



DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024





Directors' Report	4
Independent Auditor's Report	5
Consolidated Statement of Financial Position	10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14 – 39

Directors' report

The Directors present their report together with the audited consolidated financial statements of Alef Education Holding PLC and its subsidiary (the "Group") for the year ended 31 December 2024.

Principal activities

The principal activities of the Group are consulting and research and development in the field of technology education, institute training and development of teachers, educational facilities management, training on the development of personal competencies, educational consultancy, administrative support training services, computer systems and software designing and information technology consultancy.

Financial results

The revenues earned from contracts with customers and the total comprehensive income of the Group during the years:

	31 December 2024 AED	31 December 2023 AED
Revenue	759,003,628	749,525,426
Total comprehensive income	447,459,429	586,407,899

Directors

The Directors of the Company as of 31 December 2024 were:

HE Abdulhamid Mohammed Saeed Alahmadi (appointed on 3 May 2024)
HE Ahmed Ali Al Sayegh (appointed on 3 May 2024)
HE Jameela Al Mheiri (appointed on 3 May 2024)
HE Noura bint Mohammed Al Kaabi (appointed on 3 May 2024)
Ms Rima Ahmed Salim AlMokarrab Almheiri (appointed on 3 May 2024)
Dr Saeed Abdulla Mohamed Bin Mutlaq Alghfeli (appointed on 3 May 2024)
Mr Omar Abdulla Al Hashmi (appointed on 3 May 2024)
Mr Geoffrey Simon John Alphonso (resigned on 3 May 2024)

Directors' statement to the disclosure to auditors

In so far as the Directors are aware, there is no relevant information of which the Group's auditors are unaware.

The Group's auditors have been provided with access to all information of which we are aware that is relevant to the preparation of consolidated financial statements.

Auditors

A resolution to reappoint Ernst and Young Middle East (ADGM Branch) as auditors for the ensuing year will be put to the shareholders at Annual General Meeting.



Abdulhamid Mohammed Saeed Alahmadi
Chairman



Ernst & Young – Middle East
(ADGM Branch)
P.O. Box 136
24th Floor, Office 2449, Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi, United Arab Emirates

Tel : +971 2 417 4400
+971 2 627 7522
Fax: +971 2 627 3383
abudhabi@ae.ey.com
ey.com
Registration No. 000001136

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALEF EDUCATION HOLDING PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alef Education Holding PLC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition

Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. The Group recognises revenue when it transfers control of a product or service to a customer. The Group mainly provides education solutions and IT infrastructure solution which comprises of initial set-up and continuous maintenance services. Revenue from IT services is recognized over time and revenue from Education solution is recognized at a point in time (refer note 3 to the consolidated financial statements for the revenue recognition policy of the Group).

During the year ended 31 December 2024, total revenue of the Group amounted to AED 759,003,628. Given the magnitude of the amount and the inherent risk associate with revenue, we consider revenue recognition to be a key audit matter.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ALEF EDUCATION HOLDING PLC continued

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

Revenue recognition continued

To address the above risk, we performed the following procedures among others:

- We performed procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy;
- Assessed the compliance of such policies with the applicable International Financial Reporting Standards;
- Inspected the contracts with customers, on a sample basis, to test the total contract values, invoicing terms, payment terms, rate per student, and rates of other services rendered to the customers;
- Obtained a representative sample of transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We have performed cut off procedures, including selecting the sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Performed analytical procedures, to identify inconsistencies and/or unusual movements during the year; and
- Assessed the adequacy of the Group's disclosure in the consolidated financial statements in connection with revenue recognition.

Recognition of intangible assets

The Group has significant internally-generated intangible assets – research and development expenditure, which are capitalized in accordance with IAS 38 "Intangible Assets." As at 31 December 2024, the carrying value of these intangible assets amounted to AED 171.9 million. The capitalization and subsequent measurement of these assets involve significant management judgment and estimation, particularly in relation to (refer note 8 to the consolidated financial statements).

- Determining whether the costs incurred meet the criteria for capitalization under IAS 38.
- Assessing the useful lives of the capitalized assets.
- Evaluating the recoverability of the carrying amounts, including the estimation of future cash flows and the selection of appropriate discount rates.

To address the above risk, we performed the following procedures among others:

- We performed procedures to assess whether the intangibles recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy. We selected a sample of capitalized costs and tested whether these costs met the criteria for capitalization under IAS 38.
- We assessed the nature of the costs capitalized to ensure they were directly attributable to the development of content for customers and platform.
- We assessed the appropriateness of management's impairment testing methodology in accordance with IAS 36 "Impairment of Assets".

We have evaluated the key assumptions used in the impairment models, including future cash flow projections and discount rates and performed sensitivity analyses to assess the impact of changes in key assumptions on the impairment assessment.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ALEF EDUCATION HOLDING PLC continued

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

Revenue recognition continued

Other information

Other information consists of the information included in the Board of Directors' report and annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

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 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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association, Companies Regulation 2020 of Abu Dhabi Global Market (ADGM), and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the 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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 ISA 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ALEF EDUCATION HOLDING PLC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

As part of an audit in accordance with ISAs, we exercise professional judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALEF EDUCATION HOLDING PLC continued**

Report on Other Legal and Regulatory Requirements

- i) the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and
- ii) the financial information included in the Directors' report is consistent with the books of account and records of the Group.

For Ernst & Young Middle East (ADGM Branch)



Walid J Nakfour

13 February 2025
Abu Dhabi, United Arab Emirates

Consolidated Statement of Financial Position As at 31 December 2024

	Notes	31 December 2024 AED	31 December 2023 AED
ASSETS			
Non-current assets			
Property and equipment	5	2,808,947	2,540,005
Right of use asset	7	6,154,404	480,533
Intangible assets	6	171,929,124	79,898,352
Trade and other receivables	8	4,942,592	12,425,319
Total non-current assets		185,835,067	95,344,209
Current Assets			
Trade and other receivables	8	340,607,163	154,947,624
Amounts due from related parties	14	-	109,755,488
Cash and cash equivalents	9	396,299,158	261,773,715
Total current assets		736,906,321	526,476,827
TOTAL ASSETS		922,741,388	621,821,036
EQUITY AND LIABILITIES			
Equity			
Share capital	10	70,000,000	-
Shareholders' contribution	10	167,559,022	167,559,022
Other reserve	11	75,000	75,000
Retained earnings		520,657,712	346,786,283
Total equity		758,291,734	514,420,305
Non-current liabilities			
Provision for employees' end of service benefits	12	15,806,640	12,921,328
Lease liabilities	7	3,172,036	241,965
Total non-current liabilities		18,978,676	13,163,293
Current liabilities			
Trade and other payables	13	98,050,282	94,008,382
Lease liability	7	3,198,736	229,056
Income tax liability	22	44,221,960	-
Total current liabilities		145,470,978	94,237,438
Total liabilities		164,449,654	107,400,731
TOTAL EQUITY AND LIABILITIES		922,741,388	621,821,036



Chairman

The attached notes 1 to 24 form part of these consolidated financial statements.



Chief Executive Officer

Consolidated Statement of Comprehensive Income For the year ended 31 December 2024

	Notes	31 December 2024 AED	31 December 2023 AED
INCOME			
Education solution fees		659,668,853	656,945,193
Support and services		99,334,775	92,580,233
Revenue from contracts with customers	15	759,003,628	749,525,426
EXPENSES			
Salaries and other benefits		(122,390,239)	(127,643,829)
Support and services expenses		(66,072,480)	(63,061,653)
Software licenses		(27,147,144)	(24,111,194)
Amortisation for intangible assets	6	(31,499,278)	(30,732,894)
Legal and professional fees		(17,218,134)	(30,788,935)
Depreciation on property and equipment	5	(1,730,007)	(3,271,862)
Lease expenses	7	(3,932,562)	(3,530,964)
Marketing expenses		(5,544,435)	(7,845,303)
Others		(4,513,585)	(3,624,960)
Total expenses		(280,047,864)	(294,611,594)
OPERATING PROFIT FOR THE YEAR		478,955,764	454,913,832
Income from financial assets carried at fair value through profit or loss	16	-	122,795,687
Interest income		12,725,625	8,698,380
PROFIT FOR THE YEAR BEFORE TAX		491,681,389	586,407,899
Income tax expense	22	(44,221,960)	-
NET PROFIT FOR THE YEAR		447,459,429	586,407,899
Other comprehensive income		-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR		447,459,429	586,407,899
Basic earnings per share (AED)	23	0.08	-

The attached notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of Changes in Equity For the year ended 31 December 2024

	Share capital AED	Shareholders' contribution AED	Other reserve AED	Retained Earnings AED	Total Equity AED
Balance at 1 January 2023	-	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the year	-	-	-	586,407,899	586,407,899
Dividend paid (Note 24)	-	-	-	(1,632,095,378)	(1,632,095,378)
Balance at 31 December 2023	-	167,559,022	75,000	346,786,283	514,420,305
Issuance of share capital (Note 10)	70,000,000	-	-	(70,000,000)	-
Dividend paid (Note 24)	-	-	-	(203,588,000)	(203,588,000)
Total comprehensive income for the year	-	-	-	447,459,429	447,459,429
Balance at 31 December 2024	70,000,000	167,559,022	75,000	520,657,712	758,291,734

The attached notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of Cash Flows For the year ended 31 December 2024

	Notes	31 December 2024 AED	31 December 2023 AED
Operating activities			
Profit for the year before tax		491,681,389	586,407,899
Adjustments for:			
Depreciation on property and equipment	5	1,730,007	3,271,862
Depreciation on right of use asset	7	2,542,969	211,364
Amortisation of intangible assets	6	31,499,278	30,732,894
Income from financial assets carried at fair value through profit or loss	16	-	(122,795,687)
Interest expense on lease liability	7	382,143	38,055
Provision for employees' end of service benefits	12	4,871,160	4,286,824
Gain on disposal of property and equipment		-	(6,538)
Interest income		(12,725,625)	(8,698,380)
		519,981,321	493,448,293
Working capital changes:			
Amounts due from related parties		353,154	(289,966)
Trade and other receivables		(178,379,108)	(19,505,309)
Trade and other payables		(5,197,336)	6,444,006
Cash generated from operating activities		336,758,031	480,097,024
Employees' end of service benefits paid	12	(1,985,848)	(2,582,414)
Net cash flows from operating activities		334,772,183	477,514,610
Investing activities			
Purchase of property and equipment	5	(1,998,949)	(1,162,776)
Purchase of financial assets carried at fair value through profit or loss		-	(61,464,112)
Proceeds from disposal of financial assets carried at fair value through profit or loss		-	418,270,957
Dividend income from financial assets at fair value through profit or loss		-	20,414,682
Receipt of amounts due from related parties		109,402,334	280,856,346
Proceeds from disposal of property and equipment		-	6,538
Interest income received		12,927,921	5,386,924
Purchase of intangible assets	6	(114,290,814)	(31,739,268)
Net cash flows from investing activities		6,040,492	630,569,291
Financing activities			
Repayment of lease liability	7	(2,699,232)	(258,931)
Dividends paid	24	(203,588,000)	(1,017,489,192)
Net cash flows used in financing activities		(206,287,232)	(1,017,748,123)
Net increase in cash and cash equivalents		134,525,443	90,335,778
Cash and cash equivalents at the beginning of the year		261,773,715	171,437,937
Cash and cash equivalents at the end of the year	9	396,299,158	261,773,715
Significant non-cash transactions			
Issuance of share capital	10	70,000,000	-
Addition to intangible assets		9,239,236	4,106,432
Dividend paid through a related party	24	-	614,606,186

The attached notes 1 to 24 form part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2024

1. BACKGROUND

Corporate information

Alef Education Holding PLC (the “Company” or the “Parent”) is registered in Abu Dhabi Global Market (ADGM) under license number 17843 as a Public Company Limited by Shares. The Company was incorporated on 15 March 2024. The registered address of the Company is External Office 2332, 23rd Floor, Sky Tower, Al Reem Island, Abu Dhabi, United Arab Emirates. The Company and its subsidiary, Alef Education Consultancy LLC are collectively referred to as the Group (the “Group”).

The principal activities of the Group are consulting and research and development in the field of technology education, institute training and development of teachers, educational facilities management, training on the development of personal competencies, educational consultancy, administrative support training services, computer systems and software designing and information technology consultancy in the United Arab Emirates.

On 28 March 2024, pursuant to the reorganisation, the shareholders established the Company as a new holding company with a share capital of AED 70,000,000 at AED 0.01 per share (note 10). The Company became the new holding company of the Group through transfer of shares of Alef Education Consultancy LLC. The shares were transferred to the new holding company for nil consideration. The reorganisation was completed on 27 March 2024 during which all the legal ownership of Alef Education Consultancy LLC was transferred to the new holding company.

As the Company is not a business and the reorganisation did not result in any change of economic substance, it is not considered as a business combination as defined by IFRS 3 Business Combinations. Accordingly, the consolidated financial statements of the Group are prepared to reflect that the reorganisation is in substance a continuation of Alef Education Consultancy LLC as if the Company has always owned Alef Education Consultancy LLC.

The Group includes one fully owned subsidiary, Alef Education Consultancy LLC which is incorporated in the United Arab Emirates. Alef Education Consultancy LLC has a subsidiary, Arabic Scale Educational Consultancy – Sole Proprietorship LLC which is incorporated in the United Arab Emirates and its primary activities are development and innovation in computer system and program and educational consultancy. Alef Education Consultancy LLC also has a branch in the Emirate of Abu Dhabi in Abu Dhabi Creative Media Zone Authority and a branch office in Amman, Hashemite of Jordan under an establishment number # 200181807 which provides support in content designing and writing.

On 12 June 2024, the Company listed 20% of its share capital on Abu Dhabi Securities Exchange (“ADX”) as part of Initial Public Offering (“IPO”).

At 31 December 2024, the Group had an average of 404 employees (31 December 2023: 414 employees).

The consolidated financial statements were authorised for issuance in accordance with a resolution of the Board of Directors on 13 February 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and applicable provision of the Companies Regulations 2020 of Abu Dhabi Global Market (ADGM).

The consolidated financial statements are prepared under the historical cost basis, except for financial assets carried at fair value through profit or loss which are stated at fair value as at the reporting date.

The consolidated financial statements are presented in United Arab Emirates Dirham (“AED”), which is the functional and presentational currency of the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

2. BASIS OF PREPARATION (Continued)

2.2 Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Group reorganisation and business combinations under common control

In the absence of guidance in IFRS for the group reorganisation and business combinations under common control, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires to use judgement in developing and applying an accounting policy that provides reliable and more relevant information. As such group reorganisation has no economic substance and is outside the scope of IFRS 3 Business Combinations.

Business combination under common control is accounted for using the pooling of interest method as follows:

- assets and liabilities of the subsidiary, are reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method;
- no goodwill is recognised as a result of the reorganisation, except to the extent that existing goodwill was previously recognised in one of the combining entities. Any difference between the consideration transferred and the equity of the entity acquired as at the date of the combination is reflected within equity; and
- the statement of comprehensive income reflects the results of the acquiree entity.

The Group adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group. This approach is applied consistently for all such transactions.

2.4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Thus, the amendments had no impact on the Group's consolidated financial statements.

2. BASIS OF PREPARATION (Continued)

2.4 Changes in accounting policies and disclosures (Continued)

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's consolidated financial statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's consolidated financial statements.

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 21: Lack of exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial asset (continued)

Classification of financial assets

Debt instruments

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in consolidated statement of comprehensive income and is included in the "income – interest income from a related party" line item.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Income from financial assets carried at fair value through profit or loss' line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less net of bank overdraft, if any.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade and other receivables, due from related parties and cash and cash equivalents, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and amounts due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. Financial liabilities are initially measured at fair value except payables which are carried at amount expected to be payable. Financial liabilities are subsequently measured at amortised cost.

The Group's financial liabilities include lease liability and trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method on the following basis:

Office equipment	3 years
Office furniture and fixtures	3 years
Office leasehold improvement	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work in progress

Capital work in progress is recorded at cost and transferred to the appropriate asset category and depreciated in accordance with the Group's policies when development of a product is completed and transferred to the customers or ready for use after inspection from both parties.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognized right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). 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. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognized lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months). Lease payments on short-term leases recognized as expense on a straight-line basis over the lease term.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives of three years.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Platform and content development costs

The Group provide educational services through its technology platform and capitalises costs incurred to develop the platform. The Group also capitalizes the costs incurred for each content (teaching lesson and other educational product) including standard cost to reflect time and effort incurred internally developing the content and if applicable, fees incurred for content and product vendors and standard cost for external reviewers. The development costs are capitalized when the IAS 38 "intangible asset" criteria for recognition of development costs are met.

Subsequent time and effort by the team to maintain and/or upgrade previously published content that was already capitalised in prior periods are expensed in the same period incurred. Additionally, costs for the time spent in developing mock tests and experiential digital lessons are expensed in the year they were incurred.

Amortisation of intangible assets with finite lives is calculated on a straight-line basis over the estimated useful lives as follows:

Computer software	3 years
Content	4 years
Platform	10 years

Employees' benefits

A provision is made for the full amount of end of service benefits due to non-UAE national employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the General Pension and Social Security Authority in accordance with the UAE Federal Law (9) of 2000 for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Foreign currencies

For the purpose of these consolidated financial statements, the UAE Dirhams (AED) is the functional and the presentational currency of the Group.

Transactions in currencies other than UAE Dirhams are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in statement of comprehensive income in the year in which they arise.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

Fair value measurement

The Group measures financial instruments, such as, financial assets carried at fair value through profit or loss, at fair value at the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the advantageous market to which Company has access at that date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

For financial instruments quoted in an active market fair value is determined by reference to quoted market prices. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include comparison with similar instruments for which market observable prices exist, adjusted net asset method and other relevant valuation models.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Dividends

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Revenue recognition

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1* Identify contract(s) with a customer: A contract is defined as an agreement (in writing, orally or in accordance, with customary business practices) 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* Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- (b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- (c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Group recognises revenue from the following major sources:

- IT infrastructure solution which comprises of initial set-up and continuous maintenance services; and
- Education solutions

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 recognises revenue when it transfers control of a product or service to a customer.

The Group enters into contracts with its customers for supply of services through its resellers. The Group determined that it controls the services before they are transferred to customers, and it has the ability to direct the use of the or obtain benefits from the services. Therefore, the Group is acting as Principal in these arrangements if it has the responsibility for providing the services to the customers, it acts as the primary obligator and it bears the risk of providing the service.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue recognition (Continued)

Education solutions

This solutions fee corresponds to all the revenues received from customers for right of access to the Group's learning solution. The services rendered (including access to the Group's platform, availability of learning contents, on-site support and other ancillary services) are considered as one performance obligation as they are highly interdependent or interrelated. These obligations are fulfilled over time, that is over the academic year.

IT set-up services

The Group provides a combination of procurement and installation of IT equipment to be used for the provision of its education system solutions to schools and students. The revenue is recognised at a point in time once the goods and services are delivered / rendered to the customers.

IT Maintenance services

This service relates to maintenance work that may be required to be carried out on IT equipment for the duration of the contract which generally covers a period of five years. The maintenance service is considered to be a distinct service as it is available for customers from other providers in the market. Revenue relating to the maintenance services is recognised over time. The transaction price allocated to these services is recognised on a straight-line basis over the period of service.

Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxes

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxes (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax (VAT)

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

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

Determining whether unsigned (oral) agreements meet the definition of contract under IFRS 15

Certain contracts for the Government of Abu Dhabi, its departments or related parties, are executed on the basis of orally agreed terms (including estimates of total contract cost and timelines) in line with the Group's historical business practice. Management has determined such unsigned oral agreements meet the definition of a 'contract with customer' under IFRS 15 since the Group and the customer agree upon the essential elements of a contract and any other lawful conditions, though matters of detail are left to be agreed upon at a later date, and the contract is deemed to be made and binding even in the absence of agreement on these matter of detail. In addition, under Article 132 of the UAE Civil code and under the Supreme Administrative Court Ruling in Case no. 134 of 42 Judicial Year dated 22 July 1997, a contract can be oral or written, and a contract can also result from acts which demonstrate the presence of mutual consent between the relevant parties. At year ended 31 December 2024, the balance due on oral agreement was AED 314.5 million (31 December 2023: AED 128.5 million).

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Significant judgements (Continued)

Capitalisation of development costs

Product development assets represent direct costs incurred in the development of platform and content prior to their publication. These costs are recognised as intangible assets where the platform and content will generate probable future economic benefits and costs can be measured reliably. Content and platform are amortised upon publication of the title over estimated economic lives of four years and ten years, respectively, being an estimate of the expected operating lifecycle of the product development asset. The assessment of the useful economic life and the recoverability of product development assets involves judgement and is based on historical trends and management estimation of future potential sales. Product development assets are assessed for impairment triggers on an annual basis or when triggering events occur. The carrying amount of platform and content are set out in note 6.

Source of estimation uncertainty

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position 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 discussed below.

Estimating useful life for intangible assets

The useful lives and residual values of the intangibles assets are based on management's judgment of the historical pattern of useful lives and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of IAS 38 "Intangibles assets" and has determined that these expectations do not significantly differ from previous estimates.

Impairment of intangible assets

The Group determines whether intangible assets are impaired when events or conditions indicate that the carrying amount may not be recoverable. In assessing whether there is any indication that the intangible assets at the end of the reporting period may be impaired, the Company considered the following:

- Changes in the technological, market, economic or legal environment in which the Company operates that had or would have an adverse effect on the Company;
- Plans to discontinue or restructure the operation to which the intangible assets under construction belong; and
- Evidence from internal reporting and external factors that indicates a potential decline in budgeted net cash flows flowing from the asset.

Estimation of the recoverable amount of the intangible assets, where indicators of impairment were present, is made on the reporting date. Estimation of the recoverable amount requires a determination of the intangible assets, value in use and their fair value less costs to sell. Calculation of value in use requires the Company to make an estimate of the expected future cash flows from individual cash-generating units and determination of a suitable discount rate to calculate the present value of those cash flows.

Based on the review of the current market trends and economic condition, management does not anticipate any material risk on the assessment made for the risk of impairments of intangible assets.

Allowance for expected credit losses on trade receivables

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

5. PROPERTY AND EQUIPMENT

	Office equipment AED	Office furniture and fixture AED	Office leasehold improvements AED	Total AED
Cost				
At 1 January 2023	34,075,385	2,200,431	240,465	36,516,281
Additions during the year	1,135,754	27,022	-	1,162,776
Disposals during the year	-	(22,947)	-	(22,947)
At 31 December 2023	35,211,139	2,204,506	240,465	37,656,110
Additions during the year	1,998,599	350	-	1,998,949
At 31 December 2024	37,209,738	2,204,856	240,465	39,655,059
Accumulated Depreciation				
At 1 January 2023	29,479,077	2,156,390	231,723	31,867,190
Depreciation	3,236,462	31,950	3,450	3,271,862
Disposals	-	(22,947)	-	(22,947)
At 31 December 2023	32,715,539	2,165,393	235,173	35,116,105
Depreciation	1,708,622	17,935	3,450	1,730,007
At 31 December 2024	34,424,161	2,183,328	238,623	36,846,112
Carrying amount				
At 31 December 2024	2,785,577	21,528	1,842	2,808,947
At 31 December 2023	2,495,600	39,113	5,292	2,540,005

6. INTANGIBLE ASSETS

	Computer software AED	Platform AED	Content AED	Capital work-in-progress AED	Total AED
Cost					
At 1 January 2023	607,676	31,046,714	143,690,960	2,452,943	177,798,293
Additions during the year	-	9,656,122	17,631,849	8,557,729	35,845,700
Transfers	-	-	2,452,943	(2,452,943)	-
At 31 December 2023	607,676	40,702,836	163,775,752	8,557,729	213,643,993
Additions during the year	-	46,476,190	-	77,053,860	123,530,050
Transfer	-	57,346,435	9,110,262	(66,456,697)	-
At 31 December 2024	607,676	144,525,461	172,886,014	19,154,892	337,174,043
Accumulated amortisation					
At 1 January 2023	607,676	15,076,501	87,328,570	-	103,012,747
Amortisation	-	2,913,267	27,819,627	-	30,732,894
At 31 December 2023	607,676	17,989,768	115,148,197	-	133,745,641
Amortisation	-	8,172,385	23,326,893	-	31,499,278
At 31 December 2024	607,676	26,162,153	138,475,090	-	165,244,919
Carrying amount:					
At 31 December 2024	-	118,363,308	34,410,924	19,154,892	171,929,124
At 31 December 2023	-	22,713,068	48,627,555	8,557,729	79,898,352

Capital work-in-progress represents costs of third-party vendors and in-house staff for the development of platform which is not yet completed at the reporting date and will be completed within a year of the reporting date.

*Included in additions during the year ended 31 December 2024 is the acquisition of education products called Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (Note 14).

Included in additions during the year ended 31 December 2024 is the acquisition of an education product called Abjadiyat for a total amount of AED 11.2 million.

On 29 March 2024, the Group signed a partnership agreement with a US-based developer, MetaMetrics® to develop an Arabic reading scale to improve the literacy skills of K-12 Arabic speakers in collaboration with 6 Arab speaking countries. The newly developed Arabic scale is being branded as "Miqyas Al-Dhad Scale". Included in additions during the year ended 31 December 2024 is an amount of AED 8.9 million incurred towards its ongoing development.

Additions during the year ended 31 December 2024 also include AED 68.1 million representing the development of new content, products around assessments and pathways product lines. These include pathways products for Math, English, Arabic and Science along with an assessment solution. Moreover, the Group is supporting growth through internationalization and other key features.

7. LEASES

The Group has rented office premises in United Arab Emirates (UAE) for its head office and in Amman, Hashemite of Jordan

Set out below are the carrying amounts of the Group's right-of-use asset and lease liability and the movements during the year:

Right of use assets:

	31 December 2024 AED	31 December 2023 AED
At the beginning of the year	480,533	-
Additions during the year	8,216,840	691,897
Depreciation expense	(2,542,969)	(211,364)
At the end of the year	6,154,404	480,533

Lease liability:

	31 December 2024 AED	31 December 2023 AED
At the beginning of the year	471,021	-
Addition during the year	8,216,840	691,897
Payments during the year	(2,699,232)	(258,931)
Interest expense	382,143	38,055
At the end of the year	6,370,772	471,021

*During the year ended 31 December 2024, the Group reassessed the lease classification of its head office in the United Arab Emirates in accordance with IFRS 16 – Leases. Due to management's discretion to extend the lease beyond 12 months, the lease was reclassified from an operating lease. Consequently, the Group recognized a right-of-use asset of AED 8,216,840, with a corresponding lease liability recorded under current and non-current liabilities.

Following this addition, the Group started recognizing depreciation on the right-of-use asset and finance costs on the lease liability under "lease expenses".

The lease liabilities are classified in the consolidated statement of financial position as follows:

	31 December 2024 AED	31 December 2023 AED
Current	3,198,736	229,056
Non-current	3,172,036	241,965
Total	6,370,772	471,021

Amounts recognized in the consolidated statement of comprehensive income relating to lease expenses:

	31 December 2024 AED	31 December 2023 AED
Interest expenses	382,143	38,055
Depreciation on right of use asset	2,542,969	211,364
Expenses relating to short term leases	1,007,450	3,281,545
Total lease expenses	3,932,562	3,530,964

8. TRADE AND OTHER RECEIVABLES

	31 December 2024 AED	31 December 2023 AED
Trade receivables	318,490,318	133,752,712
Prepayments	10,568,774	11,913,674
Accrued income	9,353,457	8,339,893
Advances	1,936,274	3,497,603
Refundable deposits	5,200,932	9,869,061
Total	345,549,755	167,372,943
Current	340,607,163	154,947,624
Non-current*	4,942,592	12,425,319
Total	345,549,755	167,372,943

* represents long term margin deposits against bank guarantees issued to a customer and non-current portion of prepaid expenses.

Included in the trade receivable balance are balances totalling AED 317,451,530 (31 December 2023: AED 132,523,295) due from mainly three government customers in the United Arab Emirates, arising in the normal course of operations. Based on past experience of the Group, these balances are settled regularly and there is no history of significant write-off of receivables. Management considers that this concentration of credit risk will not result in any significant loss to the Group.

The ageing analysis of the trade receivables is as follows:

	Total AED	Neither past due nor impaired AED	0-30 Days AED	60-31 Days AED	90-61 Days AED	90-120 Days AED	Above 120 days AED
31 December 2024	318,490,318	4,769,322	91,109,196	33,277,239	7,716,339	105,962	181,512,260
31 December 2023	133,752,712	3,637,285	90,471,090	674,997	33,871,137	5,098,203	-

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. No provision for expected credit losses was recorded for trade receivables at 31 December 2024 (31 December 2023: nil).

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows comprise of:

	31 December 2024 AED	31 December 2023 AED
Cash on hand	16,645	6,606
Cash at bank	396,282,513	261,767,109
Cash and cash equivalents	396,299,158	261,773,715

Included in cash at bank are bank deposits with an original maturity of less than 3 months of AED 365,000,000 (31 December 2023: AED 78,501). These are denominated in UAE Dirham and carry interest at market rates.

10. SHARE CAPITAL

The shareholders of the Company and the respective ownership interests is as follows:

	31 December 2024 Number of Shares	31 December 2023 Amount AED
Authorised, issued and fully paid		-
31 December 2024: 7,000,000,000 shares of AED 0.01 each (US\$ 0.0027)	70,000,000	-

The share capital of the Company was funded by transferring AED 70,000,000 from the retained earnings. Moreover, the legal formalities with the ADGM were completed on 15 March 2024, and the ADGM issued a Certificate of Incumbency and Business Extract with an amount of USD 19,060,585 (equivalent to AED 70,000,000), divided into 7,000,000,000 (seven billion) ordinary shares with a par value of US\$ 0.0027 (equivalent to AED 0.01) as the authorised and paid up share capital of the Company.

On 12 June 2024, the Company listed 1,400,000,000 (20%) of its ordinary shares on the Abu Dhabi Securities Exchange ("ADX")

Shareholders' contributions

Shareholders' contributions are interest free and in the nature of long-term funding. The Group has no contractual obligation towards the repayment of this amount.

11. OTHER RESERVE

In accordance with the UAE Federal Law No. 32 of 2021, the subsidiary is required to transfer 5%, (31 December 2023: 5%) of the profit for the year to statutory reserve, which is non-distributable. The subsidiary has discontinued such annual transfers as the reserve has reached 50% of the issued and paid-up share capital of the subsidiary.

12. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31 December 2024 AED	31 December 2023 AED
At the beginning of the year	12,921,328	11,216,918
Charge for the year	4,871,160	4,286,824
Payments during the year	(1,985,848)	(2,582,414)
At the end of the year	15,806,640	12,921,328

An actuarial valuation is not considered necessary by management in respect of employees' end of service benefits as the net impact of actuarial valuation is not considered material.

13. TRADE AND OTHER PAYABLES

	31 December 2024 AED	31 December 2023 AED
Trade payables	6,429,987	16,649,944
Accrued expenses and other payables	41,487,642	36,689,925
Advances from customers	36,530,022	30,801,639
VAT payable	13,602,631	9,866,874
Total	98,050,282	94,008,382

14. RELATED PARTIES BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties included in the consolidated statement of financial position are as follows:

	31 December 2024 AED	31 December 2023 AED
Amounts due from related parties		
Entities under common control		
Capital Investments L.L.C.	-	109,402,334
SAAL Operating System – Sole Proprietorship L.L.C.	-	195,579
New Century Education – Sole Proprietorship L.L.C.	-	157,575
Total	-	109,755,488

Transactions with related parties are as follows:

	31 December 2024 AED	31 December 2023 AED
Interest income from a related party	2,636,820	8,698,380
Revenue from contracts with customers	266,602	237,319
Recharge of expense to a related party	112,772	156,558

During the year ended 31 December 2024, the Group has purchased the business of Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (note 6).

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	31 December 2024 AED	31 December 2023 AED
Short term benefits	9,183,846	8,402,011
Employees' end of service benefits	282,192	289,663
Remuneration for the directors of the subsidiary	3,000,000	3,600,000
Total	12,466,038	12,291,674
Number of key management personnel	6	6

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 December 2024 AED	31 December 2023 AED
TIMING OF REVENUE RECOGNITION		
Revenue recognized over the time		
Education solution fees	659,668,853	656,945,193
Support and services (IT maintenance fees)	50,306,230	49,496,003
	709,975,083	706,441,196
Revenue recognized at the point in time		
Support and services (IT set-up fees)	49,028,545	43,084,230
Total	759,003,628	749,525,426

Geographical markets

The Group operates in the UAE, Indonesia and United States of America and Kingdom of Saudi Arabia. Revenue from contracts with customers based in the UAE accounts for 99.96% of the total revenue from contracts with customers.

16. INCOME FROM FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024 AED	31 December 2023 AED
Gain on sale of assets	-	102,381,005
Dividend income	-	20,414,682
Total	-	122,795,687

17. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Capital comprises share capital, shareholders' contribution, retained earnings and other reserve.

The Group monitors and adjusts its capital structure with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs and maintaining high standards of business conduct.

At 31 December 2024, the Group is mainly funded by the shareholders and has no external debt.

18. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise of lease liability, amount due to a related party and trade and other payables. The main purpose of these financial liabilities is to manage Group's cash flows and partially finance capital work in progress. The Group has various financial assets such as trade and other receivables, amounts due from related parties and cash and cash equivalents, which arise directly from operations.

The main risk arising from Group's financial instruments are foreign currency risk, credit risk, liquidity risk, and interest rate risk.

Foreign currency risk

The Group does not have significant exposure to foreign exchange risk as most of its monetary assets and liabilities are denominated in UAE Dirhams. The Group has a bank account in the Hashemite of Jordan which had a balance of AED 125,350 at 31 December 2024 (31 December 2023: AED 629,900) which did not have a significant foreign exchange exposure at year ended 31 December 2024.

18. FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank deposits.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Group's profit (loss) for the year ended 31 December 2024 would have increased or decreased by AED 2,707,580 (31 December 2023: AED 1,850,719). There is no direct impact on the Group's equity.

Credit risk

Credit risk refers the risk arising on account of a default by counterparty on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually. The Group uses its own trading records to rate its major customers.

The Group is exposed to credit risk on its accounts receivable, bank balances and amounts due from related parties. Credit risk is limited to the carrying values of each class of financial assets in the consolidated statement of financial position.

Concentration of credit risk

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Management believes that the concentration of credit risk, as detailed in Note 9, is mitigated by high credit worthiness and financial stability of its trade customers.

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the United Arab Emirates and Hashemite of Jordan and are highly regulated by Central Banks.

Trade and other receivables, amounts due from related parties and cash and cash equivalents are not secured by any collateral. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Total AED	0-3 months AED	3-12 months AED	1 - 5 years AED
31 DECEMBER 2024				
Lease liability	6,766,600	1,072,450	2,440,350	3,253,800
Trade payables	6,429,987	6,429,987	-	-
Total	13,196,587	7,502,437	2,440,350	3,253,800
31 DECEMBER 2023				
Lease liability	517,590	258,795	-	258,795
Trade payables	16,649,944	16,649,944	-	-
Total	17,167,534	16,908,739	-	258,795

19. COMMITMENTS AND CONTINGENT LIABILITIES

	31 December 2024 AED	31 December 2023 AED
Bank guarantees	16,315,667	8,580,794

Bank guarantees are issued by the bank in the normal course of the Group's business against which the Group is required to maintain security deposits of equivalent amounts.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, trade receivables, amounts due from related parties, financial assets carried at fair value through profit or loss and some other current assets. Financial liabilities consist of trade payables, lease liabilities, amounts due from a related party and other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There are no financial assets and/or liabilities which should be measured at fair value and accordingly no disclosure is made.

21. REPORTING SEGMENTS

The Group is organized into business units based on its products and services for management purposes. The Chief Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) for the Group and monitors the operating results of its business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Based on the information reported to the Group's senior management for the allocation of resources, and measurement of performance of business, the reportable segments under IFRS 8 were identified as below:

- (i) Education solution segment, which provides customers the right of access to the Group's learning platform.
- (ii) Support and services segment, includes ancillary services such as IT infrastructure set up and maintenance support and services.
- (iii) Financial investments segment pertains to maintenance of investment portfolio for returns based on market dynamics.

21. REPORTING SEGMENTS (Continued)

No operating segments have been aggregated to form the reportable operating segments below.

	Education solution AED	Support and services AED	Financial Investments AED	Unallocated AED	Consolidated AED
31 DECEMBER 2024					
Revenue from contracts with customers	659,668,853	99,334,775	-	-	759,003,628
Expenses	(115,860,236)	(69,057,214)	-	(61,901,129)	(246,818,579)
Depreciation	-	-	-	(1,730,007)	(1,730,007)
Amortisation	(31,499,278)	-	-	-	(31,499,278)
Total expenses	(147,359,514)	(69,057,214)	-	(63,631,136)	(280,047,864)
Operating Profit for the year	512,309,339	30,277,561	-	(63,631,136)	478,955,764
Interest Income	-	-	-	12,725,625	12,725,625
Profit before tax	512,309,339	30,277,561	-	(50,905,511)	491,681,389
Assets	867,860,171	40,716,934	-	14,164,283	922,741,388
Liabilities	111,217,438	2,639,484	-	50,592,732	164,449,654
Other Disclosures					
Capital expenditures					
Purchase of property and equipment	-	-	-	1,998,949	1,998,949
Purchase of intangibles	123,530,050	-	-	-	123,530,050
Total	123,530,050	-	-	1,998,949	125,528,999

	Education solution AED	Support and services AED	Financial Investments AED	Unallocated AED	Consolidated AED
31 DECEMBER 2023					
Revenue from contracts with customers	656,945,193	92,580,233	-	-	749,525,426
Expenses	(135,866,365)	(67,890,680)	-	(56,849,793)	(260,606,838)
Depreciation	-	-	-	(3,271,862)	(3,271,862)
Amortisation	(30,732,894)	-	-	-	(30,732,894)
Total expenses	(166,599,259)	(67,890,680)	-	(60,121,655)	(294,611,594)
Operating profit for the year	490,345,934	24,689,553	-	(60,121,655)	454,913,832
Income from financial assets carried at fair value through profit or loss	-	-	122,795,687	-	122,795,687
Interest income	-	-	-	8,698,380	8,698,380
Profit before tax	490,345,934	24,689,553	122,795,687	(51,423,275)	586,407,899
Assets	461,524,455	38,004,648	109,402,334	12,889,599	621,821,036
Liabilities	96,965,586	9,964,124	-	471,021	107,400,731
Other Disclosures					
Capital expenditures					
Purchase of property and equipment	-	-	-	1,162,776	1,162,776
Purchase of intangibles	35,845,700	-	-	-	35,845,700
Total	35,845,700	-	-	1,162,776	37,008,476

22. INCOME TAX

UAE Corporate Tax Law

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

Amount recognised in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2024:

	31 December 2024 AED
Consolidated Profit or loss	
Current income tax charge	44,221,960
Deferred income tax	-
Income tax expense reported in the consolidated profit or loss	44,221,960
Reconciliation of Accounting Income	
Accounting profit before tax	491,681,389
At United Arab Emirates' statutory income tax rate of 9%	44,251,325
Less: Effect of standard exemption	(33,750)
Add: Non-deductible expenses	4,385
Income tax reported in the consolidated statement of comprehensive income	44,221,960
Effective tax rate	8.99%

At 31 December 2024, there were no amounts recognised directly to equity or in other comprehensive income. As the Group is based in the United Arab Emirates and therefore, there was zero tax rate for the year ended 31 December 2023.

23 EARNINGS PER SHARE

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to the ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. As at 31 December 2024, there were no potential dilutive shares and hence, the basic and diluted EPS is same (31 December 2023: Nil).

The information necessary to calculate basic and diluted earnings per share is as follows:

	31 December 2024 AED	31 December 2023 AED
Earnings:		
Profit attributable to the Equity holders of the Parent	447,459,429	586,407,899
Number of shares		
Weighted average number of ordinary shares - basic and diluted **	5,316,939,891	-*
Earnings per share		
Basic and diluted earnings per share (AED)	0.08	-

*The earnings per share for 31 December 2023 is not calculated considering shares were only issued on 28 March 2024 by the Company.

** The weighted average number of shares takes into account the weighted average effect of period from the date of incorporation of the Company and the reporting date. Had the earnings per share been calculated assuming the entire 7 billion shares were issued for the full period, the earnings per share would have been AED 0.06.

24. DIVIDENDS

	Founder shareholders (80%)		Market shareholders (20%)		Total Dividend
	Total amount	Amount per share	Total amount	Amount per share	Total amount
Interim dividend	136,080,000	AED 0.02	67,508,000	AED 0.05	203,588,000
Proposed dividend	131,656,000	AED 0.02	67,508,000	AED 0.05	199,164,000
Total dividend	267,736,000	AED 0.05	135,016,000	AED 0.10	402,752,000

During the year, an interim cash dividend of AED 203,588,000 was approved and distributed by the Group's Board of Directors through a resolution dated 29 July 2024.

The board of directors during their meeting held on 13 February 2025, have proposed to distribute a final cash dividend of AED 199,164,000 for year ended 31 December 2024, which will be submitted to the Group's shareholders for approval at the Annual General Meeting.

In December 2023, the Group's shareholders through a resolution dated 13 December 2023 approved a total dividend distribution amounting to AED 1,632,095,378 which was settled on 18 December 2023 via, transfer of financial assets carried at fair value through profit or loss amounting to AED 614,606,186, along with cash balances of AED 1,017,489,192 paid through Capital Investment L.L.C., a related party, to the shareholders in full settlement of the dividend liability.