operations	14	0.24	0.24	0.41	(0.03)
- from discontinued operations	14	(0.01)	(0.03)	(0.03)	(0.07)

Chief Financial Officer
Sherif Esmat

Chief Executive Officer
Alwaleed A. Aldryaan

Chairman of Board of Directors
Abdulaziz Alrashed

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

	For the three-month period ended		For the nine-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
		(Restated, note 17)		(Restated, note 17)
Net profit / (loss) for the period	17,513,880	16,028,616	30,613,073	(3,118,421)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	494,744	705,879	(443,562)	2,311,288
Items that will not be reclassified subsequently to profit or loss:				
Change in the fair value of investments in equity instruments carried at FVOCI	(37,370,556)	25,876,404	(38,426,735)	(21,651,685)
Other comprehensive (loss) / income for the period	(36,875,812)	26,582,283	(38,870,297)	(19,340,397)
Total comprehensive (loss) / income for the period	(19,361,932)	42,610,899	(8,257,224)	(22,458,818)
Total comprehensive (loss) / income for the period attributable to:				
Shareholders of the Company	(21,902,099)	40,378,304	(13,875,704)	(25,947,123)
Non-controlling interests	2,540,167	2,232,595	5,618,480	3,488,305
	(19,361,932)	42,610,899	(8,257,224)	(22,458,818)


Chief Financial Officer
Sherif Esmat


Chief Executive Officer
Alwaleed A. Aldryaan


Chairman of Board of Directors
Abdulaziz Alrashed

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

AL KHALEEF TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

	Attributable to the shareholders of the Company						Non-controlling interests	
	Share capital	Statutory reserve	Actuarial reserve	Accumulated losses	Foreign currency translation reserve	Fair value reserve	Total	Total equity
Balance as at 1 January 2022 (As issued)	650,000,000	83,043,571	(40,220,672)	(7,465,538)	(2,728,551)	54,241,981	736,870,791	3,517,416
Impact of adjustment for prior period (Note 17)	-	-	-	(6,615,858)	-	-	(6,615,858)	-
Balance at 1 January 2022 (Restated)	650,000,000	83,043,571	(40,220,672)	(14,081,396)	(2,728,551)	54,241,981	730,254,933	3,517,416
Net loss for the period (Restated - note 17)	-	-	-	(6,606,726)	-	-	(6,606,726)	3,488,305
Other comprehensive loss	-	-	-	-	2,311,288	(21,651,685)	(19,340,397)	-
Total comprehensive loss	-	-	-	(6,606,726)	2,311,288	(21,651,685)	(25,947,123)	3,488,305
Acquisition during the period	-	-	-	-	-	-	-	28,151,476
Dividends paid	-	-	-	-	-	-	-	(3,006,235)
Balance as at 30 September 2022 (Restated)	650,000,000	83,043,571	(40,220,672)	(20,688,122)	(417,263)	32,590,296	704,307,810	32,150,962
Balance as at 1 January 2023 (As issued)	650,000,000	83,043,571	(45,798,387)	(10,302,518)	(1,788,464)	21,467,583	696,621,785	29,923,531
Impact of adjustment for prior period (Note 17)	-	-	-	(12,713,148)	-	-	(12,713,148)	5,554,787
Balance at 1 January 2023 (Restated)	650,000,000	83,043,571	(45,798,387)	(23,015,666)	(1,788,464)	21,467,583	683,908,637	35,478,318
Net profit for the period	-	-	-	24,994,593	-	-	24,994,593	5,618,480
Other comprehensive loss	-	-	-	-	(443,562)	(38,426,735)	(38,870,297)	-
Total comprehensive loss	-	-	-	24,994,593	(443,562)	(38,426,735)	(13,875,704)	5,618,480
Acquisition of NCI (Note 2a)	-	-	-	(19,925,900)	-	-	(19,925,900)	(10,674,100)
Acquisition of a subsidiary (Note 2b)	-	-	-	-	-	-	-	8,352,320
Dividends paid	-	-	-	-	-	-	-	(3,986,992)
Balance as at 30 September 2023	650,000,000	83,043,571	(45,798,387)	(17,946,973)	(2,232,026)	(16,959,152)	650,107,033	34,788,026

 Chief Financial Officer Sherif Esmat	 Chief Executive Officer Alwaleed A. Aldryaan	 Chairman of Board of Directors Abdulaziz Alrashed
-------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

	Note	30 September 2023	30 September 2022
			(Restated, note 17)
Cash flows from operating activities			
Profit before zakat and income tax for the period from continuing operations		42,351,169	7,034,988
Loss before zakat and income tax for the period from discontinued operations		(1,742,330)	(4,580,176)
Adjustments for non-cash items:			
Depreciation and amortization		52,247,043	54,533,389
Deferred gain from sale and leaseback transactions		(602,811)	(602,811)
Provision for employees' end of service benefits		13,462,584	12,565,791
Charge of provision for expected credit losses		2,469,138	6,765,361
Unrealized loss/ (profit) on financial derivative instruments		18,448	(2,764,435)
Finance cost		53,815,149	43,430,923
Loss on disposal of a subsidiary	12	744,554	-
		<u>162,762,944</u>	<u>116,383,030</u>
Changes in working capital items:			
Inventories		2,258,214	1,446,152
Prepayments and other receivables		(17,163,536)	19,200,228
Due from related parties		3,364,445	5,171,098
Contract assets and cost to fulfil contracts		(34,782,832)	(9,653,217)
Trade receivables		13,068,528	11,819,505
Long-term retention		(7,334,227)	3,003,925
Trade and other payables		57,857,229	8,869,665
Due to related parties		(25,376,573)	(263,277)
Contract liabilities		<u>(14,508,461)</u>	<u>(613,931)</u>
		140,145,731	155,363,178
Employees' end of service benefits paid		(8,046,323)	(19,618,393)
Zakat and income tax paid		<u>(10,462,383)</u>	<u>(10,596,644)</u>
Net cash generated from continuing operating activities		<u>121,637,025</u>	<u>125,148,141</u>
Net cash used in discontinued operations		<u>(141,456)</u>	<u>-</u>
Net cash generated from operating activities		<u>121,495,569</u>	<u>125,148,141</u>
Cash flows from investing activities			
Purchase of property and equipment		(76,670,050)	(74,821,016)
Net cash outflow on disposal of a subsidiary		(22,769)	-
Net cash used in acquisition of a subsidiary		(26,112,235)	(2,199,280)
Proceeds from sale of investment in equity instruments		<u>90,097,286</u>	<u>-</u>
Net cash used in investing activities		<u>(12,707,768)</u>	<u>(77,020,296)</u>
Cash flows from financing activities			
Net movement in loans and borrowings		(8,235,681)	(1,512,667)
Lease liabilities paid		(59,906,929)	(64,243,488)
Dividends paid		<u>(3,986,992)</u>	<u>(3,006,235)</u>
Net cash used in financing activities		<u>(72,129,602)</u>	<u>(68,762,390)</u>
Net change in cash and cash equivalents during the period		<u>36,658,199</u>	<u>(20,634,545)</u>
Cash and cash equivalents at the beginning of the period		<u>43,285,792</u>	<u>123,992,614</u>
Cash and cash equivalents at end of the period		<u>79,943,991</u>	<u>103,358,069</u>
Non-cash transactions	18		

Chief Financial Officer
Sherif Esmat

Chief Executive Officer
Alwaleed A. Aldryaan

Chairman of Board of Directors
Abdulaziz Alrashed

The accompanying notes form an integral part of these interim condensed financial statements

AL KHALEEJ TRAINING AND EDUCATION COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

(SAUDI RIYALS)

1. COMPANY INFORMATION AND PRINCIPAL ACTIVITIES

Al Khaleej Training and Education Company (“the Company”) is a Saudi Joint Stock Company registered under commercial registration number 1010103367 dated 30 Jamada Al Awal 1413 H (corresponding to 25 November 1992 G). The registered address of the head office is building number 8480, unit number 5, Wadi Al-Thumamah, Olaya, Riyadh 12213, Kingdom of Saudi Arabia.

The Company and its subsidiaries (collectively, “the Group”) are engaged in operating schools for primary and secondary education with an international curriculum, IT & Computer training institutes, teaching languages and communication skills’ institutes, providing high management consulting services and integrated office administrative services activities.

2. LIST OF PRINCIPAL SUBSIDIARIES

The Group’s principal subsidiaries as at period / year end are set out below. Unless otherwise stated, the share capital of the subsidiaries consists solely of ordinary shares that are held directly by the Company. The country of incorporation mentioned in the table below is also the principal place of business of each respective subsidiary, except as otherwise stated.

Name of subsidiary	Country of incorporation	Activities	Ownership interest % held by the Company	
			30 September 2023	31 December 2022
Advanced Communication Systems and Solutions Company	KSA	Information, communications, administrative activities and support services	100%	100%
Al – Faisaliyah National Schools Company – LTD (refer 2(a) below)	KSA	Education	87%	60%
Al – Roqi National Schools Company – LTD	KSA	Education	60%	60%
Al-Riyadah Model Education Company (refer 2(b) below)	KSA	Education	51%	-
Fast Lane Computer Consultancy (Civil Business Corporation)	UAE	Computer skills training	80%	80%
Stage 2 Learning Solutions (Civil Business Corporation)	UAE	Computer systems consultancies	80%	80%
Franklin Covey Middle East and its subsidiaries	UAE	Training in human resource behavior	61%	61%
Online Trading Academy FZ – LTD (refer note 12)	UAE	Training in trade in the financial markets	-	100%
Jobzella for Information Technology FZ – LLC	Incorporated in UAE, operating in Egypt	Professional online career network for job seekers and employers to connect	60%	60%
Al Khaleej Training and Information Technology Company	Egypt	Training courses for English and IT	57%	57%
Linguaphone Group Limited	United Kingdom	A world-leading provider of self-study and classroom-based language courses	100%	100%

AL KHALEEL TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

2. LIST OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Acquisitions and investments

- a) During the period, the management completed the allocation of the purchase consideration to identifiable assets and liabilities of Al – Faisaliyah National Schools Company. This resulted in upward fair value adjustment of property and equipment amounting to SR 3.9 million and recognition of an intangible asset amounting to SR 10.9 million representing student list. These adjustments have resulted in the reduction of the goodwill recognized previously based on the provisional fair value by an amount of SR 8.9 million and increase in the non-controlling interest by an amount of SR 5.9 million.

Furthermore, on 24 Dhul Qadah 1444H (corresponding to 13 June 2023G), the Company acquired further 27% shares in Al – Faisaliyah National Schools Company for a total consideration of SR 30.6 million, resulting in an increase in its shareholding from 60% to 87%. Immediately prior to the purchase, the carrying amount of the 27% of the non-controlling interest ("NCI") was SR 10.7 million. The purchase was accounted for as an equity transaction with the owners with no impact on the interim condensed consolidated statement of profit or loss for the period ended 30 September 2023. The difference of SR 19.9 million between the carrying value of the share of NCI acquired and the consideration paid was recorded under equity as part of accumulated losses.

- b) On 1 August 2023, the Group acquired 51% of the voting shares of Al-Riyadah Model Education Company for a consideration of SR 29.1 million. The Group acquired Al-Riyadah Model Education Company as part of the plan to expand its business in the education sector. The legal formalities related to the transfer of these shares to the Company are in progress. As of the period end, the management is in the process of allocating the purchase consideration to identifiable assets and liabilities of Al-Riyadah Model Education Company. Accordingly, the acquisition date accounting has been done on the basis of the provisional fair value. Any subsequent adjustments to this provisional fair value used will be retrospectively adjusted in the goodwill recognized in the interim condensed consolidated statement of financial position.

The assets and liabilities recognized as a result of the acquisition is as follow:

	1 August 2023
Property and equipment	18,894,008
Right of use assets	4,092,723
Prepayments and other receivables	106,325
Due from related parties	702,214
Trade receivables	975,340
Cash and cash equivalents	422,765
Lease liabilities	(5,183,431)
Employees' end of service benefits	(250,000)
Trade and other payables	(1,517,027)
Due to related parties	(1,197,367)
Net identifiable assets acquired	17,045,550
Less: Non-controlling interests	(8,352,320)
Add: Goodwill arising on acquisition	20,376,770
Purchase consideration	29,070,000

AL KHALEELJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

3. BASIS OF PREPARATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim condensed consolidated financial statements do not include all the information and disclosures required in a full set of consolidated financial statements prepared in accordance with International Financial Reporting Standards. Accordingly, these interim condensed consolidated financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022. Specific accounting policies and explanatory disclosures have been included to explain the significant events and transactions behind the changes in the Group's financial position and financial performance during the period.

The interim period is considered as an integral part of the full fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results for the full year operations.

Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Defined benefits plan measured at the present value of future obligations using the Projected Unit Credit Method;
- Investments in equity instruments measured at fair value through other comprehensive income; and
- Investment in financial derivatives measured at fair value through profit or loss.

Furthermore, these interim condensed consolidated financial statements are prepared using the accrual basis of accounting and the going concern basis.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The interim condensed consolidated financial statements are presented in Saudi Riyal, which is the Company's functional and the Group's presentation currency.

5. USE OF ESTIMATES AND ASSUMPTIONS

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant estimates made by the Group for managing the Group's accounting policies and the primary sources of estimating the unreliability were the same as those that were applied in the consolidated financial statements for the year ended 31 December 2022.

AL KHALEEL TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the application of the new standards that became effective on 1 January 2023. The Group did not early adopt any other standard, interpretation or amendment issued but not yet effective.

New Standards, Amendment to Standards and Interpretations

There are no new standards issued that are effective for these interim condensed consolidated financial statements; however, there are number of amendments to standards which are effective from 1 January 2023 and have been explained in the Group's annual consolidated financial statements, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

7. TRADE RECEIVABLES

	30 September 2023	31 December 2022
Government customers	367,472,066	328,136,360
Non-government customers	105,287,333	158,238,494
Trade receivables - gross	472,759,399	486,374,854
Less: Provision for expected credit losses	(112,006,402)	(109,537,264)
Trade receivables – net	360,752,997	376,837,590

Movement in the provision for expected credit losses is as follows:

	30 September 2023	31 December 2022
Balance at the beginning of the period / year	109,537,264	96,823,796
Additions through acquisition of subsidiaries	-	2,549,054
Provision charged during the period / year	2,469,138	10,164,414
Balance at the end of the period / year	112,006,402	109,537,264

8. CONTRACT ASSETS AND COST TO FULFIL CONTRACTS

	30 September 2023	31 December 2022
Contract assets	62,682,909	31,748,722
Cost to fulfil contract*	18,211,880	14,363,235
	80,894,789	46,111,957

* This amount represents the infrastructural cost incurred by the Group for the provision of call centers services.

9. BORROWINGS

During the nine-month period ended 30 September 2023, the Group was in breach of Riyadh Bank and Banque Saudi Fransi loans' covenants causing the outstanding long-term borrowings to become payable on demand to the banks. However, the Group obtained a waiver from the banks for these breaches.

10. ZAKAT

With respect to Zakat, Tax and Customs Authority's assessment ("ZATCA") for the years 2019 - 2020, the Group requested to resolve the contested amount and reached an agreement with ZATCA to settle the assessment by paying an amount of SR 9.4 million through five equal monthly instalments. As of the end of the current period, the Group has paid three instalments, with the remaining two instalments scheduled for payment in the fourth quarter of 2023.

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

11. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with related parties for the nine-month period ended 30 September are as follows:

Name of the related party	Nature of relationship	Nature of transaction	30 September 2023	30 September 2022
Al-Falak Electronic Equipment and Supplies Company	Company owned by Board of Directors	Rent as a lessee	675,000	675,000
		Rent as a lessor	-	1,024,500
Sawaq Al-Raqi	Affiliate company	Rent as a lessor	-	39,000
		Payment on behalf	-	300,000
New Horizon Holding – USA	Affiliate company	Royalties	1,509,188	-
Saleem Abdul Ghani Mhana Al-Baladi	Partner in subsidiary	Purchase of shares	-	10,000,000
		Payment on behalf	490,599	-
Salem Bin Hindi Al Harbi Holding	Partner in subsidiary	Payment on behalf	1,461,256	-
		Purchase of shares	30,600,000	50,000,000
Mohammad Al Ghamdi	Partner in subsidiary	Purchase of shares	29,070,000	-
Manar Al-Tfwq School	Affiliate company	Payment on behalf	784,965	-
Allianz Saudi Medical Cooperative Insurance Company	Managed by key management personnels	Medical insurance premium	19,347,127	-
Key management personnel	Key management personnel	Salaries and benefits	6,692,647	9,287,705

Balances due from related parties as of the period / year end are as follows:

	30 September 2023	31 December 2022
New Horizon Holding – USA	4,501,476	4,873,720
Manar Al-Tfwq School	1,220,004	1,461,255
Salim Abdul Ghani Bin Mhana Al-Baladi	1,075,564	284,965
Sawaq Al-Raqi	97,394	1,306,051
Al-Falak Electronic Equipment and Supplies Company	31,702	676,917
Al-Khaleej Computers Company	-	985,463
	6,926,140	9,588,371

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Balances due to related parties as of the period / year end are as follows:

	30 September 2023	31 December 2022
Salem Bin Hindi Al Harbi & Holding	18,538,744	5,000,000
Mohammad Al Ghamdi	2,535,000	-
Salim Abdul Ghani Bin Mihaan Al-Baladi	-	7,000,000
New Horizon Holding – USA	-	117,950
	21,073,744	12,117,950

12. DISCONTINUED OPERATIONS

Spectrum Wellness Establishment

On 28 September 2022, the Board of Directors (the "BoD") of the Company resolved to dispose-off Spectrum Wellness Establishment (the "Establishment") through sale. Accordingly, the associated assets and liabilities were classified as current and presented as held for sale in the interim condensed consolidated statement of financial position and the associated results of operations were classified as discontinued operation in the interim condensed consolidated statement of profit or loss. Financial information related to the Establishment for the three and nine-month periods ended 30 September is as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
Revenue	2,266,928	2,116,995	7,473,749	6,917,542
Cost of revenue	(2,677,464)	(2,746,935)	(7,443,039)	(7,865,490)
Gross (loss) / profit	(410,536)	(629,940)	30,710	(947,948)
Selling and marketing expenses	(25,982)	(96,837)	(179,355)	(260,286)
General and administrative expenses	(122,324)	(88,135)	(1,633,127)	(1,408,208)
Operating loss	(558,842)	(814,912)	(1,781,772)	(2,616,442)
Finance cost	(71,872)	(73,254)	(73,255)	(75,570)
Loss before zakat	(630,714)	(888,166)	(1,855,027)	(2,692,012)
Zakat	(12,000)	(6,000)	(18,000)	(18,000)
Net loss for the period	(642,714)	(894,166)	(1,873,027)	(2,710,012)

The carrying amount of the assets and liabilities as at the period / year end is as follows:

	30 September 2023	31 December 2022
Property and equipment	7,634,428	6,620,961
Right of use assets	2,373,712	3,374,823
Inventories	929,345	910,474
Prepayments and other receivables	490,259	656,442
Cash and cash equivalents	281,007	278,437
Total assets	11,708,751	11,841,137
Lease liabilities	238,829	1,342,177
Employees' end of service benefits	1,251,122	1,064,467
Trade and other payables	3,121,920	2,414,716
Zakat payable	1,425	47,778
Total liabilities	4,613,296	4,869,138

AL KHALEEL TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

12. DISCONTINUED OPERATIONS (CONTINUED)

Online Trading Academy FZ – LTD

The BoD resolved to sell the Online Trading Academy FZ– LTD. (“OTA”) (a fully owned subsidiary) and signed a selling agreement on 3 April 2023. The ownership of shares of the subsidiary were transferred to the buyer without consideration. The transaction resulted in a loss of SR 0.7 million recognized in interim condensed consolidated statement of profit or loss. Financial information related to the subsidiary for the three and nine-month periods ended 30 September is as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
Revenue	-	548,675	254,579	1,867,098
Cost of revenue	-	(322,506)	(69,787)	(919,229)
Gross profit	-	226,169	184,792	947,869
Selling and marketing expenses	-	(307,591)	(93,682)	(979,414)
General and administrative expenses	-	(292,854)	(115,859)	(1,263,896)
Other (expenses) / income	-	(137,633)	882,000	(137,633)
Operating (loss) / profit	-	(511,909)	857,251	(1,433,074)
Finance cost	-	(8,169)	-	(26,328)
(Loss) / profit before income tax	-	(520,078)	857,251	(1,459,402)
Income tax	-	-	-	-
Net (loss) / profit for the period	-	(520,078)	857,251	(1,459,402)
Loss on sale of subsidiary	-	-	(744,554)	-

The carrying amount of the assets and liabilities at the time of disposal was as follows:

	3 April 2023
Property and equipment	12,756
Intangible assets	99,916
Prepayments and other receivables	155,114
Trade receivables	1,522,267
Cash and cash equivalents	22,769
Total assets	1,812,822
Employees’ end of service benefits	558,242
Banks overdraft	142,028
Trade and other payables	365,449
Contract liabilities	2,549
Total liabilities	1,068,268
Net assets	744,554
Consideration received	-
Loss on disposal	(744,554)

AL KHALEEL TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

12. DISCONTINUED OPERATIONS (CONTINUED)

Applied Digital Media Services Company

In the prior year, the Group's management resolved to voluntarily liquidate Applied Digital Media Services Company "ADMS" (a fully owned subsidiary). The liquidation proceedings were under progress as of the period end. The subsidiary had assets and liabilities of SR 447 each as of the year ended 31 December 2022. Financial information related to the subsidiary for the three and nine-month periods ended 30 September is as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
General and administrative expenses	-	(154,926)	-	(428,762)
Loss before income tax	-	(154,926)	-	(428,762)
Income tax	-	-	-	-
Net loss for the period	-	(154,926)	-	(428,762)

13. CONTRACT LIABILITIES

	30 September 2023	31 December 2022
Advanced school's tuition fee	18,513,254	26,335,410
Advances from customers	7,416,842	17,008,337
Others	3,333,930	431,289
	29,264,026	43,775,036

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the shareholders of the Company over the weighted average number of outstanding ordinary shares during the period.

There were no diluted shares outstanding at any time during the period, therefore, the diluted earnings per share is equal to the basic earnings per share.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
From continuing operations				
Net profit / (loss) attributable to the shareholders of the Company	15,616,427	15,365,191	26,754,923	(2,008,550)
Weighted average number of outstanding shares during the period	65,000,000	65,000,000	65,000,000	65,000,000
Basic and diluted earnings / (loss) per share	0.24	0.24	0.41	(0.03)
From discontinuing operations				
Net loss attributable to the shareholders of the Company	(642,714)	(1,569,170)	(1,760,330)	(4,598,176)
Weighted average number of outstanding shares during the period	65,000,000	65,000,000	65,000,000	65,000,000
Basic and diluted loss per share	(0.01)	(0.03)	(0.03)	(0.07)
Total basic and diluted earnings / (loss) per share	0.23	0.21	0.38	(0.10)

AL KHALEEJ TRAINING AND EDUCATION COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

(SAUDI RIYALS)

15. SEGMENT INFORMATION**Operating segments**

Operating segments are determined based on the Group's internal reporting to executive management. For management purposes, the Group is organised into five business units based on its products and services. The executive management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Restatement of segment information

The comparative financial information for the period ending 30 September 2022 has been restated. Refer to note 17 for full details.

The financial information of the Group's operating segments for the period ended 30 September 2023 is as follows:

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

	Management Projects	Training	Call Centres	University	Schools	Total
Revenue	77,050,408	76,225,291	270,698,172	94,459,894	174,845,877	693,279,642
Depreciation	2,697,178	5,726,793	13,558,245	213,764	28,054,288	50,250,268
Profit / (loss) before zakat and income tax	(8,369,715)	7,739,855	12,550,898	9,851,966	20,578,165	42,351,169
As at 30 September 2023:						
Total assets	218,151,562	106,408,788	351,476,296	106,473,241	1,146,407,277	1,928,917,164
Total liabilities	504,781,216	40,928,510	142,566,663	31,198,383	524,547,333	1,244,022,105

The financial information of the Group's operating segments for the period ended 30 September 2022 is as follows:

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (Restated – note 17)

	Management Projects	Training	Call Centres	University	Schools	Total
Revenue	68,616,883	58,756,337	285,431,257	113,062,658	118,447,406	644,314,541
Depreciation	5,474,107	7,882,067	11,359,015	215,260	27,914,501	52,844,950
Profit / (loss) before zakat and income tax	3,949,609	(13,334,629)	(290,705)	3,676,838	13,033,875	7,034,988
As at 31 December 2022:						
Total assets	187,308,883	87,242,615	360,771,547	94,179,029	1,188,254,838	1,917,756,912
Total liabilities	357,876,512	32,185,159	269,053,797	22,242,487	517,012,002	1,198,369,957

AL KHALEELJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

16. FINANCIAL INSTRUMENTS

16.1 Risk management financial instruments

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from previous periods.

16.2 Fair value measurements of financial instruments

There have been no substantive changes in the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual consolidated financial statements. Furthermore, the levels of inputs used in determination of the fair values are consistent with that disclosed in the consolidated financial statements for the year ended 31 December 2022. The fair value of financial instruments approximates their carrying value.

17. PRIOR PERIODS' ADJUSTMENTS

In accordance with the requirements of IAS 8 "Accounting policies, changes in accounting estimates and errors" ("IAS 8"), management has restated the comparative figures to adjust prior year / period's consolidated financial statements. The note below sets out the details of adjustments and reclassifications and the impact on the line items in the consolidated statement of financial position, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows.

- A) The management reassessed the basis of revenue recognition in respect of certain contracts with customers which resulted in recognition of revenue for the three-month period ended 30 September 2022 and reversal of revenue for the nine-month period ended 30 September 2022.
Furthermore, there has been a reclassification related to one of the subsidiaries from other income to revenue due to incorrect classification in the prior period.
- B) The management identified certain errors in the application of its lease accounting which resulted in recognition of additional depreciation charged to cost of revenue and financial charges.
- C) As a result of certain business units being classified as discontinued operations, the management has reclassified their related financial statement line items in the interim condensed consolidated statement of profit or loss into 'loss from discontinued operations'. For details, please refer to note 12.
- D) Due to inappropriate application of IFRS 9 related to expected credit losses, the management has rectified the reversal / charge of provision booked in the prior periods.
- E) The management has reversed the write-off of a receivable as the Board of Directors approval for the write off had not been obtained as of 1 January 2022.
- F) There has been certain other reclassifications in the comparative periods for better presentation and classification.
- G) During the current period, the management completed purchase price allocation exercise related to the acquisition of Al – Faisaliyah National Schools Company which resulted in additional depreciation and amortization of fair value adjustment of property and equipment and intangible assets (student list). Refer to note 2(a) for further details.
- H) This adjustment represents the correction of fees paid related to certain consultancy services which had been rendered in the six-month period ended 30 June 2022, but expensed in the nine-month period ended 30 September 2023.
- I) This adjustment represents recording of retention payable and interest thereon related to some of the construction projects which had not been recorded previously.
- J) This adjustment represents the impact of correction made with regards to the incorrect amounts used for consolidation of Al – Faisaliyah National Schools Company at the date of acquisition.
- K) This adjustment represents the reclassification of Subsidy received from Human Resource Development Fund from general and administrative expenses to cost of revenue.

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

17. PRIOR PERIODS' ADJUSTMENTS (CONTINUED)

- L) The management has netted off the prepayment related to the medical insurance with a corresponding liability under Trade and Other Payables which had been incorrectly recorded.
- M) The management has reclassified unbilled revenue and costs incurred to fulfil certain contracts with customers from Trade Receivables and Work in Progress to Contract Assets and Cost to Fulfil Contracts.
- N) The management has reclassified unidentified deposits incorrectly netted with Trade Receivables to Trade and Other Payables.
- O) This adjustment represents the reclassification of unpresented cheques which had been incorrectly credited to trade and other payables.
- P) The management has reinstated as contract liability some of the advances received from customers which had been incorrectly recognized as revenue.
- Q) The management has adjusted the incorrectly recognized dividend income and corresponding dividend receivable.
- R) This adjustment represents the reversal of depreciation and amortization booked on assets classified as held for sale.

AL KHALEELJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

17. PRIOR PERIODS' ADJUSTMENTS (CONTINUED)

Impact of adjustments and reclassifications to the interim condensed consolidated statement of profit or loss for the three-month period ended 30 September 2022.

	Note	30 September 2022 (Unaudited)	Adjustment	Reclassification	30 September 2022 (Restated)
Continuing operations					
Revenue	A, C B, C, F,	213,878,956	8,884,854	(2,367,318)	220,396,492
Cost of revenue	G, K	(176,748,529)	(11,529,448)	9,317,556	(178,960,421)
Gross profit		37,130,427	(2,644,594)	6,950,238	41,436,071
Selling and marketing expenses	C	(4,599,345)	-	404,429	(4,194,916)
General and administrative expenses	C, F, K	(16,547,394)	-	(5,712,201)	(22,259,595)
(Charge) / reversal of provision for expected credit losses	C, D	(916,296)	3,999,140	137,633	3,220,477
Other income	A, F, Q	7,836,839	5,016,855	(298,352)	12,555,342
Operating profit		22,904,231	6,371,401	1,481,747	30,757,379
Finance cost	B, C, I	(12,488,863)	(1,938,470)	81,423	(14,345,910)
Unrealized gain on financial derivative instrument carried at FVPL		3,445,560	-	-	3,445,560
Profit before zakat and income tax for the period		13,860,928	4,432,931	1,563,170	19,857,029
Zakat and income tax	C	(2,265,243)	-	6,000	(2,259,243)
Profit for the period from continuing operations		11,595,685	4,432,931	1,569,170	17,597,786
Loss from discontinued operations	C	-	-	(1,569,170)	(1,569,170)
Net profit for the period		11,595,685	4,432,931	-	16,028,616
Profit for the period attributable to:					
Shareholders of the Company		9,237,980	4,558,041	-	13,796,021
Non-controlling interests		2,357,705	(125,110)	-	2,232,595
Basic and diluted earnings per share for profit / (loss) attributable to the shareholders of the Company					
- from continuing operations		0.14	0.07	0.03	0.24
- from discontinued operations		-	-	(0.03)	(0.03)

AL KHALEEL TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

17. PRIOR PERIODS' ADJUSTMENTS (CONTINUED)

Impact of adjustments and reclassifications to the interim condensed consolidated statement of profit or loss for the nine-month period ended 30 September 2022.

	Note	30 September 2022 (Unaudited)	Adjustment	Reclassification	30 September 2022 (Restated)
Continuing operations					
Revenue	A, C B, C, F,	655,030,521	(4,390,651)	(6,325,329)	644,314,541
Cost of revenue	G, K	(570,954,356)	(1,825,866)	28,162,584	(544,617,638)
Gross profit		84,076,165	(6,216,517)	21,837,255	99,696,903
Selling and marketing expenses	C	(15,274,901)	-	1,239,701	(14,035,200)
General and administrative expenses	C, F, H, K	(42,217,540)	(1,308,500)	(15,077,000)	(58,603,040)
Reversal / (charge) of provision for expected credit losses	C, D	4,712,367	(11,615,361)	137,633	(6,765,361)
Other income	A, F, Q	27,370,856	3,696,629	(3,659,311)	27,408,174
Operating profit		58,666,947	(15,443,749)	4,478,278	47,701,476
Finance cost	B, C, I	(41,986,299)	(1,546,522)	101,898	(43,430,923)
Unrealized gain on financial derivative instrument carried at FVPL		2,764,435	-	-	2,764,435
Profit before zakat and income tax for the period		19,445,083	(16,990,271)	4,580,176	7,034,988
Zakat and income tax	C	(5,573,233)	-	18,000	(5,555,233)
Profit for the period from continuing operations		13,871,850	(16,990,271)	4,598,176	1,479,755
Loss from discontinued operations	C	-	-	(4,598,176)	(4,598,176)
Net profit / (loss) for the period		13,871,850	(16,990,271)	-	(3,118,421)
Profit / (loss) for the period attributable to:					
Shareholders of the Company		10,258,435	(16,865,161)	-	(6,606,726)
Non-controlling interests		3,613,415	(125,110)	-	3,488,305
Basic and diluted earnings per share for profit / (loss) attributable to the shareholders of the Company					
-from continuing operations		0.16	(0.26)	0.07	(0.03)
-from discontinued operations		-	-	(0.07)	(0.07)

AL KHALEELJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

17. PRIOR PERIODS' ADJUSTMENTS (CONTINUED)

Impact of adjustments and reclassifications to the interim condensed consolidated statement of comprehensive income for the three-month period ended 30 September 2022.

	30 September 2022 (Unaudited)	Adjustment	Reclassification	30 September 2022 (Restated)
Net profit for the period	11,595,685	4,432,931	-	16,028,616
Other comprehensive income for the period	26,582,283	-	-	26,582,283
Total comprehensive income for the period	38,177,968	4,432,931	-	42,610,899

Impact of adjustments and reclassifications to the interim condensed consolidated statement of comprehensive income for the nine-month period ended 30 September 2022.

	30 September 2022 (Unaudited)	Adjustment	Reclassification	30 September 2022 (Restated)
Net profit / (loss) for the period	13,871,850	(16,990,271)	-	(3,118,421)
Other comprehensive loss for the period	(19,340,397)	-	-	(19,340,397)
Total comprehensive loss for the period	(5,468,547)	(16,990,271)	-	(22,458,818)

AL KHALEEJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

17. PRIOR PERIODS' ADJUSTMENTS (CONTINUED)

Impact of adjustments and reclassifications to the consolidated statement of financial position as at 1 January 2022.

	Note	1 January 2022 (Audited)	Adjustment	Reclassification	1 January 2022 (Restated)
Property and equipment	I	475,915,945	1,597,861	-	477,513,806
Total non-current assets		1,255,198,134	1,597,861	-	1,256,795,995
Prepayments and other receivables	E, L, Q	97,261,813	(5,764,872)	(9,019,625)	82,477,316
Contract assets and cost to fulfil contracts	M	-	-	35,627,070	35,627,070
Trade receivables	M, N	358,218,375	-	(30,101,920)	328,116,455
Cash and cash equivalents	O	126,105,863	(2,113,249)	-	123,992,614
Total current assets		595,533,788	(7,878,121)	(3,494,475)	584,161,192
Accumulated losses		(7,465,538)	(6,615,858)	-	(14,081,396)
Total equity		740,388,207	(6,615,858)	-	733,772,349
Long-term retention	I	-	1,641,758	-	1,641,758
Total non-current liabilities		520,038,183	1,641,758	-	521,679,941
Trade and other payables	L, N, O	86,150,818	(2,113,249)	(3,494,475)	80,543,094
Contract liabilities	P	30,504,086	807,089	-	31,311,175
Total current liabilities		590,305,532	(1,306,160)	(3,494,475)	585,504,897

AL KHALEELJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

17. PRIOR PERIODS' ADJUSTMENTS (CONTINUED)

Impact of adjustments and reclassifications to the consolidated statement of financial position as at 31 December 2022.

	Note	31 December 2022 (Audited)	Adjustment	Reclassification	31 December 2022 (Restated)
Property and equipment	G, I	564,784,979	10,378,854	-	575,163,833
Right of use assets	J	429,076,828	(1,806,802)	-	427,270,026
Intangible assets	G, J	83,886,038	1,464,508	-	85,350,546
Total non-current assets		1,370,451,904	10,036,560	-	1,380,488,464
Prepayments and other receivables	H, L, Q	61,786,657	(10,414,484)	(9,288,315)	42,083,858
Work in progress	M	23,491,649	-	(23,491,649)	-
Contract assets and cost to fulfil contracts	M	-	-	46,111,957	46,111,957
Trade receivables	M, N	393,268,040	-	(16,430,450)	376,837,590
Cash and cash equivalents	O	45,490,349	(2,204,557)	-	43,285,792
Assets classified as held for sale	R	11,424,400	417,184	-	11,841,584
Total current assets		552,568,762	(12,201,857)	(3,098,457)	537,268,448
Accumulated losses		(10,302,518)	(12,713,148)	-	(23,015,666)
Non-controlling interest	G, J	29,923,531	5,554,787	-	35,478,318
Total equity		726,545,316	(7,158,361)	-	719,386,955
Lease liabilities	J	435,245,827	(1,724,589)	-	433,521,238
Long-term retention	I	-	6,932,819	-	6,932,819
Total non-current liabilities		626,548,943	5,208,230	-	631,757,173
Trade and other payables	J, L, N, O	97,730,837	(2,457,167)	(3,098,457)	92,175,213
Contract liabilities	P	41,785,156	1,989,880	-	43,775,036
Zakat and income tax payable	J	12,893,711	252,121	-	13,145,832
Total current liabilities		569,926,407	(215,166)	(3,098,457)	566,612,784

Impact of adjustments and reclassifications to the interim condensed consolidated statement of cash flows for the nine-month period ended 30 September 2022.

	30 September 2022 (Unaudited)	Reclassification	30 September 2022 (Restated)
Net cash generated from operating activities	121,765,065	3,383,076	125,148,141
Net cash used in investing activities	(80,162,276)	3,141,980	(77,020,296)
Net cash used in financing activities	(61,438,414)	(7,323,976)	(68,762,390)

AL KHALEELJ TRAINING AND EDUCATION COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAUDI RIYALS)

18. NON-CASH TRANSACTIONS

Non-cash investing transactions

	30 September 2023	30 September 2022
Deferred consideration for further acquisition of shares in Al – Faisaliyah National Schools Company – LTD	30,600,000	60,000,000
Deferred consideration for acquisition of shares in Al-Riyadah Model Education Company	2,535,000	-

Non-cash investing activities disclosed in other notes are:

- Disposal of OTA (a fully owned subsidiary) on 2 April 2023 – refer to note 12.
- Acquisition of Al-Riyadah Model Education Company on 1 August 2023 – refer to note 2(b).
- Acquisition of Al-Roqi National Schools Company on 1 January 2022 – refer to note 34 of prior year consolidated financial statements.
- Acquisition of Al – Faisaliyah National Schools Company – LTD on 1 August 2022 – refer to note 34 of prior year consolidated financial statements.

19. CONTINGENCIES AND COMMITMENTS

a) Contingencies

The Group's banks issued, on its behalf and during the normal course of business, bank guarantees amounting to SR 103 million (31 December 2022: SR 97.4 million).

b) Commitments

The capital expenditures committed by the Group but not incurred till 30 September 2023 amounted to SR 47.6 million (31 December 2022: SR 83.5 million).

20. SUBSEQUENT EVENTS

There are no events subsequent to the period end till the approval of these interim condensed consolidated financial statements requiring adjustment of or disclosure in these financial statements.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved by the Board of Directors on 25 Rabi' al-Thani 1445H corresponding to 9 November 2023.