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

Consolidated Financial Statements and Independent Auditor's Report
For The Year Ended December 31, 2024

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

Consolidated Financial Statements and Independent Auditor's Report for The Year Ended December 31, 2024

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Independent Auditor's Report

To the Shareholders,
Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Opinion

We have audited the consolidated financial statements of Al Khaleej Training and Education Company (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including accounting information about material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics for the Professional Accountants endorsed in the Kingdom of Saudi Arabia, relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill The carrying value of goodwill as at December 31, 2024, amounted to SR 65.7 million (2023: SR 66.1 million). The impairment assessment for the goodwill is considered a key audit matter due to the significant judgments made by management with respect to the revenue growth rate and pre-tax discount rate. The Group's management performs an impairment test annually on the recoverability of the goodwill and assesses the recoverable amount of the cash-generated unit (CGU) to which the goodwill relates in order to determine if an impairment exists. The management booked an impairment of SR 6.3 million for the year ended December 31, 2023 (2024: Nil). Refer to notes 5, 3.2, and 9 in the consolidated financial statements for the accounting policy and related disclosures.	Our procedures included the following: - Evaluated the methodology used by management to determine the recoverable amount based on value-in-use techniques. - Assessed the appropriateness of the assumptions applied to key inputs such as cashflow projections, terminal value and discount rate and performed a sensitivity analysis on those key assumptions. - Engaged our internal experts to evaluate the appropriateness of the discount rates applied, which included comparing the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates; and - Evaluated the adequacy of the Group's consolidated financial statements disclosures for compliance with the requirements of the relevant accounting standards.

Independent Auditor's Report (Continued)

To the Shareholders,
Al Khaleej Training and Education Company

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables As at December 31, 2024, the gross trade receivables amounted to SR 511.9 million (2023: SR 555.7 million), against which a provision for impairment of SR 143.6 million was being maintained (2023: SR 139.4 million). In accordance with the requirements of IFRS 9 Financial Instruments, the Group has applied the expected credit loss model to account for the impairment of trade receivables. The application of the expected credit loss model to account for the impairment of trade receivables was considered a key audit matter, as the determination of the impairment of trade receivables using the expected credit loss model includes significant judgments and estimates that might have a material impact on the consolidated financial statements of the Group. Refer to notes 5, 3.2, 14 and 32 in the consolidated financial statements for the accounting policy and related disclosures.	Our procedures included the following: - Tested the completeness and accuracy of underlying information used in the model and checked the arithmetical accuracy of the computation of ECL. - Evaluated the reasonableness of key assumptions made and judgments applied. - Verify the methodology of the ECL model developed by the management's experts with the requirements of IFRS 9; and - Evaluated the adequacy of the Group's consolidated financial statements disclosures for compliance with the requirements of the relevant accounting standards.

Other Information

Other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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Independent Auditor's Report (Continued)

To the Shareholders,
Al Khaleej Training and Education Company

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements (Continued)

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Continued)

To the Shareholders,
Al Khaleej Training and Education Company

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Professional Services

Bader Hatem Al Tamimi
(License No. 489)
Riyadh on Shawwal 9, 1446 H
Corresponding to April 7, 2025 G

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BAKER TILLY
Professional Services

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

Consolidated Statement of Financial Position as at December 31, 2024
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	**December 31, 2024**	December 31, 2023	January 1, 2023
			(Restated, note 33)	(Restated, note 33)
ASSETS				
Non-current assets				
Property and equipment	7	**682,833,132**	652,814,809	553,614,490
Right of use assets	8	**441,355,980**	508,983,316	526,590,334
Intangible assets	9	**111,871,970**	113,528,985	110,728,515
Financial assets at FVTOCI	10	**135,149,147**	146,561,754	275,592,374
Net investment in leases	8	**153,019,375**	64,704,592	61,970,600
Financial derivative instrument carried at FVTPL	11	**4,590,800**	4,882,345	6,923,382
Recoverable amount from employees' defined benefits obligation	22	**15,125,675**	12,145,459	10,188,303
		1,543,946,079	1,503,621,260	1,545,607,998
Current assets				
Inventories	12	**2,709,611**	3,974,303	7,519,296
Contract assets	13	**54,901,834**	46,296,421	46,111,957
Trade receivables	14	**368,231,187**	416,362,895	378,480,873
Current portion of net investment in leases	8	**33,949,364**	8,488,870	8,488,870
Due from related parties	15	**14,990,906**	4,056,758	9,588,371
Prepayments and other assets	16	**63,095,675**	46,979,397	33,914,960
Cash and cash equivalents	17	**69,270,402**	28,906,359	43,285,791
		607,148,979	555,065,003	527,390,118
Assets classified as held for sale	18	**-**	9,963,197	10,259,500
Total assets		**2,151,095,058**	2,068,649,460	2,083,257,616
EQUITY AND LIABILITIES				
EQUITY				
Share capital	19	**650,000,000**	650,000,000	650,000,000
Statutory reserve	19	**-**	83,043,571	83,043,571
Actuarial reserve		**(61,210,064)**	(56,650,746)	(45,798,387)
Accumulated losses		**(27,737,549)**	(191,849,048)	(124,577,493)
Foreign currency translation reserve		**(8,655,963)**	(7,064,287)	(7,343,044)
Fair value reserve		**(30,372,159)**	(21,965,752)	16,967,583
Total equity attributable to the shareholders of the Company		**522,024,265**	455,513,738	572,292,230
Non-controlling interests	20	**48,496,970**	49,254,175	35,758,090
Total equity		**570,521,235**	504,767,913	608,050,320

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

Consolidated Statement of Financial Position as at December 31, 2024 (Continued)
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	**December 31, 2024**	December 31, 2023 (Restated, note 33)	January 1, 2023 (Restated, note 33)
LIABILITIES				
Non-current liabilities				
Non-current portion of lease liabilities	8	**644,183,173**	678,135,076	675,175,142
Non-current portion of long-term borrowings	21	**278,219,629**	228,585,961	98,845,446
Long-term retention		**-**	-	6,821,526
Employees' defined benefits obligation	22	**98,446,655**	97,444,482	85,102,499
Deferred gain from sale and leaseback transactions	8	**7,635,610**	8,439,358	9,243,106
		1,028,485,067	1,012,604,877	875,187,719
Current liabilities				
Short-term borrowings and bank overdrafts	21	**202,015,093**	208,404,271	149,866,529
Current portion of long-term borrowings	21	**60,463,137**	48,452,325	180,942,983
Current portion of deferred gain from sale and leaseback transactions	8	**803,748**	803,748	803,748
Current portion of lease liabilities	8	**91,845,010**	67,582,127	94,858,833
Contract liabilities	13	**32,713,666**	63,175,476	43,775,036
Due to related parties	15	**750,905**	1,513,577	12,117,950
Trade payables		**65,271,319**	38,614,905	31,788,176
Accrued expenses and other liabilities	23	**84,801,911**	92,979,649	67,441,604
Zakat and income tax payable	24	**13,423,967**	25,262,044	13,207,190
		552,088,756	546,788,122	594,802,049
Liabilities directly associated with assets classified as held for sale	18	**-**	4,488,548	5,217,528
Total liabilities		**1,580,573,823**	1,563,881,547	1,475,207,296
Total equity and liabilities		**2,151,095,058**	2,068,649,460	2,083,257,616

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Sherif Esmat	**Hatem Aldarayan**	**Abdulaziz Alrashed**

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

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

Consolidated Statement of Profit or Loss for the Year Ended December 31, 2024
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	2024	2023
			(Restated, note 33)
Continuing operations			
Revenue	31	**1,142,598,080**	983,649,765
Cost of revenue	25	**(908,872,646)**	(759,542,058)
Gross profit		**233,725,434**	224,107,707
Selling and marketing expenses	26	**(16,215,886)**	(15,147,208)
General and administrative expenses	27	**(135,168,265)**	(118,960,125)
Expected credit loss	14	**(11,121,229)**	(31,159,375)
Impairment of goodwill	9	**-**	(6,310,102)
Reversal (Impairment) of property and equipment	7	**12,817,643**	(12,817,643)
Impairment of net investment in lease	8	**(9,857,175)**	-
Other income, Net	28	**99,558,622**	30,453,459
Operating profit		**173,739,144**	70,166,713
Finance cost	29	**(87,177,401)**	(78,726,177)
Finance income	8	**12,769,333**	3,178,275
Loss from revaluation of financial derivative instrument carried at FVTPL	11	**(291,545)**	(2,041,036)
Profit (loss) before zakat and income tax		**99,039,531**	(7,422,225)
Zakat and income tax	24	**(8,032,548)**	(29,519,021)
Profit (loss) from continuing operations		**91,006,983**	(36,941,246)
Loss from discontinued operations	18	**(2,871,209)**	(2,478,245)
Net Profit (Loss) for the year		**88,135,774**	(39,419,491)
Net Profit (Loss) from continuing operations attributable to:			
Shareholders of the Company		**83,939,137**	(45,202,700)
Non-controlling interest		**7,067,846**	8,261,454
		91,006,983	(36,941,246)
Net Profit (Loss) for the year attributable to:			
Shareholders of the Company		**81,067,928**	(47,680,945)
Non-controlling interest		**7,067,846**	8,261,454
		88,135,774	(39,419,491)
Basic and diluted earnings per share for profit (Loss) attributable to the shareholders of the Company			
Net profit (loss)	30	**1.25**	(0.73)
Net profit (loss) from continuing operations	30	**1.29**	(0.70)

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Sherif Esmat	Hatem Aldarayan	Abdulaziz Alrashed

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

Consolidated Statement of Comprehensive income for the year ended December 31, 2024
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	**2024**	2023
			(Restated note 33)
Net profit (loss) for the year		**88,135,774**	(39,419,491)
Other Comprehensive Income			
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**(1,591,676)**	278,757
Items that will not be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets at FVTOCI	10	**(8,406,407)**	(38,933,335)
Remeasurement of employees' defined benefits obligations	22	**(4,308,881)**	(11,006,306)
Other comprehensive losses for the year		**(14,306,964)**	(49,660,884)
Total comprehensive income (loss) for the year		**73,828,810**	(89,080,375)
Total comprehensive income (loss) for the year attributable to:			
Shareholders of the Company		**66,510,527**	(97,187,882)
Non-controlling interest		**7,318,283**	8,107,507
		73,828,810	(89,080,375)
Total comprehensive income (loss) for the year attributable to shareholders of the Company:			
Continuing operations		**69,381,736**	(94,709,637)
Discontinued operations		**(2,871,209)**	(2,478,245)
		66,510,527	(97,187,882)

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Sherif Esmat	**Hatem Aldarayan**	**Abdulaziz Alrashed**

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

Consolidated Statement of change in equity for the year ended December 31, 2024
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Attributable to the shareholders of the Company								
	Share Capital	**Statutory reserve**	**Actuarial reserve**	**Accumulated losses**	**Foreign currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interests ("NCI")**	**Total Equity**
As at January 1, 2024 (Restated, note 33)	650,000,000	83,043,571	(56,650,746)	(191,849,048)	(7,064,287)	(21,965,752)	455,513,738	49,254,175	504,767,913
Profit for the year	-	-	-	**81,067,928**	-	-	**81,067,928**	**7,067,846**	**88,135,774**
Other comprehensive losses for the year	-	-	**(4,559,318)**	-	**(1,591,676)**	**(8,406,407)**	**(14,557,401)**	**250,437**	**(14,306,964)**
Total comprehensive income for the year	-	-	**(4,559,318)**	**81,067,928**	**(1,591,676)**	**(8,406,407)**	**66,510,527**	**7,318,283**	**73,828,810**
Transfer to accumulated losses	-	**(83,043,571)**	-	**83,043,571**	-	-	-	-	-
Dividends to non-controlling interests (note 20)	-	-	-	-	-	-	-	**(8,075,488)**	**(8,075,488)**
As at December 31, 2024	**650,000,000**	-	**(61,210,064)**	**(27,737,549)**	**(8,655,963)**	**(30,372,159)**	**522,024,265**	**48,496,970**	**570,521,235**
As at January 1, 2023 (Issued)	650,000,000	83,043,571	(45,798,387)	(124,829,630)	(7,343,044)	16,967,583	572,040,093	35,493,676	607,533,769
Adjustments for prior years (Note 33)	-	-	-	252,137	-	-	252,137	264,414	516,551
As at January 1, 2023 (Restated, note 33)	650,000,000	83,043,571	(45,798,387)	(124,577,493)	(7,343,044)	16,967,583	572,292,230	35,758,090	608,050,320
Loss for the year (Restated - note 33)	-	-	-	(47,680,945)	-	-	(47,680,945)	8,261,454	(39,419,491)
Other comprehensive losses for the year	-	-	(10,852,359)	-	278,757	(38,933,335)	(49,506,937)	(153,947)	(49,660,884)
Total comprehensive loss for the year	-	-	(10,852,359)	(47,680,945)	278,757	(38,933,335)	(97,187,882)	8,107,507	(89,080,375)
Acquisition of NCI (Note 1)	-	-	-	(19,590,610)	-	-	(19,590,610)	(11,009,390)	(30,600,000)
Acquisition of a subsidiary (Note 1)	-	-	-	-	-	-	-	21,867,353	21,867,353
Dividends to non-controlling interests (note 20)	-	-	-	-	-	-	-	(5,469,385)	(5,469,385)
As at December 31, 2023 (Restated, note 33)	650,000,000	83,043,571	(56,650,746)	(191,849,048)	(7,064,287)	(21,965,752)	455,513,738	49,254,175	504,767,913

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Sherif Esmat	Hatem Aldarayan	Abdulaziz Alrashed

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

Consolidated Statement of Cash Flows for The Year Ended December 31, 2024
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	2024	2023
			(Restated, note 33)
Cash flows from operating activities			
Profit (Loss) before zakat and income tax from continuing operations		**99,039,531**	(7,422,225)
Loss from discontinued operations		**(2,871,209)**	(2,478,245)
Adjustments for non-cash items:			
Depreciation of property and equipment	7	**31,182,197**	25,945,315
Depreciation of right of use assets	8	**44,353,232**	47,244,710
Amortization of intangible assets	9	**7,069,287**	6,062,413
(Reversal) Impairment of property and equipment	7	**(12,817,643)**	12,817,643
Impairment of goodwill	9	**-**	6,310,102
Loss from disposal of property and equipment		**155,136**	-
Gain from purchase bargain	1	**(7,496,941)**	-
Gain from net investment in lease transaction	8	**(76,098,343)**	-
Loss from de-recognized net investment in lease	8	**5,383,456**	-
Impairment of net investment in lease	8	**9,857,175**	-
Deferred gain from sale and leaseback transactions	8	**(803,748)**	(803,748)
Provision for employees' defined benefits obligations	22	**17,528,336**	12,740,931
Expected credit loss	14	**11,121,229**	31,159,375
Loss from revaluation of financial derivative instrument carried at FVTPL	11	**291,545**	2,041,036
Gain from disposal of right of use assets		**-**	(5,340)
Finance cost		**87,177,401**	78,726,177
Finance income		**(12,769,333)**	(3,178,275)
Loss on disposal of a discontinued operation	18	**-**	744,554
		200,301,308	209,904,423
Changes in working capital items:			
Inventories		**1,279,813**	3,629,950
Trade receivables		**37,085,192**	(69,566,974)
Contract assets		**(8,605,413)**	(184,464)
Due from related parties		**(3,734,148)**	6,233,827
Prepayments and other assets		**(16,116,278)**	(13,113,226)
Contract liabilities		**(30,461,810)**	19,402,989
Due to related parties		**(762,672)**	(11,801,740)
Trade payables		**26,656,414**	(6,635,535)
Accrued expenses and other liabilities		**(9,345,599)**	26,004,094
		196,296,807	163,873,344
Employees' defined benefits obligation paid	22	**(27,755,667)**	(17,085,725)
Recoverable amount from employees' defined benefits obligation received		**-**	875,045
Zakat and income tax paid	24	**(19,641,466)**	(17,187,936)
Net cash generated from continuing operating activities		**148,899,674**	130,474,728
Changes in working capital related to assets and liabilities classified as held for sale		**(1,852,167)**	(584,298)
Net cash generated from operating activities		**147,047,507**	129,890,430
Cash flows from investing activities			
Purchase of property and equipment	7	**(39,788,010)**	(79,073,021)
Purchase of intangible assets	9	**(2,317,922)**	(7,777,771)
Net cash outflow on disposal of a subsidiary	18	**-**	(22,769)
Net cash used in acquisition of a subsidiary		**-**	(28,647,235)
Proceeds from net investment in leases		**3,332,848**	444,283
Proceeds from the sale of investment in equity instruments carried at fair value through other comprehensive income	10	**3,006,200**	90,097,286
Net cash used in investing activities		**(35,766,884)**	(24,979,227)

Consolidated Statement of Cash Flows for The Year Ended December 31, 2024 (Continued)
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	**2024**	2023 (Restated, note 33)
Cash flows from financing activities			
Proceeds from long-term loans and borrowings		**110,096,804**	72,111,748
Repayment of long-term loans and borrowings		**(48,452,324)**	(74,861,891)
Net change in short-term borrowings		**(2,370,957)**	57,364,434
Finance cost paid		**(43,649,057)**	(42,416,082)
Principal element of lease liabilities paid		**(30,115,237)**	(54,930,220)
Interest elements of lease liabilities paid		**(43,871,407)**	(40,992,468)
Acquisition of further shares in Al-Faisaliyah National Schools Company	1	**-**	(30,600,000)
Dividends paid to non-controlling interests	20	**(8,075,488)**	(5,469,385)
Net cash used in financing activities		**(66,437,666)**	(119,793,864)
Net change in cash and cash equivalents during the year		**44,842,957**	(14,882,661)
Cash and cash equivalents at the beginning of the year	17	**24,323,125**	40,169,514
Effects of foreign currency translation on cash and cash equivalents		**(587,509)**	(963,728)
Cash and cash equivalents at the end of the year	17	**68,578,573**	24,323,125
Non-cash transactions			
Additions to right-of-use assets and lease liabilities		**77,940,438**	25,590,359
Deferred consideration for sale of wellness		**7,200,000**	-
Finance costs related to borrowings capitalized to property and equipment	7	**4,283,471**	7,326,145
Retentions made against capital work in progress		**1,167,861**	5,023,111
Finance cost related to lease liabilities capitalized to property and equipment		**497,701**	490,776

Non-cash investing activities disclosed in other notes are:

- Disposal of OTA (a fully owned subsidiary) on April 2, 2023 – refer to note 18.
- Acquisition of Al-Riyadah Model Education Company on August 1, 2023 – refer to note 1.

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Sherif Esmat	**Hatem Aldarayan**	**Abdulaziz Alrashed**

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

(All Amounts in Saudi Riyals Unless Otherwise Stated)

1. COMPANY INFORMATION

Al Khaleej Training and Education Company ("the Company") is a Saudi Listed Joint Stock Company registered under commercial registration number 1010103367 dated Jamada Al Awal 30, 1413 H (corresponding to November 25, 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, establishing and operating call centers.

LIST OF PRINCIPAL SUBSIDIARIES

The Group's principal subsidiaries as at the year-end are set out below. 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	Effective ownership percentage	
			2024	2023
Advanced Communication Systems and Solutions Company	KSA	Information, communications, administrative activities and support services	**100%**	100%
Linguaphone Group Limited	United Kingdom	A world-leading provider of self-study and classroom-based language courses	**100%**	100%
Al-Faisaliyah National Schools Company – LTD	KSA	Education	**87%**	87%
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 behaviour	**61%**	61%
Al – Roqi National Schools Company – LTD	KSA	Education	**60%**	60%
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%
Al-Riyadah Model Education Company	KSA	Education	**51%**	51%

Acquisitions and investments

a) On August 1, 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.

   During the year, management completed the purchase price allocation for this acquisition. This resulted in an upward fair value adjustment of property and equipment amounting to SR 27 million and consequently the provisional goodwill booked as at December 31, 2023 decreased by SR 14 million, and an increase in the non-controlling interest by SR 13 million.

1. **COMPANY INFORMATION** (Continued)

LIST OF PRINCIPAL SUBSIDIARIES (Continued)

Acquisitions and investments (Continued)

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

	Fair value
Property and equipment	**46,376,409**
Right of use assets	**4,125,781**
Prepayments and other assets	**106,325**
Due from related parties	**702,214**
Trade receivables	**975,340**
Cash and cash equivalents	**422,765**
Lease liabilities	**(5,117,189)**
Employees' defined benefits obligations	**(250,000)**
Trade and other liabilities	**(1,517,027)**
Due to related parties	**(1,197,367)**
Net identifiable assets acquired	**44,627,251**
Less: Non-controlling interests	**(21,867,353)**
Add: Goodwill arising on the acquisition	**6,310,102**
Purchase consideration	**29,070,000**

b) On August 1, 2024, the Company acquired the businesses of two schools for nil consideration. During the year, management completed the purchase price allocation for this acquisition. This resulted in the recognition of a franchise asset amounting to SR 3,611,527, and a bargain purchase gain recognized in profit or loss of SR 7,496,941. The fair values of the identifiable assets as at the date of acquisition were:

	Fair value
Property and equipment	**3,885,414**
Franchise asset	**3,611,527**
Total identifiable net assets acquired	**7,496,941**
Less: Bargain purchase gain	**(7,496,941)**
Purchase consideration	**NIL**

c) The Group signed a share purchase agreement on March 28, 2024, to acquire 1.6 million ordinary shares representing 80% ownership in Adhwa'a Al-Hidaya Private Schools Company for Boys and Girls. As part of this share purchase agreement, the Company will issue 22.9 million new ordinary shares as an in-kind consideration to the owners of Adhwa'a Al-Hidaya Private Schools Company for Boys and Girls. The completion of this share purchase agreement is subject to a number of approvals from competent authorities which the Group is in the process of obtaining as of the date of approval of these consolidated financial statements.

On March 26, 2025, the Company agreed with the Selling Shareholder to extend the expiry date of the Agreement from March 31, 2025 to June 30, 2025.

2. **BASIS OF PREPARATION**

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (hereinafter collectively referred to as "IFRS"). Details of the Group's material accounting policies are disclosed in note 5.

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value, and defined benefits plan measured at the present value of future obligations using the Projected Unit Credit Method.

The consolidated financial statements are presented in Saudi Riyals, which is also the functional currency of the Group, and all values are rounded to the nearest Riyal (SR), except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risk and uncertainties include:

- Risk management of financial instruments Note 32
- Sensitivity analysis disclosures Note 22

3.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Segmentation of trade receivables

Due to the diversity of the Group's customer base and different loss patterns for different customers, the Group perform segmentation of the trade receivables using appropriate groupings based on the historical credit loss experiences and shared characteristics. The Group has segmented its customer base into different segments based on the Group's line of business and customer type (government customer vs. non-government customer).

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of property and equipment

The Group determines the estimated useful lives of its property and equipment for calculating depreciation after considering the expected usage of the assets or physical wear and tear. Management has not put any residual value as it was considered as insignificant. Management reviews the useful lives annually.

Goodwill - Annual impairment testing of goodwill

Goodwill impairment tests are performed for the group of cash-generating units ("CGU") to which goodwill is allocated. The group of CGUs is defined based on certain acquisitions and CGUs arising from those acquisitions. The structure and groups of CGU are assessed on an annual basis. The impairment test of goodwill is performed at least annually for each group of CGUs to which goodwill is allocated. To determine the value in use, the discounted cash flow models are used.

The most important parameters in the impairment test include assumptions related to revenue growth rate and pre-tax discount rates.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. This method involves determining the fair values of the considerations transferred by the Group to the former owners and assets and liabilities of the acquiree as of the date of acquisition. These fair values are determined using different fair valuation models involving the use of certain estimates and assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets cannot be measured based on quoted prices or active trading of some instruments at the date of the statement of consolidated financial position, the fair value is estimated using various valuation techniques which include the use of pricing models where the information is taken from observing the market. Where this is not feasible, a degree of estimate and judgment is required in establishing fair values.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

3.2 Estimates and assumptions (Continued)

Extension and termination options in lease agreements

Extension and termination options are included in a number of lease agreements. These terms are used to increase operational flexibility in terms of contract administration. Most extension and termination options held are exercisable by both the Group and the lessor.

In determining the term of the lease, the management considers all facts and circumstances that create an economic incentive to exercise the option to extend, or not to exercise the option to terminate. Extension options (or the periods following the termination options) are included in the lease term only if the lease is reasonably certain to be extended (or not to be terminated). The assessment is reviewed if a significant event or a significant change in the circumstances affecting this assessment occurs and which is within the control of the lessee.

Determining the discount rate for Lease payments

Lease payments are discounted using the Group's Incremental Borrowing Rate ("IBR"). Management exercises judgment in determining IBR at the commencement of a lease.

Uncertain Zakat and tax positions

The Group's current Zakat and Income tax payable relates to management's assessment of the amount of Zakat and Income tax payable on open Zakat and tax positions where the liabilities remain to be agreed with the Zakat, Tax and Customs Authority (ZATCA) and other tax authorities for the subsidiary companies. Due to the uncertainty associated with such zakat and tax items, it is possible that on the finalization of open zakat and tax assessments at a future date, the outcome may differ significantly.

Impairment of receivables

The Group uses a provision matrix to calculate Expected Credit Losses "ECLs" for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type, and coverage by guarantees and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECLs on receivables is disclosed in Note 32.

Long-term assumptions of employee-defined benefits obligation

Employee-defined benefits obligations represent obligations which will be paid in the future upon the termination of employment contracts. Management has to make assumptions about the variables such as discount factor, salary increase rate, mortality rates and employee turnover. The Group's management periodically takes advice from actuaries on these assumptions. Changes in key assumptions could materially affect the employee-defined benefits obligations.

4. CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements for the year ended December 31, 2024, are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2023, except for the adoption of certain amendments which became effective for annual periods starting on or after January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, the following amendments:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1: Non-current liabilities with covenants.
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements.

These new amendments had no material impact on the consolidated financial statements of the Group.

5. MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements:

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2024, as disclosed in note 1.

Assets, liabilities, profit and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

BUSINESS COMBINATIONS AND GOODWILL

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the asset given or liabilities incurred or assumed at the date of acquisition, plus the amount of any non-controlling interests in the acquiree. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Useful life (years)
Buildings	15 – 50
Furniture, office equipment and tools	4 – 10
Leasehold improvements	16.67 years or lease period whichever is less
Vehicles	7 – 10

INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expenditure is recognized in profit or loss when it is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets 3-20 years.

Gains or losses arising from the derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized as part of operating income.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets of discontinued operations and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding finance costs and income tax expenses.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a Group incurs in connection with the borrowing of funds.

LEASES

The determination of whether an arrangement is, or contains, a lease is decided at the inception date.

Group as a lessee

A- Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognized right-of-use assets are depreciated on a straight-line basis over their estimated useful life.

5. MATERIAL ACCOUNTING POLICIES (Continued)

LEASES (Continued)

B- Lease liabilities

Lease liabilities are recognized at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

C- Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items that do not meet the Group's capitalization threshold and are considered to be insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognized on a straight-line basis in profit or loss.

Group as a lessor

Leases, where the Group does not substantially transfer all risks and rewards of ownership, are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue once they are earned.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Management assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or combinations of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in profit or loss from continuing operations.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Such reversal is recognized in profit or loss.

INVENTORIES

Inventories are valued at the lower cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Impairment of financial assets

Management recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the management applies a simplified approach to calculating ECLs. Therefore, management has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5. MATERIAL ACCOUNTING POLICIES (Continued)

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Foreign currencies

Foreign currency transactions are initially recognized by the Group at their respective functional currencies' spot rate at the transaction date. On the reporting date, monetary assets and liabilities denominated in foreign currencies are converted into Saudi Riyals at the exchange rates ruling on such date or at the forward purchase rates if so covered. Any resulting exchange differences are charged or credited to the consolidated statement of profit or loss as appropriate.

Foreign currency translation

As at the reporting date, the assets and liabilities of the foreign subsidiaries are translated into Saudi Riyals, at the rate of exchange ruling at the consolidated statement of financial position date and their consolidated statement of profit or loss are translated at the weighted average exchange rates for the year. Components of equity, other than retained earnings, are translated at the rate ruling at the date of occurrence of each component. Translation adjustments in respect of these components of equity are recorded through a consolidated statement of comprehensive income as a separate component of equity.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and cash in hand.

PROVISIONS

General

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where management expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement that qualifies for recognition.

Employee-defined benefits obligations

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Recoverable amount from employees' benefits

The Group provides certain employees ("the Outsourced Employees") to its customers under contractual agreements. The customer under such contracts is responsible for all employee-related costs, including end-of-service benefits, for the Outsourced Employees.

The Group estimates the liability for end-of-service benefits for the Outsourced Employees as of each reporting date or at the time an employee leaves the Group, in accordance with the Group's established policy for employees' end-of-service benefits. The Group has a corresponding contractual right to recover these end-of-service benefit costs from the customers. To reflect this right, the Group recognizes an equal-value asset titled "Recoverable amount from employees' benefits" in the consolidated statement of financial position.

The Group assesses the recoverability of the amount from the customers on an ongoing basis. The recoverable amount is reduced by any portion deemed uncollectible based on the customer's creditworthiness or other relevant factors (if necessary). Recovery of the asset occurs when the customer reimburses the Group for the end-of-service benefits paid to the Outsourced Employee, which is at the time of voluntary leaving the Group or upon termination or when the Outsourced Employee reaches the maturity of contractual terms as defined in their employee contract.

5. MATERIAL ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION

The Group recognizes revenue from the following principal activities:

- Educational services in the primary and secondary education sector;
- Conducting training sessions for individuals and corporate entities;
- Provision of human resources; and
- Establishing and operating call centers for other entities.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer. Revenue is recognized by following the five-step approach as follows:

Step 1: Identify contract(s) with a 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 performance obligations in the contract. 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 to the performance obligations in the contract: 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: Recognize revenue when the Group satisfies a performance obligation.

The following is the basis upon which the Group recognized revenue from its principal activities:

Educational services

Revenue from the tuition fees is recognized over a period of time as the underlying educational services are delivered to the registered students. Revenue is recognized net of discounts and exemptions. For educational materials supplied, the revenue is recognized at the point in time when those materials are made available to the students.

Provision of training

Revenue from the provision of training is recognized over time as the promised services are transferred to the customer. The training involves the continuous transfer of knowledge and skills over time and the customer receives the benefit from training over the duration of a course or program. The revenue is recognized at an agreed-upon consideration that the Group expects to collect from the provision of these services, such as training sessions. At the inception of the contract, the Group determines whether the contract contains more than one performance obligation and the need to allocate the transaction price where more than one performance obligation is identified. Since the training courses are distinct performance obligations, the transaction price is allocated to each performance obligation based on the relative standalone selling prices, in case more than one course is offered.

Provision of human resources

Revenue from the provision of human resources is recognized over time as the promised services are transferred to the customer. The Group provides skilled and trained personnel to the customers according to their requirements for work directly at the customer's site. The revenue is recognized at an agreed-upon consideration for the number of manpower staff provided to the customers. The majority of the contracts have single performance obligations, such as providing competent teaching staff as per specifications provided by customers.

Provision of support services

Revenue from the provision of support services is recognized over a period of time as the promised services are transferred to the customer. The support services involve security maintenance and operations and management of IT systems. The revenue is recognized at an agreed-upon consideration that the Group expects to collect from the provision of these services, such as maintenance of IT systems. At the inception of the contract, the Group determines whether the contract contains more than one performance obligation and the need to allocate the transaction price where more than one performance obligation is identified. The transaction price is allocated to each performance obligation based on their relative standalone selling prices.

5. MATERIAL ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

Revenue from establishing and operating call centers

The Group establishes and operates specialized call centers as per specifications provided by customers that include establishment, development and maintenance of required infrastructure, hardware and software service that enables the call center to perform its functions effectively.

The Group has determined that establishing and operating the call centers are each capable of being distinct as the customers could benefit from them individually by acquiring the other elements elsewhere. Therefore, the performance obligation of establishing and operating call centers is separated for the purpose of recognition of revenue.

Establishing call centers

Revenue for development work for establishing a call center is recognized over time as the work progresses on the milestones agreed with the customer in the contract, using the percentage-of-completion method. This method recognizes revenue based on the estimated portion of the work completed relative to the total scope of work agreed in the contract.

Revenue from establishing call centers also includes the revenue for providing maintenance services as part of the contractual terms over the period of the contract. The Group considers maintenance services a separate performance obligation under these contracts. Revenue for this performance obligation is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Operating call centers

The Group enters into contracts with customers to provide staff to operate call centers according to the customers' specifications (e.g. number of staff, qualification, level of staff etc.,). The Group's performance obligation is the overall service of standing ready to provide call center services each day. This is because the customer simultaneously receives and consumes the benefits of the service of standing ready each day the service is provided. The performance obligation is satisfied over time, and the revenue is measured based on the agreed contractual prices and the number of hours worked by the call center staff.

ACCOUNTS PAYABLE AND ACCRUALS

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

EXPENSES

Expenses related to operations are allocated on a consistent basis to the cost of sales, selling and marketing expenses and general and administration expenses in accordance with consistent allocation factors determined as appropriate by the Group.

ZAKAT AND TAX

The Group provide for zakat in accordance with the regulations of the Zakat, Tax and Customs (ZATCA). The provision is charged to profit or loss. All subsidiaries provide their tax return according to tax laws in their countries.

Uncertain Zakat and Tax positions

Differences that may arise from assessments are accounted for when the assessment is finalized with ZATCA and other tax authorities.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value-added tax, except:

- Where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of these consolidated financial statements are disclosed below:

- Amendments to IAS 21: Lack of exchangeability.
- IFRS 18: Presentation and Disclosure in Financial Statements.
- IFRS 19: Subsidiaries without Public Accountability: Disclosures.
- Amendments to IFRS 9 and IFRS 7: Classification and Measurements of financial instruments.
- Amendments to IFRS 10 and IAS 28: Sales or contribution of assets between an investor and its associate or Joint Venture.

IFRS 18 is expected to have a significant impact on the way the statement of profit or loss is presented. The other new and amended standards are not expected to have a material impact on the consolidated financial statements. Management intends to adopt these new and amended standards, if applicable, when they become effective.

Notes To the Consolidated Financial Statements for The Year Ended December 31, 2024
(All Amounts in Saudi Riyals Unless Otherwise Stated)

7. PROPERTY AND EQUIPMENT

	Land	Buildings	Furniture, office equipment and tools	Leasehold improvements	Vehicles	Capital work-in-progress	Total
Cost:							
As at January 1, 2023	73,126,427	268,409,763	158,895,502	247,320,584	8,177,111	111,374,175	867,303,562
Additions	-	779,538	10,841,121	5,553,569	218,000	74,520,825	91,913,053
Acquisition of subsidiaries (Note 1)	-	41,700,866	6,066,609	-	-	-	47,767,475
Assets related to a subsidiary disposed off	-	-	(467,902)	-	-	-	(467,902)
Disposals	-	-	(1,811,893)	-	(45,902)	-	(1,857,795)
Reclass	-	-	(317,468)	(3,483)	-	-	(320,951)
Foreign currency translation	-	(16,924)	(216,319)	(327,527)	98	-	(560,672)
As at December 31, 2023	73,126,427	310,873,243	172,989,650	252,543,143	8,349,307	185,895,000	1,003,776,770
Additions	-	**61,175**	**12,726,926**	**8,242,171**	**258,101**	**23,950,969**	**45,239,342**
Transfers from capital work-in-progress	-	**33,043,243**	-	-	-	**(33,043,243)**	-
Acquisition of business	-	-	**4,582,966**	**2,833,854**	**585,262**	-	**8,002,082**
Disposals	-	-	**(1,411,536)**	-	**(69,413)**	-	**(1,480,949)**
Foreign currency translation	-	**(307,470)**	**(566,838)**	**(313,565)**	**157**	-	**(1,187,716)**
As at December 31, 2024	**73,126,427**	**343,670,191**	**188,321,168**	**263,305,603**	**9,123,414**	**176,802,726**	**1,054,349,529**
Accumulated depreciation:							
As at January 1, 2023	-	41,257,843	137,631,287	127,669,113	7,130,829	-	313,689,072
Charge for the year	-	7,881,015	7,282,777	10,428,935	352,588	-	25,945,315
Impairment *	-	12,817,643	-	-	-	-	12,817,643
Acquisition of subsidiaries	-	568,739	822,327	-	-	-	1,391,066
Assets related to a subsidiary disposed off	-	-	(455,146)	-	-	-	(455,146)
Disposals	-	-	(1,811,893)	-	(45,902)	-	(1,857,795)
Reclass	-	-	(272,207)	(48,744)	-	-	(320,951)
Foreign currency translation	-	(71)	(179,397)	(67,874)	99	-	(247,243)
As at December 31, 2023	-	62,525,169	143,017,748	137,981,430	7,437,614	-	350,961,961
Charge for the year	-	**11,049,489**	**9,630,484**	**10,218,644**	**283,580**	-	**31,182,197**
Acquisition of business (Note 1)	-	-	**3,011,566**	**661,620**	**443,482**	-	**4,116,668**
Reversal of impairment *	-	**(12,817,643)**	-	-	-	-	**(12,817,643)**
Disposals	-	-	**(1,256,400)**	-	**(69,413)**	-	**(1,325,813)**
Foreign currency translation	-	**(6,932)**	**(476,908)**	**(117,253)**	**120**	-	**(600,973)**
As at December 31, 2024	-	**60,750,083**	**153,926,490**	**148,744,441**	**8,095,383**	-	**371,516,397**
Net book value as at December 31, 2024	**73,126,427**	**282,920,108**	**34,394,678**	**114,561,162**	**1,028,031**	**176,802,726**	**682,833,132**
Net book value as at December 31, 2023	73,126,427	248,348,074	29,971,902	114,561,713	911,693	185,895,000	652,814,809

(All Amounts in Saudi Riyals Unless Otherwise Stated)

7. PROPERTY AND EQUIPMENT (Continued)

* Management undertook an impairment test for an asset that was previously impaired. Based on a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, management has reversed an impairment loss amounting to SR 12.8 million, net of depreciation.

a) Capital work-in-progress includes SR 4.3 million of borrowing costs capitalized during the year ended December 31, 2024 (2023: SR 7.3 million).
b) Land and capital work-in-progress with a book value of SR 116.2 million as of December 31, 2024 (2023: SR 111.6 million) have been pledged to secure borrowings of the Group (Refer to note 21).
c) Capital work-in-progress represents mainly the cost of the establishment of new schools in Khobar and Riyadh and the extension of the building of Al-Roqi school.

The depreciation charge has been allocated between the expenses for the years ended December 31, is as follows:

	2024	2023
Cost of revenue (note 25)	**25,477,617**	22,268,592
General and administrative expenses (note 27)	**5,704,580**	3,676,723
	31,182,197	25,945,315

8. LEASES

8-1 Right of use assets (Group as a lessee)

	2024	2023
Cost:		
At January 1,	**714,729,457**	684,527,314
Additions	**77,940,438**	25,590,359
On acquisition of subsidiaries	**-**	4,801,579
Disposals (Note 8-4)	**(138,881,801)**	(142,785)
Foreign currency translation	**(156,848)**	(47,010)
At December 31,	**653,631,246**	714,729,457
Accumulated depreciation:		
At January 1,	**205,746,141**	157,936,980
Charge for the year	**44,353,232**	47,244,710
On acquisition of subsidiaries	**-**	675,798
Disposals (Note 8-4)	**(37,749,787)**	(118,985)
Foreign currency translation	**(74,320)**	7,638
At December 31,	**212,275,266**	205,746,141
Net book values as at December 31,	**441,355,980**	508,983,316

The Group leases land and buildings for operating schools, training centers, call centers and administrative use. The lease term for these assets ranges from 3 years to 30 years.

The depreciation charge has been allocated between the expenses for the years ended December 31, is as follows:

	2024	2023
Cost of revenue (note 25)	**42,993,577**	40,533,989
General and administrative expenses (note 27)	**1,359,655**	6,710,721
	44,353,232	47,244,710

(All Amounts in Saudi Riyals Unless Otherwise Stated)

8. LEASES (Continued)

8-2 Lease Liabilities (Group as a lessee)

The movement of lease liabilities for the years ended December 31, were as follows:

	2024	2023
At January 1,	**745,717,203**	770,033,975
Additions	**20,289,505**	25,590,359
On acquisition of subsidiaries	**-**	5,117,189
Interest due	**43,871,407**	40,992,468
Disposal	**-**	(29,140)
Paid	**(73,986,644)**	(95,922,688)
Foreign currency translation	**136,712**	(64,960)
At December 31,	**736,028,183**	745,717,203
Current portion of lease liabilities	**91,845,010**	67,582,127
Non-current portion of lease liabilities	**644,183,173**	678,135,076

The maturity analysis of lease liabilities is provided in note 32.

8-3 Sale and leaseback transactions

The Group entered into several sale and leaseback transactions in order to finance the Group's expansion in educational projects.

	December 31, 2024	December 31, 2023
Total sale and leaseback transactions	**8,439,358**	9,243,106
Current portion of sale and leaseback	**803,748**	803,748
Non-current portion of sale and leaseback	**7,635,610**	8,439,358

The income recognized in the consolidated statement of profit or loss during the current year amounts to SR 803,748 (2023: SR 803,748).

8-4 Net investment in leases (The Group as a lessor)

The movement in net investment in leases during the years ended December 31 is as follows:

	2024	2023
At January 1,	**73,193,462**	70,459,470
Addition	**177,230,357**	-
Interest income	**12,769,333**	3,178,275
Proceed	**(3,332,848)**	(444,283)
Impairment	**(9,857,175)**	-
Disposal *	**(63,034,390)**	-
At December 31,	**186,968,739**	73,193,462
Current portion of net investment in leases	**33,949,364**	8,488,870
Non-current portion of net investment in leases	**153,019,375**	64,704,592

* A sublessee defaulted on its payment obligations under two sublease contracts for buildings that were used in the operations of two schools. The company obtained a final court ruling to cancel the lease contracts with the lessor. The Company and the sublessee came to a mutual agreement to terminate the sublease contracts on August 1, 2024, in exchange for the sublessee transferring the business assets of the two schools to the Company and being relieved of any obligations under the sublease contracts. The above transaction resulted in the derecognition of the investment in the subleases with a carrying value of SR 63 million and the recognition of a right-of-use asset amounting to SR 57.6 million. This gave rise to a loss of SR 5.3 million recognized in profit or loss.

The acquisition of the business assets of the two schools gave rise to a business combination and were accounted for in accordance with IFRS 3 Business Combinations. Refer to note 1 for details of the FV of assets acquired and the resulting bargain purchase gain of SR 7.4 million.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

8. LEASES (Continued)

8-4 Net investment in leases (The Group as a lessor) (Continued)

* During 2024 the Company signed a sublease contract for an educational and residential complex situated in Qurtubah for a period of 19 years and 8 months. The total rentals as per the signed sublease contract amount to SR 379.6 million receivable over the period of the sublease. This transaction resulted in a reduction of the right-of-use assets balance by SR 101.1 million and the recognition of a gain amounting to SR 76.1 million.

9. INTANGIBLE ASSETS

	December 31, 2024	December 31, 2023
Intangible assets other than goodwill	**46,149,003**	47,448,981
Goodwill	**65,722,967**	66,080,004
	111,871,970	113,528,985

a) Intangible assets other than goodwill

	Copyrights, franchise and software	**Students' relationship list**	**Total**
Cost:			
At January 1, 2023	55,720,056	12,564,970	68,285,026
Additions	7,777,771	-	7,777,771
Assets related to the subsidiary disposed off (note 18)	(374,699)	-	(374,699)
Foreign currency translation	1,181,977	-	1,181,977
At December 31, 2023	64,305,105	12,564,970	76,870,075
Additions	**2,317,922**	-	**2,317,922**
Acquisition of business	**3,611,527**	-	**3,611,527**
Foreign currency translation	**(292,736)**	-	**(292,736)**
At December 31, 2024	**69,941,818**	**12,564,970**	**82,506,788**
Accumulated amortization:			
At January 1, 2023	22,466,518	678,211	23,144,729
Charge for the year	4,439,179	1,623,234	6,062,413
Amortization related to the subsidiary disposed off (note 18)	(274,783)	-	(274,783)
Foreign currency translation	488,735	-	488,735
At December 31, 2023	27,119,649	2,301,445	29,421,094
Charge for the year	**5,461,621**	**1,607,666**	**7,069,287**
Foreign currency translation	**(132,596)**	-	**(132,596)**
At December 31, 2024	**32,448,674**	**3,909,111**	**36,357,785**
Net book value			
At December 31, 2024	**37,493,144**	**8,655,859**	**46,149,003**
At December 31, 2023	37,185,456	10,263,525	47,448,981
Useful lives (years)	**3 - 20**	**3 - 12**	

The amortization charge has been allocated between the expenses for the years ended December 31, is as follows:

	2024	2023
Cost of revenue (note 25)	**5,154,644**	5,456,018
General and administrative expenses (note 27)	**1,914,643**	606,395
	7,069,287	6,062,413

The net book value of intangible assets includes SR 5.2 million as at December 31, 2024 (2023: SR 5.8 million), which have been determined to have an indefinite useful life.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

9. INTANGIBLE ASSETS (Continued)

b) Goodwill

	2024	2023
Cost:		
At January 1	**72,390,106**	65,588,280
On acquisition of subsidiaries	**-**	6,310,102
Foreign currency translation	**(357,037)**	491,724
At December 31	**72,033,069**	72,390,106
Accumulated impairment losses:		
At January 1	**6,310,102**	-
Impairment losses for the year	**-**	6,310,102
At December 31	**6,310,102**	6,310,102
Carrying value	**65,722,967**	66,080,004

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

	December 31, 2024	December 31, 2023
Al-Faisaliyah National Schools Company	**41,345,133**	41,345,133
Linguaphone Group Limited	**11,943,562**	12,083,496
Fast Lane Computer Consultancy (Civil Business Corporation)	**5,583,436**	5,583,436
Al – Roqi National Schools Company - LTD	**4,150,263**	4,150,263
Franklin Covey Middle East and its subsidiaries	**2,346,883**	2,346,883
Jobzella for Information Technology FZ - LLC	**353,690**	570,793
	65,722,967	66,080,004

As of the year-end, the goodwill related to the acquisition of Al-Faisaliyah National Schools Company and Linguaphone Group Limited is significant to the consolidated financial statements. Goodwill is subject to annual impairment testing by comparing the carrying amount of each CGU to the recoverable amount, which has been determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by management covering five years.

The terminal value is calculated using the Gordon Growth Model for the final year of the forecast period, which is 2%.

Impairment charge

The carrying amount of Al-Riyadah Model Education Company was determined to be higher than its recoverable amount of SR 10 million, assuming a pre-tax discount rate of 11.39% and terminal growth rate of 2% that resulted in an impairment loss of SR 6.3 million during the year ended December 31, 2023. The impairment loss has been fully allocated to the goodwill and charged to the consolidated statement of profit or loss.

Sensitivity analysis

The calculation of value in use is most sensitive to the assumptions of revenue growth rate and pre-tax discount rates. Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	The approach used to determine the value
Revenue growth rate	Average annual growth rate over the five-year forecast period based on past performance and management's expectations of market development.
Pre-tax discount rate	A discount rate, namely weighted average cost of capital (WACC), is applied for specific business areas based on assumptions regarding interest rates, tax rates and risk premiums and is recalculated to a before-tax rate ('Pre-tax discount rate').

(All Amounts in Saudi Riyals Unless Otherwise Stated)

9. INTANGIBLE ASSETS (Continued)

b) Goodwill (Continued)

Assumptions used for value-in-use calculations to which the recoverable amount is most sensitive were:

Sensitivity to changes in assumptions: Al-Faisaliyah National Schools Company

The implications of changes to the key assumptions are discussed below.

(a) Revenue Growth Rate Assumption: The revenue growth rate in the forecast period has been estimated to be a compound annual growth rate of 4.7%. If all other assumptions were kept the same, a reduction of this growth rate to 3.5% would give a value in use equal to the current carrying amount.

(b) Pre-tax Discount Rate: The Pre-tax discount rate in the forecast period has been estimated to be 10%. If all other assumptions were kept the same, an increase of this discount rate to 21.8% would give a value in use equal to the current carrying amount.

Sensitivity to changes in assumptions: Linguaphone Group Limited

The implications of changes to the key assumptions are discussed below.

a) Revenue Growth Rate Assumption: The revenue growth rate in the forecast period has been estimated to be a compound annual growth rate of 2%. If all other assumptions were kept the same, a reduction of this growth rate to 0% would give a value in use equal to the current carrying amount.

b) Pre-tax Discount Rate: The pre-tax discount rate in the forecast period has been estimated to be 16.3%. Management believes that no reasonably possible change in this key assumption would cause the carrying value of CGU including goodwill to materially exceed its recoverable amount.

10. INVESTMENTS IN EQUITY INSTRUMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group designated the investments shown below as equity securities carried at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes:

	Fair value		**Dividend income**	
	December 31, 2024	December 31, 2023	**2024**	2023
Al Rajhi REIT fund	**135,149,147**	143,555,554	**8,810,560**	17,944,298
Ryan Education Company	**-**	3,006,200	**-**	-
	135,149,147	146,561,754	**8,810,560**	17,944,298

The movement in equity investments at fair value through other comprehensive income for the years ended December 31 is as follows:

	2024	2023
At January 1,	**146,561,754**	275,592,374
Loss from revaluation	**(8,406,407)**	(38,933,335)
Disposal *	**(3,006,200)**	(90,097,285)
At December 31,	**135,149,147**	146,561,754

* This dividend income includes dividend income for 2024 of SR nil (2023: SR 6.1 million) related to the units of Al Rajhi REIT that were disposed of during the previous year. The Group disposed of 10.2 million units of Al Rajhi REIT to finance the repayment of loans and borrowings and acquire new investments. These units had a fair value of SR 90 million and resulted in a cumulative loss of SR 1.8 million. The Group has elected not to reclassify the cumulative loss related to the disposed of units from fair value reserve to accumulated losses under equity.

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11. FINANCIAL DERIVATIVE INSTRUMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group holds interest rate swaps that have not been designated as hedge instruments. These interest rate swaps had a nominal amount of SR 73 million and fair value of SR 4.6 million as of December 31, 2024 (2023: nominal amount of SR 84 million and fair value of SR 4.9 million). Unrealized loss on this financial derivative instrument during the current year amounted to SR 0.3 million (2023: loss of SR 2 million).

	2024	2023
At January 1,	**4,882,345**	6,923,381
Loss from revaluation	**(291,545)**	(2,041,036)
At December 31,	**4,590,800**	4,882,345

12. INVENTORIES

Inventories are comprised mainly of books and training curriculums distributed during courses.

	December 31, 2024	December 31, 2023
Inventories	**4,090,123**	5,430,922
Less: Provision for slow-moving inventory	**(1,380,512)**	(1,456,619)
	2,709,611	3,974,303

The movement of Provision for slow-moving inventory for the years ended December 31, is as follows:

	2024	2023
At January 1,	**1,456,619**	1,666,829
Reversal	**(60,986)**	(125,253)
Foreign currency translation	**(15,121)**	(84,957)
At December 31,	**1,380,512**	1,456,619

13. ASSETS AND LIABILITIES RELATED TO CONTRACT WITH CUSTOMERS

The Group has recognized the following assets and liabilities related to its contracts with customers:

	December 31, 2024	December 31, 2023
Contract assets		
- Call centre services	**42,632,836**	20,359,353
- Universities	**9,248,279**	23,326,496
- Others	**3,020,719**	2,610,572
	54,901,834	46,296,421
Contract liabilities		
- Schools	**30,667,680**	42,899,843
- Call centre services	**1,864,931**	9,297,930
- Management projects and others	**181,055**	4,497,703
- Universities	**-**	6,480,000
	32,713,666	63,175,476

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14. TRADE RECEIVABLES

	December 31, 2024	December 31, 2023
Receivable from government customers	**328,119,759**	371,312,232
Receivable from non-government customers	**183,739,243**	184,434,555
	511,859,002	555,746,787
Less: Provision for expected credit losses	**(143,627,815)**	(139,383,892)
	368,231,187	416,362,895

The Movement of provision for expected credit losses for the years ended December 31, is as follows:

	2024	2023
At January 1	**139,383,892**	109,071,098
Charge for the year	**11,121,229**	31,159,375
Write off	**(6,802,593)**	-
On acquisition of subsidiaries	**-**	90,000
Transferred to assets held for sale	**-**	(915,231)
Foreign currency translation	**(74,713)**	(21,350)
At December 31	**143,627,815**	139,383,892

15. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties represent the Group's shareholders, key management personnel and the entities owned or managed by these parties, as well as the entities that have control or joint control or have significant influence over these parties.

15-1 Following is a list of the principal related parties with whom the Group engaged in transactions and the nature of their relationship:

Name of the related party	**Nature of relationship**
Al-Falak Electronic Equipment and Supplies Company	Company-owned by Board of Directors
Sawa'ed Al-Roqi Company	An entity owned by a partner in a subsidiary
New Horizon Holding – USA	Affiliate company
Abdulaziz bin Rashed Abdulrahman Alrashed	Chairman of the Board of Directors
Alwaleed bin Abdulrazak Aldryaan	Board of directors' member
Grey Fox Limited Company	Company-owned by Board of Directors
Spectrum Wellness Establishment	Company-owned by Board of Directors
Saleem Abdul Ghani Mhana Al-Baladi	Partner in a subsidiary
Salem Bin Hindi Al Harbi Holding	Partner in a subsidiary
Abdulaziz Fahad Alkiridis	Partner in a subsidiary
Um Al Qura Schools	Partner in a subsidiary
Mohammad Al Ghamdi	Partner in a subsidiary
Allianz Saudi Medical Cooperative Insurance Company	Managed by key management personnel
Manar Al-Tfwq School	Affiliate company
Abdullah Bin Ibrahim Al Imran	Partner in a subsidiary
Sulieman Bin Ibrahim Al Jalajel	Partner in a subsidiary
Mohammad Ibrahim Saud	Partner in a subsidiary
Khaled Abdullah Al Shaea	Partner in a subsidiary
Tawuniya Insurance Company	Managed by key management personnel

(All Amounts in Saudi Riyals Unless Otherwise Stated)

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

15-2 Significant transactions that occurred with the related parties for the years ended December 31, is as follows:

Name of the related party	Nature of transaction	2024	2023
Tawuniya Insurance Company	Medical insurance premium	**29,192,292**	-
Abdulaziz bin Rashed Abdulrahman Alrashed	Operational expenses	**6,500,738**	-
	Tuition fee	**6,111,539**	-
	Sale consideration	**2,880,000**	-
	Operating commission	**650,074**	-
Um Alqura Schools	Payment on behalf	**4,172,802**	-
	Purchases	**581,251**	-
Grey Fox limited Company	Sale consideration	**2,880,000**	-
Saleem Abdul Ghani Mhana Al-Baladi	Payment on behalf	**1,885,004**	2,040,599
Alwaleed bin Abdulrazak Aldryaan	Sale consideration	**1,440,000**	-
Al-Falak Electronic Equipment and Supplies Company	Rent as a lessee	**900,000**	900,000
	Revenue	**-**	226,073
Spectrum Wellness Establishment	Payment on behalf	**370,058**	-
Sawa'ed Al-Roqi Company	Payment on behalf	**99,934**	261,671
New Horizon Holding – USA	Royalties	**-**	2,367,681
	Payment on behalf	**-**	2,532,749
Salem Bin Hindi Al Harbi Holding	Purchase of shares	**-**	30,600,000
Mohammad Al Ghamdi	Purchase of shares	**-**	29,070,000
Allianz Saudi Medical Cooperative Insurance Company	Medical insurance premium	**-**	21,243,685
Relatives of key management	Salaries and other benefits	**2,137,838**	2,329,266

15-3 The following table presents details of the remuneration and compensation of directors and key management personnel for the years ended December 31, is as follows:

Members of the Board of Directors do not receive any remuneration for their role in managing the Group unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. Executive Director receives fixed remuneration as a result of his direct duties and responsibilities.

	2024	2023
Short-term benefits	**10,531,121**	11,901,996
Board Member	**2,743,000**	1,479,000
End-of-service benefits	**1,060,600**	539,533
	14,334,721	13,920,529

(All Amounts in Saudi Riyals Unless Otherwise Stated)

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

15-4 Due from related parties

	December 31, 2024	December 31, 2023
Abdulaziz Rashid Abdulrehman Al-Rashid	**3,919,273**	-
Um Al Qura Schools	**3,032,623**	-
Grey Fox limited Company	**2,880,000**	-
Saleem Abdul Ghani Mhana Al-Baladi	**1,782,225**	1,275,565
Manar Al-Tfwq School	**1,454,856**	1,461,255
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	**1,440,000**	-
Spectrum Wellness Establishment	**481,929**	-
Abdullah Bin Ibrahim Al Imran	-	305,001
Sulieman Bin Ibrahim Al Jalajel	-	305,001
Mohammad Ibrahim Saud	-	305,001
Khaled Abdullah Al Shaea	-	305,001
Sawa'ed Al-Roqi Company	-	99,934
	14,990,906	4,056,758

15-5 Due to related parties

	December 31, 2024	December 31, 2023
Abdulaziz Fahad Alkiridis	**750,905**	-
Mohammad Al Ghamdi	-	1,513,577
	750,905	1,513,577

16. PREPAYMENTS AND OTHER ASSETS

	December 31, 2024	December 31, 2023
Prepaid expenses	**38,020,546**	25,253,049
Supplier advances	**2,290,837**	2,222,215
Receivable from JeelPay Company	**6,819,403**	-
HRDF receivable	**4,907,182**	2,755,804
Receivable from legal cases	**4,813,000**	2,500,000
Employee receivables	**3,583,808**	2,930,731
Refundable deposits	**1,524,078**	4,466,555
Value added tax	-	292,702
Others	**1,136,821**	6,558,341
	63,095,675	46,979,397

17. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash at banks	**63,837,683**	27,994,484
Bank deposit	**4,993,521**	-
Cash on hand	**439,198**	911,875
	69,270,402	28,906,359

For the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	December 31, 2024	December 31, 2023
Cash at banks	**69,270,402**	28,906,359
Cash attributable to discontinued operations (note 18)	-	126,816
	69,270,402	29,033,175
Less: Bank overdrafts	**(691,829)**	(4,710,050)
	68,578,573	24,323,125

(All Amounts in Saudi Riyals Unless Otherwise Stated)

18. DISCONTINUED OPERATIONS

Spectrum Wellness Establishment

On September 28, 2022, the Board of Directors of the Group resolved to dispose of Spectrum Wellness Establishment (the "Establishment") through a sale. Accordingly, the associated assets and liabilities have been classified as current and presented as held for sale in the consolidated statement of financial position, and the associated results of operations have been classified as discontinued operations in the consolidated statement of profit or loss.

On November 6, 2024, Al Khaleej Training and Education decided to sell its entire shares in Spectrum Wellness Establishment, along with its branches and signed an agreement with related parties for a total value of SR 7,200,000.

Financial information related to the Establishment for the year is as follows:

	2024	2023
Revenue	**6,119,346**	9,878,381
Cost of revenue	**(6,965,721)**	(9,966,403)
Gross loss	**(846,375)**	(88,022)
Selling and marketing expenses	**(211,865)**	(381,714)
General and administrative expenses	**(1,690,956)**	(2,052,126)
Operating loss	**(2,749,196)**	(2,521,862)
Finance cost	**(26,013)**	(68,403)
Loss before Zakat	**(2,775,209)**	(2,590,265)
Zakat	**(96,000)**	(24,000)
Net loss for the year	**(2,871,209)**	(2,614,265)

The carrying amount of the assets and liabilities as at the date of disposal is as follows:

	October 1, 2024	December 31, 2023
Assets		
Property and equipment	**5,934,556**	6,742,675
Right of use assets	**1,792,739**	1,792,739
Inventories	**889,940**	848,740
Prepayments and other assets	**130,825**	452,227
Cash and cash equivalents	**212,229**	126,816
Total assets	**8,960,289**	9,963,197
Liabilities		
Lease liabilities	**15,934**	579,818
Employees' defined benefits obligations	**1,356,596**	1,265,169
Trade and other liabilities	**350,257**	2,636,136
Zakat payable	**37,502**	7,425
Total liabilities	**1,760,289**	4,488,548
Net assets	**7,200,000**	5,474,649
Consideration received	**7,200,000**	-
No gain or loss on disposal	**-**	-

(All Amounts in Saudi Riyals Unless Otherwise Stated)

18. DISCONTINUED OPERATIONS (Continued)

Online Trading Academy FZ - LTD

The Board of Directors resolved to sell Online Trading Academy FZ - LTD. ("OTA") (a fully owned subsidiary) and signed a selling agreement on April 3, 2023. The ownership of shares of the subsidiary was transferred to the buyer without consideration. The transaction resulted in a loss of SR 0.7 million recognized in the consolidated statement of profit or loss. Financial information related to the subsidiary for the year is as follows:

	2023
Revenue	254,455
Cost of revenue	(167,872)
Gross loss	86,583
General and administrative expenses	(103,120)
Other income	897,111
Net profit	880,574
Loss on disposal	(744,554)

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

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

19. CAPITAL AND RESERVES

19-1 SHARE CAPITAL

The capital of the Company as at December 31, 2024 and 2023, comprised 65 million shares stated at SR 10 per share.

19-2 STATUTORY RESERVE

The new Saudi Companies law which became effective on January 19, 2023, removed the requirement of maintaining a statutory reserve which existed in the previous law. The Company updated its Bylaw to align it with the new law. Consequently, the extraordinary General Assembly resolved on March 12, 2024, to transfer the statutory reserve amounting to SR 83,043,571 to accumulated losses.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

20. NON-CONTROLLING INTERESTS

Set out below is summarized financial information for each subsidiary that has non-controlling interests ("NCI") that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized statements of financial position

	Al-Faisaliyah National Schools Company		Franklin Covey Middle East and its subsidiaries		Al-Roqi National Schools Company		Al-Riyadah Model Education Company	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Current assets	**40,630,583**	29,358,153	**25,811,282**	23,587,592	**1,843,202**	4,483,122	**10,876,458**	3,189,621
Current liabilities	**(35,718,976)**	(13,316,350)	**(11,256,688)**	(7,319,226)	**(13,211,518)**	(10,566,387)	**(7,070,218)**	(4,105,449)
Net current assets (liabilities)	**4,911,607**	16,041,803	**14,554,594**	16,268,366	**(11,368,316)**	(6,083,265)	**3,806,240**	(915,828)
Non-current assets	**64,474,377**	62,648,252	**250,123**	108,587	**67,849,482**	54,610,329	**48,189,426**	50,348,250
Non-current liabilities	**(32,726,668)**	(34,152,246)	**(2,947,484)**	(2,684,637)	**(18,048,792)**	(9,200,719)	**(5,685,130)**	(5,100,350)
Net non-curent assets (liabilities)	**31,747,709**	28,496,006	**(2,697,361)**	(2,576,050)	**49,800,690**	45,409,610	**42,504,296**	45,247,900
Net assets	**36,659,316**	44,537,809	**11,857,233**	13,692,316	**38,432,374**	39,326,345	**46,310,536**	44,332,072
NCI	**4,765,711**	5,789,915	**4,624,321**	5,340,003	**15,372,950**	15,730,538	**22,692,163**	21,722,715

Summarized statements of profit or loss and other comprehensive income

	Al-Faisaliyah National Schools Company		Franklin Covey Middle East and its subsidiaries		Al-Roqi National Schools Company		Al-Riyadah Model Education Company	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Revenue	**60,861,194**	54,995,232	**41,287,978**	43,095,421	**17,023,378**	14,237,580	**20,076,015**	7,108,420
Profit for the year	**2,990,138**	10,347,273	**11,020,956**	13,100,361	**2,313,267**	1,213,355	**3,140,486**	217,824
Other comprehensive income (loss)	**1,271,724**	(1,001,947)	**-**	-	**71,508**	(59,233)	**115,334**	-
Total comprehensive income	**4,261,862**	9,345,326	**11,020,956**	13,100,361	**2,384,775**	1,154,122	**3,255,820**	217,824
Profit allocated to NCI	**388,718**	2,621,521	**4,298,173**	5,109,141	**925,307**	485,345	**1,538,838**	106,734
Dividends paid to NCI	**1,378,343**	-	**5,385,661**	5,469,385	**1,311,484**	-	**-**	-

(All Amounts in Saudi Riyals Unless Otherwise Stated)

20. NON-CONTROLLING INTERESTS (Continued)

Summarized statements of cash flows

	Al-Faisaliyah National Schools Company		**Franklin Covey Middle East and its subsidiaries**		**Al – Roqi National Schools Company**		**Al-Riyadah Model Education Company**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Cash flows from operating activities	**7,889,193**	16,928,183	**2,554,368**	2,997,486	**8,652,885**	9,698,903	**861,602**	1,854,263
Cash flows from investing activities	**(7,641,481)**	(6,843,398)	**(212,775)**	(66,438)	**(3,366,458)**	(15,622,360)	**(749,317)**	(704,251)
Cash flows from financing activities	**(7,378,343)**	(3,000,000)	**(3,121,005)**	(4,080,960)	**(5,036,691)**	(2,943,700)	**(482,166)**	-
Net (decrease) increase in cash and cash equivalents	**(7,130,631)**	7,084,785	**(779,412)**	(1,149,912)	**249,736**	(8,867,157)	**(369,881)**	1,150,012

(All Amounts in Saudi Riyals Unless Otherwise Stated)

21. LOANS AND BORROWINGS

The Group has obtained long-term and short-term loans in the form of Tawarruq from several local banks to finance the Group's projects to construct buildings for educational establishments and to manage the working capital. The loans are charged a commission equal to the sum of the Saudi inter-bank borrowing rate (SAIBOR) and the predetermined rate per annum. The maturity of the long-term loans' ranges from 3 years to 9 years.

These loans are secured by the issuance of promissory notes, assignment of the proceeds from specific contracts and projects and the pledge of part of the Group's land and construction (note 7).

The agreements include covenants which require the Group to maintain certain financial ratios. As at December 31, 2024, the Group was in breach of certain covenants causing the outstanding long-term borrowings to become payable on demand to the banks. However, the Group had obtained a waiver from the banks for these breaches prior to the year-end.

The loans and borrowings balance comprises the following:

	December 31, 2024	December 31, 2023
Non-current portion of long-term loans:		
Banque Saudi Fransi	**164,242,426**	84,000,000
Riyad Bank	**35,360,452**	70,720,904
Al Inma Bank	**75,816,751**	69,665,057
Loans obtained by a subsidiary	**2,800,000**	4,200,000
	278,219,629	228,585,961
Current portion of long-term loans:		
Riyad Bank	**35,360,452**	35,360,452
Banque Saudi Fransi	**19,757,575**	10,666,666
Al Inma Bank	**3,945,110**	-
Loans obtained by a subsidiary	**1,400,000**	2,425,207
	60,463,137	48,452,325
Short-term borrowings and bank overdrafts	**202,015,093**	208,404,271

22. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The movement in employee defined benefits obligations, a defined benefit plan, during the years ended December 31, is as follows:

	2024	2023
At January 1	**97,444,482**	85,102,499
Expense charged to profit or loss	**21,468,744**	15,875,479
Benefits related to outsourced employees	**2,980,215**	2,832,201
Actuarial remeasurement charged to OCI	**4,308,881**	11,006,306
Paid	**(27,755,667)**	(17,085,725)
On acquisition of subsidiaries	-	250,000
On disposal of a subsidiary	-	(558,242)
Foreign currency translation	-	21,964
At December 31	**98,446,655**	97,444,482

* The balance of employees' defined benefits obligations as of December 31, 2024, includes an amount of SR 15.1 million (2023: SR 12.1 million) related to employees for which the Group has a right to claim the end-of-service expense from other parties. Accordingly, the Group has recognized an asset of a recoverable amount from employees' benefits by the amounts in the consolidated statement of financial position.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

22. EMPLOYEES' DEFINED BENEFITS OBLIGATION (Continued)

The expense charged to profit or loss for the years ended December 31 comprise of:

	2024	2023
Current service cost	**17,528,336**	12,740,931
Finance cost (note 29)	**3,940,408**	3,134,548
Expenses charged to profit or loss	**21,468,744**	15,875,479

Significant actuarial assumptions

	2024	2023
Discount rate	**4.6% - 4.85%**	4.6% - 4.85%
Long-term salary increase rate	**0.25% - 4.85%**	0.25% - 4.85%

Sensitivity analysis of principal actuarial assumptions:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2024	2023
Discount rate +0.5%	**93,933,016**	95,190,276
Discount rate -0.5%	**98,102,337**	99,559,509
Long-term Salary +0.5%	**98,055,836**	99,329,704
Long-term Salary -0.5%	**93,959,470**	95,749,589

Analysis of remeasurement loss recognized in other comprehensive income during the years ended December 31:

	2024	2023
Due to changes in financial assumptions	**(2,491,516)**	496,502
Due to changes in demographic assumptions	**936,554**	(18,355)
Due to change in experience adjustments	**5,863,843**	10,528,159
	4,308,881	11,006,306

Expected maturity analysis:

	Less than a year	**Between 1 - 2 years**	**Between 2 - 5 years**	**Over 5 years**	**Total**
At December 31, 2024	**24,107,648**	**26,653,263**	**57,114,552**	**70,840,317**	**178,715,780**
At December 31, 2023	17,146,751	28,666,243	52,669,604	70,685,140	169,167,738

23. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2024	December 31, 2023
Accrued employee benefits *	**49,296,548**	44,561,164
Value added tax	**17,198,344**	23,431,486
Unidentified collections	**8,047,836**	10,020,023
Professional fees	**2,113,550**	1,255,841
Others	**8,145,633**	13,711,135
	84,801,911	92,979,649

* This balance includes accrued bonuses to the key management personnel and remuneration for the Board of Directors and key management as at December 31, 2024, amounting to SR 8.1 million (2023: SR 5.8 million).

(All Amounts in Saudi Riyals Unless Otherwise Stated)

24. ZAKAT AND INCOME TAX PAYABLE

	December 31, 2024	December 31, 2023
Zakat payable	**12,148,226**	25,192,609
Income tax payable	**1,275,741**	69,435
	13,423,967	25,262,044

24-1 Basis for Zakat and Income tax

The Parent Company is subject to zakat payable at 2.5% of the greater of the approximate zakat base and adjusted profit. The significant components of the zakat base under zakat collection regulation principally comprise equity and its equivalents, certain liabilities capped to assets deducted from the zakat base, the difference between adjusted profit and accounting profit, less a deduction for certain assets. The zakat base is confined between equity and its equivalents as a ceiling and as a floor, the lesser of undetected assets plus the difference between adjusted profit and accounting profit on one hand, and adjusted profit on the other.

The subsidiaries outside Saudi Arabia are subject to income tax based on the regulations in their respective countries.

24-2 Zakat and income taxes charged to the statement of profit or loss for the years ended December 31, is as follows:

	2024	2023
Current zakat charges	**5,691,582**	29,327,754
Income tax charges	**2,340,966**	191,267
	8,032,548	29,519,021

24-3 The movement in the Zakat and income tax payable for the years ended December 31, is as follows:

	2024	2023
Movement of Zakat Payable:		
At January 1	**25,192,609**	12,893,711
Charge for the year	**5,691,582**	9,095,136
Adjustments in respect of Zakat of previous years	**-**	20,232,618
Paid	**(18,735,965)**	(17,028,856)
At December 31	**12,148,226**	25,192,609
Movement of income tax payable:		
At January 1	**69,435**	313,479
Charge for the year	**2,340,966**	191,267
Paid	**(905,501)**	(159,080)
Foreign currency translation	**(229,159)**	(276,231)
At December 31	**1,275,741**	69,435
Zakat and Income tax payable as at December 31	**13,423,967**	25,262,044

24-4 Status of certificates and assessments

The Company and its Saudi subsidiaries filed their Zakat returns with the Zakat, Tax and Customs Authority ("ZATCA") and obtained Zakat certificates up to the year 2023.

Status of Zakat assessments for the parent Company

Assessment for the years 2015-2018

The parent Company received revised Zakat assessments from ZATCA demanding an additional amount of SR 31.9 million, against which the Company filed an appeal with the Primary Committee, which reduced the amount of assessment down to SR 25 million. During the year 2022, the Company escalated to the General Secretariat of Zakat, Tax and Customs Committees and reached an agreement with ZATCA to settle the assessment by paying an amount of SR 18.75 million through twelve equal monthly instalments.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

24. ZAKAT AND INCOME TAX PAYABLE (Continued)

24-4 Status of certificates and assessments (Continued)

Status of Zakat assessments for the parent Company (Continued)

Assessment for the years 2021-2023

The parent Company received inquiries from ZATCA with respect to Zakat returns for the years 2021 and 2022. As of the date of approval of these consolidated financial statements, no revised assessments have been received from ZATCA for these years. For the year 2023, it is still under review by ZATCA.

Status of Income tax assessments for the other subsidiaries

No income tax assessment is received up to date for these subsidiaries. Differences that may arise from assessments are accounted for when the assessment is finalized with the tax authority in their respective countries.

The Group creates a provision for amounts that are likely to be eventually paid to ZATCA or tax authority based on the advice of its zakat and tax expert.

25. COST OF REVENUE

	2024	2023
Staff cost	**709,205,538**	557,957,424
Direct materials	**54,099,647**	67,086,544
Depreciation of right-of-use assets (note 8)	**42,993,577**	40,533,989
Depreciation of property and equipment (note 7)	**25,477,617**	22,268,592
Amortization of intangible assets (note 9)	**5,154,644**	5,456,018
Others	**71,941,623**	66,239,491
	908,872,646	759,542,058

26. SELLING AND MARKETING EXPENSES

	2024	2023
Staff cost	**9,268,633**	10,917,195
Advertising	**5,723,066**	2,779,600
Promotion and gifts	**1,224,187**	1,450,413
	16,215,886	15,147,208

27. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Staff cost	**76,597,288**	61,898,227
Subscriptions and government expenses	**18,469,787**	13,351,426
Professional fees	**8,372,793**	7,024,433
Depreciation of property and equipment (note 7)	**5,704,580**	3,676,723
Compensation for Board of Directors	**3,884,300**	1,377,500
Utilities	**2,898,943**	4,903,291
Rent expenses	**2,552,170**	4,129,322
Amortization of intangible assets (note 9)	**1,914,643**	606,395
Depreciation of right-of-use assets (note 8)	**1,359,655**	6,710,721
Impairment of other assets	**-**	3,685,822
Others	**13,414,106**	11,596,265
	135,168,265	118,960,125

Auditor's contracted remuneration:

	2024	2023
Audit and review fees of the parent Company	**1,370,000**	1,365,000
Audit and review fees of the subsidiaries	**935,839**	851,173
Other statutory assurance services	**80,122**	80,082
Zakat and tax attestation services	**100,573**	54,314
	2,486,534	2,350,569

(All Amounts in Saudi Riyals Unless Otherwise Stated)

28. OTHER INCOME, NET

	2024	2023
Gain from sublease transaction (note 8)	**76,098,343**	-
Dividend income (note 10)	**8,810,560**	17,944,298
Gain from purchase bargain (Note 1)	**7,496,941**	-
Loss on derecognition of net investment in lease (note 8)	**(5,383,456)**	-
Rental income	**7,237,371**	6,066,832
Amortization of deferred gain on sale and leaseback (note 8)	**803,748**	803,748
Gain from legal cases	**2,813,000**	2,500,000
Loss from disposal of property and equipment	**(155,136)**	-
Others	**1,837,251**	3,138,581
	99,558,622	30,453,459

29. FINANCE COST

	2024	2023
Interest on lease liabilities (note 8)	**43,373,706**	40,501,692
Interest on loans and borrowings	**38,719,608**	34,573,463
Interest in employees' defined benefits obligations (note 22)	**3,940,408**	3,134,548
Others	**1,143,679**	516,474
	87,177,401	78,726,177

* The finance cost related to CWIP amounts to SAR 497,701 (2023: SAR 490,876).

30. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit (loss) for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the year.

Diluted earnings per share amounts are calculated by dividing the net profit (loss) for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit (loss) and share data used in the basic and diluted earnings per share computations, For the years ended December 31:

	2024	2023
Net Profit (loss) attributable to the shareholders of the Company (SR)	**81,067,928**	(47,680,945)
Weighted average number of outstanding shares during the year	**65,000,000**	65,000,000
Earnings per share from net profit (loss) attributable to shareholders of the Company (SR)	**1.25**	(0.74)
Net Profit (loss) from continuing operations attributable to the shareholders of the Company (SR)	**83,939,137**	(45,202,700)
Weighted average number of outstanding shares during the year	**65,000,000**	65,000,000
Earnings per share from net profit (loss) from continuing operations attributable to shareholders of the Company (SR)	**1.29**	(0.70)

(All Amounts in Saudi Riyals Unless Otherwise Stated)

31. SEGMENT INFORMATION

The Group's principal activities are as disclosed in note 1. The Group has been organized into different operating segments based on the nature of the products and services it delivers as follows:

Training: Provision of training programs related to language and computers to individuals and corporate customers.

Universities: Provision of academic staff for the orientation years according to the basis and standards set by the universities and managing these human resources for the universities.

Management projects and others: Provision of qualified skilled personnel to corporate customers. Provision of support services to corporate customers such as security maintenance and operational systems management.

Call centre: Managing and operating the customer service centres via telephone as well as digital technologies means for a number of government and private companies.

Schools: Incorporating and operating private educational schools for (boys/girls) from KG to grade 12 within the Kingdom of Saudi Arabia.

Selected financial information as at December 31, 2024 and December 31, 2023, and for the years then ended, categorized by these business segments, is as follows:

December 31, 2024	Management projects and others	Training	Call centers	Universities	Schools	Unallocated transactions and balances	Total
Revenue	63,032,225	177,691,088	510,165,969	122,897,142	274,691,271	-	1,148,477,695
Revenue - third parties	61,493,918	173,349,780	510,165,969	122,897,142	274,691,271	-	1,142,598,080
Gross profit	7,805,909	75,794,303	53,237,451	23,280,963	73,606,808	-	233,725,434
Depreciation of property and equipment	78,562	3,958,725	6,620,889	219,024	17,271,606	3,033,391	31,182,197
Depreciation of right of use assets	-	4,654,407	6,386,197	391,336	31,681,370	1,239,922	44,353,232
Amortization and impairment of intangible assets	461,035	1,892,957	3,029,605	-	1,627,404	58,286	7,069,287
Expected Credit Loss	781,096	2,640,213	3,093,726	2,236,438	2,369,756	-	11,121,229
Unallocated expenses (excluding depreciation, amortization and impairment)	-	-	-	-	-	(26,212,909)	(26,212,909)
Additions to property and equipment	92,078	1,110,743	5,676,409	222,259	35,688,301	2,449,552	45,239,342
Profit (loss) attributable to the shareholders of the Company	(4,066,225)	17,071,030	9,905,606	13,633,782	16,242,338	28,281,397	81,067,928
Profit (loss) for the year	(3,660,320)	21,705,915	9,905,606	13,633,782	18,269,394	28,281,397	88,135,774
Total assets	26,223,894	132,706,637	349,817,709	87,944,793	1,399,529,104	154,872,921	2,151,095,058
Total liabilities	36,394,569	141,175,543	141,072,579	65,511,780	1,126,791,991	69,627,361	1,580,573,823

(All Amounts in Saudi Riyals Unless Otherwise Stated)

31. SEGMENT INFORMATION (Continued)

December 31, 2023	Management projects and others	Training	Call centers	Universities	Schools	Unallocated transactions and balances	Total
Revenue	59,238,281	169,288,047	397,040,654	126,001,880	239,175,304	-	990,744,166
Revenue - third parties	52,143,880	169,288,047	397,040,654	126,001,880	239,175,304	-	983,649,765
Gross profit	24,548,622	66,694,741	52,404,315	18,102,284	62,357,745	-	224,107,707
Depreciation of property and equipment	50,209	3,761,431	5,990,118	212,569	13,027,830	2,903,158	25,945,315
Depreciation of right-of-use assets	-	4,719,921	6,379,924	-	29,434,144	6,710,721	47,244,710
Amortization and impairment of intangible assets	461,035	870,593	3,029,084	-	1,643,415	58,286	6,062,413
Expected Credit Loss	2,124,603	(9,682,569)	24,918,648	1,197,733	12,600,960	-	31,159,375
Unallocated expenses (excluding depreciation, amortization and impairment)	-	-	-	-	-	75,453,026	75,453,026
Additions to property and equipment	221,603	3,180,762	4,267,795	-	83,095,908	1,146,985	91,913,053
Profit (loss) attributable to the shareholders of the Company	4,896,053	30,584,106	(4,296,983)	10,151,442	(3,668,659)	(85,346,904)	(47,680,945)
Profit (loss) for the year	5,119,735	36,059,203	(4,296,983)	10,151,442	(1,105,984)	(85,346,904)	(39,419,491)
Total assets	54,535,941	139,160,686	339,961,277	104,015,253	1,172,383,633	258,592,670	2,068,649,460
Total liabilities	16,799,439	66,336,121	155,309,780	32,302,315	626,759,440	666,374,452	1,563,881,547

Finance cost and tax expenses are not analyzed at the segment level, as it is driven by the central treasury and tax functions respectively, which manage these expenses at the Group level. Segment assets are measured in the same way as in the consolidated financial statements. These assets are allocated and analyzed based on the operations of the segment. The Group's management does not analyze total assets based on its geographical location and therefore country-wise total assets are not disclosed in these consolidated financial statements. The revenue earned from third parties from different business segments categorized by geographical region is as follows:

December 31, 2024	**Management projects and others**	**Training**	**Call centers**	**Universities**	**Schools**	**Unallocated transactions and balances**	**Total**
Kingdom of Saudi Arabia	**58,291,736**	**113,410,882**	**510,165,969**	**122,897,142**	**274,691,271**	**-**	**1,079,457,000**
Other GCC countries	**-**	**48,584,020**	**-**	**-**	**-**	**-**	**48,584,020**
Other countries	**3,202,182**	**11,354,878**	**-**	**-**	**-**	**-**	**14,557,060**
							1,142,598,080
December 31, 2023							
Kingdom of Saudi Arabia	48,817,973	107,244,465	397,040,654	126,001,880	239,175,304	-	918,280,276
Other GCC countries	-	50,589,373	-	-	-	-	50,589,373
Other countries	3,325,907	11,454,209	-	-	-	-	14,780,116
							983,649,765

(All Amounts in Saudi Riyals Unless Otherwise Stated)

32. FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

32-1 Fair value measurements of financial instruments

The following table shows the carrying amounts and fair values of financial assets, other than cash and cash equivalents, 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.

		Fair value			
Financial assets	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2024					
Financial derivative instrument carried at FVPL	**4,590,800**	**-**	**4,590,800**	**-**	**4,590,800**
Investments in equity instruments carried at FVOCI	**135,149,147**	**135,149,147**	**-**	**-**	**135,149,147**
December 31, 2023					
Financial derivative instrument carried at FVPL	4,882,345	-	4,882,345	-	4,882,345
Investments in equity instruments carried at FVOCI	146,561,754	143,555,554	-	3,006,200	146,561,754

32-2 Risk Management of Financial Instruments

The Group's activities expose it to a variety of financial risks, credit risks, liquidity risks and market price risk.

Credit Risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk primarily on its trade receivables, contract assets, net investment in lease and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The Group does not hold collateral as security.

The Group seeks to limit its credit risk with respect to receivables by setting credit limits for individual customers and by monitoring outstanding balances on an ongoing basis. The receivable balances are monitored with the result that the Group's exposure to bad debts is not significant.

Bank balances are held with banks with sound credit ratings.

The exposure to credit risk for receivables by type of counterparty was as follows:

	December 31, 2024	December 31, 2023
Trade receivables	**368,231,187**	416,362,895
Net investment in the lease	**186,968,739**	73,193,462
Cash and bank balances	**69,270,402**	28,906,359
Contract assets	**54,901,834**	46,296,421
Recoverable amount from employees' benefits	**15,125,674**	12,145,459
Due from related parties	**14,990,906**	4,056,758
Financial derivative instrument carried at FVPL	**4,590,800**	4,882,345
Other assets	**10,634,318**	7,397,286
Assets classified as held for sale	**-**	126,816
	724,713,860	593,367,801

(All Amounts in Saudi Riyals Unless Otherwise Stated)

32. FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (Continued)

32-2 Risk Management of Financial Instruments (Continued)

Credit Risk (Continued)

Management performs an impairment analysis at each reporting date using an allowance matrix to measure Expected Credit Losses ("ECLs"). The allowance rates are based on days past due for groupings of various customer segments with similar loss patterns.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

As at December 31, 2024	**Expected loss rate**	**Total book value**	**Expected credit losses**	**Net book value**
Neither past due nor impaired	**2%**	**167,457,385**	**3,135,692**	**164,321,693**
Past due 1-90 days	**9%**	**96,848,436**	**8,909,003**	**87,939,433**
Past due 91-180 days	**17%**	**23,624,108**	**4,052,675**	**19,571,433**
Past due 181-365 days	**56%**	**6,068,651**	**3,399,144**	**2,669,507**
Past due over 365 days	**57%**	**217,860,422**	**124,131,301**	**93,729,121**
		511,859,002	**143,627,815**	**368,231,187**
As at December 31, 2023				
Neither past due nor impaired	2%	188,339,146	4,621,910	183,717,236
Past due 1-90 days	14%	89,120,115	12,237,262	76,882,853
Past due 91-180 days	21%	32,842,556	6,784,883	26,057,673
Past due 181-365 days	30%	57,149,404	17,124,016	40,025,388
Past due over 365 days	52%	188,295,566	98,615,821	89,679,745
		555,746,787	139,383,892	416,362,895

Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The table below summarizes the maturity profile of financial liabilities based on contractual undiscounted payments:

December 31, 2024	**Up to 1 year**	**More than 1 year and up to 5 years**	**More than 5 years**	**Total**
Borrowings	**274,378,394**	**262,542,949**	**65,073,951**	**601,995,294**
Lease liabilities	**117,640,020**	**401,280,303**	**555,805,625**	**1,074,725,948**
Retention payable	**13,012,498**	**-**	**-**	**13,012,498**
Trade and other liabilities excluding retentions	**137,747,253**	**-**	**-**	**137,747,253**
Due to related parties	**750,905**	**-**	**-**	**750,905**
	543,529,070	**663,823,252**	**620,879,576**	**1,828,231,898**
December 31, 2023				
Borrowings	251,917,364	222,483,974	75,753,318	550,154,656
Lease liabilities	94,199,101	407,721,024	597,239,962	1,099,160,087
Retention payable	11,844,637	-	-	11,844,637
Trade and other liabilities excluding retentions	119,749,917	-	-	119,749,917
Due to related parties	1,513,577	-	-	1,513,577
	479,224,596	630,204,998	672,993,280	1,782,422,874

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and credit facilities are available to meet the Group's future commitments.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

32. FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (Continued)

32-2 Risk Management of Financial Instruments (Continued)

Market Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, and will affect the Group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that's not the Group's functional currency. The Group's exposure to foreign currency risk is primarily limited to transactions in Great British Pounds ("GBP") and Egyptian Pounds ("EGP"). The Group is not exposed to foreign currency fluctuation risk arising from the Arab Emirates Dirham ("AED") and United States dollars ("USD") as these are pegged to USD and SR respectively. The fluctuation in exchange rates against GBP and EGP is monitored continuously. Quantitative data regarding the Group's exposure to currency risk arising from these foreign currencies is as follows:

	GBP	EGP	Total
December 31, 2024			
Cash at bank	**600,208**	**2,092,357**	**2,692,565**
Cash in hand	**6,946**	**2,482**	**9,428**
Trade receivables	**2,808,231**	**1,801,852**	**4,610,083**
Short-term borrowings	**70,735**	**-**	**70,735**
Trade payables	**11,271,079**	**447,406**	**11,718,485**
Net statement of financial position exposure	**(7,926,429)**	**3,449,285**	**(4,477,144)**
December 31, 2023			
Cash at bank	250,367	1,763,273	2,013,640
Cash in hand	83,677	3,522	87,199
Trade receivables	2,328,904	1,751,697	4,080,601
Short-term borrowings	119,273	-	119,273
Trade payables	13,165,016	936,628	14,101,644
Net statement of financial position exposure	(10,621,341)	2,581,864	(8,039,477)

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Group has no significant variable commission-bearing long-term assets but has variable commission-bearing liabilities as at December 31, 2024 and 2023. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates and by entering into interest rate swaps.

The Group's exposure to the risk of changes in interest rates is as follows:

	December 31, 2024	December 31, 2023
Borrowings bearing floating interest rates	**356,697,858**	385,500,621
Borrowings bearing fixed interest rates	**184,000,001**	94,666,666
	540,697,859	480,167,287

The following table shows the sensitivity of the profit or loss to reasonably possible changes in interest rates, with other variables held constant.

	2024	2023
Interest rate +1%	**(5,406,979)**	(4,801,673)
Interest rate -1%	**5,406,979**	4,801,673

(All Amounts in Saudi Riyals Unless Otherwise Stated)

32. FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (Continued)

32-2 Risk Management of Financial Instruments (Continued)

Capital management

The Board's policy is to maintain an efficient capital base to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to shareholders.

The Group's objectives when managing capital are:

i) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
ii) to provide an adequate return to shareholders.

Consistent with the others in the industry, the Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total equity. The Group's gearing ratio as of the year-end of the reporting year was as follows:

	December 31, 2024	December 31, 2023
Borrowings	**540,697,859**	485,442,557
Lease liabilities	**736,028,183**	745,717,203
Less: cash and cash equivalents	**(69,270,402)**	(28,906,359)
Net debt	**1,207,455,640**	1,202,253,401
Total equity attributable to shareholders of the Company	**522,024,264**	455,513,738
Gearing ratio	**2.31**	2.64

33. PRIOR YEARS' 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 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, consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows.

A) The management identified certain errors in the application of its lease accounting in the prior years in subsidiary companies. These errors mainly pertained to the following:

- Correction of the incremental borrowing rates used in the prior years;
- Correction to the calculation of certain lease contracts to comply with the requirements of IFRS 16.

The management has reassessed the basis of the initial recognition of these leases and recognized the related right of use assets and lease liabilities retrospectively based on the existence of contractual obligations under the relevant lease contracts in accordance with IFRS 16.

B) The management has completed the purchase price allocation exercise related to the acquisition of Al-Riyadah Model Education Company. This process resulted in an upward fair value adjustment of property and equipment. Consequently, this adjustment in fair value led to a reduction in the previously recognized provisional goodwill, an increase in the non-controlling interest, and the recognition of a depreciation adjustment for the property and equipment. Refer to note 1 (a) for further details.

C) The management identified an error in the loan interest expenses for the year ended December 31, 2023, amounting to SAR 5,275,270 (2023: amounting SR Nil).

D) The management identified an error in the calculation of intangible assets resulting from Newhorizon license in the conversion of prior years' financial statements of the aforementioned subsidiary to IFRS resulted in the derecognition of certain additional assets and liabilities with a corresponding impact on the accumulated losses and foreign currency translation reserve as of December 31, 2023. This also impacted certain expenses recognized in the consolidated statement of profit or loss and foreign currency translation differences in the consolidated statement of comprehensive income for the year ended December 31, 2023.

(All Amounts in Saudi Riyals Unless Otherwise Stated)

33. PRIOR YEARS' ADJUSTMENTS (Continued)

Impact of adjustments and reclassifications to the consolidated statement of profit or loss for the year ended December 31, 2023.

	Note	2023	Adjustment	Reclassification	2023
		(Audited)			(Restated)
Continuing operations					
Revenue		983,649,765	-	-	983,649,765
Cost of revenue	A,B,D	(759,163,287)	(378,771)	-	(759,542,058)
Gross profit		224,486,478	(378,771)	-	224,107,707
Selling and marketing expenses		(15,147,208)	-	-	(15,147,208)
General and administrative expenses	A	(118,735,125)	(225,000)	-	(118,960,125)
Impairment loss on trade receivables		(31,159,375)	-	-	(31,159,375)
Impairment of goodwill	B	(19,127,745)	-	12,817,643	(6,310,102)
Impairment of property and equipment	B	-	-	(12,817,643)	(12,817,643)
Other income		30,453,459	-	-	30,453,459
Operating profit		70,770,484	(603,771)	-	70,166,713
Finance cost	A,C,D	(73,383,120)	(5,343,057)	-	(78,726,177)
Finance income		3,178,275	-	-	3,178,275
Loss on financial derivative instrument carried at FVPL		(2,041,036)	-	-	(2,041,036)
Loss before Zakat and Income tax for the year		(1,475,397)	(5,946,828)	-	(7,422,225)
Zakat and income tax		(29,519,021)	-	-	(29,519,021)
Loss from continuing operations		(30,994,418)	(5,946,828)	-	(36,941,246)
Loss from discontinued operations		(2,478,245)	-	-	(2,478,245)
Loss for the year		(33,472,663)	(5,946,828)	-	(39,419,491)
Loss for the year attributable to:					
Shareholders of the Company		(42,017,933)	(5,663,012)	-	(47,680,945)
Non-controlling interests		8,545,270	(283,816)	-	8,261,454
		(33,472,663)	(5,946,828)	-	(39,419,491)
Basic and diluted earnings per share for loss attributable to the shareholders of the Company					
- Loss from continuing operations		(39,539,688)	(5,663,012)	-	(45,202,700)
- Loss from discontinuing operations		(2,478,245)	-	-	(2,478,245)
		(42,017,933)	(5,663,012)	-	(47,680,945)
Loss from continuing operations		(0.61)	0.09	-	(0.70)

(All Amounts in Saudi Riyals Unless Otherwise Stated)

33. PRIOR PERIODS' ADJUSTMENTS (Continued)

Impact of adjustments and reclassifications to the consolidated statement of comprehensive income for the year ended December 31, 2023.

	Note	2023	Adjustment	2023
		(Audited)		(Restated)
Net loss for the year		(33,472,663)	(5,946,828)	(39,419,491)
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	D	280,296	(1,539)	278,757
Items that will not be reclassified subsequently to profit or loss:				
Change in the fair value of investments in equity instruments carried at FVOCI		(38,933,335)	-	(38,933,335)
Re-measurement of employees' defined benefits obligations		(11,006,306)	-	(11,006,306)
Other comprehensive losses for the year		(49,659,345)	(1,539)	(49,660,884)
Total comprehensive loss for the year		(83,132,008)	(5,948,367)	(89,080,375)
Total comprehensive loss for the year attributable to:				
Shareholders of the Company		(91,523,331)	(5,664,551)	(97,187,882)
Non-controlling interest		8,391,323	(283,816)	8,107,507
		(83,132,008)	(5,948,367)	(89,080,375)

Impact of adjustments and reclassifications to the consolidated statement of financial position as at January 1, 2023.

	Note	January 1, 2023	Adjustment	January 1, 2023
		(Audited)		(Restated)
Right of use assets	A	529,976,699	(3,386,365)	526,590,334
Intangible assets	A	110,872,995	(144,480)	110,728,515
Total non-current assets		1,549,138,843	(3,530,845)	1,545,607,998
Total current assets		527,390,118	-	527,390,118
Total assets		2,086,788,461	(3,530,845)	2,083,257,616
Accumulated losses	A	(124,829,630)	252,137	(124,577,493)
Total equity attributable to the shareholders of the Company		572,040,093	252,137	572,292,230
Non-controlling interest		35,493,676	264,414	35,758,090
Total equity		607,533,769	516,551	608,050,320
Lease liabilities	A	674,268,787	906,355	675,175,142
Total non-current liabilities		874,281,364	906,355	875,187,719
Current portion of lease liabilities	A	99,812,584	(4,953,751)	94,858,833
Total current liabilities		599,755,800	(4,953,751)	594,802,049
Total liabilities		1,479,254,692	(4,047,396)	1,475,207,296
Total equity and liabilities		2,086,788,461	(3,530,845)	2,083,257,616

(All Amounts in Saudi Riyals Unless Otherwise Stated)

33. PRIOR PERIODS' ADJUSTMENTS (Continued)

Impact of adjustments and reclassifications to the consolidated statement of financial position as at December 31, 2023.

	Note	December 31, 2023 (Audited)	Adjustment	Reclassification	December 31, 2023 (Restated)
Property and equipment	A, B	638,681,991	26,950,461	(12,817,643)	652,814,809
Right of use assets	A	512,122,090	(3,138,774)	-	508,983,316
Intangible assets	A, D	115,621,150	(14,909,808)	12,817,643	113,528,985
Total non-current assets		1,494,719,381	8,901,879	-	1,503,621,260
Total current assets		555,065,003	-	-	555,065,003
Total assets		2,059,747,581	8,901,879	-	2,068,649,460
Accumulated losses	A, B, C, D	(186,724,542)	(5,124,506)	-	(191,849,048)
Foreign currency translation reserve	D	(7,062,748)	(1,539)	-	(7,064,287)
Total equity attributable to shareholders of the Company		460,639,783	(5,126,045)	-	455,513,738
Non-controlling interest	A, B	36,093,570	13,160,605	-	49,254,175
Equity		496,733,353	8,034,560	-	504,767,913
Lease liabilities	A	681,554,290	(3,419,214)	-	678,135,076
Total non-current liabilities		1,016,024,091	(3,419,214)	-	1,012,604,877
Short-term borrowings and bank overdrafts	C	203,129,001	5,275,270	-	208,404,271
Current portion of lease liabilities	A	67,887,676	(305,549)	-	67,582,127
Trade and other liabilities	D	39,298,093	(683,188)	-	38,614,905
Total current liabilities		542,501,589	4,286,533	-	546,788,122
Total liabilities		1,563,014,228	867,319	-	1,563,881,547
Total equity and liabilities		2,059,747,581	8,901,879	-	2,068,649,460

Impact of adjustments and reclassifications to the consolidated statement of cash flows for the year ended December 31, 2023.

	December 31, 2023 (Audited)	Reclassification	December 31, 2023 (Restated)
Net cash generated from operating activities	130,906,000	(1,015,570)	129,890,430
Net cash used in investing activities	(25,864,830)	885,603	(24,979,227)
Net cash used in financing activities	(120,048,710)	254,846	(119,793,864)

34. CONTINGENCIES AND COMMITMENTS

Contingencies

The Group has provided letters of guarantee amounting to SR 149.9 million (2023: SR 158.7 million).

Commitments

The capital expenditure committed by the Group but not incurred till December 31, 2024, amounted to SR 13 million (2023: SR 43 million).

35. SUBSEQENT EVENT

In the opinion of management, there are no significant events up to the reporting date that may require amendment or disclosure in these consolidated financial statements.

36. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the Board of Directors on Ramadan 25, 1446H (corresponding to March 25, 2025).