

**AL KHALEEJ TRAINING AND EDUCATION COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED**  
**30 SEPTEMBER 2022**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**Al Khaleej Training and Education Company**  
(A Saudi Joint Stock Company)  
**Interim Condensed Consolidated Financial Statements**  
**For the Three-month and Nine-month periods ended 30 September 2022**

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INDEPENDENT AUDITOR'S REVIEW REPORT  
ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF AL KHALEEJ TRAINING AND EDUCATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim 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 2022, the related interim consolidated statements of profit or loss and comprehensive income for the three and nine-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (٣٤) "Interim Financial Reporting" ("IAS 34") that is 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 Engagement 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 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 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.

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 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.

Ibrahim A. Al Bassam  
Certified Public Accountant  
License No. 337

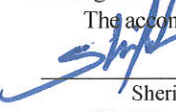
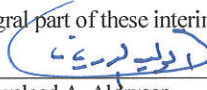
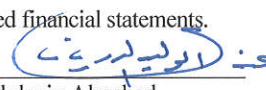
Riyadh: 22 Rabi' al-Thani 1444H  
Corresponding to: 16 November 2022



**Al Khaleej Training and Education Company**  
(A Saudi Joint Stock Company)  
**Interim Consolidated Statement of Financial Position**  
**As At 30 September 2022**  
(All amounts are in Saudi Riyal unless otherwise stated)

	Notes	30 September 2022 (Unaudited)	31 December 2021 (Restated - Note 19) (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	4	87,073,032	31,867,528
Right of use of assets	5	444,072,778	434,631,475
Property and equipment		556,796,322	475,915,945
Financial derivative instrument carried at FVTPL		5,876,663	3,112,228
Investments in equity instruments at fair value through OCI		283,708,888	305,360,573
<b>Total non-current assets</b>		<b>1,377,527,683</b>	<b>1,250,887,749</b>
<b>Current assets</b>			
Trade receivables	6	399,824,281	406,227,855
Prepayments and other receivables		93,364,124	112,720,649
Inventories		8,267,540	9,640,686
Due from related parties	7-1	932,732	1,477,846
Cash and cash equivalent		105,666,436	126,105,863
<b>Total current assets</b>		<b>608,055,113</b>	<b>656,172,899</b>
<b>TOTAL ASSETS</b>		<b>1,985,582,796</b>	<b>1,907,060,648</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	650,000,000	650,000,000
Statutory reserve		85,365,123	85,365,123
Retained earnings		68,900,484	58,642,049
Actuarial reserve		(30,057,880)	(30,057,880)
Foreign currency translation reserve		(417,262)	(2,728,550)
Fair value reserve		32,590,296	54,241,981
<b>Total equity attributable to the Shareholders</b>		<b>806,380,761</b>	<b>815,462,723</b>
Non-controlling interest		27,147,761	3,517,416
<b>Total equity</b>		<b>833,528,522</b>	<b>818,980,139</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	9	212,050,579	-
Deferred gain from sale of property and equipment	10	9,444,043	10,046,854
Lease obligations	10	432,572,839	472,230,091
Employees' post-employment benefits	11	65,462,353	69,552,565
<b>Total non-current liabilities</b>		<b>719,529,814</b>	<b>551,829,510</b>
<b>Current liabilities</b>			
Banks overdraft		3,049,145	4,002,477
Short-term borrowings	9	143,836,668	204,251,325
Current portion of long-term borrowings	9	46,715,493	176,802,259
Current portion of deferred gain from sale of property and equipment	10	803,748	803,748
Current portion of lease obligations	10	64,694,680	24,854,215
Trade and other payables		107,698,569	114,787,407
Due to related parties	7-2	60,000,000	-
Zakat and income tax payable	13-2	5,726,157	10,749,568
<b>Total current liabilities</b>		<b>432,524,460</b>	<b>536,250,999</b>
<b>Total liabilities</b>		<b>1,152,054,274</b>	<b>1,088,080,509</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,985,582,796</b>	<b>1,907,060,648</b>
Contingent liabilities and capital commitments	14		


The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.


		
Sherif Esmat Chief Financial Officer	Alwaleed A. Aldryaan Chief Executive Officer	Abdulaziz Alrashed Chairman

**Al Khaleej Training and Education Company**  
(A Saudi Joint Stock Company)  
**Interim Consolidated Statement of Profit or Loss**  
**For the Three-month and Nine-month periods ended 30 September 2022**  
(All amounts are in Saudi Riyal unless otherwise stated)

		For the Three-month-period ended 30 September		For the Nine-month-period ended 30 September	
	Note	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenues		213,878,956	211,238,489	655,030,521	610,507,705
Cost of revenues		(176,748,529)	(174,810,085)	(570,954,356)	(527,743,809)
<b>GROSS PROFIT</b>		<b>37,130,427</b>	<b>36,428,404</b>	<b>84,076,165</b>	<b>82,763,896</b>
Selling and marketing expenses		(4,599,345)	(5,367,836)	(15,274,901)	(13,188,727)
General and administrative expenses		(16,547,394)	(14,414,942)	(42,217,540)	(41,526,042)
(Charge) / Reversal of provision for expected credit loss	6	(916,296)	(330,000)	4,712,367	(330,000)
		15,067,392	16,315,626	31,296,091	27,719,127
Other income		7,836,839	8,675,301	27,370,856	22,975,156
Finance costs	12	(12,488,863)	(15,894,286)	(41,986,299)	(47,016,487)
Unrealized Gain on financial derivative instruments		3,445,560	-	2,764,435	-
<b>PROFIT FOR THE PERIOD BEFORE ZAKAT AND INCOME TAX</b>		<b>13,860,928</b>	<b>9,096,641</b>	<b>19,445,083</b>	<b>3,677,796</b>
Zakat and income tax	13-2	(2,265,243)	(450,000)	(5,573,233)	(2,190,790)
<b>NET PROFIT FOR THE PERIOD</b>		<b>11,595,685</b>	<b>8,646,641</b>	<b>13,871,850</b>	<b>1,487,006</b>
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Shareholders of the parent Company		9,237,980	7,936,775	10,258,435	331,524
Non-controlling interests		2,357,705	709,866	3,613,415	1,155,482
		11,595,685	8,646,641	13,871,850	1,487,006
<b>BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY</b>	15	<b>0.14</b>	<b>0.18</b>	<b>0.16</b>	<b>0.01</b>

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

  
Sherif Esmat  
Chief Financial Officer

  
Alwaleed A. Aldryaan  
Chief Executive Officer

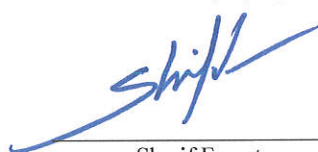
  
Abdulaziz Alrashed  
Chairman



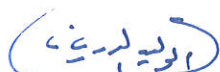
**Al Khaleej Training and Education Company**  
(A Saudi Joint Stock Company)  
**Interim Consolidated Statement of Comprehensive Income**  
**For the Three-month and Nine-month periods ended 30 September 2022**  
(All amounts are in Saudi Riyal unless otherwise stated)

	For the Three-month period ended 30 September		For the Nine-month period ended 30 September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>NET PROFIT FOR THE PERIOD</b>	<b>11,595,685</b>	<b>8,646,641</b>	<b>13,871,850</b>	<b>1,487,006</b>
<b><u>OTHER COMPEREHSINVE INCOME / (LOSS)</u></b>				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation reserve	705,879	(140,093)	2,311,288	(919,594)
Items that will not be reclassified subsequently to profit or loss:				
Change in the fair value of investments in equity instruments	25,876,404	17,955,056	(21,651,685)	76,851,852
Other comprehensive (loss) / income	26,582,283	17,814,963	(19,340,397)	75,932,258
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>	<b>38,177,968</b>	<b>26,461,604</b>	<b>(5,468,547)</b>	<b>77,419,264</b>
<b><u>TOTAL COMPREHENSIVE INCOME / (LOSS)</u></b>				
<b><u>ATTRIBUTABLE TO:</u></b>				
Shareholders of the parent company	39,521,326	26,459,722	(5,380,899)	77,447,188
Non-controlling interests	(1,343,358)	1,882	(87,648)	(27,924)
	<b>38,177,968</b>	<b>26,461,604</b>	<b>(5,468,547)</b>	<b>77,419,264</b>

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.



Sherif Esmat  
Chief Financial Officer



Alwaleed A. Aldryaan  
Chief Executive Officer



Abdulaziz Alrashed  
Chairman

**Al Khaleej Training and Education Company**  
(A Saudi Joint Stock Company)

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

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Alwaleed A. Aldryaan  
Chief Executive Officer

Abdulaziz Alrashed  
Chairman

**Al Khaleej Training and Education Company**  
(A Saudi Joint Stock Company)  
**Interim Consolidated Statement of Cash flows**  
**For the Nine-month periods ended 30 September 2022**  
(All amounts are in Saudi Riyal unless otherwise stated)

		<b>For the nine-month period ended</b>	
	<b>Note</b>	<b>30 September 2022</b>	<b>30 September 2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before zakat and income tax		19,445,083	3,677,796
<b>Adjustments to:</b>			
Depreciation and amortization		49,164,229	42,796,171
Deferred gain on sale of property and equipment		(602,811)	(602,811)
Provision for employees' post-employment benefits	11	12,565,791	15,806,338
(Reversal) / Impairment of expected credit loss	6	(4,712,367)	330,000
Unrealized gain on financial derivative instruments		(2,764,435)	-
Finance costs	12	41,986,299	47,016,487
Foreign currency translation reserve		2,311,288	(891,670)
		<b>117,393,077</b>	<b>108,132,311</b>
<b>Net changes in working capital:</b>			
Trade receivables		24,394,099	(59,768,783)
Prepayments and other receivables		22,842,838	(117,616)
Inventories		1,446,152	403,811
Due from related parties		2,183,397	(2,902,999)
Due to related parties		555,621	-
Trade and other payables		(16,835,082)	21,770,490
<b>Cash flows generated from operating activities</b>		<b>151,980,102</b>	<b>67,517,214</b>
Employees' post-employment benefits paid	11	(19,618,393)	(11,694,851)
Zakat and income tax paid		(10,596,644)	(2,172,491)
<b>Net cash generated from operating activities</b>		<b>121,765,065</b>	<b>53,649,872</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Additions to intangible assets		-	(655,124)
Purchase of property and equipment		(70,719,435)	(36,600,210)
Net cash used in acquisition of subsidiaries, net cash Paid	18	(2,199,498)	-
Addition to right of use of assets		(7,243,343)	(6,150,102)
<b>Net cash used in investing activities</b>		<b>(80,162,276)</b>	<b>(43,405,436)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Bank overdrafts		(953,332)	8,602,285
Borrowings, net		11,234,271	59,764,718
Dividend paid		(2,918,587)	(11,250,000)
Payment of finance cost		(41,986,299)	(47,016,487)
lease obligations, net		(26,726,819)	(17,397,370)
Non-controlling interest		(87,648)	(1,241,979)
<b>Net cash used in financing activities</b>		<b>(61,438,414)</b>	<b>(8,538,833)</b>
<b>Net change in cash and cash equivalents</b>		<b>(20,439,427)</b>	<b>1,705,603</b>
Cash and cash equivalents at the beginning of the period		126,105,863	28,271,875
<b>Cash and cash equivalents at the end of the period</b>		<b>105,666,436</b>	<b>29,977,478</b>

**Non cash transaction:**

Net Accrued amount of acquisition of subsidiary, against  
Due to related parties

18-b 60,000,000 -

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Sherif Esmat  
Chief Financial Officer

Alwaleed A. Aldryaan  
Chief Executive Officer

Abdulaziz Alrashid  
Chairman



**Al Khaleej Training and Education Company**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the nine-months period ended 30 September 2022**

(All amounts are in Saudi Riyal unless otherwise stated)

**1. INFORMATION AND ACTIVITIES****1-1 Corporate information**

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 head office located at Olaya area, Riyadh.

On 30 March 2021 corresponding to Sha'aban 17, 1442 AH, the company announced the Board of Directors' recommendation to increase the capital by offering rights shares in order to enable the company to acquire assets in education sector. The Capital Market Authority "CMA" issued its approval of the company's request to increase the capital on 30 September 2021, and the Extraordinary General Assembly approved the capital increase on 3 November 2021 corresponding to Rabi' al-Awal 28, 1443 H by offering rights-based shares to shareholders at an increase of 0.44 shares for each share, and the number of increase shares is 20 million shares, with a value of 200 million Riyal Saudi. After the increase, the capital became 650 million Saudi Riyal, divided into 65 million ordinary shares.

The Company and its subsidiaries (collectively, "the Group") are engaged in operating independent schools for primary education with a international curriculum, providing top management consulting services, operating independent schools for secondary education with an international curriculum, higher training institutes, institutes for teaching languages and communication skills, operating independent schools for high-school education with a international curriculum, integrated office administrative services activities.

**1-2 Group information**

The following is the list of subsidiaries included in these interim condensed consolidated financial statements. The ownership percentages below as of 30 September 2022:

Subsidiary companies	Country of incorporation	Effective Shareholding (Direct/Indirect)	
		30 September 2022	31 December 2021
Fast Lane Group (Fast Lane Consultancy duty free – LTD.)	United Arab Emirates	80%	80%
Al Khaleej Training and Information Technology Company	Egypt	57 %	57 %
Online Trading Academy Duty free – LTD.	United Arab Emirates	100%	100%
Applied Digital Media Services Company	United Arab Emirates	100%	100%
Franklin Covey Middle East Company and its subsidiaries	United Arab Emirates	61%	61%
Linguaphone Limited Company	United Kingdom	100%	100%
Jobzilla for General Consulting	Egypt	60%	60%
Al-Roqi National Schools Company (1)	Saudi Arabia	60%	-
Al-Faisaliah National Schools Company (2)	Saudi Arabia	60%	-
Advanced Systems and Solutions Company (3)	Saudi Arabia	100%	100%

- (1) During 2022, the Company acquired 60% of Al-Roqi National Schools Company is a limited liability company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010189989 on 23 Rajab, 1424 H corresponding to 20 September 2003.  
The principal activity of Al-Roqi National Schools Company is to establishing, operating and maintaining private schools for all levels – kindergarten / preparatory/ primary/ middle/secondary for boys and girls.
- (2) During 2022, the Company acquired 60% of Al- Faisaliya National Schools Company is a limited liability company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in Riyadh under commercial registration No. 4030144348 on 22 Rajab Jumada al-Alkhirah 1424 H corresponding to 20 August 2003.  
The principal activity of Al- Faisaliya National Schools Company is to establishing, operating private schools for all levels – kindergarten /primary/ middle/secondary. and Contracting, establishing, managing, owning and selling educational facilities. And Wholesale and retail trade in clerical tools and import it.

**Al Khaleej Training and Education Company**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the nine-months period ended 30 September 2022**

(All amounts are in Saudi Riyal unless otherwise stated)

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**1. INFORMATION AND ACTIVITIES (CONTINUED)**

- (3) During 2022, The Group completed the legal procedures of restructuring one of its branch (Smart Link call centers) from the Group as an independent Company, the new company is named "Advanced Systems and Solutions Company for Communications and the Group currently in the process of register the new company with same commercial registration number of 1010369937.

The principal activity of Advanced Systems and Solutions Company is to provide Information, communications, administrative activities and support services.

**2. BASIS OF PREPARATION AND CONSOLIDATION**

**2-1 Basis of compliance**

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's annual financial statements as of and for year ended 31 December 2021.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual statements to prepare a complete set of financial statements, however accounting policies and explanatory notes are mentioned to explain events and the important transaction to understand the changes in the Group's financial position and its performance since the last annual financial statement of the Group.

The results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that can be expected for the financial year ending 31 December 2022.

**2-2 Basis of measurement**

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis, with the exception of employee benefits obligations is recognised at the present value of future obligations using the Projected Unit Credit Method and the equity investment is measured at fair value through other comprehensive income (OCI).

**2-3 Functional and presentation currency**

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

**2-4 Basis of consolidation**

The interim condensed consolidated financial statements comprise from the parent Company and its subsidiaries financial statement for the three-month and nine-month period ended 30 September 2022. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

- The contractual arrangement with the over voting holders of the investee
- Rights arising from other contractual arrangements
- The Groups voting rights and potential rights

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

**Al Khaleej Training and Education Company**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the nine-months period ended 30 September 2022**

(All amounts are in Saudi Riyal unless otherwise stated)

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**2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)**

**2-4 Basis of consolidation (Continued)**

Profit or loss and each component of consolidated comprehensive income are attributed to shareholders of the parent Company of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intra-Group asset and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full upon consolidation.

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

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

**2-5 Use of estimates and assumptions**

The preparation of these interim condensed consolidated financial statements required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The significant estimates made by management when applying the Company's accounting policies and the significant sources of estimation uncertainties were the same as those shown in the last annual financial statements.

The Group's management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**New Standards, Amendment to Standards and Interpretations**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group annual Consolidated Financial Statements for the year ended 31 December 2021, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

**Al Khaleej Training and Education Company****(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the nine-months period ended 30 September 2022****(All amounts are in Saudi Riyal unless otherwise stated)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3-1 Revenue recognition**

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

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

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

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

Revenues arises mainly from providing training courses, school fees, communication service centers and education projects related to universities. Other income is realized when the related service is provided.



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**4. INTANGIBLE ASSETS**

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Goodwill (a)	<b>82,285,555</b>	25,639,990
Franchise rights and software (b)	<b>4,787,477</b>	6,227,538
	<b>87,073,032</b>	<b>31,867,528</b>

**a) Goodwill:**

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

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

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

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Al-Faisaliah National Schools Company (Note 18-B)	<b>48,864,492</b>	-
Al-Roqi National Schools Company (Note 18-A)	<b>7,781,073</b>	-
Linguaphone Limited Company	<b>15,412,796</b>	15,412,796
Fast Lane Group (Fast Lane Consultancy duty free – LTD.)	<b>5,583,436</b>	5,583,436
Franklin Covey Middle East Company and its subsidiaries	<b>2,346,883</b>	2,346,883
Jobzilla for General Consulting	<b>2,296,875</b>	2,296,875
	<b>82,285,555</b>	<b>25,639,990</b>

**b) Franchise rights and software**

The franchise rights and software amortized over a period of 10 years. The movement during the period / year is as follows:

	<b>For the Nine months period ended 30 September 2022 (Unaudited)</b>	<b>For the year ended 31 December 2021 (Audited)</b>
<b>Cost:</b>		
At the beginning of the period / year	<b>15,202,524</b>	14,736,421
Additions during the period / year	-	466,103
At the end of the period / year	<b>15,202,524</b>	<b>15,202,524</b>
<b>Accumulated amortization:</b>		
At the beginning of the period / year	<b>8,974,986</b>	8,429,641
Charge for the period / year	<b>1,440,061</b>	545,345
At the end of the period / year	<b>10,415,047</b>	<b>8,974,986</b>
<b>Net book value</b>	<b>4,787,477</b>	<b>6,227,538</b>

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**5. RIGHT OF USE ASSETS**

Set out below, are the carrying amount of the Group's right-of-use assets and the movements during the period / year:

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Balance at the beginning of the period / year	<b>434,631,475</b>	414,213,223
Balance transferred from acquired companies	<b>26,910,032</b>	-
Additions during the period / year	<b>7,243,343</b>	57,717,315
Depreciation during the period / year	<b>(24,712,072)</b>	(37,299,063)
Balance at the end of the period / year	<b>444,072,778</b>	434,631,475

**6. TRADE RECEIVABLE**

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Government institutions	<b>321,845,939</b>	283,999,897
Private	<b>99,843,734</b>	135,415,204
Unbilled revenue	<b>30,462,729</b>	43,853,242
Less: impairment provision in account receivables	<b>(52,328,121)</b>	(57,040,488)
	<b>399,824,281</b>	406,227,855

Movements in the provision for expected credit loss were as follows:

	<b>For the nine months period ended 30 September 2022 (Unaudited)</b>	<b>For the year ended 31 December 2021 (Audited)</b>
Balance at the beginning of the period / year	<b>57,040,488</b>	62,589,778
Reversal for the period / year	<b>(4,712,367)</b>	(5,516,800)
Amounts written off during the period / year	-	(32,490)
Balance at the end of the period / year	<b>52,328,121</b>	57,040,488

**7. RELATED PARTIES TRANSACTIONS**

Related party	Nature of transactions	<b>30 September 2022 (Unaudited)</b>	<b>30 September 2021 (unaudited)</b>
Entities owned by the company's directors	Rent as lessee	<b>675,000</b>	675,000
	Rent as lessor	<b>1,024,500</b>	1,024,500
Swaad Al-Raqi – Associate	Payment on behalf	<b>300,000</b>	-
Salem Bin Hindi Al Harbi & Holding Company - Al Faisaliya National Schools Company shareholder	Deferred consideration	<b>50,000,000</b>	-
Salim Abdul Ghani Bin Mihan Al , Baladi - Al Faisaliya National Schools Company shareholder	Deferred consideration	<b>10,000,000</b>	-
<b><u>Key management remuneration</u></b>			
Board of director	Bonuses	<b>922,500</b>	900,000
	Allowances	<b>90,000</b>	109,500
<b><u>Short-term benefits:</u></b>			
Salaries including bonuses	Salaries and bonuses	<b>5,846,097</b>	5,246,047
<b><u>Post-employment benefits:</u></b>			
Termination benefits	End of service	<b>2,429,108</b>	1,382,388
	Paid	<b>1,885,465</b>	1,302,950

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	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Entities owned by the company's directors	<b>849,421</b>	1,477,846
Swaad Al-Raqi – Affiliate company	<b>83,311</b>	-
	<b>932,732</b>	1,477,846

**7-2 Due to related parties**

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Salem Bin Hindi Al Harbi & Holding Company - Al Faisaliya National Schools Company shareholder	<b>50,000,000</b>	-
Salim Abdul Ghani Bin Mihan Al , Baladi - Al Faisaliya National Schools Company shareholder	<b>10,000,000</b>	-
	<b>60,000,000</b>	-

Transactions with related parties are made on terms similar those prevailing in normal transactions.

The Group has not recorded any impairment loss on amounts due from related parties. Valuation of impairment is performed every financial year by examining the financial position of the related entity and the market in which the entity is involved.

**8. SHARE CAPITAL**

The Company's capital consists of 65 million shares of SR 10 each as at 30 September 2022 (31 December 2021: 65 million shares) of SR 10 each.

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**9. BORROWINGS**

The Group obtained long-term and short-term loans from several local banks to finance the Group's projects to construct buildings for educational establishments. The loans are charged a commission equal to the Saudi inter-bank borrowing rate (SAIBOR). All loans are secured by promissory note and the pledge of part of the Group's land to the banks. The agreements include covenants which, among other things, require the Group to maintain certain financial ratios. As of 30 September 2022, the Group is in compliance of certain covenants of the financing agreements.

During the period ended 30 September 2022 the management identified that there is a breach of certain covenants as of 31 December 2021, so the management restated the comparative figures for the non-current Loans liabilities amounted to SR 141,441,807 to current liabilities (Note 19). Below is the summary of borrowing :

	30 September 2022 (Unaudited)	31 December 2021 (Restated, note 19) (Audited)
Short-term	143,836,668	204,251,325
Long-term:		
Current portion	46,715,493	176,802,259
Non-current portion	212,050,579	-
	<u>402,602,740</u>	<u>381,053,584</u>

**10. LEASE OBLIGATIONS**

The obligations resulting from the acquisition of assets through finance and operating leases consists of the following:

- Leased building through sale and lease back. The Group completed, on 15 September 2015, the sale of a newly constructed management building in Al-Ghadeer area in Riyadh, the cost of which is approximately SR 58.9 million, to Manafe' Holding Company, at a selling price of SR 75 million, in order to finance the Group's expansion in educational projects. The Group then leased back the building for 20 years ending in the year 2034. Gain from the sale transaction, amounting to approximately SR 16 million, was deferred in accordance with the requirements of the IFRS 16 "Leases" issued by "SOCPA", and will be recognized in subsequent period in correlation with depreciation as the leaseback was classified as a finance lease. During the year 2016 the rental value of the land for the building was separated and classified as an operating lease (with present value of SR 48.7 million). In the interim condensed consolidated statement of profit or loss the Group recognized an amount of SR 602,811 as gain from sale of the building (30 September 2021: SR 602,811)
- Schools leased building in Dammam. on 25 August 2016 the Group has signed a contract with Mohammed Abdulaziz Al Rajhi and Sons Investment Group, to lease Al Ishraq Building Schools for 20 years. The building lease was classified as a finance lease (with present value SR 17.8 million) and the rent of land was classified as right of use.
- Three schools leased in Dammam and Riyadh on 23 December 2019, the Group has signed a sale and leaseback contract with Al Rajhi Capital Fund, to lease Dammam Schools, Moghrazat Schools and Sahafa Schools for 15 years.

**11. EMPLOYEES' POST-EMPLOYMENT BENEFITS**

The Group manages the end of service benefits program for its employees in accordance with the requirements of the labor law in the Kingdom of Saudi Arabia. The movement in the provision for employees' end of service benefits for the period / year is based on actuarial assumptions:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period / year	69,552,565	60,808,916
Balance transferred from acquired companies	2,962,390	-
Cost of service and interest included in profit or loss for the period / year	12,565,791	12,019,801
Actuarial loss on remeasurement of end of service benefits for the period / year	-	16,760,851
Paid during the period/year	(19,618,393)	(20,037,003)
Balance at the end of the period / year	<u>65,462,353</u>	<u>69,552,565</u>



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**12. FINANCE COSTS**

	<b>For the Nine-month period ended</b>	
	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Finance cost on lease obligation	<b>30,273,326</b>	32,984,003
Finance cost on borrowings	<b>11,712,973</b>	14,032,484
	<b>41,986,299</b>	47,016,487

**13. ZAKAT AND INCOME TAX****13-1 ZAKAT STATUS**

- The Group submitted their declarations to Zakat, Tax and Customs Authority "ZATCA" until the year ended 31 December 2021 and obtained a certificate from ZATCA valid until 10 Shawwal 1444H corresponding to 30 April 2023.
- The Group has received assessments dated 22 December 2020 from the ZATCA for the years from 2015 to 2018 with zakat payable amount of SR 31.9 Million. ZATCA decided to reduce the claims amount to SR 25 Million, the Group has filed an appeal against these assessments during 2022. The Group paid with its Zakat declarations and appeal process SR 8.7 Million. The net amount under assessment is SR 15 Million
- The Group has received assessments dated 21 October 2021 from ZATCA for the years 2019 and 2020 with zakat payable amount of SR 37,134,367. ZATCA decided to reduce the claims amount to SR 23,562,372. The Group filed an appeal against these assessments during 2022. During 2022 the Group has paid SR 9.3 million as per ZATCA request as a guarantee to accept the appeal.

The management believe that the Zakat assessment still in the initial stage, it is difficult to expect the potential exposure from the zakat assessment, and the management made assessment and decided that the value of zakat claims under process to be recoded as contingent liabilities (14-a)

**13-2 ZAKAT PROVISION MOVEMENT**

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	<b>10,749,568</b>	1,474,691
Charged during the period / year	<b>5,573,233</b>	11,483,259
Paid during the period / year	<b>(10,596,644)</b>	(2,208,382)
Balance at end of the period / year	<b>5,726,157</b>	10,749,568

**14. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS****a) Contingencies**

- The Group's banks issued, on its behalf and during its normal course of business bank guarantees amounted to SR 100.4 million as at 30 September 2022 (31 December 2021: SR 108.7 million).
- The Group confirmed that it will continue to provide financial support to its subsidiary "Linguaphone Group Limited" to enable it to meet its liabilities the fall due for a period of twelve months from date of signing the subsidiary financial statements. The Group - as the sole shareholder in Linguaphone - confirmed not to recall any amount owed to it until the subsidiary "Linguaphone" has sufficient resources.
- The Group has Zakat assessment for the years from 2015 till 2020 amounted to SR 38.9 Million after deducting all amounts paid, and this assessments still under appeal (13-1).

**b) Commitments**

The capital expenditures committed by the Group but not incurred till 30 September 2022 amounting to SR 104.8 million (31 December 2021: SR 134.8 million).

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**15. EARNING PER SHARE**

Basic and diluted earnings share is calculated by dividing the profit for the period attributable to the shareholders of the Parent company by the weighted average number of ordinary shares during the period:

	For the Three month-period ended		For the Nine month-period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Net profit for the period	9,237,980	7,936,775	10,258,435	331,524
Weighted average number of ordinary shares	65,000,000	45,000,000	65,000,000	45,000,000
Basic and diluted earnings per share	0.14	0.18	0.16	0.01

**16. SEGMENT INFORMATION**

The segmental information is attributable to the Group's activities and business as approved by the Group management to be used as a basis for the financial reporting and consistent with the internal reporting process.

The segment results and assets comprise items that are directly attributable to certain segment and items that can reasonably be allocated between business segments.

The Group is organized into following main business segments:

**1- Training****a. Computer**

Serves individual and corporate segments. Individual segment incorporates training courses with period from three months to two years diploma corporate segment incorporates all advanced programming, networking and computer solutions. The Group follows the global methodology of New Horizon Company, of which the Group owns the franchise in the middle east region.

**b. Language**

Provides training courses in English language, consisting of 6 levels. The courses are held over a period of 2 to 14 months. The Group follows the global methodology of Direct English Company, of which the Group owns the franchise in the middle east region.

**2- Universities**

This segment represents the educational projects related to universities and the Ministry of Education, including operating the orientation years for several Saudi universities. These projects are focused on providing the academic staff for the orientation years according to scientific basis and standards set by the universities and managing these human resources for the universities.

**3- Projects Management**

This segment aims to provide trainees with information and various skills and up-to-date methods in relation to their jobs, and to improve and develop their abilities and skills. This includes development courses in management, leadership, stock trading and others, improving their efficiency and productivity through international certifications. This segment consists of all the subsidiaries of the group outside the Kingdom along with the Head Office sector.

**4- Smart Link (Call centers)**

This segment provides management and operating the customer service centers via telephone as well as the digital technologies means for a number of Government and private companies.

**5- Schools**

This segment is engaged in incorporating private educational schools for (boys/girls) from KG to grade 12 within the Kingdom of Saudi Arabia. Currently, the segment manages and operates a number of school's chain (American

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**16. SEGMENT INFORMATION (CONTINUED)**

	Projects Management	Training	Smart Link	University	Schools	Total
<b>30 September 2022 (Unaudited)</b>						
Revenues	73,075,114	60,623,435	289,821,908	113,062,658	118,447,406	655,030,521
Depreciation and amortization	5,474,107	7,882,067	9,845,924	215,260	25,746,871	49,164,229
Profit / (loss) before zakat and income tax	828,835	(4,988,110)	8,737,204	7,615,070	7,252,084	19,445,083
Total assets	347,153,711	95,325,252	435,022,742	57,325,544	1,050,755,547	1,985,582,796
Total liabilities	185,813,274	118,754,625	257,830,260	63,585,888	526,070,227	1,152,054,274
<b>30 September 2021 (Unaudited)</b>						
Revenues	41,638,963	139,249,614	288,749,734	58,010,619	82,858,775	610,507,705
Depreciation and amortization	3,633,981	7,198,775	11,170,559	191,097	20,601,760	42,796,172
Profit / (loss) before zakat and income tax	1,225,439	3,801,793	820,921	3,204,593	(5,374,950)	3,677,796
Total assets	317,712,142	169,989,190	256,079,036	62,501,788	886,008,338	1,692,290,494
Total liabilities	44,615,016	135,667,585	70,417,545	55,479,177	716,319,224	1,022,498,547

Foreign revenues did not meet any of the quantitative limits referred to in IFRS 8 "Operating Segments" and therefore the geographical segments information was not disclosed.

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**17. FINANCIAL INSTRUMENTS****Fair value measurements of financial instruments**

Assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are Grouped into three levels of fair value hierarchies. This Grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets and liabilities are measured at amortized cost except investment carried at FVOCI. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

The following table shows the fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Level 1	Level 2	Level 3	Total
<b><u>30 September 2022 (Unaudited)</u></b>				
<b>Financial assets</b>				
Investment in equity instruments at fair value through OCI	266,685,389	-	17,023,499	283,708,888
Financial derivative instrument carried at FVTPL	-	-	5,876,663	5,876,663
	Level 1	Level 2	Level 3	Total
<b><u>31 December 2021 (Audited)</u></b>				
<b>Financial assets</b>				
Investment in equity instruments at fair value through OCI	288,337,074	-	17,023,499	305,360,573
Financial derivative instrument carried at FVTPL	-	-	3,112,228	3,112,228

**18. ACQUIRING SUBSIDIARIES**

The acquisition was calculated using the acquisition method under IFRS 3 - Business Combinations (the "Standard") with Al Khaleej Training and Education Company being the acquiring party and Al-Roqi National Schools Company and Al-Faisaliya National Schools Company being the acquired party. As required by the standard, Al Khaleej Training and Education Company is in the process of allocating the purchase consideration for identifiable assets and liabilities up to the date of issuance of the interim condensed consolidated financial statements. Accordingly, Al Khaleej Training and Education Company has calculated the acquisition based on the temporary fair values of the acquired assets and liabilities as on the date of acquisition, as independent evaluations have not been completed. The adjustment to these provisional values will be completed within twelve months from the date of acquisition as permitted by the standard.

The Group is in the process of making a comprehensive allocation of the purchase price, which is expected to be completed within twelve months from the date of acquisition and will focus, without limitation, on the completion of valuation adjustments on the following:

- recognition of intangible assets,
- property and equipment,
- Recognition of other financial and non-financial assets and liabilities,



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**18. ACQUIRING SUBSIDIARIES (CONTINUED)**

The initial purchase price allocation is included in the consolidated financial statements. Subsequent adjustments will occur during the measurement period when the Group completes its estimate of the fair values of the assets acquired and the liabilities assumed. Accounting for the fair value of the financial assets and liabilities acquired from Al-Roqi National Schools Company is provisional due to the inherent complexity and discretion associated with identifying intangible assets and determining the fair value of intangible assets and items included in the statement of financial position.

**A- Al-Roqi National Schools Company**

As of 1 January 2022, the Group acquired 60% of the net assets of Al-Roqi National Schools Company in exchange for a payment of 31,180,313 Saudi riyals, and thus the Group became controlling the Al-Roqi National Schools Company. The activity of Al-Roqi National Schools Company is as shown in Note (1-2). It qualifies as a commercial company as defined in IFRS 3. The Al-Roqi National Schools Company was acquired to develop the group's operations.

The book value of the identifiable assets and liabilities acquired from Al-Roqi National Schools Company amounted to SR 23,399,240 Goodwill was recognized in the amount of SR 7,781,073, which represents amounts in excess of the net book value of the identifiable net assets acquired.

The fair values have been determined based on the professional experience and judgment of the valuer, considering prevailing market conditions, current conditions of the assets and sources of market information. The valuation will be carried out by an independent valuator according to international valuation standards. The valuation results were arrived at by reference to open market value models. The process of allocating the purchase price will be carried out by an independent third party on the basis of the valuation report of the independent expert.

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

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

	<u>Note</u>	<u>SR</u>
Property and equipment, net		17,593,413
Trade receivables		3,937,924
Due from Related party		1,638,283
Prepayments and other current assets		1,861,987
Inventory		73,006
Cash and cash equivalents		28,678,914
Employee post-employment benefits		(1,433,435)
Trade and other payables		(3,036,474)
Loans		(10,314,885)
<b>Total fair value of the identifiable assets and liabilities acquired</b>		<b>38,998,733</b>
Non-controlling interests		(15,599,493)
<b>Net of the identifiable assets and liabilities acquired</b>		<b>23,399,240</b>
Goodwill	4a	7,781,073
<b>Total</b>		<b>31,180,313</b>
<u>Net cash used from the acquisition</u>		
Paid amounts		31,180,313
Cash and cash equivalents		(28,678,914)
<b>Total</b>		<b>2,501,399</b>

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**18. ACQUIRING SUBSIDIARY (CONTINUED)**

**B- Al- Faisaliya National Schools Company**

As of 1 August 2022, the Group acquired 60% of the net assets of Al- Faisaliya National Schools Company in exchange for a payment of 60,000,000 Saudi riyals, and thus the Group became controlling the Al- Faisaliya National Schools Company. The activity of Al- Faisaliya National Schools Company is as shown in Note (1-2). It qualifies as a commercial company as defined in IFRS 3. The Al-Faisaliya National Schools Company was acquired to develop the group's operations.

The company share of the book value of the identifiable assets and liabilities acquired from Al- Faisaliya National Schools Company amounted to SR 12,155,744 Goodwill was recognized in the amount of SR 47,852,756 which represents amounts in excess of the net book value of the identifiable net assets acquired.

The fair values have been determined based on the professional experience and judgment of the valuer, considering prevailing market conditions, current conditions of the assets and sources of market information. The valuation will be carried out by an independent valuator according to international valuation standards. The valuation results were arrived at by reference to open market value models. The process of allocating the purchase price will be carried out by an independent third party on the basis of the valuation report of the independent expert.

The legal procedures related to the purchase of the Al-Faisaliya National Schools Company were completed during the year.

	<u>Note</u>	<u>SR</u>
Property and equipment, net		15,579,625
Right of use of assets		26,910,032
Trade receivables		9,340,234
Prepayments and other current assets		1,624,326
Cash and cash equivalents		301,901
Employee post-employment benefits		(1,528,955)
Lease obligations		(26,910,032)
Trade and other payables		(6,709,770)
Due to Related party		(48,181)
<b>Total fair value of the identifiable assets and liabilities acquired</b>		<b>18,559,180</b>
Non-controlling interests		(7,423,672)
<b>Net of the identifiable assets and liabilities acquired</b>		<b>11,135,508</b>
Goodwill	4a	48,864,492
<b>Total</b>		<b>60,000,000</b>
<u>Net cash used from the acquisition</u>		
Accrued amounts		60,000,000
Cash and cash equivalents		(301,901)
<b>Total</b>		<b>59,698,099</b>

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**19. RESTATEMENT AND RECLASSIFICATION FOR PRIOR YEARS FIGURES**

19.1 During the period ended 30 September 2022, the Company's management identified that there was a breach of bank covenants terms of one of its bank lenders, however the Company obtained a waiver letter in the subsequent period to these interim condensed consolidated financial statements, following is the summary of the restatement impact:

Item Name	Balance before restatement	Adjustment Debit / (Credit)	Balance after restatement
<b><u>Statement of financial position as of 31 December 2021</u></b>			
Long term loans	141,441,807	(141,441,807)	-
Current portion of long-term borrowings	35,360,452	141,441,807	176,802,259

19.2 No impact on the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year ended 31 December 2021, the impact was on statement of financial position only as mentioned above.

19.3 Certain comparative figures have been reclassified wherever necessary for better presentation:

Item Name	Balance before reclassification	Reclassification Debit / (Credit)	Balance after reclassification
<b><u>Statement of financial position as of 31 December 2021</u></b>			
Trade receivables	362,374,613	43,853,242	406,227,855
Unbilled revenue	43,853,242	(43,853,242)	-

**20. DIVIDENDS**

During the period ended 30 September 2022 the partners of Franklin Covey Middle East Company and its subsidiaries (subsidiary of the Company owned with 61% shareholding) resolved a dividend of SR 2,778,300 (30 Sep 2021: SR 1,214,055).

On 25 Sha'ban 1443 (corresponding to 28 March 2022) the Board of Directors' approved to distribute cash dividends to shareholders for the fiscal year ending on 31 December 2021 (31 December 2021: SR 11,250,000) to focus on acquisitions and expansions in the education sector and to provide the necessary funding for them and to support the Group's financial position.

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**21. SIGNIFICANT EVENTS**

- On 16 Dhul-Qi'dah 1443H (corresponding to 15 June 2022G) Al Khaleej Training and Education Company announced its intention to purchase 300,000 of its shares to keep as treasury shares within the framework of the long-term employee incentives program for senior executives of the Group, this Shares Shall not have voting rights in the General Assembly's Meetings. The Group is in the process of completing the legal requirements.

**22. SUBSEQUENT EVENTS**

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

**23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements for the period ended 30 September 2022 have been approved by the Board of Directors on 15 Rabi' al-Thani 1444H corresponding to 9 November 2022.