táaleem

inspiring young minds



ELEVATING EDUCATION

NURTURING GROWTH, INSPIRING CHANGE

ANNUAL REPORT 2022-2023

TABLE OF CONTENTS

INTRODUCTION 4

Chairman's Foreword 6
At a Glance 8
Milestones 14
2022–2023 Highlights 18

STRATEGIC REPORT 22

CEO's Note 24
Our Market 28
Our Business Model and Strategy 40
Our Portfolio 58
Management Discussion and Analysis 84

SUSTAINABILITY 88

Inspiring Young Minds for a Sustainable Future 90

OUR LEADERSHIP 98

Taaleem's Executive Leadership Team 100

CORPORATE GOVERNANCE 104

2022–2023 Corporate Governance Report 106

FINANCIAL STATEMENTS 138

Consolidated Financial Statements 31 August 2023 140

- Chairman’s Foreword
- At a Glance
- Milestones
- 2022 – 2023 Highlights

INTRODUCTION

01



CHAIRMAN'S FOREWORD



It is with great pleasure that I present to you Taaleem's 2022–2023 Annual Report, marking another year of extraordinary accomplishments and progress in our pursuit of educational excellence and sustainable growth. Taaleem's unwavering commitment to transforming the educational paradigm has positioned us as a prominent trailblazer within the UAE's education sector.

The laudable accomplishments of Taaleem over the year are a testament to the successful execution of our comprehensive five-year strategic plan. Our strategy, rooted in enhancing and optimizing our flagship premium schools, as well as expanding our footprint and nurturing our government partnership schools, has yielded extraordinary outcomes. Our strategic investments into state-of-the-art infrastructure, modern facilities, and stellar educational resources have redefined our learning landscapes and increased the capacity utilization of our premium schools. As the proud custodians of a portfolio that is renowned for its outstanding educational offerings and cutting-edge facilities, Taaleem's reputation has been elevated and reinforced by recognition and accolades garnered from the Knowledge and Human Development Authority (KHDA) and the Abu Dhabi Department of Education and Knowledge (ADEK). Our success is underpinned by our ethos of fostering holistic development, where students are empowered to excel academically and evolve as empathetic individuals equipped to thrive in a globally interconnected society.

In line with our aspirations for expansion, we are delighted to report significant headway in our organic development of four premium schools across the vibrant landscapes of Dubai and Abu Dhabi, with anticipations of welcoming our inaugural cohorts in 2024 and 2025. Furthermore, our firm commitment to supporting the UAE's national vision of advancing the education sector is embodied in our ambitious expansion plans for our government partnership schools.

As a socially responsible organization, Taaleem is conscious of the imperative role of environmental, social, and governance (ESG) considerations in shaping our destiny. Our conviction lies in the belief that sustainable business practices are pivotal to our enduring success, the welfare of our communities, and the preservation of our planet. We have thus embarked on an ambitious mission to embed sustainability into the core fabric of our operational framework. We are proud to have engaged a dedicated sustainability consultant, tasked with collaborating with our team to create an all-encompassing sustainability report. This report reflects Taaleem's commitment to sustainable business practices and highlights our endeavors to mitigate our environmental footprint, foster social responsibility, and uphold the highest standards of corporate governance. Through these initiatives, we aim to redefine the standards of sustainability within the education sector and drive positive transformation within our communities.

In conclusion, I would like to express my immense pride in the progress and accomplishments Taaleem has achieved over the past year. I extend my heartfelt gratitude to the esteemed members of Taaleem's Board for their unwavering commitment, profound expertise, and invaluable guidance. My deepest thanks also go to our shareholders, whose trust, confidence, and enduring support have been instrumental in fueling Taaleem's growth and solidifying our status as an education sector leader. As Taaleem continues to shape the contours of regional education, I am confident that our dedicated team of passionate educators and staff will remain the driving force behind Taaleem's success and a key contributor to our continuing growth narrative. Finally, I would also like to extend a heartfelt gratitude to the Taaleem team's steadfast commitment to excellence, which has formed the bedrock of our success, and I hold every conviction that they will continue taking Taaleem to new heights in the years to come.

Khalid Al Tayer
Chairman of the Board



AT A GLANCE

Transforming and enriching the lives of students across the UAE.

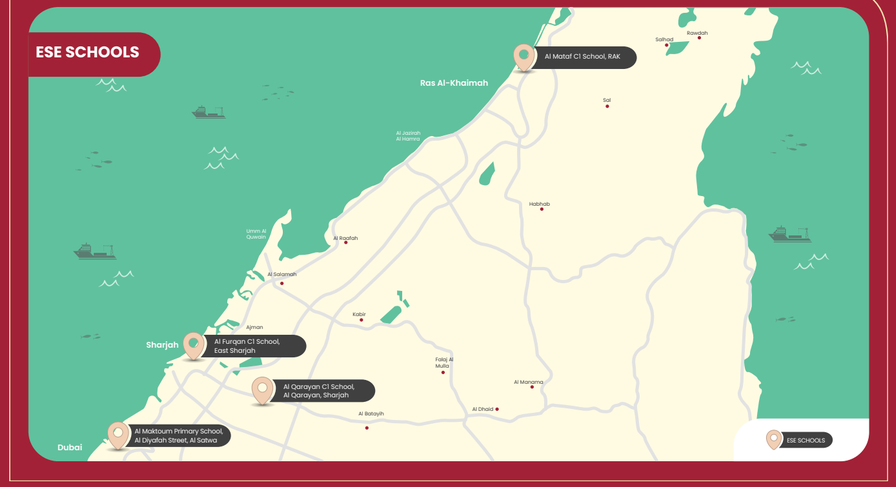
Taaleem is a leading educational organization dedicated to transforming lives through quality education and innovative learning experiences. Established in 2003, Taaleem has become one of the largest K-12 operators in the United Arab Emirates (UAE) and has consistently delivered excellence in education. Today, we stand as the first private education company to be listed on the Dubai Financial Market (DFM) and proudly serve over 28,490 students across a network of 26 schools. Our portfolio is comprised of 10 premium schools, which we own and operate and are renowned for their exceptional educational programs and state-of-the-art facilities, providing students with a conducive environment to thrive and succeed.

Beyond our premium schools, we operate 16 government partnership schools on behalf of the UAE government through three initiatives: Abu Dhabi Charter Schools, the “Dubai Schools”, and “Ajyal Schools” under the Emirates School Establishment (ESE). Taaleem stands out as the only education operator awarded schools under all three government initiatives, reaffirming our dedication to public-private partnerships and making us the partner of choice for advancing education in the UAE.



BOASTING AN EXPANSIVE SCHOOL FOOTPRINT ACROSS THE UAE





INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

We offer a diverse range of educational curricula to cater to the unique needs and aspirations of our students. Our schools provide a choice of internationally renowned programs, including the International Baccalaureate (IB) program, the UK National Curriculum, and the American Curriculum. This comprehensive choice ensures that our students receive a holistic and well-rounded educational experience, equipping them with the skills, knowledge, and global perspectives necessary to excel in an interconnected world.

Central to our educational philosophy is our passionate and highly qualified team of educators and administrators, who boast a wealth of experience that has allowed Taaleem to create an engaging and stimulating learning environment for its students. By embracing a student-centric approach, we recognize each learner as an individual with unique talents and aspirations, and by utilizing personalized attention and comprehensive support, we strive to unlock the full potential of every student entrusted to our care. In this way, we foster a nurturing and empowering atmosphere that encourages students to explore their passions, cultivate critical thinking skills, and develop a lifelong love for learning. Our dedicated professionals are committed to guiding and inspiring young minds, shaping them into confident, compassionate, and capable global citizens.



At the heart of everything we do lies a genuine dedication to the success and well-being of our students. We are driven by the belief that education is not just about imparting knowledge but also about instilling values, character, and a sense of purpose. Together with our committed team, we pave the way for our students' bright futures, empowering them to thrive academically and personally, making a positive impact on the world around them.



mission

By fostering curiosity, empathy, and compassion in our students, we aim to inspire them to discover their passions and talents and equip them with the skills, knowledge, and character they need to thrive in a global society.



vision

Our vision is to be the most respected provider of early childhood, primary and secondary education in the Gulf region.

In addition to our commitment to academic excellence, Taaleem places great importance on holistic development. We offer a wide range of extracurricular activities and enrichment programs that promote physical fitness, artistic expression, leadership skills, and community engagement. These opportunities enable our students to develop a well-rounded personality and a sense of social responsibility, preparing them for a meaningful and impactful future. Moreover, we continuously invest in research, technology, and professional development to enhance teaching and learning practices. By embracing innovation, we ensure that our students receive a future-ready education that prepares them to adapt and thrive in a rapidly evolving world.

PREMIUM SCHOOLS

INTERNATIONAL BACCALAUREATE (IB)

- UPTOWN INTERNATIONAL School
- GREENFIELD INTERNATIONAL School
- JUMEIRA BACCALAUREATE School
- RAHA INTERNATIONAL SCHOOL Gardens Campus
- RAHA INTERNATIONAL SCHOOL Khalifa City Campus

AMERICAN CURRICULUM

- AMERICAN ACADEMY FOR GIRLS

UK NATIONAL CURRICULUM

- DUBAI BRITISH SCHOOL JUMEIRAH PARK FOUNDATION
- DUBAI BRITISH SCHOOL EMIRATES HILLS
- DUBAI BRITISH SCHOOL JUMEIRAH PARK
- Jebel Ali School

MILESTONES

Establishing Our Roots

2003

- **Beacon Education** was founded

2005

- Commercial operations commenced under the "Beacon Education" brand
- Launched three premium schools, Dubai British School (DBS) – Emirates Hills, American Academy for Girls (AAG), Uptown International School (UIS)

2006

- Launched Raha International School (RIS) – Gardens Campus

2007

- The National Bonds Corporation invested in Beacon Education and established "Madaares", with a mandate to launch and operate world class K-12 schools
- Launched Greenfield International School (GIS)

Expanding Our Brand and Portfolio

2008

- Beacon Education rebranded as **Taaleem**

2010–2018

- Launched Jumeirah Baccalaureate School (JBS)
- Launched Dubai British School (DBS) Jumeirah Park Foundation
- Launched Dubai British School (DBS) – Jumeirah Park

Reaping the Rewards Through Recognition

2019

- Taaleem was successfully awarded the operation of four Abu Dhabi Charter schools by the Abu Dhabi Department of Education and Knowledge (ADEK), further cementing Taaleem's growing reputation in the K-12 market

2020

- Launched Raha International School (RIS) – Khalifa City

Fueling Our Future Growth

2021

- Awarded the operation of two schools under "Dubai Schools" (PPP schools), Dubai Schools Al Barsha and Dubai Schools Mirdif
- Awarded the operation of two Abu Dhabi Charter Schools

2022–2023

- Taaleem became the first private education provider to become listed on the Dubai Financial Market (DFM)
- Awarded the operation of one school under the "Dubai Schools" (PPP schools), Dubai Schools Nad El Sheba
- Awarded the operation of three Abu Dhabi Charter Schools
- Awarded the operation of four Ajyal Schools through a service agreement with the Emirates School Establishment (ESE)
- In line with its inorganic growth strategy, Taaleem completed the acquisition of Jebel Ali School (JAS)

INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

Revenue

AED **804.1** mn

/ up 29.0% y-o-y in AY2022-2023

Net Profit

AED **117.3** mn

/ up 41.5% y-o-y in AY2022-2023

Total Number of Students

+28,490

Total Number of Student Nationalities

+86

Premium Schools

10

Government Partnership Schools

16



2022-2023 HIGHLIGHTS

Taaleem booked solid growth across the board in the 2022-2023 academic year as it continued to deliver on its commitment to educational excellence and further cement its position as a leading premium school operator in the UAE.

Overview

Throughout the 2022–2023 academic year, Taaleem reaffirmed its position as a leading education provider, delivering exceptional results in every domain. With an unrelenting focus on quality education and innovative strategies and a commitment to quality and innovation, Taaleem realized impressive outcomes, expanding its student base, optimizing capacity in its premium schools, and consistently advancing its mission of educational excellence.

Financial Highlights

Taaleem successfully delivered double-digit growth across its top and bottom line, driven by a growing student base and higher capacity utilization in the 2022–2023 academic year.

AED 804.1 mn Revenues (up 29.0% y-o-y)

AED 205.1 mn EBITDA (up 18.8% y-o-y | 25.5% margin)

AED 117.3 mn Net profit (up 41.5% y-o-y | 14.6% margin)



Operational Highlights

Taaleem's commitment to quality education and strong track record of providing world class educational services have supported the growth of its student base across its portfolio of premium schools. Moreover, the past year has seen Taaleem being awarded eight new government partnership schools, reaffirming its position as one of the education providers of choice to support the UAE's vision for the education sector.

28,490 Total number of students (up 35.9% y-o-y)

84% Capacity utilization (up by 8% y-o-y)

13.4 Student-teacher ratio (up 3.9% y-o-y)

8 New government partnership schools launched

Accreditation

Taaleem's commitment to delivering excellence in education was widely acknowledged, as it received several prestigious awards and accreditations, further solidifying its position as a leading education provider in the UAE.

Greenfield International School

- Completed IBO reaccreditation visits
- Obtained the KHDA's penultimate inspection rating of "Very Good"
- Completed CIS and NEASC reaccreditation

Jumeira Baccalaureate School

- Completed IBO reaccreditation visits
- Completed CIS reaccreditation

Dubai British School – Jumeirah Park

- Completed BSO accreditation as "Outstanding"

Dubai British School – Emirates Hills

- Retained BSO accreditation as "Outstanding"



INTRODUCTION

STRATEGIC REPORT

- CEO's Note
- Our Market
- Our Business Model and Strategy
- Our Portfolio
- Management Discussion and Analysis

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

STRATEGIC REPORT

02



CEO'S NOTE



I am exceptionally pleased with Taaleem's performance for the year, and I take great pride in sharing our results with you in Taaleem's first annual report since its listing on the Dubai Financial Market (DFM) in 2022. Over the course of the academic year, Taaleem has not only delivered on crucial strategic goals but we have also witnessed improvements in inspection results across our premium schools' portfolio. Consequently, student enrollment rates and capacity utilization have surged, driving our performance across all metrics. Taaleem has successfully increased its revenues by 29.0% y-o-y to AED 804.1 million on the back of a 35.9% growth in enrollment to 28,490 students, coupled with a 7.7 percentage point increase in capacity utilization across the premium segment to 75.4% in the 2022–2023 academic year.

Taaleem's notable and continuing success in driving enrollment, optimizing capacity use while bolstering revenue and profitability can be attributed to our unwavering commitment to providing exceptional educational experiences. Our focus on retaining top-tier educators and staff, coupled with a dedication to delivering on our key strategic goals, has been central to our success and has further cemented Taaleem's position as one of the leading providers of choice for affordable premium education for students and parents throughout the UAE.

Improving Education Outcomes

At Taaleem, we understand that a quality education encompasses not only academic excellence but also holistic development, character building, and the nurturing of well-rounded individuals. We are deeply committed to providing a supportive and inclusive learning environment that empowers our students to reach their full potential. By focusing on personalized education, holistic support, and a student-centric approach, we ensure that every learner in our schools receives the best possible education. This approach has allowed us to position our premium schools to receive improved outcomes from the Knowledge and Human Development Authority (KHDA) and the Abu Dhabi Department of Education and Knowledge (ADEK).

On this front, Taaleem's portfolio of premium schools has achieved the highest ratings from the KHDA and ADEK of "Outstanding" and "Very Good". Additionally, four of Taaleem's premium schools have achieved the highest rating for student happiness and well-being from the KHDA and ADEK, while the remainder of our premium schools have achieved the second highest rating for happiness and well-being. Further on this front, our efforts to ensure exceptional educational experiences across our schools has culminated in an improved inspection outcome at Greenfield International School (GIS), receiving an upgrade to "Very Good" this past year.

While we celebrate these accomplishments, we remain resolute in our pursuit of excellence. With a strong focus on innovation and continuous improvement, we are firmly committed to enhancing educational outcomes through the increased utilization of AI and technology-based learning. We recognize the importance of equipping our students with the necessary skills to thrive in a rapidly evolving digital landscape, and we are actively integrating the latest technology into our teaching and learning practices. Our goal is to elevate the performance of all our schools to the "Outstanding" rating in the future, and we recognize that achieving this distinction requires dedicated efforts, innovation, investment, and teamwork among our entire Taaleem community.

Narrowing the Capacity Utilization Gap

In the 2022–2023 academic year, Taaleem's premium schools registered a significant 7.7% year-on-year growth in average capacity utilization from 67.7% in the previous academic year to 75.4%. Notably, apart from Jebel Ali School, our portfolio of UK national curriculum schools has reached full capacity. The improvement in capacity utilization is primarily due to the outstanding performance of our IB schools, such as Raha International School – Khalifa City Campus, Jumeira Baccalaureate School, and Greenfield International School. Our success in driving capacity utilization stems from our firm commitment to continuously strengthen and optimize our existing flagship premium school brands.

Over the years, Taaleem has been keen on prioritizing infrastructure upgrades, ensuring that our schools offer modern facilities and cutting-edge educational resources, as well as providing avenues for the professional and pedagogical development of our teachers and staff in order to create a dynamic and enriching learning environment for our students. Parallel to this, we have implemented targeted marketing and recruitment strategies that highlight the unique value proposition and exceptional educational offerings of Taaleem schools, which allowed us

to attract a growing number of students and parents who recognize the value of our holistic approach to education.

Ultimately, the increase in capacity utilization has not only resulted in an increase in the number of students but has also allowed Taaleem to further optimize its operational costs by ensuring a healthy student-to-teacher ratio of 13.4, which has consistently bolstered profitability. As we forge ahead, we are steadfast in our commitment to further enhancing capacity utilization across all schools, particularly the newest additions to our premium school portfolio.

Delivering on Expansionary Targets

This past year has also seen Taaleem take significant strides in delivering on its expansionary targets across both our premium and government partnership schools. Within the premium segment, we have primarily utilized Taaleem's IPO proceeds in launching four new premium British curriculum schools in Dubai and Abu Dhabi. On this front, we have successfully secured the necessary approvals and have commenced construction for DBS Jumeirah, which is scheduled to operate starting September 2024. We have also successfully procured the land lease for DBS Mira, which is set to begin operations from September 2025.

Collectively, these four new premium schools will accommodate over 8,000 additional students, allowing us to address the escalating demand for quality education and further augment our student community. This significant capacity increase aligns seamlessly with our expansion strategy, allowing us to cater to a larger student base, and it further reinforces our position as a leading education provider in the UAE.

On the government partnerships front, we have successfully added one new school amongst the Dubai Schools we manage, four ESE (Ajyal) Schools, and three new Abu Dhabi Charter Schools. This move aligns with our growth strategy, strengthens our collaboration with governmental entities, and places us in a solid position to contribute significantly to the UAE's vision of enhancing educational outcomes for Emiratis.

As we progress with these new schools and greenfield projects, we remain committed to upholding our standards of excellence, ensuring that each school adheres to our rigorous academic standards and benefits from our ongoing investments in infrastructure, resources, and cutting-edge educational technologies. Our aim is to create vibrant and inclusive learning environments that empower students to excel academically, develop their unique talents, and foster a lifelong love for learning.

Looking Ahead

As I reflect on Taaleem's performance for the 2022–2023 academic year, I am immensely proud of our dedication to delivering quality education and our successful alignment with our strategic pillars, which has allowed to achieve remarkable milestones, deliver financial growth, and garner recognition for our academic excellence. With expansion plans underway and an unwavering focus on innovation, we are well-positioned to continue making a positive impact on the education sector and providing exceptional learning experiences. Finally, as we continue to embark on our journey toward excellence, I am deeply grateful to all our stakeholders — parents, students, teachers, staff, and the wider community. Together, I am confident that we will continue to raise the bar for educational excellence in the region and make a significant and meaningful impact on our students' lives and the communities we serve.

Alan Williamson
Chief Executive Officer



OUR MARKET

The United Arab Emirates (UAE), with its robust and versatile economy, has earned a global reputation as a thriving hub of business, tourism, and innovation. These factors are driving significant population growth, attracting both global talent and high net worth individuals to settle and invest in the UAE. Within this dynamic economic matrix, the premium education sector has emerged as a significant catalyst for growth.

As one of the leading providers of private education in the UAE, Taaleem is strategically positioned to harness the unique advantages inherent in this burgeoning sector. The resilience of the education industry to economic fluctuations, owing to the essential nature of educational spending, coupled with predictable long-term revenue, and high entry barriers, provide a stable foundation for growth.

Furthermore, strong underlying market fundamentals are fueling rapid expansion within this sector, further strengthening Taaleem's position. We are ideally poised and equipped to take advantage of this vibrant but demanding educational market and contribute to its promising future. The total number of K-12 student enrollments in the UAE is estimated to have grown at a CAGR of 3.5% between 2016 and 2021. Private schools in the UAE are estimated to have accounted for 73.1% of the K-12 enrollments in 2021, up from 72.1% in 2016, and consequently, the K-12 private-school sector enrollments grew at a faster rate of 3.7% CAGR compared to a 2.7% CAGR rise in the public school enrollments over the five-year period[1].

The UAE's commitment to fostering a knowledge-based economy has paved the way for significant investments in the education sector. The government has recognized the crucial role education plays in shaping the country's future and has implemented policies and initiatives to promote excellence across the board. The UAE offers a comprehensive range of educational choices for students, including public and private institutions, at a wide array of price points that range from budget to super premium. However, the private premium education space, characterized by top-tier private schools on the higher end of the price range, has achieved solid growth, and has emerged as the preferred choice for parents in the UAE seeking high-quality education.

Access to a Fast-Growing Region Predominantly Focused on Private Education

Taaleem's presence in the Middle East has placed it in the fastest growing region globally in terms of expected market growth in the premium K-12 segment, with the Middle East forecasted to book an FY22-27E CAGR of 8-10%, outpacing the global average of 7-8% for the same forecast period[2]. As of 2021, the private sector's enrollment contribution to the total K-12 education market stood at c.90% in Dubai and c.73% in Abu Dhabi, which is significantly higher than the average private sector enrollment contribution of KSA, Qatar, Oman, Bahrain, and Egypt, at c.27%[3].

Premium K-12 Expected Market Growth (CAGR FY22-27E)

8–10%	7–8%
Middle East	Global Average

[1] Alpen Capital: GCC Education Industry Report (August-2023).
[2] LEK Market Report dated August 2022.
[3] LEK Market Report dated August 2022.



Strong Underlying Market Fundamentals Driving Growth Across the UAE's K-12 Education Market

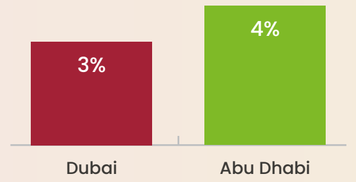
The UAE K-12 education market, particularly Dubai, Abu Dhabi, and Sharjah, is backed by strong underlying macroeconomic indicators and government impetus toward school education:

- **Economic Resilience and Growth:** The UAE's economy has witnessed significant recovery since the onset of the Covid-19 pandemic, with 2022–2027 forecasts predicting a period of stable GDP growth in Dubai and Abu Dhabi at 3% and 4%, respectively. Growth over the forecast period is anticipated to be fueled by increased government spending on economic diversification. Stable GDP growth, coupled with the overall resilience of the private K-12 sector to economic volatility, is anticipated to further drive enrollment growth across the UAE[4].
- **Attractive Demographic Profile:** The relevant age population in UAE's K-12 segment has grown at approximately 3% CAGR between 2016 and 2022 on the back of a growing expatriate population and is expected to continue growing at a stable rate of approximately 1% to 2% per annum between 2022 and 2030, driving demand across the three cities of Dubai, Abu Dhabi, and Sharjah. The overall population, which stood at approximately 9.7 million in 2022, and relevant population aged 4–16 years, which stood at approximately 1.0 million in 2022 (including only Abu Dhabi, Dubai, Sharjah, and Ajman) are expected to grow at a 1% CAGR between 2022 and 2027 to reach approximately 10.4 million and 1.1 million, respectively, during the period[5].
- **Growing Affordability:** Rising household income across the UAE has led to improved standards of living, which is anticipated to drive greater spending across the UAE's private K-12 segment. Between 2016 and 2021, the number of households in Abu Dhabi with income over AED 734,000 booked a CAGR of 8% and comprised 27% of households in the emirate. In Dubai, Sharjah, and Ajman, households in the same income bracket recorded a similar 2016–2021 CAGR of 7% and is forecasted to a book a 2021–2026 CAGR of 5% over the coming years[6].
- **Economic Diversification:** The UAE's government has introduced a range of supportive initiatives that will drive growth across major sectors, including the education space, and those initiatives include:
  - Government stimulus packages aimed at boosting the economy and education sector.
  - The adoption of diversification initiatives that are driving the shift from dependency on hydrocarbon exports toward an advance and knowledge-based economy.
  - Favorable regulations for the operation of international schools by foreign companies and investors.

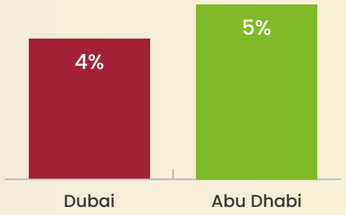
[4] LEK research and Oxford Economics 2022 data.
[5] LEK research and Oxford Economics 2022 data.
[6] LEK research and Oxford Economics 2022 data.

FUNDAMENTAL DRIVERS OF ENROLLMENT GROWTH

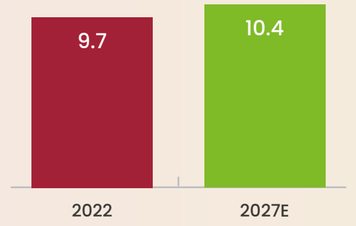
Real GDP CAGR (2022-27E)



Consumer Spending on Education CAGR (2022-27E)



UAE Population, million



Young UAE Population (Age 4-16), million



Number of households with income over AED 734,000 (2021 - 2026E CAGR)

6% Abu Dhabi | **5%** Dubai-Sharjah-Ajman

The Private K-12 Market Enjoys High Barriers to Entry

In addition to the UAE's strong market fundamentals driving growth in the private K-12 market, this sector also benefits from high barriers to entry that enhance the attractiveness of the K-12 market in terms of investment opportunity, which includes:

Brand Recognition

It takes years to develop a strong and trusted school brand name that supports high student traffic and retention rates.

Regulatory Environment

Existing operators have already built strong and trusted relationships over time with key regulatory bodies that help in the licensing and accreditation processes for brownfield and greenfield expansion.



Scarcity of Real Estate

The scarcity of real estate and land zoned for education in commercially viable areas in key cities provides existing school operators with a tangible advantage.

Market Understanding

Existing operators usually possess a deep understanding of local markets and catchment areas, which requires years of extensive research and experience of local management teams.

Access to Capital and Operational Leverage

A significant amount of capital, as well as access to financing, is required to establish a competitive education platform.

Student Retention

Highly retentive student base and long student tenure greatly limits the potential for new entrants.



Taaleem Caters to the Fastest Growing Segments in the Private Education Market Across Dubai and Abu Dhabi

DUBAI

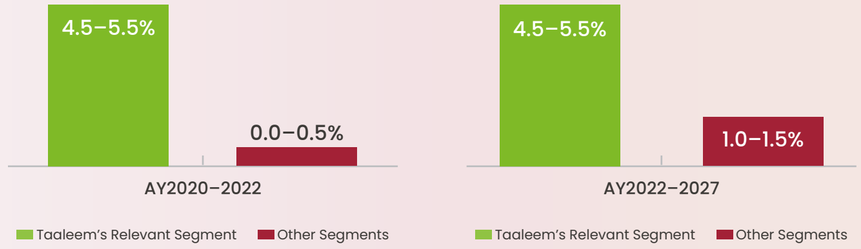
The private K-12 market in Dubai is characterized by high enrollment growth rates, driven by its rising expatriate population and solid economic fundamentals. Dubai's private K-12 enrollment growth rates have booked a 3% CAGR between the 2014 and 2020 academic years, and a 6% CAGR for the 2021 and 2022 academic years. Enrollment growth is largely attributed to the rise in Dubai's expatriate population, which accounted for approximately 89% of private enrollment in the 2022 academic year and has been instrumental in driving the private K-12 market's growth.

2.0–2.5% Dubai Private K-12 Enrollment Growth Rate (AY2017-2022 CAGR)

Price Segment

Dubai's private K-12 schools can be categorized into five price segments: super-premium, premium+, premium, mid-priced, and budget. Taaleem's school portfolio in Dubai falls under the premium+ (annual fee range of AED 55,000–75,000) and the super-premium segment (annual fee range greater than AED 75,000), which are the fastest-growing segments in Dubai's private K-12 sector thanks to a trend of premiumization as Dubai's affluent population seek better quality education. Looking ahead, super-premium and premium+ segments are expected to outpace other market segments, which should augur well for Taaleem's performance in the coming years [7].

DUBAI K-12 ENROLLMENT CAGR BY PRICE SEGMENT[8]



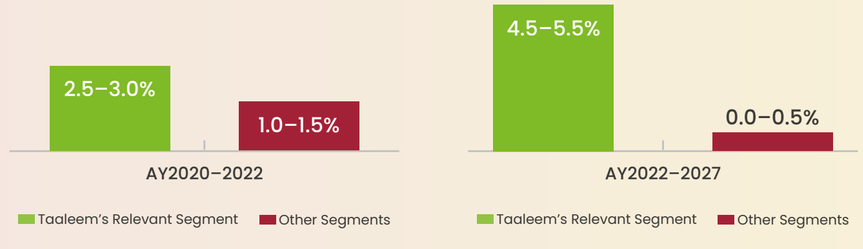
[7] L.E.K. research and analysis based on Dubai Private Schools Open Data @ copyright KHDA 2022. All rights reserved, Industry participants.
[8] L.E.K. research and analysis based on Dubai Private Schools Open Data @ copyright KHDA 2022. All rights reserved, Industry participants.



Curriculum

International curriculum schools dominate Dubai's private K-12 market. The British curriculum has the highest adoption, followed by Indian and American curricula. British and IB curricula are the largest and fastest growing in the premium+ segments, whereas British and American curricula dominate the super-premium segment. On this front, Taaleem's school portfolio caters to the IB, American, and British curriculums in Dubai within these price segments and is anticipated to generate increased value as they maintain their growth trajectory and outpace that of other segments.

DUBAI K-12 ENROLLMENT CAGR BY CURRICULA[9]



[9] L.E.K. research and analysis based on Dubai Private Schools Open Data @ copyright KHDA 2022. All rights reserved and L.E.K. research and analysis based on L.E.K. Global Thought Leadership report



PPP Schools

The objective of public-private partnership (PPP) schools is to provide quality education to Emiratis free of cost or at affordable prices to expatriates. Under this model, day-to-day delivery and management of the infrastructure and/or service is delegated to the private sector, while a regulatory framework is put in place to evaluate the quality-of-service delivery.

4 Number of Ajyal Schools operated by Taaleem

3 Number of Dubai Schools operated by Taaleem

PPP schools in Dubai were launched under the project "Dubai Schools" as a partnership between The Executive Council (TEC) — contracts have since been assigned and novated to the Knowledge Fund Establishment "KFE" — and Taaleem. Taaleem was awarded three schools under the PPP program, two of which were operational from the 2022 academic year, in Mirdif and Al Barsha and one operational from the 2023 academic year in Nad Al Sheba.

Under a new nationwide PPP, "Ajyal Schools" were launched by the Emirates School Establishment (ESE) in partnership with Taaleem, Aldar Education, and Bloom Education, whereby ESE awarded 10 "Ajyal Schools" in 2022 across the UAE, with an additional 28 planned in the next three years. Taaleem was awarded four out of the 10 schools by ESE. These schools have been established to focus on Emirati culture by integrating the Arabic language and Islamic culture into the curriculum.

ABU DHABI

Abu Dhabi is characterized by moderate rates of population and private K-12 enrollment growth, which is driven by its expatriate population, Emiratis' increasing preference for better quality private K-12 education, economic growth, and a high market share of the private segment. K-12 enrollment in Abu Dhabi was between 250,000 and 255,000 students in the 2021 academic year (private K-12 accounted for 67–69% of the enrollment share), which has grown at approximately 3% CAGR between the 2017 and 2020 academic years.

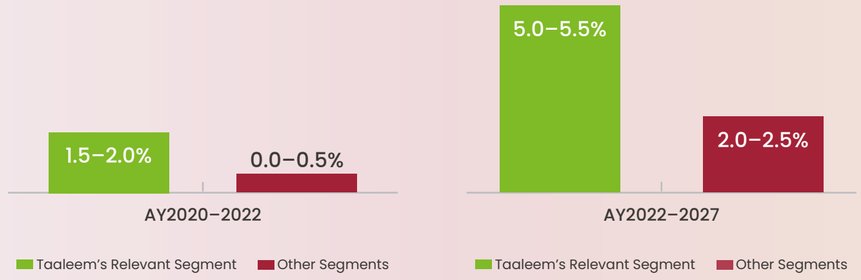
Enrollment growth in Abu Dhabi's private K-12 market is primarily dual-driven by expatriate population growth, who constitute a majority of the private K-12 market, as well as the impact of Emiratization on demographics. On this front, Emiratis' increased access to lucrative job opportunities in Abu Dhabi has enhanced their disposable income and has driven growth in private international school enrollment rates and has seen Emiratis' share in private enrollment grow from 22% in 2017 to 28% in 2022[10].

1.5–2.0% Abu Dhabi Private K-12 Enrollment Growth Rate (AY2017–2022 CAGR)

Price Segment

Private schools in Abu Dhabi can be divided into four fee segments: super-premium, premium, mid-priced, and budget, with Taaleem's relevant segment falling under the premium pricing bracket at an annual fee range of AED 39,330–61,900. The premium segment has witnessed the strongest growth, delivering a CAGR of 4.5% between AY2017 and AY2022, and was driven by the increased enrollment of Emiratis in the private premium segment, which stood at 46% in 2021 compared to 36% in 2017.

ABU DHABI K-12 ENROLLMENT CAGR BY PRICE SEGMENT[11]



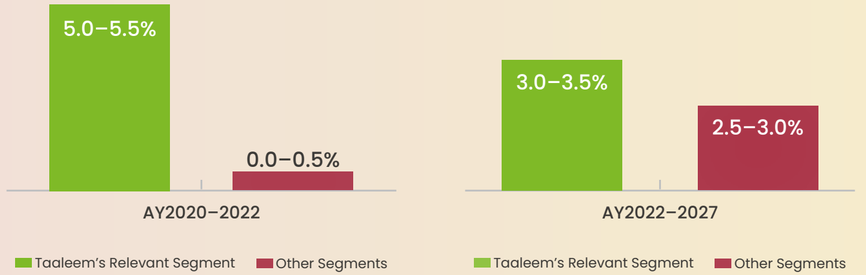
[10] L.E.K. research and analysis

[11] L.E.K. research and analysis based on L.E.K. Global Thought Leadership report.

Curriculum

International curriculum schools contribute the largest share to Abu Dhabi's private K-12 market. Taaleem's relevant segment in Abu Dhabi falls under the IB curriculum, which is relatively new to the Abu Dhabi market and currently comprises only a small share of students due to higher tuition fees in comparison to other curricula offered. However, the IB curriculum in Abu Dhabi is anticipated to outpace other segments in the 2022–2027 forecast period and deliver a CAGR of 3.0–3.5% as Emirati disposable income continues to grow.

ABU DHABI K-12 ENROLLMENT CAGR BY CURRICULA[12]



Abu Dhabi Charter Schools

Abu Dhabi Charter Schools are run by the Abu Dhabi Department of Education and Knowledge (ADEK). The schools are established via a unique partnership, with the government owning the schools and a private provider managing and running the day-to-day operations.

9 Number of Abu Dhabi Charter Schools operated by Taaleem

In 2018, ADEK announced the "Abu Dhabi Charter Schools" project with the inauguration of Al Rayana school in the Al Falah area as the pilot school. As of 2023, the project was expanded to 31 Charter Schools in Abu Dhabi and is run by various leading private educational providers, including Taaleem — which runs nine of these schools. The Abu Dhabi Charter Schools are privately-run schools and free of cost for all Emiratis, and they provide an American curriculum and diverse, globally connected and accredited education experiences for Emiratis.

[12] L.E.K. research and analysis based on L.E.K. Global Thought Leadership report.

OUR BUSINESS MODEL AND STRATEGY

Our growth is driven by a comprehensive strategy that prioritizes key areas essential for delivering an exceptional educational experience to all of Taaleem's students.

With an unwavering commitment to excellence, Taaleem is dedicated to shaping the future of education in the UAE through strategic investments, development, and operation of K-12 schools. Our robust business model primarily focuses on the premium school segment, where we fully own and operate a portfolio of 10 schools strategically located in key catchment areas across Dubai and Abu Dhabi. Additionally, our business model includes forging public-private partnerships (PPPs) with UAE governmental entities, where we currently manage 16 schools on their behalf. These government partnership schools are part of three major initiatives in Dubai and Abu Dhabi, namely ESE-Ajyal Schools, Dubai Schools, and Abu Dhabi Charter Schools.

At Taaleem, our overarching strategy revolves around four pillars that drive educational excellence, propel our growth story, and position us as leaders in the UAE's education sector.



Quality



Growth



Diversity



Sustainability

Quality

Our unwavering commitment to delivering high-quality education lies at the heart of our business model and strategy. We firmly believe in providing every student with an exceptional learning experience that not only meets their needs and expectations but also prepares them for a successful future. To achieve this, we adhere to rigorous academic standards and secure accreditation from reputable external organizations, and in parallel, we invest significantly in the professional development of our educators and foster a culture of excellence and innovation. Additionally, our top-notch facilities and holistic approach to education ensure that every student who walks through our school doors receives an exceptional education that equips them for lifelong success.

ACCREDITATION

Council of International Schools

International Baccalaureate Organization

British Schools Overseas

New England Association of Schools and Colleges

GOVERNING BODIES

The Knowledge and Human Development Authority (KHDA)

The Abu Dhabi Department of Education and Knowledge (ADEK)



9

Number of premium Taaleem schools that received a rating of "Outstanding" or "Very Good" in 2022-2023

Academic Excellence and Accreditation

We adhere to rigorous global standards, and we offer a variety of internationally recognized educational programs, including the IB, the British National Curriculum, and the American Curriculum. These globally recognized curricula equip our graduates with the knowledge, skills, and perspectives necessary to thrive in a highly competitive world. In order to ensure the highest quality of education, we are meticulous in seeking accreditation from international organizations. Our school curricula are accredited by the International Baccalaureate Organization, Council of International Schools, British Schools Overseas, and the New England Association of Schools and Colleges. This commitment to accreditation reflects our dedication to providing an exceptional learning experience to our students that is universally recognized and valued.

Parallel to this, Taaleem also undergoes rigorous inspections from the Knowledge and Human Development Authority (KHDA) and the Abu Dhabi Department of Education and Knowledge (ADEK), with the inspections resulting in ratings ranging from "Outstanding" to "Very Weak." Notably, Taaleem's premium schools' portfolio boasts nine schools that have achieved a rating of "Outstanding" or "Very Good" in 2022-2023 and serves as validation of our commitment to meeting and exceeding the highest standards of education.

Furthermore, many of our schools in Dubai have been recognized for their excellence in the understanding of Islamic values and awareness of Emirati and world cultures, with the KHDA awarding them a rating of "Very Good." Our focus on providing stellar Arabic and Islamic education has resonated with the Emirati community, attracting a substantial Emirati student base, currently comprising approximately 65% of Taaleem's overall student population. This aligns with our shared goal of collaborating with the UAE government to deliver the highest quality education to Emirati students.





Staff Members Driving Our Holistic Approach Toward Education

We firmly believe that the key to delivering quality education lies in the expertise and dedication of our teachers and staff. Taaleem invests significantly in the professional development of its educators, providing them with ongoing training, resources, and opportunities for growth. We foster a culture of excellence and innovation, encouraging our teachers to continuously enhance their pedagogical skills and stay abreast of the latest educational advancements. Testament to this investment is the number of teachers that have advanced their careers within the organization, several now achieving the post of Principal.

By supporting the professional growth of our staff, we ensure that our students benefit from the best teaching practices and receive world-class education. In addition to academic excellence, Taaleem recognizes the importance of a holistic approach to education. We understand that the development of character, critical thinking abilities, and interpersonal skills are equally vital to our students' long-term success. To foster these qualities, we promote a positive and inclusive school culture that nurtures the social and emotional well-being of our students. By creating a supportive and nurturing environment, we empower our students to thrive both academically and personally, preparing them to become well-rounded individuals capable of navigating the challenges of the future.

Leveraging Stellar Facilities and an Innovative Approach to Learning

At Taaleem, our commitment to quality is evident through the exceptional facilities across our campuses, where we have spared no effort in providing state-of-the-art infrastructure that enriches the learning experience of our students. Our modern classrooms, equipped with cutting-edge technology, along with well-equipped science laboratories, libraries, and sports facilities, ensure our students have access to the resources they need to excel academically, creatively, and physically. Our campuses are thoughtfully designed to inspire and stimulate learning, creating an environment conducive to the holistic development of our students.

We have long been champions of innovation and technology in education. As the world rapidly evolves, we recognize the importance of equipping students with the skills and competencies needed to thrive in a digital age. Therefore, we seamlessly integrate technology into our teaching and learning practices, leveraging digital resources, interactive platforms, and innovative tools to enhance the educational experience.





Learning Management Systems: We utilize robust LMS platforms that provide a centralized hub for course materials, assignments, collaboration tools, and communication. These systems promote effective engagement by allowing students to access key resources anytime and anywhere.

MS 365 Education Enterprise: Taaleem employs various online collaboration tools to facilitate group projects, discussions, and virtual classrooms.

Personalized Learnings Platforms: Taaleem is regularly exploring personalized learning platforms that utilize adaptive technologies and artificial intelligence to tailor educational content and instruction to the individual needs and pace of each student.

Data Analytics and Learning Analytics: By analyzing student data, we gain insights into their learning patterns, and strengths, which allows Taaleem to provide personalized feedback, interventions, and support to enhance student progress and achievement.

Blended Learning Approaches: Taaleem embraces a blended learning approach for secondary school students, which combines traditional classroom instruction with online resources and activities. This hybrid model allows students to engage with content at their own pace, promotes self-directed learning, and enables teachers to provide individualized support.

INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

Growth

A fundamental pillar of Taaleem's strategy is to expand our presence in the UAE education sector while reinforcing our existing offerings across our portfolio of schools. Our goal is to provide more students with access to high-quality education and exceptional learning experiences.

To achieve this, we have devised a comprehensive approach that includes the following key initiatives:

1. **Strengthening and Optimizing Existing Flagship Premium School Brands:** We are committed to enhancing our flagship premium schools by continually investing in infrastructure upgrades, introducing modern facilities, and incorporating cutting-edge educational resources. By focusing on targeted marketing and recruitment strategies, we aim to increase enrollment and further solidify our schools' position as the preferred choices for students and parents.

2. **Ramping Up Newly Introduced Schools:** We strategically plan and execute the launch of our new schools, and by leveraging Taaleem's strong brand equity and track record, coupled with effective marketing strategies and parent engagement, we aim to achieve optimal enrollment and capacity utilization, maximizing the value generated from these new additions.

3. **Fostering Strategic Partnerships:** We actively seek and cultivate partnerships with strategic entities to strengthen our position in the education sector. By collaborating with like-minded organizations, we aim to amplify our impact and reach a broader audience of students.

"With an unwavering commitment to excellence, Taaleem is dedicated to shaping the future of education in the UAE through strategic investments, development, and operation of K-12 schools."

4. **Expanding Government Partnership Schools' Portfolio:** We are proud to partner with UAE governmental entities in providing international curricula to Emirati students through our government partnership schools. Our aim is to expand this portfolio and increase access to quality education for even more students.

5. **Launching New Greenfield Projects:** We are actively pursuing the development of new greenfield projects, strategically selecting locations for new school launches that align with our vision and mission. These projects will enable us to cater to the growing demand for high-quality education in selected key areas.

6. **Considering Inorganic Expansion Through School Acquisitions:** In line with our expansion strategy, we are open to exploring opportunities for inorganic growth through the acquisition of operational schools that are value-accretive and complement our existing portfolio.

Through these initiatives, we are well-positioned to achieve sustainable growth and continue making a positive impact in the UAE education sector and beyond, fulfilling our mission of providing exceptional education opportunities to the students we serve.

Strengthening and Optimizing Existing Flagship Premium School Brands

Over the past years, Taaleem has strategically centered its efforts on attracting a young student base, which has been instrumental in mitigating the impact of tuition fee freezes and ensuring long-term revenue viability. Our existing mature premium schools, including DBS-Emirates Hills, DBS Jumeirah Park, DBS Foundation, RIS-Gardens Campus, GIS, UIS, AAG, and JBS, have benefited from this young student base, with approximately 64% of Taaleem's students falling below Grade 5 for the 2022–2023 academic year. This factor, coupled with their grade progression over time, positions Taaleem favorably for enhanced revenue growth and long-term profitability.

In parallel, we are dedicated to continually enhancing the reputation and appeal of our schools, making them the preferred choice for students and parents in the UAE. We achieve this through ongoing efforts to strengthen and optimize our existing flagship premium school brands, which includes infrastructure upgrades, introducing modern facilities, and providing cutting-edge educational resources to create a dynamic and enriching learning environment.

Additionally, we focus on increasing enrollment rates by implementing targeted marketing and recruitment strategies. By showcasing the unique value proposition and exceptional educational offerings of our schools, we attract a diverse range of students, driving enrollment growth and further solidifying our position as a leader in the private K-12 education sector. Through these strategic endeavors, we continue to thrive and reinforce our commitment to excellence in education.





Leveraging Access to Premium Real Estate to Launch Greenfield Projects and Expand the Premium School Portfolio

As we expand our portfolio of premium school brands, Taaleem capitalizes on its strong relationships with leading real estate developers in the UAE to secure strategic locations for new premium school launches, attracting high parental and student interest. Additionally, our key strategic government and private real estate partnerships, including the UAE's Knowledge Fund Establishment, provide substantial support. These dynamic relationships enables us to secure long-term leases and attractive operating arrangements, granting us visibility into Dubai's future urban growth plans. This foresight positions Taaleem advantageously, allowing us to plan ahead and identify attractive locations for future premium school launches.

Looking toward the future, we have an exciting pipeline of four new premium schools that follow the British curriculum. DBS Jumeirah is expected to commence operations in Dubai in September 2024, while DBS Mira is currently accepting student applications and is set to start operations in September 2025. Additionally, we plan to open two new schools at the premium+ price point, one in Dubai and another in September 2026 in Abu Dhabi. Moreover, in order to satisfy pent up demand, we are adding over 20 classrooms at Greenfield International School, which will be completed and operational by September 2024. In tandem, we continually assess inorganic expansion opportunities, considering potential acquisitions of operational schools that align with Taaleem's school portfolio expansion strategy.

These strategic moves showcase our commitment to growth and excellence, as we further solidify our position as a leading education provider in the UAE. Through prudent planning and expansion, we aim to deliver exceptional education and outstanding learning experiences to an ever-increasing number of students.

Ramp-up of Newly Introduced Schools

Taaleem's most recent additions to its portfolio include the RIS-Khalifa City Campus and the newly incorporated Jebel Ali School. We understand that newer schools may initially operate at a lesser capacity, presenting considerable opportunities for enrollment growth and an optimum capacity utilization rate. Consequently, a central part of our approach lies in nurturing and promoting positive parent relationships, as well as maintaining an active presence in both on-campus and off-campus admissions and recruitment events during these pivotal periods of accelerated growth. Our overriding aim is to mirror the exemplary enrollment and capacity utilization rates typical of Taaleem's well-established premium schools. This approach not only maximizes the value derived from our portfolio but also underscores Taaleem's enduring commitment to its shareholders by delivering on a well-executed and sustainable growth strategy.



Expansion of Government Partnership Schools

The UAE government has launched several initiatives in the education sector, including the development of public-private partnership (PPP) schools, to offer international curricula to Emirati students. Taaleem kicked-off its PPP journey in 2020 with three schools under the Abu Dhabi Charter Schools in partnership with the government, and it has since witnessed remarkable growth. As of the 2022–2023 academic year, we now proudly manage public operated educational institutions, providing a nurturing learning environment to over 15,778 students under all three PPP programs. In the future, we aim to cement this relationship and look to substantially enhance Taaleem's presence in the educational landscape as the UAE government awards additional schools under these partnerships. Our goal is to continue this trajectory of growth and expansion, striving to create more quality educational spaces for students in the years to come.





Diversity

Taaleem embraces diversity as a fundamental principle within its educational ecosystem, and we take great pride in celebrating and nurturing a student community that values global citizenship, intercultural understanding, and the unique qualities of each individual. By creating an inclusive environment that caters to the diverse needs and aspirations of our students, Taaleem ensures that every student can thrive and reach their full potential.

Celebrating Diversity and Global Citizenship

Taaleem believes in the power of diversity and actively promotes an environment that celebrates the richness of different cultures, backgrounds, and perspectives. With students hailing from over 86 nationalities, we foster intercultural understanding and global citizenship within our student community, providing them with the skills and knowledge to thrive in an interconnected world.. Through various initiatives, such as cultural exchange programs, diversity workshops, and events that promote inclusivity, we create opportunities for students to engage with their peers from different backgrounds. These experiences enable them to develop empathy, respect, and appreciation for diverse perspectives, contributing to their personal growth and preparing them to become global citizens.

Catering to Unique Student Needs

At Taaleem, we recognize that every student is unique, with distinct preferences, backgrounds, and aspirations. As part of our commitment to diversity and support of the Dubai Inclusive Education Policy Framework, Taaleem is dedicated to offering a wide range of educational options that cater to the diverse needs of our students.

We prioritize inclusivity and accessibility, ensuring that our schools provide an environment where students of all abilities can thrive. Taaleem is committed to offering support for students with special educational needs or disabilities (SEND), providing specialized programs, resources, and trained staff to ensure that every student receives a quality education that meets their individual requirements. On this front, we are proud that Taaleem's schools have received "Very Good" and "Outstanding" ratings from the KHDA for its SEND initiatives across its campuses.



Sustainability

Operational Efficiency

Taaleem's efficient cost structure is a direct result of embracing a centralized and streamlined operational framework spanning across legal, finance, IT, human resources, and educational leadership. This strategic approach has not only enabled us to reap the benefits of economies of scale but also allowed us to leverage our fixed cost base. Further on this front, Taaleem has been able to implement uniform and effective practices across its network, including strong cost management and controls through effective benchmarking. Parallel to this, Taaleem's commitment to specialized training and development programs for school principals, leaders, and teachers has further augmented its operational efficiency.

This robust and lean operational structure ultimately situates Taaleem in an advantageous position to capitalize on potential revenue increases across its portfolio of schools. Our ability to adapt and grow while maintaining cost-effectiveness sets the stage for a sustainable future and, by extension, value generation for our shareholders.

Environmental, Social, and Governance (ESG)

We recognize the immense responsibility we have toward our planet, communities, and stakeholders. Through the integration of sustainable practices and principled decision-making, our aspiration is to catalyze positive transformation, fortify resilience, and foster enduring value throughout our operations. Across Taaleem's operations, we have taken significant strides in honing our responsible business practices and the metrics that measure their success. For more details, please refer to the "Sustainability" section of the annual report on page 90.





OUR PORTFOLIO

Taaleem's strong brand equity and reputation in the education sector is owed to its stellar portfolio of premium K-12 schools across Dubai and Abu Dhabi.

Taaleem is home to a portfolio of 10 premium K-12 schools that span Dubai and Abu Dhabi and cover three major international curricula, including the American curriculum, UK National curriculum, and the International Baccalaureate (IB). Parallel to this, Taaleem operates and manages a portfolio of 16 schools through government partnerships in Dubai and Abu Dhabi to support the UAE's vision of improving educational outcomes for both Emiratis and expatriates.

Taaleem's unwavering commitment to delivering world class education across its network of premium schools has been recognized by their laudable achievements. On this front, nine of Taaleem's premium schools have achieved either a rating of "Outstanding" or "Very Good" from the Knowledge and Human Development Authority (KHDA) in Dubai and the Abu Dhabi Department of Education and Knowledge (ADEK). These excellent ratings endorse our mission to create globally recognized educational offerings and our dedication to creating inspirational learning environments. Looking ahead, Taaleem remains steadfast in its mission to continuously enhance its schools, bringing each one closer to the coveted "Outstanding" rating and ensuring that every student receives an education of the highest standard.

"Taaleem's unwavering commitment to delivering world class education across its network of premium schools has been recognized by their laudable achievements."



PREMIUM SCHOOLS

10 Premium Schools

5 IB Schools | **4** British Schools | **1** American School

2
Premium Schools at Full Capacity

12,712
Number of Students (up 11.4% y-o-y)

92%
Revenue Contribution (AY2022–2023)

75%
Average Capacity Utilization of Premium Schools

UK NATIONAL CURRICULUM SCHOOLS

DUBAI BRITISH SCHOOL JUMEIRAH PARK FOUNDATION

Dubai British School –Jumeirah Park Foundation

Located in the thriving Jumeirah Islands area of Dubai, the Dubai British School Jumeirah Park Foundation (DBF) is a family-centered, Early Years British International School. As a foundation school for Taaleem's Dubai British School Jumeirah Park, which caters to students from Year 1 to Year 13, DBF offers England's Early Years Foundation Stage (EYFS) curriculum to children aged from two and a half to five years of age.

DBF was founded in 2014 and has a purpose-built site that enables it to provide an outstanding learning community for young children through the provision of high-quality Early Years education. DBF supports a wide range of learning opportunities that suit the needs of each child and has a special focus on language acquisition, play-based learning, and singing, which help children develop their communication skills, creativity, and confidence. DBF is the first early years and only school in the UAE to be British School Middle East (BSME) accredited and has been rated "Very Good" by the KHDA and rated "Outstanding" by the British Schools Overseas (BSO).

5,856 sqm
Campus Size

306
Total Number of Students

FS1 & FS2
Grades Served

2.5Y-5Y
Age Group Served

99%
Capacity Utilization

Very Good
Rating by the KHDA

Outstanding
International Rating (BSO)

BSME and BSO
Member

Early Excellence Award



FACILITY HIGHLIGHTS

- Multi-Purpose Indoor Hall
- State-of-the-Art Classrooms
- Swimming Pool
- Health Center
- Outdoor Play Area









UK NATIONAL CURRICULUM SCHOOLS

DUBAI BRITISH SCHOOL EMIRATES HILLS

Dubai British School – Emirates Hills

Established in 2005, Dubai British School Emirates Hills (DBSEH) is an international British school located in the tranquil Springs and Meadows area of Dubai's Emirates Hills. Serving over 1,000 students between two and a half and 18 years old. The school is accredited as "Outstanding" by the Knowledge and Human Development Authority (KHDA) and the British Schools Overseas (BSO). It offers a range of qualifications, including GCSEs, A Levels, and BTECs, which prepare students for university entrance and future careers. The school also provides a rich and varied curriculum that encompasses academic, creative, sporting, and social aspects of learning, as well as state-of-art sports, arts, and science facilities that cater to a comprehensive range of student needs and interests during these vital years of discovery and growth.

19,247 sqm
Campus Size

1,187
Total Number of Students

FS1-Sixth Form
Grades Served

3Y-18Y
Age Group Served

100%
Capacity Utilization

Outstanding
Rating by the KHDA

Outstanding
International Rating (BSO)

BSME and BSO
Member

Leading Parent Partnership Award











FACILITY HIGHLIGHTS

- Art Studios
- Science Laboratories
- Library
- Music Studios
- Performing Arts Auditorium
- Swimming Pool
- Sports Hall
- Astroturf Pitches
- Tennis Courts
- Outdoor Play Areas
- Fitness Gym
- Sixth Form Center
- Cafeteria

UK NATIONAL CURRICULUM SCHOOLS

DUBAI BRITISH SCHOOL JUMEIRAH PARK

Dubai British School-Jumeirah Park

Dubai British School Jumeirah Park (DBSJP) is an international K-12 school offering the UK National Curriculum that was founded in 2015, serving over 1,700 students aged between two and half and 18 years old in the heart of Jumeirah Park in Dubai. The school offers the General Certificate of Secondary Education (GCSE), A Levels, and International BTEC–Level 3 Qualifications as external examinations. Moreover, the school is accredited by the British Schools in the Middle East (BSME), Council of British International Schools (COBIS) and rated as "Outstanding" by the British Schools Overseas (BSO).

28,614 sqm
Campus Size

1,725
Total Number of Students

FS1-Sixth Form
Grades Served

2.5Y-18Y
Age Group Served

100%
Capacity Utilization

Very Good
Rating by the KHDA

Outstanding
International Rating (BSO)

BSME, COBIS, and BSO
Member











FACILITY HIGHLIGHTS

- Art Studios
- Music Studios
- Science Laboratories
- Sports Hall
- Astroturf Pitches
- Design Technology Suite
- ICT and Technology Labs
- Food Technology Lab
- Library
- Drama and Dance Studio
- Performing Arts Auditorium
- Eight-Lane Indoor Swimming Pool and Training Pool
- Outdoor Play Areas
- Tennis Courts
- Fitness Gym
- Sixth Form Center
- Cafeteria

UK NATIONAL CURRICULUM SCHOOLS

Jebel Ali School

In line with its inorganic expansion strategy, Taaleem completed the acquisition of Jebel Ali School (JAS) in May 2022, a K-12 school offering the UK National Curriculum that was founded in 1977. The school has a strong track record and serves over 1,700 students at its location in Damac Hills in Dubai. JAS offers a broad and balanced curriculum that prepares students for success in their chosen pathways. The school follows the National Curriculum of England from Foundation Stage to Year 9 and offers a range of GCSE, A-Level, and BTEC courses in Years 10 to 13. JAS has been rated as "Very Good" by the KHDA and has also achieved the International School Quality Mark (ISQM) Gold Award, positioning it as one of the best schools in Dubai and an attractive addition to Taaleem's portfolio of schools.

33,032 sqm
Campus Size

1,721
Total Number of Students

FS1-Sixth Form
Grades Served

2.5Y-18Y
Age Group Served

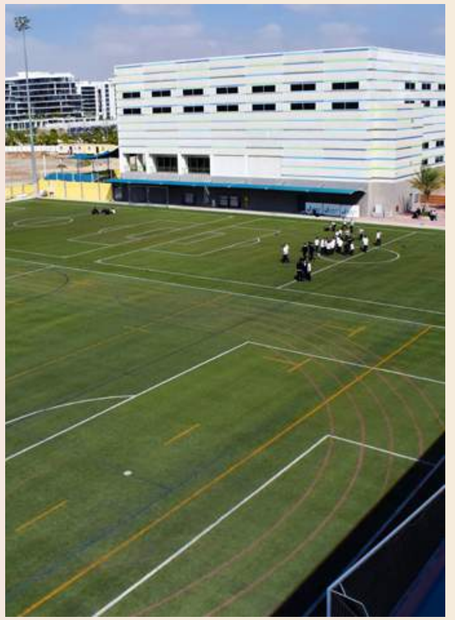
82%
Capacity Utilization

Very Good
Rating by the KHDA

Gold Award
International School Quality Mark (ISQM)









FACILITY HIGHLIGHTS

- Indoor and Outdoor Sports Facilities
- Swimming Pool
- Performing Arts Auditorium
- Art Studios
- Music Studios
- Science Laboratories
- ICT and Technology Labs
- Design Technology Suite
- Library
- Outdoor Play Areas
- Fitness Gym
- Sixth Form Center
- Cafeteria

INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

UPTOWN INTERNATIONAL School

Uptown International School

Uptown International School (UIS) was established in 2005 and was one of the very first K-12 schools that Taaleem launched in its portfolio. UIS proudly serves over 1,200 students and follows the International Baccalaureate (IB) curriculum, with adaptations to suit the local context and the needs of its students. The school offers the Primary Years Program (PYP), the Middle Years Program (MYP), and the Diploma Program (DP), which prepare students for university entrance and future careers. UIS is located in Mirdif, a residential area close to Dubai International Airport, and boasts a magnificent campus with outstanding facilities, including a forest garden, a swimming pool, a sports hall, a theater, and a library. The school is accredited by the International Baccalaureate Organization (IBO).

62,428 sqm
Campus Size

1,273
Total Number of Students

K-12
Grades Served

1Y-18Y
Age Group Served

59%
Capacity Utilization

Very Good
Rating by the KHDA

International Baccalaureate Organization (IBO)
Member











FACILITY HIGHLIGHTS

- Science Laboratories
- Music Studios
- Arts Studios
- Library
- ICT and Technology Labs
- Food Technology Lab
- Design Technology Suite
- Indoor Swimming Pool and Training Pool
- Astroturf Pitches
- Cafeteria
- Fitness Gym
- Tennis Courts
- Paddle Courts
- Outdoor Play Areas

INTRODUCTION
STRATEGIC REPORT
SUSTAINABILITY
OUR LEADERSHIP
CORPORATE GOVERNANCE
FINANCIAL STATEMENTS

Greenfield International School

Greenfield International School (GIS) is an exceptional IB school situated in Dubai Investments Park, Dubai, UAE. Established in 2007 by Taaleem, GIS proudly operates as an IB World School, authorized to deliver all four IB programs from Pre-K to Grade 12. GIS is dedicated to building a renowned IB Continuum School, renowned for its academic excellence and exceptional teaching standards. Accredited by esteemed organizations, such as the New England Association of Schools and Colleges (NEASC) and the Council of International Schools (CIS), GIS has earned a noteworthy "Very Good" rating from the Knowledge and Human Development Authority (KHDA) of Dubai, reflecting its unwavering commitment to providing high-quality education.

42,078 sqm
Campus Size

1,422
Total Number of Students

K-12
Grades Served

3Y-18Y
Age Group Served

89%
Capacity Utilization

Very Good
Rating by the KHDA

CIS and NEASC
International Accreditation

IBO
Member









FACILITY HIGHLIGHTS

- ICT Labs
- Science Laboratories
- Food Technology Lab
- Performing Arts Auditorium
- Music and Drama Studios
- Arts Studios
- Sports Hall
- Astroturf Pitches
- Swimming Pool
- Tennis Courts
- Netball Court
- Fitness Gym
- Cafeteria





INTERNATIONAL BACCALAUREATE SCHOOLS

JUMEIRA BACCALAUREATE School

Jumeira Baccalaureate School

Situated in the vibrant and cosmopolitan area of Jumeirah 1 in Dubai, Jumeira Baccalaureate School (JBS) offers a comprehensive range of International Baccalaureate (IB) programs from Pre-KG to Grade 12. JBS is a fully accredited IB World School and is also accredited by the Council of International Schools (CIS) and the New England Association of Schools and Colleges (NEASC) and is authorized by the IB Organization. The school offers all four IB Programmes; the Primary Years Programme (PYP), the Middle Years Programme (MYP), the Diploma Programme (IBDP), and the Career-Related Programme (IBCP).

31,423 sqm
Campus Size

1,293
Total Number of Students

K-12
Grades Served

3Y-19Y
Age Group Served

79%
Capacity Utilization

Very Good
Rating by the KHDA

CIS
International Accreditation

IBO and KiVa
Member

Association for Character Education (ACE)
Quality Mark school













FACILITY HIGHLIGHTS

- ICT Labs
- Science Laboratories
- Food Technology Lab
- Performing Arts Auditorium
- Music and Drama Hall
- Arts Studios
- Design Technology Suite
- Sports Halls
- Grass Pitch
- Swimming Pool and Training Pool
- Tennis Courts
- Paddle Courts
- Outdoor Play Areas
- Cafeteria

INTERNATIONAL BACCALAUREATE SCHOOLS

RAHA INTERNATIONAL SCHOOL
Gardens Campus

Raha International School – Gardens Campus

Established in 2006, Raha International School – Gardens Campus (RISGC) is a co-educational private K-12 school situated in the Raha Gardens community in Khalifa City, Abu Dhabi. The school's campus is situated on 14 acres of beautifully landscaped property and boasts an abundance of spacious and bright indoor and outdoor spaces for learning, play, and collaboration. The school proudly serves over 2,100 students and offers the International Baccalaureate (IB) curriculum from Early Years to Grade 12 and is fully authorized to deliver the Primary Years Program (PYP), the Middle Years Program (MYP), and the Diploma Program (DP). RISGC is the first school in Abu Dhabi to achieve accreditation across the full IB curriculum, is accredited by the Council of International Schools (CIS) and the Abu Dhabi Department of Education and Knowledge (ADEK), and has also received an excellent rating by ADEK, reflecting the school's position as an exceptional education provider, placing it as the highest ranked three-program IB School in Abu Dhabi.

46,802 sqm
Campus Size

2,188
Total Number of Students

K-12
Grades Served

3Y-19Y
Age Group Served

97%
Capacity Utilization

Very Good
Rating by the ADEK

CIS
International Accreditation

IBO
Member









FACILITY HIGHLIGHTS

- Library
- Science Laboratories
- Performing Arts Auditorium
- Music and Drama Suite
- Arts Studios
- Sports Hall
- Astroturf Pitches
- Swimming Pool and Training Pool
- Tennis Courts
- Outdoor Play Areas
- Cafeteria





INTERNATIONAL BACCALAUREATE SCHOOLS

RAHA INTERNATIONAL SCHOOL
Khalifa City Campus

Raha International School – Khalifa City Campus

Raha International School (RISKCC) is a leading provider of international K-12 education in Abu Dhabi, offering the International Baccalaureate (IB) curriculum from Early Years to Grade 12. In September 2020, RIS opened its second campus in Khalifa City, and the campus was built to satisfy the exceptionally high demand for places at Raha International School – Gardens Campus and the ever-increasing popularity of the IB curriculum. The Khalifa City Campus currently offers the Primary Years Program (PYP) and the Middle Years Program (MYP) of the IB and will eventually house Early Years to Grade 12. The campus follows the same mission and vision as the Gardens Campus, which is to provide a holistic education that nurtures confident, creative, and caring global citizens.

RIS is accredited by the Council of International Schools (CIS) and is authorized by the International Baccalaureate Organization (IBO) to offer three IB programs. The Khalifa City Campus will undergo its first ADEK inspection after completing three years of operation (end of 2022–2023).

35,035 sqm
Campus Size

1,097
Total Number of Students

Pre-K to Grade 9
Grades Served

3Y-15Y
Age Group Served

36%
Capacity Utilization

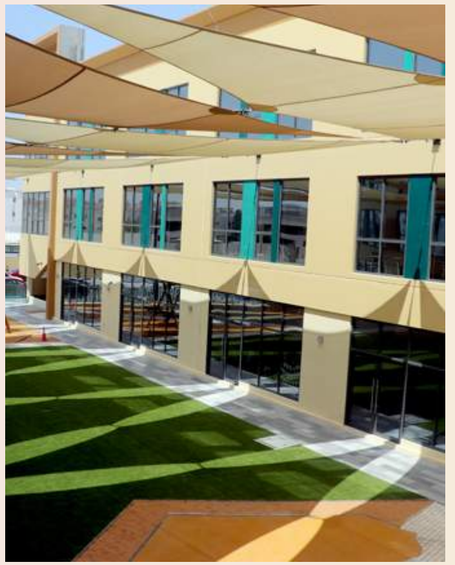
Pending Inspection
Rating by the ADEK

CIS
International Accreditation

IBO
Member







FACILITY HIGHLIGHTS

- Science Laboratories
- Performing Arts Blackbox
- Music and Drama Suite
- Arts Studios
- Design Technology Suite
- Sports Halls
- Astroturf Pitch
- Swimming Pool and Training Pool
- Tennis Courts
- Outdoor Play Areas
- Cafeteria
- Library





AMERICAN CURRICULUM

AMERICAN ACADEMY FOR GIRLS

American Academy for Girls

Founded in 2005, the American Academy for Girls (AAG) is the only American school for girls in Dubai, offering an American curriculum from Pre-K to Grade 12, and it is located in the Al Mizhar area of Dubai, near Mirdif City Center. AAG provides a holistic education that empowers every girl to become a responsible, confident, and independent learner who respects diversity, embraces challenges, and has a global perspective. The school proudly serves over 500 students and is accredited by the New England Association of Schools and Colleges (NEASC) and the Council of International Schools (CIS), follows the Common Core State Standards and the Next Generation Science Standards, and has received a rating of "Good" from the and is the highest rated Taaleem school in terms of Arabic and Islamic education..

12,051 sqm
Campus Size

513
Total Number of Students

K-12
Grades Served

3Y-18Y
Age Group Served

54%
Capacity Utilization

Good
Rating by the KHDA

CIS and NEASC
International Accreditation







FACILITY HIGHLIGHTS

- Science Laboratories
- Music Suite
- Sports Hall
- Cafeteria
- Outdoor Play Areas
- Art Studios
- Astroturf Pitch
- Swimming pool
- Library





INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

Overview

Taaleem's Government Partnerships segment exemplifies the organization's commitment to aligning with the UAE's vision of enhancing educational outcomes for both Emiratis and expatriates. With 16 government partnerships under its operation in Dubai and Abu Dhabi, Taaleem plays a vital role in contributing to the development and advancement of education in the UAE. As of the 2022–2023 academic year, this segment generates approximately 8% of Taaleem's revenues, and through these government partnerships, Taaleem actively contributes to the UAE's educational ecosystem, ensuring access to high-quality education and fostering the growth and development of students across the country.

16
Government Partnership Schools

8%
Revenue Contribution of Government Partnership Schools (AY2022–2023)

15,778
Number of Students (up 65% y-o-y)

93%
Average Capacity Utilization



Within the UAE's educational landscape, the government has implemented three distinct public-private partnership (PPP) models in education. These models differ in terms of their regulators, operating structures, and geographic focuses, each with the aim of providing high-quality education to students:

3 Dubai Schools operated by Taaleem

Dubai Schools: Taaleem manages privately operated schools under the PPP program. These schools receive funding from Dubai's Knowledge and Human Development Authority (KHDA) or the Knowledge Fund Establishment (KFE) and offer subsidized international curriculum education to Emiratis. The schools' expansionary capital expenditure, and land and building lease expenses are covered by the funding entities, while the operator is responsible for operational expenses and maintenance capital expenditure. Tuition fees collected from enrolled students are retained by the operator.

9 Abu Dhabi Charter Schools operated by Taaleem

Abu Dhabi Charter Schools: Taaleem operates public schools in partnership with the Abu Dhabi Department of Education and Knowledge (ADEK) under the Abu Dhabi Charter Schools initiative. These schools are owned by ADEK and aim to elevate the standards of public education by providing high-quality education free of cost to Emiratis. ADEK bears the capital expenditure and operational expenses, while the operator receives a fixed management fee and additional discretionary fees based on performance and achievement of key performance indicators (KPIs).





4 Ajyal Schools operated by Taaleem

Ajyal Schools: In collaboration with the Federal government, private education providers, including Taaleem, offer American Curriculum-based education to Emiratis through the "Ajyal Schools" initiative. Focused on the Northern Emirates, including Sharjah, Ajman, and Dubai, these schools are regulated by the Emirates Schools Establishment (ESE). The government covers the capital expenditure and operational expenses, while the operator earns a fixed and variable fee, funded by the government, based on performance and achievement of KPIs. The Ajyal Schools aim to provide quality education and improved learning outcomes for students in partnership with private operators.

MANAGEMENT DISCUSSION AND ANALYSIS

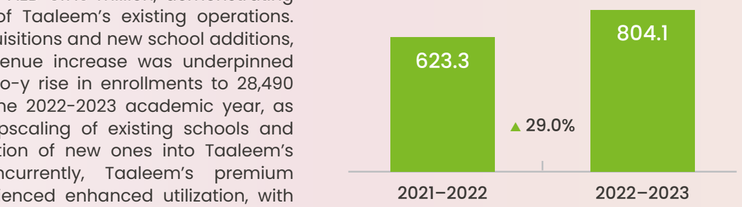
Overview

Taaleem has delivered an outstanding performance for the full year ending 31 August 2023, with revenue growing 29.0% year-on-year (y-o-y) to a record figure of AED 804.1 million and net profit increasing 41.5% y-o-y to AED 117.3 million. This robust growth was driven by strong enrollment gains, improved utilization of existing capacity, and a ramp-up of new schools. Taaleem also generated a healthy cash flows, allowing it to further reduce net debt and strengthen its balance sheet.

Revenue

Consolidated revenue for the full year climbed 29.0% y-o-y to AED 804.1 million. It is worthy to note that excluding recent acquisitions and new school additions, revenue expanded a solid 14.2% y-o-y to AED 617.9 million, demonstrating the strength of Taaleem's existing operations. Including acquisitions and new school additions, Taaleem's revenue increase was underpinned by a 35.9% y-o-y rise in enrollments to 28,490 students for the 2022-2023 academic year, as well as the upscaling of existing schools and the incorporation of new ones into Taaleem's portfolio. Concurrently, Taaleem's premium schools experienced enhanced utilization, with the capacity-enrollment gap narrowing by 23.9% y-o-y at year end.

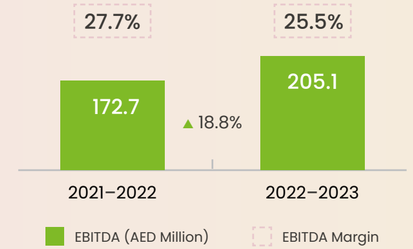
REVENUE
(AED Million)



EBITDA

Taaleem's EBITDA grew by 18.8% y-o-y to AED 205.1 million, driven by higher enrollment and the continued focus on operational efficiency. Excluding the impact of recent acquisitions and new school additions, Taaleem's EBITDA margin improved by 0.3 percentage points to 28.4%.

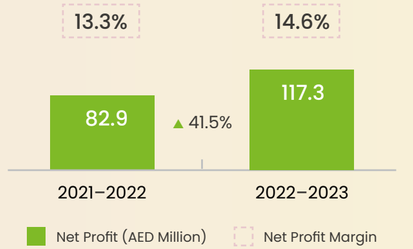
EBITDA AND MARGIN
(AED Million | %)



Net Profit

Net profit climbed 41.5% y-o-y to AED 117.3 million, with margins firming to 14.6%, up from 13.3% last year, and parallel to this, earnings per share increased by 13.8% y-o-y in the 2022-2023 academic year. Excluding the impact of recent acquisitions and new school additions, net profit margin rose 1.7 percentage points to 17.3%.

NET PROFIT AND MARGIN
(AED Million | %)





"Robust growth was driven by strong enrollment gains, improved utilization of existing capacity, and a ramp-up of new schools."

Balance Sheet Strength

Prudent financial management saw Taaleem convert strong earnings into robust cash generation. This allowed net debt to turn negative to AED 648.2 million as of 31 August 2023, even after accounting for capital expenditures, from AED 104.4 million booked in the 2021-2022 academic year. The debt-to-equity ratio also improved substantially to 1.6% from 35.6% previously. Moreover, Taaleem's current negative net debt position is due to the unused proceeds from its IPO, leaving the company with ample funding to pursue inorganic expansionary efforts through strategic M&A opportunities, as well as deliver on its organic growth strategy through the multiple greenfield projects currently in Taaleem's pipeline. It is worthy to note that, adjusted net debt, which excludes the impact of IPO proceeds, declined to AED 73.7 million in the 2022-2023 academic year.

AED million	2021-2022	2022-2023	Variance	Y-o-Y Change
Total debt (A)	332.4	27.2	-305.2	-91.8%
Deposits (Wakala/ Sukuk)	-	475.1	475.1	-
Cash & Cash Equivalents	243.2	227.5	-15.6	-6.4%
Total Deposits, Cash and Cash Equivalents (B)	243.2	702.7	459.5	189.0%
Restricted Cash[1] (C)	15.2	27.3	12.1	79.9%
Net Debt (A-B+C)	**104.4**	**-648.2**	**-752.6**	**-720.7%**
Debt to Equity Ratio	35.6%	1.6%	-34.0%	
Adjusted Net Debt (A – IPO Proceeds balance + C)	**104.4**	**73.7**	**-30.7**	**-29.4%**

[1] Restricted Cash relates to cash held by the Group on behalf of the Government for the purposes of managing the operations of the Charter Schools (ADEK and ESE) and are not available for use.



Strategic Progress

Operationally, Taaleem made excellent progress towards executing its 5-year strategy. Construction has commenced on the new 1,900 student capacity Dubai British School Jumeirah, which is on track to open in September 2024. Additionally, Taaleem has announced plans to begin work on a fourth Dubai British School anticipated for completion in 2025. These infrastructure investments will enable Taaleem to capitalize on strong demand for its schools and leave it well-positioned to maintain its growth trajectory. Moreover, tuition fee increases of 2.8% on average were also levied for the 2023-2024 academic year to further enable Taaleem's capacity to deliver higher quality education services.

Meanwhile, over the course of 2022-2023, Taaleem has further enhanced capacity utilization across its premium school segment, which stood at 75.4% as of 31 August 2023, compared to 67.7% in the 2021-2022 academic year. Capacity utilization growth was driven by an additional 1,298 enrolled students across Taaleem's premium schools, bringing the total number of enrolled students in the premium segment to 12,712 compared to 11,414 in the previous year. This rise in Taaleem's student base has further supported Taaleem's revenue growth as well its profitability thanks to increased asset utilization and the impact of economies of scale.

Moreover, Taaleem has continued scaling up its operations across the government partnerships segments and was awarded eight new government partnership schools in the 2022-2023 academic year. This has resulted in a surge to 15,778 students enrolled across Taaleem's government partnership schools, compared to 9,547 students in the same period last year. The government partnerships segment allows Taaleem to not only diversify its revenue streams through a steady flow of management fees, but also generates significant value at highly attractive margins, as the government carries the bulk of the costs associated with these schools, leaving Taaleem well-positioned to further maximize overall efficiency and resource utilization across its portfolio of schools and unlock increased value for shareholders.

Outlook

With a robust performance in 2022-2023, Taaleem is positioned for continued success in the 2023-2024 academic year and beyond. The company will maintain its focus on boosting enrollments, driving operational efficiency, and investing in new capacity and upgrading facilities. This strategy will enable Taaleem to maintain its record of profitable growth, further cementing its leadership position in the UAE's premium K-12 education sector.

INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

SUSTAINABILITY

03



INSPIRING YOUNG MINDS FOR A SUSTAINABLE FUTURE

Overview

At Taaleem, we endeavor to incorporate sustainability in our operations, core business strategy, and decision-making processes. As we dedicate ourselves to fostering long-term value creation, and driving positive environmental and societal transformations, our initiatives resonate with the active involvement of our student body. These not only reflect effective management of our ESG-related impacts but also promote compliance with regulations while enabling students to address pressing global challenges. Through this holistic integration, we not only prepare our students for the world they will inherit but also enable them to be catalysts of positive change.

As we strive to become a leader in the education sector, we benchmark and align with various local and global standards as part of our commitment to best practices in ESG performance and reporting. Additionally, we regularly engage our stakeholders to incorporate their feedback in our ESG priorities and reporting as we communicate our performance and impact. We acknowledge that considering the issues they value most as material will help us adapt, innovate, and build initiatives that meet their needs while driving long-term success.

As we continue to make the academic experience of our students a success, we emphasize our determination to environmental stewardship and social responsibility with value creation across Taaleem. Alignment with various standards allows our stakeholders and investors to make decisions based on comparable and reliable data. Our ESG initiatives and disclosures are driven by ESG priorities in alignment with the objectives of the following:

- **The UN Sustainable Development Goals**
- **Global Reporting Initiative (GRI) Standards**
- **The UAE Net Zero 2050**



Key ESG Highlights 2022

Taaleem has continued making strides in delivering on its ESG agenda, and the metrics we monitor have reflected this success over the past year. For a full and comprehensive breakdown of Taaleem's ESG practices and accomplishments, please visit the company's corporate website to access Taaleem's ESG Report 2022.



ENVIRONMENT

AED 2.5 mn
Amount invested in emissions reduction

5,92,611 KWh
Solar energy generated

0.92 CO2e
Average emissions per person (staff and students)

8.802 m^3
Average utility water consumed per person

134.83 kg
Solar energy generated

SOCIAL

28,663
Students enrolled

2,630
Full-time employees

77%
Percentage of female FTE employees

+10,000
Hours in health and safety training

16
Public Private Partnership schools

GOVERNANCE

Zero cases or complaints regarding:

Non-compliance | Discrimination | Bribery | Breaches of customer privacy

Materiality Assessment

We are determined to establish our ESG agenda as a regional benchmark that reflects our ESG efforts and drives our long-term success and stakeholder satisfaction. To this end, we have conducted a thorough material assessment focused on the topics most important to our stakeholders. Our sustainability efforts reflect our commitment to integrating ESG as an imperative for driving long-term success and stakeholder satisfaction. By conducting a thorough materiality assessment, we can identify the ESG topics that are a priority to our business and stakeholders. This helps us focus our investments on addressing internal and external risks associated with environmental, social, economic, and governance issues. Our commitment to materiality ensures that our strategies and policies accurately reflect our stakeholders' interests and merge them with the company. This facilitates informed decision-making, fosters trust, and ultimately contributes to meaningful implementation of ESG-focused initiatives and fosters long-term success.

Listening to Our Stakeholders

Taaleem's stakeholders influence our decision-making as we consider them integral to the company's success. We recognize that considering the issues they consider most material will help us adapt, innovate, and build initiatives that meet their needs while driving long-term success. During the materiality exercise, we first identify and assess the influence and importance of each stakeholder group, then proceed to survey their perspectives on ESG-related topics and issues. We understand that stakeholders comprise a diverse range of groups with varying views and ever-changing perspectives, concerns, and expectations, and thus, we conduct a thorough stakeholder engagement as an ongoing part of our commitment to sustainability.

Our stakeholders within the academic space provide insights relating to learning and student success, while our impact-related stakeholders guide us on social and environmental sustainability. This process enables us to gain valuable feedback and a deeper understanding of our stakeholders' needs and what material topics we should prioritize. Stakeholder engagements provide valuable insights into and feedback on our operations and performance, which is essential in helping us identify opportunities for improvement and innovation in our overall ESG performance.

KEY STAKEHOLDERS GROUPS



Top Management | **School Leadership** | **Suppliers** | **Parents** | **Students**

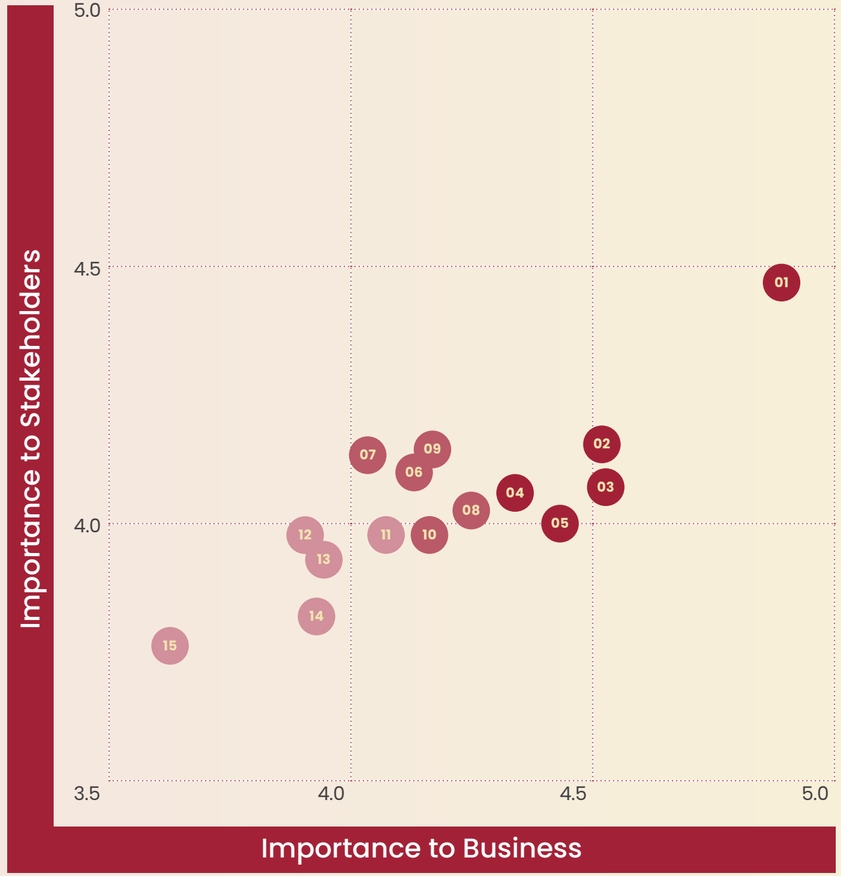


Our Priority Material Topics

We consider a comprehensive range of factors to prioritize the crucial ESG issues, including our company's strategic direction, stakeholder priority and expectations, topics of priority to ESG rating agencies, sector benchmarking data and the insight of industry experts. In addition, we factor legislation requirements, local and international standards, and the ever-evolving nature of ESG, all while considering Taaleem's processes and systems for responding to these changes. Finally, we consider internal and external trends affecting our progress toward our ESG goals. We can determine the most pressing issues for our ESG agenda by looking at these factors. In this year's report, we focus on 15 material issues that were selected through a rigorous process, drawing upon insights from relevant stakeholders, local and international industry guidelines and frameworks, and market analysis.

Rank	Materiality Grading	Material Topics
01	Most Important	Student Health, Safety, Protection, and Well-being
02		Academic Quality and Curriculum Relevance
03		Employee Development, Retention, and Well-being
04		Ethics, Governance and Compliance
05		Diversity, Equity, and Inclusion
06	Very Important	Waste Management and Recycling
07		Data Privacy and Technology
08		Parent Satisfaction
09		Water Management
10		Energy Consumption and Efficiency
11	Important	Risk Management and Business Continuity
12		Responsible Growth
13		Biodiversity and Ecosystems
14		Community Contributions
15		Responsible Procurement

"We focus on 15 material issues that were selected through a rigorous process, drawing upon insights from relevant stakeholders."



INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

OUR LEADERSHIP

04



TAALEEM'S EXECUTIVE LEADERSHIP TEAM



Alan Williamson
Chief Executive Officer (CEO)

Alan Williamson is the current CEO of Taaleem and has held this role since 2019. Alan is responsible for supervising the strategic direction of the company, and in 2022, he led Taaleem's transformation from a private to a publicly listed company on the Dubai Financial Market (DFM). Under his tenure, the number of Taaleem's schools has grown from eight to 26, and the number of students has risen from 8,500 to over 28,000+ students. Prior to joining Taaleem, he held prominent roles across several reputable educational institutions, including serving as the CEO of a premium school group in Dubai and serving as the CEO of a large community trust in the UK.

Alan graduated from the University of Glasgow in 1992 with an Honors Degree in History and Russian Language and has completed various courses and qualifications in the subsequent years. He completed a PGCE in Humanities and Languages at the University of Edinburgh Moray House College of Education in 1993 and a Postgraduate Qualification in Understanding Modern Society from the Open University in 2000. He also received a National Professional Qualification in Headship (SQH) from the University of Edinburgh Moray House College of Education in 2001, and in 2004, he earned a Postgraduate Qualification in School Leadership and Financial Management from the Harvard School of Education.



Arnaud Prudhomme
Chief Financial Officer (CFO)

Arnaud Prudhomme joined Taaleem in 2017 and currently serves as its CFO. Arnaud brings to the table over 25 years of leadership and international experience where he has held various senior-level roles at industry leading companies. Prior to joining Taaleem, Arnaud was the CFO of the Emirates International Investment Company, the investment management arm of an Abu Dhabi-based private multi-billion-dollar diversified conglomerate, as well as the Global CFO of AXA Real Estate, one of Europe's largest real estate managers. Additionally, he held the role of Chief of Staff at the European Bank for Reconstruction and Development, the largest provider of project finance in Eastern Europe, North Africa, and the Middle East.

Arnaud obtained a master's degree in History from La Sorbonne University in 1983. He also earned a Graduate Degree in accounting and finance from Science Po University in 1985, as well as a Graduate Diploma from École Nationale d'Administration in accounting, law, and finance in 1989.



Sam Truman

Chief Operating Officer (COO)

Sam Truman holds the position of COO at Taaleem and is responsible for delivering operational excellence and efficiency across Taaleem's portfolio of schools, driving growth and value creation initiatives, overseeing all marketing and admissions activities, and ensuring that they are aligned with Taaleem's overarching strategy. Sam is an experienced industry executive with over 18 years of experience working in the international private school development sector.

Prior to joining Taaleem, Sam spent 10 years working at one of the world's largest educational suppliers, where he successfully developed their supply and distribution chains across the GCC, the Far East, and Central Asia. He was also recognized for several successes, including the successful execution of multiple contracts awarded by the US Aid Department for the delivery of essential educational supplies to locations across Iraq to aid the reconstruction of government schools, and he secured a number of major contract awards from the Asian Development Bank for educational projects.

Sam holds a Master of Science with distinction in Commercial Management and Quantity Surveying, received from Heriot-Watt University in 2019. He also completed an Executive Leadership and Management course at Henley Business School in 2022 and is also a member of the Royal Institute of Chartered Surveyors (RICS).



Talat Shirazi Goldie

Human Resources Director

Talat Shirazi Goldie is the Human Resources Director at Taaleem and has over 30 years of experience in the human resources field. Prior to joining Taaleem, Talat held leadership roles across numerous leading institutions spanning various industries, including oil and gas at British Petroleum (BP), aviation at British Airways, banking at ABN AMRO, and pharmaceuticals at GSK. Her experience also includes other corporate human resources leadership roles across private equity, construction, manufacturing, education, and real estate development in the UAE.

Talat has completed various certifications and leadership programs from institutions such as Cornell University, London Business School, and the International Institute for Management Development. These qualifications, coupled with her extensive and diverse experience, have enabled Talat to receive international recognition through the receipt of various international HR leadership awards. Talat is also a member of the Worldwide Association of Female Professionals and is a certified executive coach.



Rebecca Gray

Director of Education

Rebeca Gray is Taaleem's Director of Education and joined the team in 2023. Prior to joining Taaleem, Rebecca has amassed significant experience within the education field. Rebecca's previous role was at Kings' Schools Group in Dubai, where she initially held the responsibility of Principal at Kings' School Al Barsha and was later awarded the position of Director of Education. Furthermore, Rebecca previously held the position of Deputy Headteacher at a school in Huntingdon, UK, and was the Headteacher of a Primary School in Northamptonshire, the founding Principal of a preparatory school, and the Director of Improvement and Cluster Lead for "The David Ross Education Trust" where she was responsible for whole school improvement for eight of the Trust's schools, including primary, secondary, and special needs schools.

Rebecca graduated with a degree in Psychology in 2002 and went on to complete her PGCE at the University of North London. Rebecca has also completed her National Professional Qualification for Headship (NPQH).

INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

CORPORATE GOVERNANCE

05



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2022-2023

This report is prepared and issued by Taaleem Holdings PJSC ("Taaleem") in compliance with the provisions of Article 77 of Resolution No. (3/R.M.) of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority ("**SCA**") concerning the Approval of the Public Joint Companies Governance Guide ("**Governance Guide**").

Introduction

The 2022-2023 period at Taaleem was characterized by a dynamic evolution, and an adaptation to new company structures, marking it as a year of well-managed transformation. This was particularly evident in the Company's application of its new corporate governance framework to comply with the Governance Guide as a newly listed company.

Before Taaleem became a publicly listed company, it already had a strong corporate governance framework, based on a framework applied by a PJSC, which made the transition to the new corporate governance framework seamless.

1. Procedures adopted by Taaleem to satisfy the requirements of the Corporate Governance Guide

Taaleem is committed to standards of corporate governance that are in line with UAE best practices. The Board of Directors of Taaleem ensure compliance with the corporate governance requirements applicable to joint stock companies as set out in the Governance Guide.

A. Board of Directors Compliance

The SCA Governance Rules require that at least one member of the Board of Directors should be female, and that one-third of the Board of Directors must be composed of non-executive independent directors. Taaleem's Board of Directors consists entirely of non-executive directors. The Company regards eight of the nine Board members as "independent members of the Board" complying with the SCA Governance Rules.

Furthermore, as envisaged by the SCA Governance Rules, the Board of Directors has two permanent committees: an Audit Committee and a Nominations and Remuneration Committee. The SCA Governance Rules further require that the Board of Directors meet at least four times each year.

(1) The 'Independence' status is determined in accordance with the criteria set out in the 2020 SCA Governance Rules.

The term of service of the Board of Directors is three years as per the Articles of Association of the Company. Board members may serve any number of consecutive terms. All the members are non-executive and eight of the members are independent.

As previously mentioned, before converting to a PJSC, Taaleem already had a corporate governance framework that mirrored the requirements set out by SCA, the Board of Directors had delegated some of its responsibilities to; the Nominations and Renumeration Committee, the Executive Committee, and the Education Sub-committee. However, in anticipation of the conversion and listing of Taaleem's shares on DFM, Taaleem conducted a review of its corporate governance framework, a new committee "the Audit Committee" was established and the terms of reference of Taaleem's committees were revised to ensure absolute compliance with the Governance Guide.

The updated terms of reference re-defined the roles and the delegated responsibilities for each of the committees.

B. Insider Trading Policy

The Board of Directors issued a policy prohibiting Insider Trading, educating Board members and employees at Taaleem about the restrictions related to dealing with Taaleem's securities and the sharing of insider information. More importantly, the policy provides guidance on what is "Insider Information". The Insider Trading Policy is circulated for information and acknowledgement to employees and Board members to confirm their understanding of the disclosure requirements and the restrictions imposed.

Taaleem also regularly initiates disclosure by circulating disclosure forms to be completed by members of the Board of Directors and employees.

C. Appointment of an Investor Relations Manager

In compliance with the Governance Guide, Taaleem appointed an Investor Relations Manager. The Investor Relations Manager serves as the link between Taaleem and its investors, handles the disclosure and publication of information in the market and is responsible for the publication of preliminary presentations regarding the preliminary financial status and future strategies of Taaleem.

D. Appointment of Internal Auditor

Taaleem implemented the requirement for a quarterly internal audit. The purpose of the reoccurrence of the internal audit is to ensure that all departments' processes are regularly checked to ensure compliance and to identify and mitigate any potential risks as soon as possible.

E. Appointment of a Compliance Officer

As Taaleem is a newly listed company, the Compliance Officer's first objective is to set up Taaleem's overarching compliance framework that will outline the principles and strategies that guide Taaleem's approach to compliance management. Once developed, the framework will aim to:

- Demonstrate a commitment to the highest standards of ethics and compliance with all applicable laws, regulations, rules, policies, and procedures thereby promoting a culture of compliance.
- Assess compliance against pre-determined objectives and assessment criteria via the annual compliance action plan.
- Coordinate efforts with the Internal Auditor to resolve any risks flagged during the quarterly internal audits.
- Establish and maintain monitoring and reporting systems to identify instances of non-compliance with clear reporting to appropriate stakeholders.
- Enhance a culture of continuous improvement in relation to process efficiency and awareness of risk management.

2. Statement of Ownership and Transactions of Board of Directors members and their relatives in Taaleem during 2022-2023

SR	Name	Position/ Kinship	Owned Shares as on 31/08/2023	Total Sold	Total Purchased
1	Khalid Altayer	Chairman of the Board of Directors	625,365	0	0
2	Adel Al Zaroni	Vice Chairman of the Board of Directors	9,700,000	400,000	35,383
3	Eyad Mashal	Board Member	0	0	0
4	Amer Al Khayat[1]	Board Member	76,267,480	1,295,975	0
5	Ahmed Al Khayat	Board Member	61,920,000	1,000,000	0
6	Rehab Lootah	Board Member	0	0	0
7	H.E Abdullah Al Awar	Board Member	0	0	0
8	H.E Helal Almarri	Board Member	0	0	0
9	Mohamed Al Shaibani	Board Member	0	0	0
10	Abdul Rahman Al Shaibani[2]	Relative of a Board Member	125,073	0	0
11	Hind Adel Zarouni[3]	Relative of a Board Member	50,000	0	0
12	Mariam Adel Zarouni[4]	Relative of a Board Member	0	50,000	0
13	Samia Ahmed Abdulrahim Baker[5]	Relative of a Board Member	0	18,500	0

[1] As the ultimate beneficial owner of the shares held by Al Mal Capital, Mr. Amer Al Khayat conducted the referenced transactions through Al Mal Capital.
[2] Mr. Abdul Rahman Al Shaibani is a relative of Mr. Mohamed Al Shaibani.
[3] Hind Adel Zarouni is a relative of Adel Al Zaroni.
[4] Mariam Adel Zarouni is a relative of Adel Al Zaroni.

3. Board Formation

A. Statement of the current Board Formation

Name	Position	Status	Appointment
Khalid Ahmed Al Tayer	Chairman	Independent / Non-Executive	2005
Adel Mohammed Saleh Al Zarouni	Vice Chairman	Independent / Non-Executive	2004
H.E. Helal Saeed Al Marri	Member	Independent / Non-Executive	2004
Rehab Mohamed Hussain Lootah	Member	Independent / Non-Executive	2022
Ahmad Saed Mohd Fawzi Al Khayyat	Member	Independent / Non-Executive	2004
Eyad Ismail Sabti Mashal	Member	Independent / Non-Executive	2019
Amer Saad Al Khayyat[6]	Member	Non Independent / Non-Executive	2019
H.E. Abdulla Mohammed Al Awar	Member	Independent / Non-Executive	2022
Mohammed Abdulla Al Shaibani	Member	Independent / Non-Executive	2021

[5] Samia Ahmed AbdulRahim Baker is a relative of Adel Al Zaroni.
[6] Mr. Amer Al Khayat resigned from his role as a member of the Board of Directors on 31 August 2023 for personal reasons. Dr. Ziad Azzam was appointed to replace Mr. Amer Al Khayat on 1 September 2023. Dr. Ziad Azzam's appointment shall be ratified and subject to voting at the upcoming General Assembly.



Khalid Ahmed Al Tayer

Mr. Al Tayer has been a director of Taaleem since 2005 and is the Chairman of the Board of Directors. Mr. Al Tayer is also managing director at Al Tayer Insignia, the retail subdivision of Al Tayer Group, which is a multi-division conglomerate based in the UAE. Mr. Al Tayer previously worked at McKinsey & Co. and Emirates Financial Services and currently serves on the board of directors of the Retail Business Group at the Dubai Chamber.

Mr. Al Tayer holds a Bachelor of Science degree in Entrepreneurship, Corporate Finance and Economics from Babson College, United States.



Adel Mohammed Saleh Al Zarouni

Mr. Al Zarouni has been a director of Taaleem since its inception in 2004 and is the Founder, Vice Chairman and Chairman of the Executive Committee of the Group. Mr. Al Zarouni has extensive experience serving as a board member of several public and private joint stock companies within the Middle East region. In addition, Mr. Al Zarouni is the managing partner and founder of Rivoli Group, one of the largest Middle East luxury retailers in the UAE, Bahrain, Qatar, Kuwait and Oman, the vice chairman of the National General Insurance Company, one of the largest insurance companies in the UAE, and the Vice Chairman of Emirates Golf Federation. Mr. Al Zarouni is also the secretary general of the Arab Golf Federation and a board member of the UAE National Olympic Committee.

Mr. Zarouni holds a Bachelor of Science degree in Finance from the University of Central Florida, United States.



H.E. Helal Saeed Al Marri

His Excellency has been a director of Taaleem since its inception in 2004. His Excellency also serves as a member of the Executive Council of Dubai, and as the Director General of Dubai's Department of Economy and Tourism and of Dubai World Trade Centre Authority (DWTCA), the UAE's leading event venue and one of the largest event and exhibition centres in the Middle East. He has previously worked at consulting firms, McKinsey & Company and KPMG. His Excellency was recently appointed chairman of the Dubai Financial Market and is a member of the Supreme Committee to supervise the Expo 2020 Dubai District, the Dubai Chamber of Commerce and Industry and Emaar Malls PJSC.

His Excellency holds a Master of Business Administration (MBA) from the London Business School, United Kingdom, and is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales.



Rehab Mohamed Hussain Lootah

Ms. Lootah has been a director of Taaleem since 2022 and has over 20 years of experience in the financial industry and UAE government sector. Ms. Lootah is the Group Deputy Chief Executive Officer at National Bonds Corporation, a multi-asset class investment with multiple geographical allocations. She previously worked as the Chief Executive Officer of Mawarid Consultancy and a Senior Vice President of SME & Retail at Mawarid Finance PJSC. Ms. Lootah has previously served as a board member of Mawarid Technology.

Ms. Lootah is a Certified Shariah Advisor and Auditor. She holds a Bachelor of Science in Engineering from UAE University, UAE and an MBA from Stratford University, United States. Moreover, she holds a post graduate diploma in Islamic Finance from the Institute of Islamic Banking and Insurance, United Kingdom.



Ahmad Saed Mohd Fawzi Al Khayyat

Mr. Al Khayyat has been a director of Taaleem since its inception in 2004 and was a founding member of Taaleem. Mr. Al Khayyat is the Managing Director of Al Khayyat Investments, a diversified family business based in Dubai. He also co-founded Transmak, a construction equipment leasing company, and continues to serve on its board of directors. Mr. Al Khayyat is President of Sun in Motion, a start-up in the solar energy sector he founded in 2017. He is also a member of the YPO and a Fellow of the Aspen Institute, and previously worked as an associate at McKinsey & Company.

Mr. Al Khayyat holds a Bachelor of Science degree in Monetary Economics from the London School of Economics, United Kingdom and a postgraduate degree in International & Development Economics from Yale University, United States.



Eyad Ismail Sabti Mashal

Mr. Mashal has been a director of Taaleem since 2019 and has over 25 years of experience in investment and finance fields. Mr. Mashal is the Chief Investment Officer of National Bonds Corporation, a multi-asset class investment company with multiple geographical allocations. Mr. Mashal was previously the Managing Director and head of MENA investments at Al-Rashed Group, a large conglomerate based in the Kingdom of Saudi Arabia, an Executive Director at Bank Julius Baer in Dubai, the Head of Asset Management at Atlas Investment Group in Jordan and the Head of MENA Asset Management of the Arab Bank Group based in Dubai.

Mr. Mashal is a Chartered Financial Analyst and a member of the Chartered Financial Analyst Institute since 1999. Mr. Mashal holds an MBA and a Bachelor of Science degree with honours in Accounting and Business Administration from the University of Jordan, Jordan.



Amer Saad Al Khayyat[7]

Mr. Al Khayyat has been a director of Taaleem since 2019 and serves as the managing director of Al Khayyat Investments and AKM, vice chairman of Realty Capital, Vice Chairman of Transmak and Director of SIC. Mr. Al Khayyat previously sat on the board of Al Khayyat Investments.

Mr. Al Khayyat holds a Master's degree from Stanford University, United States and a Bachelor of Science degree in Civil Engineering from Imperial College London, United Kingdom.



H.E. Abdulla Mohammed Al Awar

His Excellency has been a director of Taaleem since 2022. His Excellency also serves as Chief Executive Officer of the Knowledge Fund Establishment and is a board member of Emaar Development PJSC, board member of Emirates International Accreditation Centre and a member of the oversight committee at Emirates NBD REIT. He previously served as the Chief Executive Officer of the Dubai International Financial Centre Authority and the Chief Executive Officer of the Dubai Islamic Economy Development Centre.

His Excellency holds a Bachelor of Science degree in Business Administration from the University of Colorado, United States. He is also a graduate of the Mohammed Bin Rashid Program for Leadership Development, a Dubai Government-run Executive Education programme for executives in the public and private sectors in Dubai.

[7] Mr. Amer Al Khayat resigned from his role as a member of the Board of Directors on 31 August 2023 for personal reasons. Dr. Ziad Azzam was appointed to replace Mr. Amer Al Khayat on 1 September 2023. Dr. Ziad Azzam's appointment shall be ratified and subject to voting at the upcoming General Assembly.



Mohammed Abdulla Al Shaibani

Mr. Al Shaibani has been a director of Taaleem since 2021 and heads the family office of Easa Saleh Al Gurg Group, a UAE-based conglomerate with 27 companies representing over 370 international brands. Mr. Al Shaibani serves as a board member of the Knowledge Fund Establishment and is a member of the investment committee of National Bonds Corporation. Mr. Al Shaibani previously worked at Investment Corporation of Dubai (ICD), the investment arm of the Government of Dubai, where he covered real estate investments in the UAE and globally including the ICD-Brookfield joint venture, a partnership with Brookfield Asset Management.

Mr. Al Shaibani holds a Bachelor of Science degree in Finance from Bentley University, United States, and an MBA from the London Business School, United Kingdom.

The business address for each of the directors is Taaleem Holdings PJSC, Office No. 105, Jumeirah Beach Road, P.O. Box 76691, Century Plaza, Dubai, UAE.



B. Women's representation on the Board of Directors

Ms. Rehab Lootah represents women on Taaleem's Board of Directors. Since her appointment in October 2022, Ms. Lootah also took on the role as the Chairperson of the Audit Committee, became a member of the Remuneration and Nominations Committee and became a member of the Education Sub-Committee. As a result of her roles on the Committees, Ms. Lootah has provided valuable perspective and input on the governance and monitoring of the internal controls of Taaleem, and Taaleem's workforce and core services.

Taaleem continues to provide support and equal opportunities to women. Besides representation on the Board of Directors, women at Taaleem hold positions of leadership where they actively participate in both the governance and operations of the Company.

Women hold positions in the Company's Senior Executive Management, Board Secretary, Legal Counsel, and other heads of departments. Furthermore, 23 out of the 31 schools that are owned/ operated by the Company are led by female principals.

Remuneration paid to members of the Board of Directors of the Company

For the financial year ended 31 August 2022, the aggregate total remuneration paid by Taaleem to its Board of Directors for their board-related duties was AED 3.7 million. Subject to SCA approval and the passing of the resolution at the AGM, the proposed remuneration to be paid to members of the Board of Directors for the fiscal year ending 31 August 2023 is AED 3.675 million.

C. Other Allowances paid for attending sessions of the committees emanating from the Board, which were received by the Board Members for the fiscal year 2022-2023

At Taaleem, Committee members receive a quarterly committee fee for their contribution to Taaleem's management and governance. The committee fee is not calculated based on the committee members' attendance at meetings and/ or the number of meetings held, the committee fee is driven by the achievement of the objectives set by the Board in line with the role of each Committee.

FY 22/23 Committee & Consultancy Fees		Q1	Q2	Q3	Q4	FY 22/23
Name	**Chair**					
Adel Mohammed Saleh Ali Alzarooni	Excom	18,750	18,750	18,750	18,750	**75,000**
Ahmad Al Khayyat	Excom	18,750	18,750	18,750	18,750	**75,000**
Rehab Lootah	Audit/ RemCom/ EdCom	37,500	37,500	37,500	37,500	**150,000**
Helal Saeed Salem Almarri	Excom	18,750	18,750	18,750	18,750	**75,000**
H.E. Abdulla Al Awar	RemCom	12,500	12,500	12,500	12,500	**50,000**
Amer Saad M F Al Khayyat[8]	Audit	12,500	12,500	12,500	12,500	**50,000**
Eyad Ismail Sabti Mashal	RemCom	12,500	12,500	12,500	12,500	**50,000**
Mohammed Abdulla A Rahaman Al Shaibani	Excom	18,750	18,750	18,750	18,750	**75,000**
Consultancy fee						
Amer Makki[9]	Consultancy	112,500	112,500	112,500	112,500	450,000
Ziad Azzam[10]	Consultancy	112,500	112,500	112,500	112,500	450,000
Total AED		375,000	375,000	375,000	375,000	1,500,000

D. The number of Board meetings held in the 2022-2023 Fiscal year along with their dates, attendance and whether resolutions were passed.

While the Board of Directors are required to meet at least four times each calendar year, the Board of Directors exceeded this requirement to ensure that the strategy, objectives, and goals communicated to its investors as part of the 2022 IPO are on the right path and that the milestones set are on track.

SR	Date of meeting	Number of Attendees	Number of Attendees via proxy	Names of Absent Members	Resolution Passed if any
1	**15 November 2022**	8	0	Mr. Amer Al Khayat	
2	**9 January 2023**	9	0		Approved the condensed consolidated interim financial statements for the 3-month period ending 30 November 2022
3	**2 March 2023**	9	0		
4	**4 April 2023**	9	0		Approved the Interim Condensed Consolidated Financial Statement for the 6-month period ending 28 February 2023
5	**6 June 2023**	9	0		
6	**10 July 2023**	9	0		Approved the Interim Condensed Consolidated Financial Statement for the 9-month period ending 31 May 2023

E. Delegation of Authority

The Board of Directors delegates to the Senior Executive Board powers relating to the day-to-day management and operations of the Company.

F. Statement of the details of transactions made with related parties during 2022-2023

Taaleem confirms that it did not conduct any transactions with any related parties during the fiscal year ending 31 August 2023.

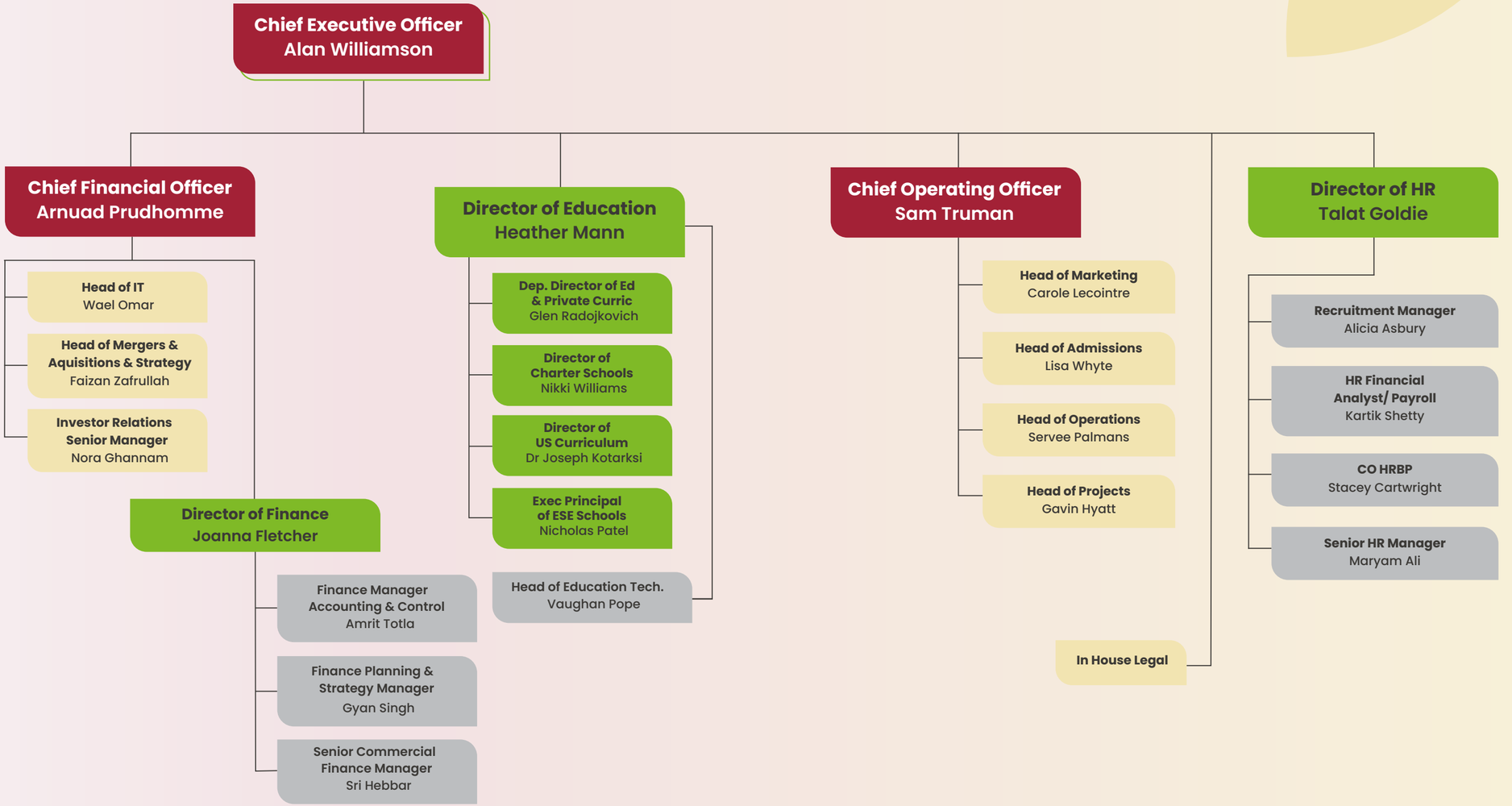
[8] Mr. Amer Al Khayat resigned from his role as a member of the Board of Directors on 31 August 2023 for personal reasons. Dr. Ziad Azzam was appointed to replace Mr. Amer Al Khayat on 1 September 2023. Dr. Ziad Azzam's appointment shall be ratified and subject to voting at the upcoming General Assembly.

[9] Amer Makki has been retained on a consultancy basis as a member of the Executive Committee.

[10] Dr. Ziad Azzam's consultancy agreement expired on 31 August 2023. His agreement was not renewed as he has been appointed as a member of the Board of Directors effective 1 September 2023. The decision regarding his appointment shall be ratified and subject to voting at the upcoming General Assembly.

G. Taaleem's Organizational chart

TAALEEM HOLDING PJSC ORGANIZATIONAL STRUCTURE





H. Senior Executive Board

The day-to-day management of the Company's operations is conducted by the senior management team. The current members of the Company's senior management are as follows:

Name	Position
Alan Williamson	Chief Executive Officer
Arnaud Prudhomme	Chief Financial Officer
Samuel Truman	Chief Operating Officer
Heather Mann [11]	Director of Education- until 27 August 2023
Rebecca Gray [12]	New Director of Education as of 1 August 2023
Talat Shirazi Goldie	Director of Human Resources

[11] Ms. Mann left her role with Taaleem, and she was replaced by Ms. Gray. There is an overlap between Ms. Gray's starting date and Ms. Mann's final working day with Taaleem due to the handover period.

[12] Ms. Gray joined the Company on 1 August 2023 to replace Ms. Mann.



Alan Williamson

Mr. Williamson has served as the Chief Executive Officer of the Company since 2019. Mr. Williamson previously served as the chief executive officer of a premium school's group in Dubai and led a Futures Trust learning community in the United Kingdom. Mr. Williamson has a wealth of experience as a teacher, Headmaster and Director of Schools.

Mr. Williamson holds an Honours degree in History with Russian Language from the University of Glasgow, Scotland, United Kingdom and attended the Harvard Graduate School of Education, United States.



Arnaud Prudhomme

Mr. Prudhomme has served as the Chief Financial Officer of the Company since 2017. Mr. Prudhomme has over 25 years of leadership experience internationally, including several chief financial officer roles. Mr. Prudhomme has held senior corporate roles with the European Bank for Reconstruction and Development (EBRD), AXA Real Estate and a Family Office in Abu Dhabi.

Mr. Prudhomme holds a master's degree in history from La Sorbonne University, France, a Master's degree in Finance and Law from Sciences Po Paris, and is a graduate of the 'Ecole Nationale d'Administration, Paris (the equivalent of Harvard Kennedy School- management, business, finance).



Samuel Truman

Mr. Truman joined the Company in 2005 and has served as the Chief Operating Officer of the Company since 2020. Mr. Truman has over 16 years of experience working in the international private school development sector. As Chief Operating Officer of Taaleem, Mr. Truman is responsible for delivering operational excellence and efficiency across the Company's portfolio of schools. He is also a member of the Company's Senior Executive Board.

Mr. Truman is a member of the Royal Institution of Chartered Surveyors (RICS). He holds a Master's degree in Commercial Management and Quantity Surveying from Heriot-Watt University, Scotland, United Kingdom and an Executive Leadership and Management Programme qualification from Henley Business School, United Kingdom.



Heather Mann

Ms. Mann served as the Director of Education of the Company from 2022 until 27 August 2023. Ms. Mann began her teaching career in Scotland, United Kingdom, followed by promoted posts in London and the Southeast of England. Ms. Mann previously served as the principal of Dubai British School, Jumeirah Park and Principal of Sheikh Zayed Private Academy. Ms. Mann has in-depth knowledge and understanding of UAE culture and context and has experience of teaching from Foundation Stage, Kindergarten, through to Year 13. Ms. Mann facilitates NPQML and NPQSL and is an assessor of NPQML, NPQSL, NPQH and NPQEL.

Ms. Mann holds, amongst other certifications, a Master's degree in School and College Management from Kingston University, United Kingdom, a Post Graduate Certificate in Quality Management in Education from Sheffield Hallam University, United Kingdom and a Primary Education Diploma from Aberdeen University, Scotland, United Kingdom.



Rebecca Gray

Ms. Gray took up the post of Director of Education at Taaleem replacing Ms. Heather Mann in August 2023.

Ms. Gray graduated with a degree in Psychology in 2002 and went on to complete her PGCE at the University of North London in the UK. She began her teaching career in the London borough of Tower Hamlets, where she gained her first senior leadership post and progressed to further senior leadership responsibilities in Peterborough.

Ms. Gray became a Deputy Headteacher at a school in Huntingdon, during which time she also completed her National Professional Qualification for Headship (NPQH). Ms. Gray has since been the Headteacher of a primary school in Northamptonshire, the founding Principal of a Preparatory school and an Improvement Cluster Lead for the David Ross Education Trust where she led on whole school improvement for eight of the trust's schools including Primary, Secondary and Special Needs Schools.

Ms. Gray and her family then left the UK for Dubai seeking new and exciting opportunities. Ms. Gray took up post within the Kings' group in Dubai in 2016, she initially held the responsibility of Principal at Kings' School Al Barsha a large, expanding all through school offering the British curriculum to students between the ages of 3 – 18, Ms. Gray then held a dual role which included the Director of Education for the Kings' Group for a period of 7 years before joining Taaleem.



Talat Shirazi Goldie

Mrs. Goldie has served as the Director of Human Resources of the Group since 2022. Mrs. Goldie has over 30 years of human resource experience and has worked in a leadership role in various industries from oil and gas at BP, aviation at British Airways, financial institutions at ABN AMRO Bank and pharmaceuticals with GlaxoSmithKline. Mrs. Goldie has received various HR Leadership Awards and was a judge for the International Business and Leadership Awards by Arcet Global in 2020.

Mrs. Goldie holds an online Bachelor's degree in Human Resources from Canyon College and a Certificate in Management Studies from Oxford Wolsey Hall College, United Kingdom. Moreover, she has completed various leadership programmes and certifications from Cornell University, United States, London Business School, United Kingdom and IMD, Switzerland.

Statement of the senior executives in the first and second grade their jobs, and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

Name of Executive	Position Appointment date	Total salaries and allowances paid for 2022/2023 (AED)	Total bonuses paid for 2022/2023 (AED)	Any other cash / in-kind bonuses for 2022/2023 or due in the future
Alan Williamson – CEO	1/7/2019	2,034,307	IPO Bonus – 12/12/2022 AED 409,500	-
Arnaud Prudhomme – CFO	18/12/2017	1,383,779	IPO Bonus – 12/12/2022 AED 271,800	-
Sam Truman – COO	1/1/2008 – start date with company. 10/11/2019 – Appointed COO	1,176,643	IPO Bonus – 12/12/2022 AED 91,950	-
Talat Shirazi Goldie – HR Director	17/1/2022	1,122,792	N/A	-
Heather Mann – Director of Education	1/4/2022- 27 August 2023	1,089,181	N/A	-
Ms. Rebecca Gray - Director of Education	1/8/2023	N/A	N/A	N/A

4. External Auditor

The external auditor of Taaleem was re-appointed at the Annual General Assembly on 20 October 2022. The appointment was conducted in accordance with UAE Company law, Taaleem's Articles of Association and in compliance with the Governance Guide.

The Audit Committee governs the relationship between Taaleem and the appointed external auditors.

Details of Fees Paid to the External Auditor for the financial year 2022-2023

Name of the audit office and partner auditor	**Ernst & Young Middle East (Dubai Branch) Partner Name – Janardhan R**	
Number of years he served as the company external auditor	**1 Year**	
The number of years that the partner auditor spent auditing the company's accounts	**1 Year**	
Total audit fees for 2022 in (AED)	**AED 1,406,913**	
Fees and costs of other private services other than auditing the financial statements for 2022 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.		**AED**
	IPO related	4,513,215
	Tax and Internal Audits	810,581
	LTIP Assessment	293,326
	Valuation Services	670,071
	Liquidation Services	31,400
	Total	**6,318,593**
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	**As described above**	
Statement of other services that an external auditor other than the company accounts auditor provided during 2022 (if any). In the absence of another external auditor, this matter is explicitly stated.	**Not Applicable**	

Committees of the Board of Directors

5. Audit Committee

"The Audit Committee's Chairwoman acknowledges her responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."

The external auditor of Taaleem was re-appointed at the Annual General Assembly on 20 October 2022. The appointment was conducted in accordance with UAE Company law, Taaleem's Articles of Association and in compliance with the Governance Guide.

The Audit Committee governs the relationship between Taaleem and the appointed external auditors.

Name	Position
Rehab Mohamed Hussain Lootah	Chair
Amer Saad Al Khayyat[13]	Member
Dr Ziad Azzam[14]	Member

The duties of the Audit Committee include assisting the Board of Directors in reviewing the Company's financial and accounting policies and procedures, monitoring and reviewing the integrity of the Company's financial statements and reports and its controls, overseeing matters relating to the Company's external auditor, overseeing matters relating to the Company's internal audit, reviewing related party transactions and making appropriate recommendations to the Board of Directors in respect of any such matters. The ultimate responsibility for reviewing and approving the Company's annual report and financial statements remains with the Board of Directors. The Audit Committee shall be required to take appropriate steps to ensure that the Company's external auditors are independent of the Company.

The SCA Governance Rules require that the Audit Committee must have at least three members who are non-executive and at least two members who are independent. One of the independent members must be appointed as chairman of the Audit Committee. All the members of the Audit Committee are required to be well-informed on financial and accounting matters and at least one of the members is required to have prior experience or certifications in accounting, finance, or other related fields. The Audit Committee shall be required to meet at least four times a year.

[13] Mr. Amer Al Khayat resigned from his role as a member of the Board of Directors on 31 August 2023 for personal reasons. Dr. Ziad Azzam was appointed to replace Mr. Amer Al Khayat on 1 September 2023. Dr. Ziad Azzam's appointment shall be ratified and subject to voting at the upcoming General Assembly.

[14] Dr. Ziad Azzam was retained on a consultancy basis. His consultancy agreement expired on 31 August 2023. His agreement was not renewed as he has been appointed as a member of the Board of Directors effective 1 September 2023. The decision regarding his appointment shall be ratified and subject to voting at the upcoming General Assembly.

SR	Date of meeting	Number of Attendees	Names of Absent Members
1	2 November 2022	3	-
2	3 January 2023	3	-
3	28 March 2023	2	Ms Rehab Lootah
4	3 July 2023	2	Dr Ziad Azzam

6. Nominations and Remuneration Committee

"The Nominations and Renumeration Committee's Chairman acknowledges his responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."

Certain members of the Board of Directors constitute a committee to review and oversee the Company's Nominations and Remuneration Committee.

The members of the Nominations and Remuneration Committee formally appointed on 23 November 2022 are as follows:

Name	Position
Eyad Ismail Sabti Mashal	Chairman
Rehab Mohamed Hussain Lootah	Member
H.E. Abdulla Mohammed Al Awar	Member

The Nominations and Remuneration Committee's responsibilities encompass assisting the Board of Directors in formulating a membership policy for the Board and senior management. This policy considers aspects such as gender diversity, regulatory compliance, and independence prerequisites. The Committee evaluates the independence of the board members and oversees the remuneration and benefits of senior management. In addition, it reviews the Company's human resource policies and recommends relevant adjustments to the Board of Directors as necessary.

Moreover, the Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board of Directors and Committees of the Board of Directors.

The SCA Governance Rules require that the Nominations and Remuneration Committee must be comprised of at least three members who are non-executive and at least two members who are independent. One of the independent members must be appointed as chairman of the Nominations and Remuneration Committee. The Nominations and Remuneration Committee shall be required to meet at least once a year.

SR	Date of meeting	Number of Attendees	Names of Absent Members
1.	12 December 2022	3	-
2.	4 July 2023	3	-
3.	23 August 2023	3	-

7. Executive Committee

"The Executive Committee's Chairman acknowledges his responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."

Certain members of the Board of Directors and individuals retained on a consultancy basis constitute a committee to oversee and monitor the implementation of the Company's corporate strategy. The members of the Executive Committee formally appointed on 23 November 2022 are as follows:

Name	Position
Adel Mohammed Saleh Al Zarouni	Chairman
H.E Helal Saeed Al Marri	Member
Amer Makki[15]	Member
Mohammed Abdulla Al Shaibani	Member
Ahmad Saed Mohd Fawzi Al Khayyat	Member

The duties of the Executive Committee include overseeing and monitoring the implementation of the Company's corporate strategy and providing recommendations on financial matters to the Board of Directors. The Executive Committee seeks to ensure that high standards of governance are observed by the Company and that the Company is meeting its goals and its responsibilities to its shareholders and stakeholders. The Executive Committee shall be required to meet at least ten times a year.

SR	Date of meeting	Number of Attendees	Names of Absent Members
1	7 November 2022	4	Mr Ahmed Al Khayyat
2	26 January 2023	4	Mr Ahmed Al Khayyat
3	21 March 2023	4	H.E. Helal Al Marri
4	30 May 2023	5	-
5	19 June 2023	5	-

[15] Mr. Makki was retained on a consultancy basis.

8. Education Sub-Committee

The Education Sub-Committee's Chairman acknowledges his responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."

Certain members of the Board of Directors and individuals retained on a consultancy basis constitute a sub-committee to review and oversee the performance of the Company's schools. The Education Sub-Committee is a sub-committee of the Executive Committee. The members of the Education Sub-Committee formally appointed on 23 November 2022 are as follows:

Name	Position
Dr Ziad Azzam[16]	Chairman
Amer Makki[17]	Member
Rehab Mohamed Hussain Lootah	Member

The duties of the Education Sub-Committee include setting targets with the Executive Committee, monitoring the academic performance of schools, reporting findings, offering recommendations, reviewing the five-year strategic plan, and monitoring developments to the relevant strategic plans. The Education Sub-Committee shall be required to meet at least seven times a year.

SR	Date of meeting	Number of Attendees	Names of Absent Members
1	Tuesday, November 1, 2022	3	-
2	Friday, January 20, 2023	3	-
3	Thursday, March 16, 2023	2	Ms Rehab Lootah

9. Internal Control/ Internal Audit System

Being that it is Taaleem's first year as a publicly listed company, the Board of Directors at Taaleem proactively wanted to identify any gaps in Taaleem's Internal control systems. The objective was to assess the methods and procedures applied to 1) avoid and mitigate potential risks and 2) ensure proper compliance with, and application of the Governance Guide.

The Board of Directors delegated the responsibility of monitoring internal processes to the Audit Committee. The Audit Committee conducted the assessment through a 3 Step plan:

A. Appointing a Compliance Officer; and

B. Appointing Baker Tilly to conduct quarterly internal audits; and

C. Appointing Grant Thornton to conduct an ICoFR review – Internal controls over financial reporting.

[16] Dr. Ziad Azzam was retained on a consultancy basis. His consultancy agreement expired on 31 August 2023. His agreement was not renewed as he has been appointed as a member of the Board of Directors effective 1 September 2023. The decision regarding his appointment shall be ratified and subject to voting at the upcoming General Assembly.

[17] Mr. Makki was retained on a consultancy basis.

A. Compliance Officer, Qualifications and Date of Appointment

The process of managing compliance is an independent task which aims at ensuring the Company's conformity with all applicable laws, regulations, and internal procedures. The key responsibilities of the Compliance Officer encompass the following:

- Ensuring compliance risks are adequately identified, assessed, and monitored across all departments within the Company.
- Creating a compliance program and aligning annual compliance plans with the strategies and goals of the Company.
- Setting out mechanisms to prevent fraud and verify adherence to policies and procedures.
- Contributing to a culture of compliance awareness and improved governance across the Company

The Compliance Officer reports any significant matters and irregularities to the Audit Committee. Additionally, the Compliance Officer shall also review the quarterly internal audits and the results of the ICoFR Review and prepare a remediation plan as part of the annual compliance program.

The Compliance function at Taaleem is headed by Ms. Natasha Pardasani, who was appointed by the Board on 6 June 2023. She has over 13 years of experience in various spheres of risk assurance including compliance, internal controls over financial reporting, financial operations, risk management, internal audits, and business process improvements. Prior to joining Taaleem, Ms. Pardasani worked in a Big 4 consulting firm across numerous geographic locations as well as in the education and logistics industries with a proven track record in providing assurance and advisory services and enhancing policy and procedure compliance by leading and monitoring international compliance efforts to significantly reduce gaps. She holds a Bachelor's in Business Administration (Finance & Accounting) from the American University in Dubai. She is also a qualified Chartered Accountant from the Association of Chartered Certified Accountants (ACCA) and holds a Certified Internal Auditor qualification from the Institute of Internal Auditors (IIA).

B. Internal Audit

Internal Audit, as an additional line of defence, provides objective assurance on the effectiveness and efficiency of risk management, internal control, and governance processes. Taaleem's internal audit function has been outsourced to the consulting firm, Baker Tilly, which were engaged in 2021 to deliver on a three (3) year audit plan, starting 1 January 2022. The plan has been developed using a risk-based approach focusing on key operational and financial areas and has been approved by Taaleem's Audit Committee.

The internal auditors present an assessment of the status of the internal control environment and the status of open follow-up action plans to the Audit Committee on a quarterly basis. We are not aware of any material problems faced by the Company that have not been disclosed in the Consolidated Financial Statements.

C. Internal Control Over Financial Reporting

During the fiscal year of 2022-2023, Taaleem also appointed Grant Thornton UAE to assess the design and operating effectiveness of the Internal Controls over Financial Reporting (ICOFR) for the Company based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework. COSO is recognized as a leading framework for designing, implementing, and evaluating the effectiveness of internal controls and Taaleem has started its journey to strengthen its control environment focused on financial reporting.

At the completion of the exercise, Grant Thornton UAE reported their findings to the Audit Committee with clearly defined remediation plans, including responsible persons and timelines for completion, as agreed with the business. Taaleem's management is committed to exercising sound risk management and is working closely with the Compliance Officer to ensure all action plans are implemented within the defined time frames. Key monitoring mechanisms are also in the process of being established on the agreed action plans with regular reporting and follow-up reviews as required.

10. Violations

Taaleem has not committed any violations of the Governance Guide or DFM rules during 2022-2023.

11. Statement of Cash and in-kind Contributions made by the Company during 2022-2023 in developing the local community and preserving the environment.

Not Applicable.

12. General Information

A. Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2022/2023.

SN	Month end	Closing Price	Highest Price	Lowest Price
1	November 2022	2.68	2.68	2.58
2	December 2022	2.60	2.63	2.58
3	January 2023	2.59	2.65	2.55
4	February 2023	2.66	2.91	2.45
5	March 2023	2.62	2.73	2.45
6	April 2023	2.65	2.69	2.52
7	May 2023	2.79	2.79	2.55
8	June 2023	4.04	4.04	3.00
9	July 2023	4.21	4.24	3.65
10	August 2023	4.17	4.30	4.09

B. Statement of the Company's comparative performance with the general market index and sector index to which the Company belongs during 2022/2023

SN	Year	General Market Index	Sector Index	Taaleem
1	2022/23	+19.33%	+60.43%	+36.67%

C. Statement of the shareholders' ownership distribution as of 31/08/2023 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

Ser.	Shareholders classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	Local	21.63	56.40	-	78.03
2	Arab	1.31	0.01	-	1.33
3	Gulf	1.24	5.84	-	7.08
4	Foreign	1.48	12.08	-	13.56
	Total	25.67	74.33	-	100.00

D. Statement of shareholders owning 5% or more of the Company's capital as on 31/08/2023 according to the following schedule:

Ser.	Name	Number of owned shares	Percentage of owned shares of the company's capital
1	National Bonds	223,635,135	22%
2	Knowledge Fund	136,373,465	14%
3	Al Mal Capital PSC	74,971,505	7%
4	Investment Trading Company LLC	72,494,720	7%
5	Ahmed Saad Al Khayaat	61,920,000	6%

E. Statement of how shareholders are distributed according to the volume of property as on 31/08/2023 according to the following schedule:

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	4,983	15,528,954	2%
2	From 50,000 to less than 500,000	295	43,792,407	4%
3	From 500,000 to less than 5,000,000	94	128,073,499	13%
4	More than 5,000,000	23	812,605,140	81%
	Total	5,395	1,000,000,000	100%

F. INVESTOR RELATIONS CONTACT INFORMATION

Title	Senior Investor Relations Manager
Name	Mrs. Nora Ghannam
Email	nghannam@taaleem.ae
Contact Number	+971501142365
Investor Relations Website	https://www.taaleem.ae/investor-relations/overview/

G. Statement of the special decisions presented in the General Assembly held during 2022-2023 and the procedures taken in their regard. –

At the time of issuance of this report, the Company had not yet held its first General Assembly as a Publicly listed company.

H. Board Secretary

Mrs. Marine Aoudi was appointed Taaleem's Board Secretary on 20 October 2022. She holds a BA of Law from the University of Wales, a postgraduate qualification from Nottingham Law School, and a BA of Philosophy from McMaster University, where she achieved a perfect score in Critical Thinking. With over 15 years of legal experience, Ms. Aoudi has been instrumental in several landmark UAE legal cases across various courts and arbitrations. Before Taaleem, she served as the in-house legal Counsel and Board Secretary for a local holding company for 11 years, overseeing their comprehensive legal matters. In 2023, she became a Certified Board Secretary from Hawkamah Institute.

In her role at Taaleem, Ms. Aoudi coordinates with Senior Executive Management and the Board, ensuring compliance with Corporate Governance, drafting resolutions and Board meeting minutes, and maintaining adherence to disclosure requirements, Blackout periods, and insider trading policy.

I. Emiratisation

Taaleem's Emiratisation rate for the fiscal year 2022-2023 is 12%.

J. Innovative projects and initiatives 2022-2023.

No Food Waste Initiative

In May 2023, the Primary students at all Taaleem Schools had a captivating story time session exploring the issue of food waste and its negative impact. This immersive experience was organised as part of a joint effort by deliveroo and taaleem to educate young learners about the significance of tackling food waste.

Through engaging storytelling and interactive discussions, students gained valuable knowledge about how food waste affects the environment and society.

This educational initiative demonstrates Taaleem's dedication to fostering environmental awareness and encouraging responsible consumption among its students.





Simply Bottles Initiative- Dgrade

In January 2023, students at Dubai British School – Emirates Hills led the Simply Bottles Initiative at DBSEH in both Primary and Secondary had a fantastic opportunity to be a part of the documentary by Dubai One TV and Dubai Eye, showing how Dgrade supports a circular economy and promotes sustainability. Two of our students have been so inspired by their experiences with Dgrade, they have used the competition prize money to set up their own DBSEH Ecoshop, encouraging less waste in our school. Our Eco Leaders also featured in the documentary.

E-waste Campaign with Recycle Right

Dubai British School – Jumeirah Park collaborated with Recycle Right to help our school learn more about how to properly manage electronic waste and reduce the amount of this waste. An e-waste bin was placed in the school for 4 weeks for the community to participate.

Engineering a Sustainable Future- Dyson Schools Programs

Conducted in September 2023 at Dubai British School – Jumeirah Park, the aim of the program was to inspire and excite younger secondary school children about engineering, innovation and sustainability.

Module 1: Theme: How clean Is your air?

Module 2: Theme: How much oil?

Module 3: Theme: Home Made Vacuum Cleaner

Module 4: Theme: The Power of Air

Pink Run

on October 11, 2022 A JAS initiative with Damac Hills Community to raise awareness of Pink October and women's health.

Mind24 Swimathon

Between 3 March and 4 March 2023, our Jebel Ali School community took part in the swimathon to raise awareness of motor neuron disease and the MND24 global initiative.



Ramadan Iftar Cannon

In March 2023 Students at our Jebel Ali School took part in the Ramadan Iftar Cannon to raise awareness of iconic cultural traditions and share the holy month traditions with the community.



Kenya Community Service Trip

In June 2023, Taaleem Grade 9 students from Jebel Ali School travelled to Tsavo in Kenya on a life-changing expedition in support of the UN's Sustainability Development Goals:

SDG 1 No poverty - Sustainable livelihoods

SDG 4 Quality education - School facilities for local communities

SDG 5 Gender equality - Sustainable livelihoods

Building Resilience to Counter Bullying- Workshop

The workshop was organized in cooperation with Dubai Schools - Midrif as part of the 6th National Bullying Prevention Week.

Urban Farm at American Academy for Girls

The project was developed at American Academy for Girls to support a sustainability drive with the students.

WER Robotics World Championships' at schools.

Uptown International School Taaleem secondary students collaborated with primary students, students visiting from the U.K. & students in Mexico & Hong Kong via zoom to solve real world robotics problems. The event hosted 52 students from across the globe and was hosted by the Uptown International School's Science Dept. This academic year, aims to graduate students to the prestigious World Championships which involves 10,000 competing students from across the globe, through the International Opens and the National / Regional Championships. These competitions aim to develop students STEAM skills, sci-tech talents, improve sci-tech accomplishment and cultivate successful intelligence.



'Design Engineer Construct' Centre of Excellence in the Middle East at UIS

Uptown International School were proud to host a unique opportunity to attend real-world work experience in school, led by leading global construction professionals. In collaboration with Design Engineer Construct [DEC], Turner & Townsend, and Heriot Watt University, students were given the distinct opportunity to "Design a Recording Studio & Live Music Venue for a real-life client", under the concept Class Of Your Own (COYO). COYO curriculum components were delivered in collaboration with a network of global construction professionals.



Innovation Hub project at Raha School, allowing students to explore passions and interests and inviting teachers and leaders from all schools to discuss opportunities and ideas around inquiry-based learning.

Raha International School has taken a long, developing and iterative path to integrating Innovation into school-based curriculum, culminating in the launch of several Primary school and a Secondary school 'Innovation Hub' and Maker Space. These spaces allow for the development of STEAM skills and aid in the integration of critical thinking and problem-solving skills from a young age. These innovation hubs also aid in the development of Digital Literacy skills to further aid the development and growth of students joining the 21st century workforce.

'F1 in Schools' at DBS JP and RIS GC

Development of E-Sports programs in schools through the introduction of afterschool programs allowing for the Pearson BTEC Level 3 E-Sports pathways.



Chairman of the Board of Directors

Chairman of the Audit Committee

Chairman of the Nomination and Remuneration Committee

Chairman of the Executive Committee

Chairman of the Education Sub-Committee

Head of Compliance

Date: 03 October 2023

INTRODUCTION

STRATEGIC REPORT

SUSTAINABILITY

OUR LEADERSHIP

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

06



DIRECTORS' REPORT

The Board of Directors have the pleasure of presenting the annual report and audited consolidated financial statements of Taaleem Holdings P.J.S.C. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 August 2023. The Company operates under the trade name Taaleem Holdings P.J.S.C. (Public Joint Stock Company) as per the trade license no. 591478 issued by the Department of Economic Development.

Management's responsibilities

The UAE Federal Decree Law No. (32) of 2021 on the Commercial Companies and its amendments requires the management to prepare the consolidated financial statements which present fairly the state of affairs of the Group and the consolidated performance for the financial year.

The accompanying consolidated financial statements are prepared in conformity with the statutory requirements and International Financial Reporting Standards, including the underlying accounting policies, estimates and judgments. All relevant accounting records and information were considered to prepare these consolidated financial statements.

Principal activities

The Group has been licensed to provide and invest in educational services.

Financial Results

The Group has recorded a net profit attributable to equity holders of the Company of AED 117.3 million for the year ended 31 August 2023, compared with AED 82.9 million in the prior year.
In accordance with the Articles of Association of the Company and applicable UAE Federal Law, the transfer to statutory reserve from the distributable profit has been suspended as the reserve has reached more than 50% of the paid-up share capital following the proceeds received from the IPO on 29th November 2022 through the issuance and classification of new shares.

Dividends

The Board of Directors of the Company has proposed a cash dividend of AED 110 million payout (AED 0.11 per share or 93.7% of profit for the year ended 31 August 2023 attributable to equity holders), which is subject to the approval of the shareholders at the forthcoming Annual General Assembly of the Company.

Total equity attributable to the owners of the Company for the year ended 31 August 2023 amounts to AED 1,671 million prior to proposed dividend.

Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 August 2023.

Transactions with related parties

The consolidated financial statements disclose significant related party transactions and balances in note 21. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Corporate income tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the consolidated financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 September 2023. The Ministry of Finance continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 September 2023. However, the related deferred tax accounting impact has been considered for the year ended 31 August 2023. Following assessment of the potential impact of the UAE CT Law on the consolidated balance sheet, the Group's management has concluded that there is no material temporary differences on which deferred taxes should be accounted.

The Group will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position for the subsequent reporting dates.

Subsequent events

Other than as disclosed in Note 33, there were no other significant events subsequent to the year-end that requires either adjustments or disclosures in the consolidated financial statements.

Directors

Mr. Khalid Ahmed Humaid Matar Altayer	Chairman
Mr. Adel Mohammed Saleh Alzarouni	Vice - Chairman
H.E. Helal Saeed Salem Saeed Almarri	Board Director
Mr. Amer Saad Mohammed Fawzi Alkhayyat	Board Director
Mr. Ahmad Saed Mohd Fawzi Al Khayyat	Board Director
Mr. Eyad Ismail Sabti Mashal	Board Director
Mr. Mohammed Abdulla A Rahman Alshaibani	Board Director
H.E. Abdulla Mohd Abdulla Mohd Alawar	Board Director (appointed on 1st September 2022)
Ms. Rehab Mohamed Hussain Lootah	Board Director (appointed on 1st September 2022)

Auditors

Ernst and Young Middle East (Dubai Branch) ("EY") were appointed as external auditors for the Group for the year ended 31 August 2023. EY have expressed their willingness to continue in the office. A resolution for the appointment of the auditors for the subsequent financial year will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

DocuSigned by:
F150E7FE966B4F5...

Chairman

Vice Chairman

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taaleem Holdings P.J.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 August 2023, and the consolidated statement of profit or loss, consolidated statement of other 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 August 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 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 judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of the 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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - Tuition fees	
Revenue (i.e. tuition fees) is an important determinant of the Group's performance and profitability. Tuition fees are earned from a high number of students across the portfolio of schools operated by the Group. This gives rise to the inherent risk whereby revenue may not be recognised appropriately over each term of the School's academic year and in accordance with the requirements of IFRSs. Given its magnitude and the underlying inherent risk, we consider recognition of revenue in the appropriate period to be a key audit matter. Refer Note 3.1 for the revenue recognition policy and Note 16.1 for the disclosures on revenue recognised during the year ended 31 August 2023.	We performed the following procedures in relation to revenue recognition: • Read the Group's revenue recognition accounting policy and assessed whether it is in accordance with the requirements of IFRSs. • Obtained the Group's processes and underlying controls to recognise tuition fees revenue, and performed walkthrough over the design of those controls on a sample basis. • Performed analytical review procedures on the School's tuition fees revenue to assess and examine the movements of tuition fees revenue during the year by School. • On a sample basis, tested whether the tuition fees revenue recognised were recorded in the correct school term by verifying the underlying student contracts registered with Knowledge and Human Development Authority (KHDA), fee invoices, bank statements and other supporting documents, and assessed whether the revenue recognised was in accordance with the terms agreed and recognised in accordance with the requirements of IFRSs. • On a sample basis, tested whether the underlying calculation for discounts given to students are in accordance with the contractual arrangements and duly approved. • Ensured that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRSs.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Directors Report and does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 on other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information. We have nothing to report in this regard.

Responsibilities of Management and The Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Decree Law No. 32 of 2021, and for such internal control as 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

We communicate with the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 August 2023:

i) the Company has maintained proper books of account;
ii) we have obtained all the information we considered necessary for the purposes of our audit;
iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and the Articles of Association of the Company;
iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Company;
v) investment in shares and stocks during the year ended 31 August 2023, if any, are disclosed in note 1 to the consolidated financial statements;
vi) note 21 reflects material related party transactions and the terms under which they were conducted;
vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 August 2023, any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or of its Articles of Association which would have a material impact on its activities or its consolidated financial position as at 31 August 2023; and
viii) note 18 reflects the social contributions made during the year ended 31 August 2023.

For Ernst & Young



Signed by:
Anthony O'Sullivan Partner
Registration No: 687

3 October 2023

Dubai, United Arab Emirates

Consolidated statement of financial position

As at 31 August 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	2023 AED	2022 AED
Assets			
Non-current assets			
Property and equipment	8 (i)	1,168,872,964	1,160,278,413
Investment property	8 (ii)	10,868,123	11,438,599
Intangible assets	7	38,445,326	41,119,734
Goodwill	6(b)	239,997,759	239,997,759
Right-of-use assets	28(i)	211,434,597	177,130,827
Net investment in finance lease	28(i)	3,623,459	3,423,325
Capital advances	8(i)(g)	18,894,549	-
		1,692,136,777	**1,633,388,657**
Current assets			
Fees and other receivables	9	47,761,008	83,760,649
Wakala deposits	10	475,147,917	-
Cash and cash equivalents	11	227,544,412	243,150,477
		750,453,337	**326,911,126**
Total assets		**2,442,590,114**	**1,960,299,783**
Equity and liabilities			
Equity			
Share capital	24	1,000,000,000	750,000,000
Statutory reserve	26	542,459,941	63,297,202
Own shares	25	(10,511,347)	-
Own shares reserve	25	(31,057,144)	-
Retained earnings		170,512,734	120,674,141
Total equity		**1,671,404,184**	**933,971,343**

	Notes	2023 AED	2022 AED
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	12	27,000,000	304,125,318
Lease liabilities	28(ii)	215,798,988	187,000,470
Deferred income on government grant	14	44,939,998	46,308,674
Debentures payable	15	18,054,911	26,543,685
Retentions payable		1,978,934	-
Provision for employees' end of service benefits	13	32,969,372	29,443,351
		340,742,203	**593,421,498**
Current liabilities			
Trade and other payables	15	117,617,340	135,602,728
Fees received in advance	16.2	291,906,141	252,570,223
Interest bearing loans and borrowings	12	219,909	28,296,892
Lease liabilities	28(ii)	18,367,004	13,999,799
Deferred income on government grant	14	2,333,333	2,437,300
		430,443,727	**432,906,942**
Total liabilities		**771,185,930**	**1,026,328,440**
Total equity and liabilities		**2,442,590,114**	**1,960,299,783**

These consolidated financial statements were approved by the Board of Directors on 3 October 2023 and signed on their behalf by:



Chairman



Vice Chairman

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated statement of profit or loss

For the year ended 31 August 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	2023 AED	2022 AED
Revenue	16.1	**804,108,580**	**623,332,614**
Finance and other income			
Rental income	8(i),8(ii)	1,561,668	911,723
Income from deferred government grant	14	2,333,333	2,437,300
Finance income	22	25,504,711	1,747,228
Other income	20.2	3,717,772	12,141,269
Total finance and other income		**33,117,484**	**17,237,520**
Expenses			
Operating costs	17	(468,452,448)	(370,307,303)
General and administrative expenses	18	(138,161,814)	(95,823,699)
Amortisation of intangible assets	7	(2,674,408)	(1,061,916)
Depreciation on property and equipment	8(i)	(69,160,108)	(58,127,333)
Depreciation on investment property	8(ii)	(570,476)	(237,702)
Amortisation of right-of-use assets	28(i)	(14,214,681)	(13,361,870)
Finance costs	23	(26,653,536)	(18,729,258)
Total expenses		**(719,887,471)**	**(557,649,081)**
Profit for the year		**117,338,593**	**82,921,053**
Earnings per share			
Basic and diluted, profit for the year attributable to ordinary equity holders of the Company (in AED per share)	31	**0.13**	**0.11**

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 August 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	2023 AED	2022 AED
Profit for the year	117,338,593	82,921,053
Other comprehensive income	-	-
Total comprehensive income for the year	**117,338,593**	**82,921,053**

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated statement of profit or loss

For the year ended 31 August 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Share capital	Statutory reserve	Own Shares	Own shares reserve	Retained earnings	Total
	AED	AED	AED	AED	AED	AED
As at 1 September 2021	750,000,000	53,950,583	-	-	114,599,707	918,550,290
Profit for the year	-	-	-	-	82,921,053	82,921,053
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	82,921,053	82,921,053
Dividends (Note 27)	-	-	-	-	(67,500,000)	(67,500,000)
Transfer to statutory reserve (Note 26)	-	9,346,619	-	-	(9,346,619)	-
As at 31 August 2022	**750,000,000**	**63,297,202**	**-**	**-**	**120,674,141**	**933,971,343**
As at 1 September 2022	750,000,000	63,297,202	-	-	120,674,141	933,971,343
Profit for the year	-	-	-	-	117,338,593	117,338,593
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	117,338,593	117,338,593
Issuance of share capital (net) (Note 24)	250,000,000	479,162,739	-	-	-	729,162,739
Own shares (Note 25)	-	-	(10,511,347)	(31,057,144)	-	(41,568,491)
Dividends (Note 27)	-	-	-	-	(67,500,000)	(67,500,000)
As at 31 August 2023	**1,000,000,000**	**542,459,941**	**(10,511,347)**	**(31,057,144)**	**170,512,734**	**1,671,404,184**

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 August 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	2023 AED	2022 AED
Operating activities			
Profit for the year		117,338,593	82,921,053
Adjustments for:			
Depreciation on property and equipment	8(I)	69,160,108	58,127,333
Depreciation on investment property	8(ii)	570,476	237,702
Amortisation of right-of-use assets	28(I)	14,214,681	13,361,870
Amortisation of intangible assets	7	2,674,408	1,061,916
Provision for employees' end of service benefits	13	12,629,226	8,490,458
Allowance for impairment on fees and other receivables	9	5,398,219	1,647,170
Gain on disposal of property and equipment	20.2	(48,229)	(57,143)
Impact of modification of right-of-use assets and lease liabilities		-	(221,916)
Loss on derecognition of right-of-use assets		-	357,380
Finance income	22	(25,504,711)	(1,747,228)
Finance costs	23	26,653,536	18,729,258
Income from deferred government grant	14	(2,333,333)	(2,437,300)
Income from unwinding of debentures payable	20.1	(711,040)	(711,040)
Other non-cash items		860,690	-
Operating cash flows before changes in working capital		**220,902,624**	**179,759,513**
Changes in working capital:			
Change in fees and other receivables		30,807,500	(9,475,538)
Changes in restricted cash		(12,113,721)	(11,650,205)
Change in fees received in advance		39,335,918	62,874,981
Change in trade and other payables		13,869,281	(13,130,351)
Cash flows generated from operations		**292,801,602**	**208,378,400**
Payment of employees' end of service benefits	13	(9,103,205)	(6,879,863)
Net cash flows from operating activities		**283,698,397**	**201,498,537**
Investing activities			
Additions to property and equipment, net of retentions payable	8(I)	(75,168,049)	(86,820,583)
Capital advances		(18,894,549)	-
Proceeds from disposal of property and equipment		48,229	57,143
Receipts from sub-lessor		-	369,386
Changes in wakala deposits, net		(475,147,917)	45,131,389
Acquisition of subsidiary, net of cash acquired	6(A)	(33,500,000)	(164,338,421)
Interest received	22	25,098,499	1,662,259
Net cash flows used in investing activities		**(577,563,787)**	**(203,938,827)**
Financing activities			
Issuance of share capital	24	729,162,739	-
Acquisition of own shares, net	25	(41,568,491)	-
Proceeds from bank borrowings	12	54,000,000	160,000,000
Repayment of bank borrowings	12	(358,553,897)	(24,523,098)
Payments towards lease liabilities	28(ii)	(21,485,859)	(13,848,457)
Interest paid	12	(13,943,536)	(7,071,159)
Dividends paid	27	(67,455,000)	(67,853,749)
Repayment of debentures		(14,010,352)	(5,756,662)
Net cash flows from financing activities		**266,145,604**	**40,946,875**
Net (decrease) / increase in cash and cash equivalents		**(27,719,786)**	**38,506,585**
Cash and cash equivalents at the beginning of the year		227,986,388	189,479,803
Cash and cash equivalents at the end of the year	11	**200,266,602**	**227,986,388**

Significant non-cash transaction: In 2022 the transfer of building amounting to AED 11,676,301 from property and equipment to investment property. Refer note 8(i) and 8(ii)

The attached notes 1 to 34 form part of these consolidated financial statements.

Notes to the consolidated financial statements

As at and for the year ended 31 August 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

1 Status and principal activities

Taaleem Holdings Private Joint Stock Company (the "Parent Company" or the "Company") was incorporated on 5 February 2007 and registered under trade license no. 591478 issued by the Department of Economic Development, Dubai, United Arab Emirates (UAE) dated 14 February 2007 as a Private Joint Stock Company in accordance with the requirements of UAE Federal Decree Law No. (32) of 2021. The registered address of the Parent Company is P.O Box 76691, Dubai, UAE.

Pursuant to the resolution passed in the extra-ordinary general meeting 29 August 2022, the shareholders had amongst others resolved the following:

(i) conversion of the legal status of the Company from a Private Joint Stock Company to a Public Joint Stock Company through an Initial Public Offering ("IPO").
(ii) to increase the Company's authorised share capital from AED 750 million to AED 1 billion (at par value) by way of issuance of new shares part of the IPO process.

On 22 November 2022, the Security and Commodities Authority ("SCA") (UAE) approved the Company's application for the offering and issuance of 250 million new shares representing 25% percent of the Company's authorised share capital (Note 24).

On 29 November 2022, the Company's shares became listed in the Dubai Financial Markets ("DFM") Stock Exchange, UAE. Pursuantly, the Company's status changed from "Private Joint Stock Company" to "Public Joint Stock Company". The legal formalities in this regard were completed on 29 November 2022.

The Company's shareholding and principal activities of the subsidiaries (collectively referred to as the "Group") are as follows:

Name	Percentage of equity interest	Country of incorporation	Principal activities
Taaleem LLC	100%	United Arab Emirates	Involved in setting up several schools.
Taaleem Management LLC***	100%	United Arab Emirates	Involved in providing licensing, administrative and technical services for structuring, developing, managing and operating schools.
Taaleem SPV Limited*	100%	United Arab Emirates	Involved in providing and investing in educational services.
Taaleem Holdings Sole Proprietorship LLC**	100%	United Arab Emirates	Investment and management of educational and commercial enterprises.
Madaares Operations Limited	100%	United Arab Emirates	General trading activities
Madaares Management Limited	100%	United Arab Emirates	General trading activities

* 100% Owned by two shareholders of the Parent Company for its beneficial interest. Based on contractual arrangements between the Company and other shareholders, the Company has power to direct the relevant activities of these subsidiaries and derive full economic benefits (bear losses) from the operations of these subsidiaries. Hence, the Group considers that it controls certain subsidiaries.

** 100% owned by Taaleem SPV Limited.

*** Taaleem Management LLC includes operation of the Branch of Taaleem Management LLC (Branch).

The principal activities of the Group are providing and investing in educational services.

School operations

Taaleem LLC is involved in management and operations of the following schools:

(a) Dubai British School ("DBS")
(b) American Academy for Girls ("AAG")
(c) Raha International School - Sole Proprietorship LLC ("RIS")
(d) Greenfield International School ("GIS")
(e) Jumeira Baccalaureate School ("JBS")
(f) Uptown International School ("UIS")
(g) Dubai British School Jumeriah Park Foundation ("DBF")
(h) Dubai British School Jumeirah Park ("DBS-JP")
(i) Raha International School Khalifa-A - Sole Proprietorship LLC ("RIS-KA")
(j) Jebel Ali School ("JAS")
(k) Dubai British School Jumeira ("DBS-J")

The trade licenses of the above Schools are legally held by Taaleem Management LLC. and Taaleem Holdings Sole Proprietorship LLC.

Managed School operations

The Group has also entered into management and operation agreements to manage and operate certain other schools as follows:

a. With the Abu Dhabi Department of Education and Knowledge ("ADEK")

- During 2019, to manage and operate four charter schools in Abu Dhabi, UAE commencing from academic year 2019-20 for an initial period of 3 years. This agreement was renewed during 2022 for a successive 2 years upon completion of the initial period with an option for further extension by another 5 years.
- During 2020-21, the above-mentioned management agreement was amended to manage and operate two additional charter schools in Abu Dhabi, UAE commenced from academic year 2021-22.
- Further, the Group entered into a new operating and management agreement dated 31 May 2022 with ADEK, (which superseded the original agreement) and incorporates a total of nine schools including the original six plus three new schools commenced from 1 September 2022 for an initial period of 2 years. The Group has an option to renew this agreement for 2 years upon completion of the initial period, with an option for further extension by another 5 years.
- During 2022-23, the above-mentioned agreement was amended to manage and operate one additional school in Abu Dhabi, UAE from Academic year 2023-24.
- The Group recognises the management fees as an agent in relation to the arrangements with ADEK.

b. With The Executive Council ("TEC") and Knowledge Fund Establishment (KFE)

- During 2021, to manage and operate two schools of TEC in the Emirates of Dubai, Dubai School Corporation LLC Al Barsha ("DSB") and Dubai School Corporation LLC Mirdif ("DSM"), starting from the academic year 2021-22 for an initial period of 7 years, renewable on the same terms for two additional periods of 7 years each.

The land and the buildings on which the schools are constructed is leased by TEC and not recharged to the Group. The Group will be responsible for the schools' operations and maintenance required during the agreement period.

- Pursuant to the novation agreements entered into between the Group, TEC and Knowledge Fund Establishment (KFE) during 2022, all rights and obligations of TEC under the original agreement were novated to KFE.
- Further, KFE mandated the Group to manage and operate the 'Dubai Schools' Nad Al Sheba vide agreement dated 20 June 2022, from the academic year 2022-23.
- The Group acts as a principal in relation to operation of the above schools as it derives full economic benefits and has control over the strategic and day to day operations of the schools.

c. With Emirates School Establishment ("ESE")

- During 2022, to manage and operate four schools in connection with the Ajyal (Generations) School ("Ajyal Schools") initiative by the Federal Ministry of Education, namely Al Maktoum School (Dubai), Al Qarayen School (Sharjah), Al Mataf School (Ras Al-Khaimah) and Al Furqan School (Eastern Sharjah) commenced from academic year 2022-23.
- During 2023, the Group was awarded to manage and operate four additional schools namely LBHS School (Fujairah), WAHS School (Eastern Sharjah), OBAS School (Ajman) and SMGS School (Sharjah) from academic year 2023-24.

The above schools are collectively referred to as the "Schools". The Group acts as an agent in relation to the arrangement with ESE.

The Group has not purchased or invested in any shares or stocks during the year ended 31 August 2023 (2022: Nil).

2 Basis of preparation

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and the applicable provisions of the Company's Articles of Association and UAE Federal Decree Law No. (32) of 2021.

These consolidated financial statements are prepared under the historical cost basis, except otherwise stated.

The consolidated financial statements are presented in the United Arab Emirates Dirham (AED), which is the Group's functional currency, unless otherwise stated.

2.2 Basis of Consolidation

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

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

When the Group 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 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 statement of profit or loss 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 subsidiaries to bring their accounting policies into 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.

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 the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

3 New standards, interpretations and amendments thereof, adopted by the group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 August 2022, except as follows:

(a) New IFRS standards, interpretations and amendments in issue and effective

The following new IFRS standards, interpretations and amendments, which became effective as on 1 January 2022 (unless otherwise stated), have been adopted in these consolidated financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- IAS 41 Agriculture – Taxation in fair value measurements
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The above amendments had no significant impact on the consolidated financial statements of the Group.

(b) Standards, amendments and interpretations in issue but not effective

The new and amended standards and interpretations that are issued, but not yet effective, as at year end are disclosed below:

- Classification of liabilities as Current or Non-current – Amendments to IAS 1, effective from 1 January 2023
- IFRS 17 Insurance Contracts, effective from 1 January 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2, effective from 1 January 2023
- Definition of Accounting Estimate – Amendments to IAS 8, effective from 1 January 2023
- IFRS 10 and IAS 28 – Sale or Contribution of Assets between an investor and its Associate or Joint Venture, (Effective date deferred indefinitely)
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities airing from a single Transaction, effective from 1 January 2023

Management does not expect the adoption of the above new IFRS standards, amendments and interpretations to have a material impact on the consolidated financial statements of the Group as and when they are adopted.

3.1 Significant accounting policies

Revenue from contracts with customers

The Group is in the business of providing educational and educational support services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services after excluding discounts, if any. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services and management fees from ADEK and ESE below, because it typically controls the goods or services before transferring them to the customer.

The revenue from different contracts with customers is recognised as follows:

- Tuition, fees are recognised over the period of time the services are rendered.
- Re-registration and admission fees for existing students are recognised over the period of time the services are rendered.
- Application fees is recognised at point in time.
- Management fees from ADEK and ESE are recognised over the period of time the underlying management services are rendered.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Agency services income

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

Agency services income includes income from sports activity, commission income from transportation services, sale of uniform and canteen sales and conferences. Such income is recognised as the underlying sales /or services are delivered /or rendered.

Significant financing component

Generally, the Group receives short-term advances from its customers (fee received in advance). Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less

Contract balances

Fees receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (usually students) (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer (usually students) before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Borrowing costs

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

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises 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 recognises right-of-use assets at the comm encement 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 recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plots of land and buildings 20 to 50 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets for details.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The short-term leases includes leases for corporate office and staff accommodation.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

If sub-lease is for major part of the right-of-use assets, then it is classified as finance lease. The right-of-use assets relating to the portion of the head lease that is sublet is derecognised and net investment in the sub-lease is recognised (using the IBR considered for recognition of the head lease). Any difference between the carrying amount of right-of-use assets and the net investment in sub-lease is recorded in the consolidated statement of profit or loss, and the Group continues to recognise the lease liability relating to the head lease. Interest income on sub-lease is recognised in the consolidated statement of profit or loss.

Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work-in-progress are not depreciated.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Estimated useful lives of the assets as follows:

	Years
Buildings	20-30
Leasehold improvements and outdoor equipment	10-20
Furniture and fixtures	4-5
Books, office, classroom and IT equipment	3-5
Motor vehicles	4

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial period end.

Investment property

Property held for rental or capital appreciation purposes is classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment loss.

Depreciation on asset is calculated using the straight-line method to allocate the cost to its residual value over the estimated useful life of 30 years.

The useful life, depreciation method and residual value method is reviewed periodically to ensure that the method and period of depreciation is consistent with the expected pattern of economic benefits from the asset.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

The Group determines at each reporting date whether there is any objective evidence that the investment property is impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss. The recoverable amount is higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised previously is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

When the development of investment property commences, it is classified under capital work-in-progress until development is complete, at which time it is transferred to the respective category and depreciated in accordance with the Group's policy.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit of loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Estimated useful lives of intangibles are as follows:

	Years
Brand and curriculum	5
Student relationships	10 -14
Below market leases	17 -49

Financial Instruments

i) Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group has no debt instruments classified as fair value through OCI as at the reporting date.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has no equity instruments classified as fair value through OCI as at the reporting date.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group has no financial assets classified as fair value through profit or loss as at the reporting date.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss or OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group seeks to limit its credit risk with respect to student's fees by regularly monitoring outstanding fees receivable. An established impairment analysis is performed at each reporting date using an expected credit loss rate based on days past due for such receivables (e.g. by student) and taking into consideration the reasonable and supportable information that is available at the reporting date about past events, prevailing and forecasts of future economic conditions.

The Group considers a financial asset in default when contractual payments are past due the credit period as per the invoice. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

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

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

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group does not have financial liabilities classified as fair value through profit or loss as at the reporting date.

Financial liabilities at amortised cost (Loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

Derecognition of financial liabilities
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 profit or loss.

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.

Fair value of financial instruments
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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) 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 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.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, of quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit of loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 August and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. When the Group disposes of an operation within a cash-generating unit to which goodwill is allocated. The goodwill associated with the operation disposed shall be included in the carrying amount of the operation when determining the gain or loss on disposal and measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the 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 equivalents 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 the 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

The Group classifies all other liabilities as non-current.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Own shares
Own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Such own shares may be acquired and held by the entity or by the other members of the consolidated group. Consideration paid or received shall be recognised directly in equity.

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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees' benefits
The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. Re-measurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in consolidated statement of comprehensive income. The Group determines the net interest expense on the obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Taxes

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, associates 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 utilised

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.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

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 consolidated statement of profit or loss is recognised outside the consolidated statement of 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 the consolidated statement of 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 the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- 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.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Foreign currency translation

The Group's consolidated financial statements are presented in AED, which is the Company's functional currency. For each entity, the Group determines its own functional currency based on the main currency used in the component's business.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their income statements are translated at average month end exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to consolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Dividend

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 corresponding amount is recognised directly in equity.

Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and in hand and highly liquid deposits, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of restricted cash as they are considered an integral part of the Group's cash management.

4 Financial risk management objectives and policies

The executive management has overall responsibility for the Group and oversight of the Group's risk management framework and for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's principal financial liabilities comprise of trade and other payables, interest bearing loans and borrowings, debentures payable and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets are fees and other receivables, wakala deposits, sukuk deposits and bank balances that derived directly from its operations.

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

The Group's management reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk in relation to its interest bearing loans and borrowings which bear interest at variable rates and exposes the Group to cash flow interest rate risk.

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at the reporting date. The analysis is prepared assuming that these amounts outstanding at the reporting date were outstanding throughout the year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables held constant, the Group's profit for the year end 31 August 2023 would decrease / increase by AED 136 thousand (2022: profit for the year will decrease / increase by AED 1,070 thousand). There is no direct impact on the Group's equity other than the impact resulting from the effect on the profit for the year.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is primarily exposed to credit risk on its fees and other receivables, wakala deposits, cash at bank and sukuk deposits as follows:

	2023 AED	2022 AED
Fees and other receivables		
(excluding prepayments and VAT receivables) (Note 9)	17,270,879	18,483,458
Wakala deposits (Note 10 and 11)	545,260,785	40,066,000
Cash at banks and sukuk deposits (Note 11)	157,369,435	202,373,371
	719,901,099	**260,922,829**

The Group seeks to limit its credit risk with respect to student's fees by regularly monitoring outstanding fees receivable. An established impairment analysis is performed at each reporting date using an expected credit loss rate based on days past due for such receivables (e.g. by student) and taking into consideration the reasonable and supportable information that is available at the reporting date about past events, prevailing and forecasts of future economic conditions.

The Group limits its credit risk with regard to cash at bank, wakala and sukuk deposits by only dealing with reputable banks. These bank balances and deposits are callable on demand. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

With respect to credit risk arising from the other financial assets of the Group, including deposits and other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are predominantly undertaken in AED or United States Dollars (USD) to which AED is currently pegged. As at the reporting date, there were no significant foreign currency denominated monetary assets and liabilities.

Liquidity risk

The Group limits its liquidity risk by ensuring bank facilities are available. The terms of admission of students of the educational entities require fees to be paid either in advance or within the academic term. Trade payables are settled on the basis of credit terms agreed with the respective suppliers.

The Group's terms of invoices generally require amounts to be paid within 30 to 90 days of the date of invoice.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 August, based on contractual payment dates and current market interest rates.

At 31 August 2023

	Less than 3 months AED	3 to 12 months AED	1 to 5 years AED	>5 years AED	Total AED
Interest bearing loans and borrowings; including interest	465,750	2,205,307	18,582,648	14,999,557	36,253,262
Debentures payable	-	6,604,872	16,803,293	-	23,408,165
Lease liabilities	4,699,849	18,180,594	96,504,593	332,976,887	452,361,923
Trade and other payables	-	110,861,531	-	-	110,861,531
Total	**5,165,599**	**137,852,304**	**131,890,534**	**347,976,444**	**622,884,881**

At 31 August 2022

	Less than 3 months AED	3 to 12 months AED	1 to 5 years AED	>5 years AED	Total AED
Interest bearing loans and borrowings; including interest	9,695,596	28,729,010	244,006,175	104,032,163	386,462,944
Debentures payable	-	8,304,716	29,245,772	-	37,550,488
Lease liabilities	4,970,682	16,504,142	104,527,740	219,922,151	345,924,715
Trade and other payables	90,498,451	33,500,000	-	-	123,998,451
Total	**105,164,729**	**87,037,868**	**377,779,687**	**323,954,314**	**893,936,598**

Changes in liabilities arising from financing activities

2021-23

	1 September 2022 AED	Cash flows AED	Others AED	31 August 2023 AED
Interest bearing loans and borrowings, net	332,422,210	(318,497,433)	13,295,132	27,219,909
Lease liabilities	201,000,269	(21,485,859)	54,651,582	234,165,992
Debentures payable	38,147,962	(14,010,352)	673,110	24,810,720
Total	**571,570,441**	**(353,993,644)**	**68,619,824**	**286,196,621**

2021-22

	1 September 2022 AED	Cash flows AED	Others AED	31 August 2022 AED
Interest bearing loans and borrowings, net	196,088,882	128,405,743	7,927,585	332,422,210
Lease liabilities	150,145,554	(13,848,457)	64,703,172	201,000,269
Debentures payable	4,939,871	(5,756,662)	38,964,753	38,147,962
Total	**351,174,307**	**108,800,624**	**111,595,510**	**571,570,441**

Capital management
The primary objective of the Group's capital management is to ensure that it has adequate capital in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 August 2023 and 31 August 2022. Capital comprises the share capital, statutory reserve, own shares, own shares reserve and retained earnings, and is measured at AED 1,671,404,184 as at 31 August 2023 (31 August 2022: AED 933,971,343).

Fair value estimation
Financial instruments comprise financial assets and financial liabilities.

Financial assets mainly consist of fees and other receivables, wakala deposits, bank balance and sukuk deposits. Financial liabilities mainly consist of interest-bearing loans and borrowings, debentures payable, lease liabilities and trade and other payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of interest-bearing loans and borrowings bear commercial rate of interest which gets re-priced at regular intervals and approximates its carrying amount. For debentures payable, the Group's management assessed the fair value using the discounted cash flow analysis and reflected such value as at the reporting date. The fair value of the other financial assets and liabilities approximate their carrying values at the end of the reporting period largely due to the short-term maturities of these instruments.

5 Significant judgments, estimates and assumptions
The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Significant judgment in determining the lease term of contracts with renewal options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to extend the lease term by an additional five to fifty years. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy) or terminate.

Property lease classification – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has adequate financial resources, to continue in business for the foreseeable future. Furthermore, the Board of Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Estimates and assumptions
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property and equipment, investment property and intangible assets recognised by the Group.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of Fees and other receivables

The Group seeks to limit its credit risk with respect to student's fees by regularly monitoring outstanding fees receivable. An established impairment analysis is performed at each reporting date using an expected credit loss rate based on days past due for such receivables (e.g. by student) and taking into consideration the reasonable and supportable information that is available at the reporting date about past events, prevailing and forecasts of future economic conditions.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Useful lives of property and equipment, investment property and intangible assets

The Group's management determine the estimated useful lives of its property and equipment, investment property and intangible assets for calculating depreciation and amortisation respectively. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management review the residual value and useful lives annually and future depreciation charge and amortisation expense would be adjusted where the management believes the useful lives differ from previous estimates.

6 Business combination and goodwill

(a) Acquisitions during the year ended 31 August 2022

Acquisition of Jebel Ali School (JAS)

On 26 May 2022, the Group had entered into the following agreements:

a) agreement with the Board of Trustees of Jebel Ali School for transfer of the school operations (on an "as-is" basis).

b) a tripartite agreement with the Board of Trustees of Jebel Ali School and Emirates REIT for

- settlement of the outstanding rental payments as of the date of acquisition towards the land and school building, and
- acquisition of the underlying land and the school building.

The total consideration for the acquisition was AED 233.5 million. Of this, AED 200 million was settled at the time of acquisition and the balance amount AED 33.5 million had been agreed to be settled during the year 2023. Accordingly, fair value of purchase consideration as of acquisition date was considered as AED 231.9 million. There were no non-controlling interests arising on this acquisition and no contingent considerations. The Group's management has settled AED 33.5 million towards such acquisition during the year 2023.

Assets acquired and liabilities assumed:

The fair values of the identifiable assets and liabilities of Jebel Ali School as of the date of acquisition were as follows:

	AED
Assets	
Land (Note 8(i))	53,000,000
Building (Note 8(i))	132,500,000
Other property and equipment, net (Note 8(i))	2,819,398
Trade and other receivables, net	6,689,483
Cash and cash equivalents	35,661,579
	230,670,460
Liabilities	
Trade and other payables	(16,062,573)
Provision for employees' end of service benefits (Note 13)	(8,678,376)
Debentures payable	(39,195,207)
	(63,936,156)
Total identifiable net assets at fair value (A)	**166,734,304**
Fair value of purchase consideration (B)	**231,900,000**
Intangible assets recognised on acquisition:	
- Student relationships (Note 7)	30,100,000
- Goodwill (Note 6(b))	35,065,696
	65,165,696

Goodwill is entirely allocated to the Jebel Ali School CGU.

Cash outflows on acquisition

	AED
Net cash acquired (included in cash flows from investing activities)	(35,661,579)
Cash paid (included in cash flows from investing activities)	200,000,000
Transaction costs attributable to acquisition (included in cash flows from operating activities)	(982,040)
Net cash outflows on acquisition	**163,356,381**

Transaction costs AED 982,040 were expensed and is included in finance costs.

(b) Goodwill

	2023	2022
	AED	AED
Acquisition through business combination:		
- Taaleem LLC and Taaleem Management LLC (referred together as "Taaleem acquisition")	204,932,063	204,932,063
- Jebel Ali School (Note 6(a))	35,065,696	35,065,696
	239,997,759	**239,997,759**

Taaleem acquisition: While the CGU is defined as the individual school, the Group's management monitors the goodwill for internal management purpose at the operating segment level i.e. the group of Schools (or, group of CGUs) together as they believe that represents the synergies that were anticipated upon the acquisition and accordingly undertakes the test of impairment of goodwill as at each reporting date.

Taaleem acquisition:

On 1 September 2007, the Group entered into a sale and purchase agreement with Taaleem LLC and Taaleem Management LLC, whereby, all the shares of Taaleem LLC and Taaleem Management LLC were acquired by the Company. The acquisition was a contemporaneous transaction and structured in a manner to manage and operate the acquirees' together, as it was prior to the acquisition. Pursuant to this Agreement, Taaleem LLC and Taaleem Management LLC became wholly owned subsidiaries of the Company.

Annual impairment testing and key assumptions used in value in use calculations and sensitivity to changes in assumptions:

For the purpose of testing impairment of goodwill and other intangible assets, the recoverable amounts for cash generating units have been determined on the basis of value-in-use calculations using cash flow forecasts approved by the Board of Directors for the year 2023-24 and estimated thereafter for an additional four year period in conjunction with the five year strategic plan being finalised by the Group's management. Cash flows beyond the five-year period have been extrapolated using the terminal growth rates stated below. The key assumptions used in the value-in-use calculations include a risk adjusted discount rate (Weighted Average Cost of Capital, i.e. WACC), Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margins consistent with historical trends adjusted for expected efficiency, and fee improvements (considering student enrolment and regulatory approvals on fees). The growth rate does not exceed the long-term average growth rate for the markets in which the cash generating units operate. Any reasonably possible changes to the assumptions will not lead to an impairment. The key assumptions used in the value-in-use calculations are as follows:

	2023		2022	
	Discount rate (WACC)	Growth rate	Discount rate (WACC)	Growth rate
Taaleem acquisition	12%	2%	12%	2%
JAS acquisition	12%	2%	-	-

As at the reporting date, the recoverable amount of the group of CGUs tested for impairment of Taaleem acquisition was assessed to be AED 1,182.5 million (2022: AED 945.1 million) and JAS acquisition was assessed to be AED 246.6 million. There were no impairment identified on the carrying amount of goodwill as at reporting date.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the above cash-generating units, management believes that no reasonable possible change in any of the above key assumptions will cause the carrying value of the CGU to materially exceed its recoverable amount.

7 Intangible assets

	Brand and curriculum	Student relationships	Below market leases	Total
	AED	AED	AED	AED
Cost:				
At 1 September 2021	18,611,546	10,774,162	41,514,292	70,900,000
Acquisition during the year (Note 6(a))	-	30,100,000	-	30,100,000
As at 31 August 2022 and 2023	**18,611,546**	**40,874,162**	**41,514,292**	**101,000,000**
Accumulated amortisation:				
At 1 September 2021	18,611,546	10,774,162	29,432,642	58,818,350
Amortisation for the year	-	537,500	524,416	1,061,916
At 31 August 2022	**18,611,546**	**11,311,662**	**29,957,058**	**59,880,266**
Amortisation for the year	-	2,149,992	524,416	2,674,408
At 31 August 2023	18,611,546	13,461,654	30,481,474	62,554,674
Net carrying value:				
At 31 August 2023	**-**	**27,412,508**	**11,032,818**	**38,445,326**
At 31 August 2022	**-**	**29,562,500**	**11,557,234**	**41,119,7**

The intangible assets recognised on acquisition of Taaleem and JAS were as follows:

a. Brand and curriculum: The individual schools managed and operated by Taaleem LLC, though not registered for trademark, are protected by the rules of the school licensing authority, the Ministry of Education and the respective trade licensing authority in the UAE, which does not permit any third party to establish a school with the same names. As such this proved to be a deemed legal form of protection, and therefore the brand and curriculum satisfied the recognition criteria for intangible asset. Such brand and curriculum have been fully amortised as at 31 August 2023 and 2022.

b. Student relationships: Taaleem LLC had established relationships with its existing students. These relationships were valuable to the extent that these students remain enrolled in the school and continue to pay tuition fee until the completion of their respective academic programme. Such student relations have been fully amortised. Further in previous year, the Group has recognised student relationships amounting to AED 30,100,000 on acquisition of Jebel Ali School (Note 6(a)).

c. Below market leases: Taaleem LLC had recorded school land and buildings which are taken on long term leases. The lease agreements were entered into at rates which were significantly below the equivalent market rates existing as of the acquisition date. Accordingly, below market leases had been recognised as an intangible asset in respect of these lease agreements. As at 31 August 2023, the net carrying value is AED 11,032,818 (2022: AED 11,557,234).

Refer Note 6(b) for details of test of impairment of CGUs relating to Taaleem and JAS acquisition.

8 (i) property and equipment

	Land	Buildings	Leasehold improvements and outdoor equipment	Furniture and fixtures	Books, office classroom and IT equipment and	Motor vehicles	Capitalwork-in-progress	Total
	AED	AED	AED	AED	AED	AED	AED	AED
Cost:								
At 1 September 2021	148,298,121	851,611,471	49,365,435	48,066,531	114,870,888	1,166,721	185,513,354	1,398,892,521
Additions	-	3,973,199	24,261,769	13,600,077	19,996,251	314,678	13,275,907	75,421,881
Acquisition of a subsidiary (Note 6(a))	53,000,000	132,500,000	-	7,433,049	4,291,468	140,500	-	197,365,017
Transfers		188,135,000	-	7,928,128	-	-	(196,063,128)	-
Transfer to investment property (Note 8(ii))	-	(17,102,971)	-	-	-	-	-	(17,102,971)
Disposals and write offs	-	-	-	-	(4,641,162)	-	-	(4,641,162)
At 31 August 2022	**201,298,121**	**1,159,116,699**	**73,627,204**	**77,027,785**	**134,517,445**	**1,621,899**	**2,726,133**	**1,649,935,286**
Additions	-	309,567	13,902,617	10,528,530	18,354,370	91,257	34,568,318	77,754,659
Disposals and write offs	-	-	-	(2,252,640)	(17,438,149)	(87,658)	-	(19,778,447)
At 31 August 2023	**201,298,121**	**1,159,426,266**	**87,529,821**	**85,303,675**	**135,433,666**	**1,625,498**	**37,294,451**	**1,707,911,498**
Accumulated depreciation:								
At 1 September 2021	-	268,157,178	21,264,236	41,084,299	101,308,247	737,793	-	432,551,753
Charge for the year	-	36,416,824	4,601,745	6,118,060	10,780,655	210,049	-	58,127,333
Acquisition of a subsidiary (Note 6(a))	-	-	-	5,395,553	3,509,566	140,500	-	9,045,619
Transfer to investment property (Note 8(ii))	-	(5,426,670)	-	-	-	-	-	(5,426,670)
Disposals and write offs	-	-	-	-	(4,641,162)	-	-	(4,641,162)
At 31 August 2022	**-**	**299,147,332**	**25,865,981**	**52,597,912**	**110,957,306**	**1,088,342**	**-**	**489,656,873**
Charge for the year	-	39,677,099	6,292,825	8,969,426	14,006,960	213,798	-	69,160,108
Disposals and write offs	-	-	-	(2,252,640)	(17,438,149)	(87,658)	-	(19,778,447)
At 31 August 2023	**-**	**338,824,431**	**32,158,806**	**59,314,698**	**107,526,117**	**1,214,482**	**-**	**539,038,534**
Net carrying value:								
At 31 August 2023	**201,298,121**	**820,601,835**	**55,371,015**	**25,988,977**	**27,907,549**	**411,016**	**37,294,451**	**1,168,872,964**
At 31 August 2022	**201,298,121**	**859,969,367**	**47,761,223**	**24,429,873**	**23,560,139**	**533,557**	**2,726,133**	**1,160,278,413**

(a) Land comprises of a granted land in Mirdif, Dubai in addition to five freehold plots of land which are located in Jumeirah Islands, Jumeirah Park, Al Thanayah fourth, Emirates Hills and Dubai Studio City respectively. All these plots of land (except Dubai Studio City) are legally held in the name of Taaleem Management LLC for the beneficial interest of Taaleem LLC. Land in Dubai Studio City is legally held by Taaleem LLC.

(b) Buildings mainly include the costs of construction, extension and refurbishment of five school buildings namely AAG, RIS, GIS, JBS, RIS-KA and the Company, which are constructed on leasehold land. School buildings of UIS (phases 1, 2 and 3) are constructed on granted land. DBF school building, DBS-JP school building and Dubai Studio City staff residential building are constructed on acquired freehold land. JBS building is leased. All these land leases except for RIS are in the name of Taaleem Management LLC held on behalf of Taaleem LLC. The Group's management is of the opinion that these leases will be renewed for the foreseeable future.

(c) On 9 May 2011, Taaleem LLC received a grant in the form of a parcel of land from the Government of Dubai for construction of a school ("UIS"). The grant was conditional and stated that Taaleem LLC had to start construction of a kindergarten section within one year from the receipt of the granted land and start construction of primary, intermediary and secondary schools within three years of the receipt date of the granted land. At 31 August 2012, Taaleem LLC had completed construction of a kindergarten section ("UIS phase 1"), which became operational from September 2012. Further at 31 August 2012, the Board of Directors had reasonable assurance that other conditions attached to the granted land would be met and therefore recognised the fair value of the granted land as deferred income. The valuation of this granted land was obtained from an independent firm of surveyors and property consultants who valued it in accordance with Royal Institute of Chartered Surveyors ("RICS") appraisal and valuation manual. As per the independent valuer's report, the market value of the land amounted to AED 100 million. The independent valuer further stated in their report that in accordance with the property laws, the transfer of granted land to private title (to obtain a title deed with freehold status for the plot of land) can attract a fee of 30% of the market value of the land. Considering the title to the land was granted and taking into consideration the then prevailing laws in UAE, the Board of Directors had resolved to record the granted land at 70% of its market value in that year reflective of the price at which the granted land would have been transacted at market rates between a willing buyer and seller.

On 31 August 2014, the construction of UIS phase 3 that includes remaining parts of the intermediary and secondary section was completed which became operational in September 2014. Thereby, all conditions attached to conditional grant of the land have been met (Note 14).

(d) During 2014, Taaleem LLC acquired a freehold plot of land in Dubai Studio City, in the Emirate of Dubai for AED 24.2 million, the consideration of which was settled by one-time payment. The sale purchase agreement ("SPA") was signed between Taaleem LLC and seller on 14 August 2014, however the title deed was received post year-end on 22 September 2014. Following the completion of design, Taaleem LLC, commenced construction of a residential tower for staff accommodation on this freehold plot. The construction of the residential tower was completed in 2016 and is now being used as staff accommodation. During 2023, the Group's management has earned a rental income of AED 320,022 (2022: AED 394,371) from leasing a few retail outlets which are part of the building used for staff accommodation.

(e) Capital work-in-progress represents cost primarily incurred towards construction of schools in UAE.

(f) During the year, the Group started the construction activities of the school building and premises of Dubai British School Jumeira. Further, the Group has capitalised borrowing cost amounting to AED 607,676 (2022: Nil), incurred on the borrowings availed towards the construction of the Dubai British School Jumeira for the year ended 31 August 2023 (Note 12).

(g) Capital Advances

During the year, the Group has paid advances of AED 21,862,950 towards the construction and development of the school building and premises for Dubai School, Jumeira of which balance as at 31 August 2023 amounts to AED 18,894,549 (2022: Nil). Out of advances paid, an amount of AED 2,968,401 has been transferred to capital work-in progress upon commencement of the construction activities during the year ended 31 August 2023. The construction and development activities are expected to be completed during the year 2024.

(h) Impairment testing of property and equipment – at CGU level

The CGU is defined as the individual school managed and operated by the Group.

Management identifies indicators of impairment at CGU level based on the following key parameters:

- School profitability and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA);
- School maturity; and
- Cash flow forecast at each school level.

Where indicators existed, the recoverable amount of the CGU is determined using cash flow projections based on the valuations performed by an independent external specialists using RICS Valuation Professional Standards and settled by the International Valuation Council (IVSC). As at the reporting date, the recoverable amount of one of the CGU tested for impairment was assessed to be AED 19.5 million based on the fair value less cost of disposal which is the higher than the value in use. The fair value is determined based on level 3 inputs.

Key assumptions used in the recoverable amount calculations are as follows:

Management believes that the calculation of the recoverable amount for the cash-generating unit that was subject to the test of impairment is most sensitive to the following assumptions:

- Discount rate;
- Net yield rate of 11%;
- Growth in revenue; and
- Direct costs.

Discount rate

It represents the current assessment of risks specific to the Group taking into consideration the time value of money. A single discount rate is used on the basis that risks specific to the cash-generating unit is reflected in determining the cash flows. Management uses a discount rate of 13%.

Revenue

The growth rate is based on management's best estimate with regard to industry and market growth rates. This considers the historical performance of the school, its maturity of operations and regulator rating of the school. This includes two components (a) growth in student enrollment forecasted 3.5% in academic year 2024-25, and constant thereafter; and (b) constant fees until academic year 2024-25 (basis actual of academic year 2022-23) and 5% increase in academic year 2025-26 (based on historical rating of the school as approved by the regulator), and constant thereafter.

Direct costs

Direct costs primarily include salary costs and other administrative expenses directly related to the CGUs operations. The recoverable amount calculation takes into account such costs based on historic trends, contractual agreements and the estimated inflation to be incurred during the forecasted period.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the above CGU, management believes that no reasonable possible change in any of the above key assumptions will cause the carrying value of the CGU to materially exceed its recoverable amount.

8 (ii) Investment property

During previous year, the Group has sub-leased one of the school building to a third party for a period of 15 years.

	2023 AED	2022 AED
Cost:		
At September 2022	17,102,971	-
Transferred from property and equipment (Note 8(i))	-	17,102,971
As at end of the year	**17,102,971**	**17,102,971**
Accumulated depreciation:		
At September 2022	5,664,372	-
Transferred from property and equipment (Note 8(i))	-	5,426,670
Charge for the year	570,476	237,702
As at end of the year	**6,234,848**	**5,664,372**
Net carrying value:		
At 31 August	**10,868,123**	**11,438,599**

Following items are recognised in the consolidated statement of profit or loss relating to investment property:

	2023 AED	2022 AED
Rental income	**1,241,646**	**517,352**

Rental income and depreciation charge on the investment property are included as separate line items in the consolidated statement of profit or loss.

The Group has no significant restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

9 Fees and other receivables

	2023 AED	2022 AED
Fees and other receivables	9,735,744	6,788,302
Less: allowance for impairment of fees and other receivables	(7,073,147)	(2,771,762)
Net fees and other receivables	**2,662,597**	**4,016,540**
Prepayments*	12,090,222	33,879,589
VAT receivables	18,399,907	31,397,602
Deposits and advances**	14,608,282	14,466,918
	47,761,008	**83,760,649**

As at 31 August 2023, fees and other receivables with a nominal value of AED 7,073,147 (31 August 2022: AED 2,771,762) were impaired. Movements in the allowance for impairment of fees and other receivables were as follows:

	2023 AED	2022 AED
Balance at the beginning of the year	2,771,762	3,684,961
Charge for the year (Note 18)	5,398,219	1,647,170
On acquisition (Note 6(a))	-	17,353
Recovery (Note 20.2)	(775,166)	(1,013,339)
Written off	(321,668)	(1,564,383)
Balance at the end of the year	**7,073,147**	**2,771,762**

Set out below is the information about the credit risk exposure on the Group's fees and other receivables using a provision matrix:

31 August 2023

	Current	0-365 Days	>365 Days	Total
Expected credit loss rate		48%	100%	73%
Estimated total gross carrying	-	5,072,037	4,663,707	9,735,744
Expected credit loss	-	2,409,440	4,663,707	7,073,147
Net fees and other receivables	**-**	**2,662,597**	**-**	**2,662,597**

31 August 2022

	Current	0-365 Days	>365 Days	Total
credit loss rate	-	29%	100%	41%
Estimated total gross carrying	-	5,663,710	1,124,592	6,788,302
Expected credit loss	-	1,647,170	1,124,592	2,771,762
Net fees and other receivables	**-**	**4,016,540**	**-**	**4,016,540**

*Prepayments include AED 10.4 million (2022: AED 25.5 million) paid towards staff accommodation including advance house rent allowance.

**During the year, the Group has provided advance of AED 45 million to the liquidity provider to buy and sell its own shares in conjunction with an agreement entered by the Group. As at 31 August 2023, the amount held by liquidity provider amounts to AED 3.4 million (Note 25).

10 Wakala deposits

	2023 AED	2022 AED
Wakala deposits*	545,260,785	40,066,000
Less: Wakala deposits – original maturity less than 3 months (Note 11)	(70,112,868)	(40,066,000)
	475,147,917	**-**

Wakala deposits are placed with a local bank carrying profit mark-up rates ranging 2.30% to 5.50% (2022: 0.30% to 0.80% per annum).

*Out of the total IPO proceeds, Wakala deposits were placed with a financial institution in UAE with an original maturity period between 1-12 months and bearing interest at commercial rates. The Group has earned an interest income amounting to AED 21,428,548 from the Wakala deposits (2022: AED 396,661) (Note 22).

11 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	62,109	711,106
Cash at banks	57,369,435	186,033,121
Sukuk deposits (Note 21)*	100,000,000	16,340,250
Wakala deposits (Note 10)	70,112,868	40,066,000
	227,544,412	**243,150,477**
(Less): Restricted cash**	(27,277,810)	(15,164,089)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	**200,266,602**	**227,986,388**

*Out of the total IPO proceeds, Sukuk deposits were placed with a financial institution in UAE which are callable on demand with an initial lock-in period of 30 days and bears interest at commercial rates. These deposits are classified as cash and cash equivalent as they are redeemable at any time after 30 days from deposit date without penalty and thus highly liquid in nature i.e. readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Group has earned an interest income amounting to AED 3,669,951 from the Sukuk deposits (2022: AED 435,263) (Note 21 and 22).

**The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include AED 27,277,810 (2022: AED 15,164,089) which are held by the subsidiaries of the Company (i.e. Taaleem Sole Proprietorship LLC and Taaleem Management LLC). These bank balances are held for the restricted purpose of managing the operations of the ADEK charter schools and therefore not available for use by the Group.

12 Interest bearing loans and borrowings

	2023 AED	2022 AED
As at beginning of the year	332,422,210	196,088,882
Add: finance costs charged for the year (Note 21(a) and 23)	12,687,456	7,927,585
Add: Borrowing cost capitalized during the year (Note 8(i)(f))	607,676	-
Add: loans drawn down (i)	54,000,000	160,000,000
Less: finance costs paid for the year	(13,943,536)	(7,071,159)
Less: loans repaid during the year (ii)	(358,553,897)	(24,523,098)
As at the end of the year	**27,219,909**	**332,422,210**
Less: Current portion	(219,909)	(28,296,892)
Non-current portion	**27,000,000**	**304,125,318**

(i) During the year, the Group had drawn down an additional borrowing of AED 54,000,000.

Out of such amount, an amount of AED 27,000,000 was drawn towards the repayment of deferred consideration against the acquisition of JAS (Note 6(a)). This loan has been fully prepaid during the year.

The remaining amount of AED 27,000,000 is drawn down for the purpose of construction activities of school building and premises of Dubai British School Jumeira. The amount is repayable in a bullet payment due in April 2026.

(ii) During the year, the Group had prepaid loan instalments amounting to AED 351,696,428 over and above the instalments due as per facility agreements. There were no costs related to the early repayment of such borrowings.

All loans and borrowings are obtained in AED.

The borrowings carry a profit at the rate of 3 months Emirates Inter Bank Offer Rate (EIBOR) plus a profit mark-up per annum (2022: 3 months EIBOR plus a profit mark-up per annum), which is payable on quarterly basis.

Borrowing costs amounting to AED 607,676 (2022: Nil) have been capitalised as a part of qualifying assets during the year (Note 8(i)(f)). The weighted average rate used to capitalise such borrowing costs was 3 months EIBOR plus a profit mark-up per annum.

Current interest-bearing loans and borrowings:

	Original maturity	2023 AED	2022 AED
Islamic facility 1	Feb-27	-	9,928,564
Islamic facility 2	Nov-29	-	17,500,000
Islamic facility 3	Jul-32	-	868,328
Islamic facility 4	Jul-32	219,909	-
Total Current interest-bearing loans and borrowings		**219,909**	**28,296,892**

Non-current interest-bearing loans and borrowings:

	Original maturity	2023 AED	2022 AED
Islamic facility 1	Feb-27	-	34,750,000
Islamic facility 2	Nov-29	-	109,375,318
Islamic facility 3	Jul-32	-	160,000,000
Islamic facility 4	Jul-32	27,000,000	-
Total Non-current interest-bearing loans and borrowings		**27,000,000**	**304,125,318**

The above loans and borrowings are secured by:

(a) Movable Asset Security Agreement.
(b) First rank legal mortgage over following properties (amended in existing mortgage with mortgage validity 2 year beyond facilities tenor end date) covering Taaleem Holdings P.J.S.C., Taaleem LLC and Taaleem Management LLC

- Plot No. 91, Al Hebaih Second, Dubai (Dubai Studio City building) for AED 88.2 million in favor of the bank.
- Plot No. 382 (25 1-4293), Mirdif, Dubai (Uptown School Mirdif) for AED 100 million in favor of the bank.
- Plot no. 6648 (394-4046) located at Al Thanayah fourth, Dubai (Dubai British School, Dubai) for AED 40 million in favor of the bank.

(c) Plot No. 3923 (676-2451), Al Hebiah Third, Dubai (Jebel Ali School) for AED 205.7 million covering Ijarah III facility.
(d) Assignment of comprehensive property all risk insurance over the mortgaged properties (with Emirates Islamic Bank PJSC being the first loss payee) , covering in a minimum the mortgage amounts.
(e) Assignment of lease agreement of Greenfield International School on plot no. 73 (598-0249), Dubai Investment Park, Dubai, acknowledged and approved by Dubai Investment Park Development Co. LLC, covering facilities of Taaleem Management LLC.
(f) Assignment of receivables from Customer and M/s Taaleem Holding P.J.S.C. group entities, in respect of assignment and routing of all receivables, cash flows, school fees from the following bank approved schools under DBS, AAG, RIS- KA, GIS, JBS, UIS, JAS and DBS-J.
(g) Assignment of insurance over RIS-KA covering the Ijara (II) facility, in favor of the bank and in an amount acceptable to the bank.
(h) First rank legal mortgage over the property and leasehold/usufruct rights in respect of the property at Plot 73(598-0249), Dubai Investment Park, Dubai (Greenfield International School), together with any other security documentation required by the Bank, duly registered and perfected, in a form and substance satisfactory to the Bank. The mortgage amount to be equal to AED 145.3 million and mortgage validity to cover two years beyond the last payment date under the Facilities.
(i) Assignment notice in Bank standard format, in respect of Point of Sale (POS) assignment from Dubai British School at Plot No. 3430443, Al Wasl, Dubai, duly signed and acknowledged by the assignment notice counterparty (upon completion of construction).
(j) Account Pledge Agreement in respect of account/s required herein.

The Group is required under the above facilities to comply with the following financial covenants:

a) To maintain minimum DSCR of 1.4x at all times;
b) Maximum net debt / EBITDA of 4x; and
c) Maintain gearing ratio maximum of 1x at all times.

13 Provision for employees' end of service benefits

	2023 AED	2022 AED
beginning of the year	29,443,351	19,154,380
On acquisition (Note 6(a))	-	8,678,376
Add: provision for the year (Note 19)	12,629,226	8,490,458
Less: payments made during the year	(9,103,205)	(6,879,863)
As at the end of the year	**32,969,372**	**29,443,351**

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

14 Deferred income on government grant

	2023 AED	2022 AED
At beginning of the year	48,745,974	51,183,274
Add: modification during the year	860,690	-
Less: transferred to profit or loss	(2,333,333)	(2,437,300)
As at the end of the year	**47,273,331**	**48,745,974**
Less: Current portion of deferred income on government grant	(2,333,333)	(2,437,300)
Non-current portion of deferred income on government grant	**44,939,998**	**46,308,674**

The allocated amount of deferred income pertaining to granted land for UIS phases 1, 2 and 3 has been computed based on student capacity of UIS (phases 1, 2 and 3). This allocated amount is amortised over useful life of the building constructed for UIS (Note 8 (i)(c)).

15 Trade and other payables

	2023 AED	2022 AED
Trade payables	58,352,331	87,945,728
Debentures payable	24,810,720	38,147,962
Dividends payable	45,000	-
Accruals and other payables	52,464,200	36,052,723
	135,672,251	**162,146,413**
Less: Long-term debentures payable	(18,054,911)	(26,543,685)
	117,617,340	**135,602,728**

Trade payables are non-interest bearing and are normally settled on 30 to 90 days terms.

Debentures payable:

Debentures payable include the following:

a. Debentures payable relates to proceeds on issuance of priority student seats offered at all the Taaleem Schools (other than Jebel Ali School) for third party corporates, whereby, each debenture is amortised over 15 years. As at 31 August 2023, the debentures payable amounted to AED 3.5 million (2022: AED 4.2 million).

b. In 2022, the Group acquired non-interest-bearing debentures as part of acquisition of Jebel Ali School (Note 6(a)) of AED 43.3 million. The fair value on the date of acquisition was determined to be AED 39 million which is payable to the debenture holders (i.e. students and corporates) over the period of 5 years. As at 31 August 2023, the debentures payable pertaining to Jebel Ali School amounted to AED 21.3 million (2022: AED 33.9 million).

16.1 Revenue

	2023 AED	2022 AED
Gross tuition fees	794,828,163	618,773,526
(Less): Discounts	(15,054,720)	(13,380,574)
Net tuition fees	779,773,443	605,392,952
Management fees*	10,433,704	6,985,012
Application fees (on initial admission)	1,877,129	1,544,101
Other operating income (Note 20.1)	12,024,304	9,410,549
	804,108,580	**623,332,614**

Set out below is the disaggregation of the Group's revenue:

	2023 AED	2022 AED
Timing of revenue recognition		
Services transferred over time	799,786,611	619,879,206
Services transferred at a point in time	4,321,969	3,453,408
Total revenue from contracts with customers	**804,108,580**	**623,332,614**

The revenue is entirely earned in UAE.

Nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies are disclosed in Note 3.

*Management fee is earned from ADEK and ESE under the service agreement. Management fee includes fixed management fee of AED 4,490,000 (2022: AED 2,000,000) and variable management fee of AED 5,943,704 (2022: AED 4,985,012).

16.2 CONTRACT BALANCES

	2023 AED	2022 AED
Fees and other receivables (Note 9)	2,662,597	4,016,540
Fees received in advance	**291,906,141**	**252,570,223**

The amount of revenue recognised from fees received in advance at the beginning of the year is AED 252,570,233 (2022: AED 213,841,330).

17 Operating costs

	2023 AED	2022 AED
Staff costs and other benefits (Note 19)	438,243,466	349,680,416
School supplies	12,079,612	9,980,582
Lease rent and service charges (Note 28(iii))	6,319,061	3,572,210
Bank charges	5,023,360	3,790,920
Others	6,786,949	3,283,175
	468,452,448	**370,307,303**

18 General and administrative expenses

	2023 AED	2022 AED
Staff costs and other benefits (Note 19)	29,838,757	20,119,935
Water and electricity charges	19,575,846	15,414,046
Repairs and maintenance	18,357,371	16,039,753
Janitorial and security	14,023,260	11,187,854
Legal and professional	14,895,644	10,153,707
Board remuneration, compensation and other benefits (Note 21)	11,025,300	3,675,000
Marketing and advertisement	7,926,656	5,376,175
Impairment loss on fees and other receivables (Note 9)	5,398,219	1,647,170
Printing and stationery	3,268,309	2,264,025
Travel and communication	2,014,415	1,265,737
Office rent (Note 28(iii))	753,417	528,093
Others (events, insurance, bank charges, penalties)	11,084,620	8,152,204
	138,161,814	**95,823,699**

The Group has made social contribution amounting to AED 230,641 for the year ended 31 August 2023 (2022: AED Nil).

19 Staff costs and other benefits

	2023 AED	2022 AED
Salary and allowances	353,559,382	279,391,050
Staff accommodation (Note 28(iii))	68,629,137	54,600,506
Staff - discount on tuition fees	33,264,478	27,318,337
Employees' end of service benefits (Note 13)	12,629,226	8,490,458
	468,082,223	**369,800,351**
Staff costs are included in:		
Operating costs (Note 17)	438,243,466	349,680,416
General and administrative expenses (Note 18)	29,838,757	20,119,935
	468,082,223	**369,800,351**

20.1 Other operating income

	2023 AED	2022 AED
Income - sports activity	7,406,610	5,913,078
Commission - uniforms	1,470,743	1,618,192
Commission - cafeteria	974,097	291,115
Transport income	961,814	699,041
Debenture income	711,040	711,040
Income from conferences	500,000	178,083
	12,024,304	**9,410,549**

20.2 Other income

	2023 AED	2022 AED
Bad debt recoveries (Note 9)	775,166	1,013,339
Gain on disposal of property and equipment	48,229	57,143
Miscellaneous income	2,894,377	11,070,787
	3,717,772	**12,141,269**

21 Related party transactions and balances

Related parties includes the Group's shareholders, directors and other entities businesses, which are controlled directly or indirectly by the shareholders and directors, and entities over which they exercise significant management influence (hereinafter referred to as "affiliates") and key management personnel of the Group. Pricing policies and terms of these transactions are approved by the Group's management.

(a) Significant related party transactions

The aggregate value of significant transactions entered with related parties during the year is as follows:

Entity with significant influence over the Group:	2023 AED	2022 AED
Emirates Islamic Bank ("EIB")*		
Profit from wakala deposits (Note 22)	21,428,548	396,661
Finance costs (Note 23)	(12,687,456)	(7,927,585)
Bank borrowings obtained (Note 12)	54,000,000	160,000,000
Transaction cost incurred on borrowings	-	(912,500)
Repayments of bank borrowings (Note 12)	(358,553,897)	(24,523,098)
Cash dividends paid	(4,500,000)	(4,500,000)
National Bonds Corporation ("NBC")		
Profit from sukuk deposits (Note 22)	3,669,951	435,263
Cash dividends paid	(15,552,012)	(15,552,012)
Knowledge Fund ("KF")		
Rent payment	(369,386)	(369,386)
Cash dividends paid	(12,273,612)	(12,273,612)
Tuition fees received from Board of Directors, net of discounts	185,137	59,138

*The Party ceases to be a related party at the end of 31 August 2023.

Compensation to key management personnel

	2023 AED	2022 AED
Short-term employee benefits	11,787,792	12,665,148
Provision for employees' end of service benefits	292,389	283,345
Tuition fee discounts	524,971	296,469
Executive Committee and Audit Committee compensation	1,500,000	1,375,000
Board remuneration, compensation and other benefits (Note 18)	11,025,300	3,675,000
	25,130,452	**18,294,962**

(b) Related party balances

Due from related parties

	2023 AED	2022 AED
Emirates Islamic Bank		
Bank balances (Note 11)	57,369,435	185,455,112
Wakala deposits (Note 10 and 11)	545,260,785	40,066,000
	602,630,220	**225,521,112**
National Bonds Corporation		
Sukuk deposits (Note 11)	100,000,000	16,340,250
Emirates Islamic Bank		
Loans and borrowings availed from a related party (Note 12)	**(27,219,909)**	**(332,422,210)**
Knowledge Fund		
Trade receivables /(payables)	**138,140**	**(101,966)**

Terms and conditions of transactions with related parties

Except for the interest-bearing loans and borrowings (secured), wakala and sukuk deposits (unsecured), other outstanding balances at the year-end are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 August 2023, the Group has not recognised any provision for expected credit losses relating to amounts owed by the related parties (2022: Nil).

22 Finance income

	2023 AED	2022 AED
Profit from wakala and sukuk deposits (Note 21(a))	25,098,499	831,924
Recovery of finance costs from bank	-	823,412
Finance income from sub-lease	200,134	84,969
Other finance income	206,078	6,923
	25,504,711	**1,747,228**

23 Finance costs

	2023 AED	2022 AED
Finance costs on lease liabilities (Note 28(ii))	11,249,612	9,921,572
Finance costs on interest bearing loans and borrowings (Note 12 and 21 (a))	12,687,456	7,927,585
Unwinding of liability towards debentures payable	1,516,121	480,586
Unwinding impact of deferred payment for acquisition of Jebel Ali School (Note 6(a))	1,200,347	399,515
	26,653,536	**18,729,258**

Borrowing costs amounting to AED 607,676 (2022: AED Nil) have been capitalised as a part of qualifying assets during the year (Note 8(i)(f) and Note 12).

24 Share capital

	2023 AED	2022 AED
Authorised, issued and fully paid up capital:		
1,000,000,000 ordinary shares of AED 1 each (2022: 750,000,000 ordinary shares of AED 1 each)	**1,000,000,000**	**750,000,000**

The ownership of the Company is as follows:

	2023 AED	2022 AED
National Bonds Corporation PJSC	22.36%	23.04%
Al Mal Direct Equity II Limited held by Knowledge Fund	13.64%	18.18%
Al Mal Capital PJSC	7.50%	10.17%
Other shareholders	56.50%	48.61%

The total proceeds received from the IPO subscription were AED 750,000,000. Of this, AED 250,000,000 has been recorded as an increase in share capital and the balance amounting to AED 500,000,000 attributable to the premium on issuance of new shares has been classified as part of statutory reserve in accordance with Article 196 of the UAE Federal Law No. (32) of 2021 before deducting IPO transaction costs amounting to AED 20,837,261 that were directly attributable to issuance of such new shares.

25 Own shares

During the year, the Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Group's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 August 2023, the Market Maker held 10,511,347 of Taaleem's shares on behalf of the Group at par value and recorded the premium paid over and above par value as own share reserve of AED 33.02 million, which is classified under equity as at 31 August 2023. Further, net gain of AED 1.96 million has been recognised during the year and netted off against own share reserves. The advance balance held with liquidity provider as at 31 August 2023 amounts to AED 3.4 million (Note 9).

26 Statutory reserve

In accordance with the U.A.E. Federal Decree Law No. (32) of 2021, the Company and its subsidiaries have established a statutory reserve by appropriation of 10% of profit for each year until the reserve reached 50% of the share capital. This reserve is not available for distribution except in circumstances stipulated by the Law. During current year, no amount is transferred to statutory reserve as it has already reached 50% of the respective paid-up capital of the Company and its subsidiaries.

27 Dividends

During the shareholders meeting dated 28 October 2022, the shareholders approved a dividend of AED 0.09 per share amounting to AED 67,500,000 (2022: Dividend of AED 0.09 per share amounting to AED 67,500,000). Of this, dividend amounting to AED 67,455,000 was paid during the year ended 31 August 2023 (2022: of this, dividend amounting to AED 67,500,000, along with the dividend payable of AED 353,749 as at 31 August 2021, was paid).

28 Leases

The Group leases land and buildings. Lease terms and rental calculations vary between different lease agreements. The leases typically run between 20 to 50 years.

i. Right-of-use assets

	2023 AED	2022 AED
At the beginning of the year	177,130,827	139,554,303
Additional lease assets	48,518,451	54,360,319
Impact on lease modification during the year	-	643,197
Derecognition of right-of-use assets*	-	(4,065,122)
Amortisation charge for the year	(14,214,681)	(13,361,870)
At the end of the year	**211,434,597**	**177,130,827**

*In 2022, net investment in finance lease recognised as of the date of derecognition of the head lease amounted to AED 3,707,742 and the loss on derecognition of right-of-use recognised amounting AED 357,380. As at 31 August 2023, the carrying value of net investment in finance lease amounting AED 3,623,459 (2022: AED 3,423,325).

ii. Lease liabilities

	2023 AED	2022 AED
At the beginning of the year	201,000,269	150,145,554
Additional lease liabilities	43,401,970	54,360,319
Finance costs on lease liabilities (Note 23)	11,249,612	9,921,572
Impact on lease modification during the year	-	421,281
Less: payments made against lease liabilities	(21,485,859)	(13,848,457)
At the end of the year	**234,165,992**	**201,000,269**
Less: current portion of lease liabilities	(18,367,004)	(13,999,799)
Non-current portion	**215,798,988**	**187,000,470**

During the year ended 31 August 2023, the Group entered into a new land lease agreement for construction of Dubai British School, Mira. The lease commenced on 1 June 2023 and has a lease term of 30 years.

iii. Amounts recognised in the consolidated statement of profit or loss

	2023 AED	2022 AED
Amortisation of right-of-use assets	14,214,681	13,361,870
Finance cost on lease liabilities (Note 23)	11,249,612	9,921,572
Expense relating to short term leases and low value assets (recognition exemption under IFRS 16)*	75,701,615	58,700,809
	101,165,908	**81,984,251**

*Expense relating to short term leases and low value assets recorded in the consolidated statement of profit or loss are as under:

	2023 AED	2022 AED
Staff accommodation (Note 19)	68,629,137	54,600,506
Lease rent and service charges (Note 17)	6,319,061	3,572,210
Office rent (Note 18)	753,417	528,093
	75,701,615	**58,700,809**

iv. Amounts recognised in the consolidated statement of cash flows

	2023 AED	2022 AED
Total cash outflows for leases (excluding cash outflow relating to recognition exemption for short-term leases and low value assets)	**21,485,859**	**13,848,457**

29 Contingencies and capital commitments

	2023 AED	2022 AED
(a) Capital commitments	127,489,321	7,537,058
(b) Bank guarantees	**209,695,692**	**169,157,090**

As at 31 August 2023, the Group's capital commitments relates to its on-going construction of Dubai British School, Jumeira, Dubai, UAE.

Bank guarantees mainly pertains to the following:

(i) guarantees issued by the Group in favor of Abu Dhabi Department of Education and Knowledge in relation to the management agreement entered by the Group.
(ii) guarantees issued by the Group in favor of Emirates Schools Establishment in relation to the underlying management agreement for operation of schools.
(iii) guarantees issued by the Group in favor of Knowledge Fund Establishment in relation to the construction of Dubai British School, Jumeirah

30 Segment information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Group has determined the chief operating decision maker to be its Chief Executive officer who undertakes such decision in consultation with the Board of Directors. The Group has a single reportable segment classified as "School operations" which encompasses the management, operation and related ancillary activities related to the day-to-day function of all the schools under the purview of the chief operating decision maker.

The determination of the Group's operating segment is based on the information which is reported to chief operating decision maker for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transactions between segments, if any, are conducted at mutually agreed terms and conditions and are fully eliminated on consolidation.

Geographic segments

As at 31 August 2023, all of the business activities and operations of the Group are in the UAE.

Primary segment information

Segmental information is presented below:

Year ended 31 August 2023 (In AED):

	School operations	Corporate head office	Consolidated
Revenue			
External customers	804,108,580	-	804,108,580
Finance and other income			
Finance income	25,504,711	-	25,504,711
Other income	3,717,772	-	3,717,772
Income from deferred government grant	2,333,333	-	2,333,333
Expenses			
Staff costs	(463,814,423)	(4,267,800)	(468,082,223)
Operating costs and general and administrative expenses	(126,006,739)	(12,525,300)	(138,532,039)
Depreciation, impairment and amortization	(86,619,673)	-	(86,619,673)
Finance costs	(26,653,536)	-	(26,653,536)
Segmental profit	**132,570,025**	**(16,793,100)**	**115,776,925**

Year ended 31 August 2022 (In AED):

	School operations	Corporate head office	Consolidated
Revenue			
External customers	623,332,614	-	623,332,614
Finance and other income			
Finance income	1,747,228	-	1,747,228
Other income	12,141,269	-	12,141,269
Income from deferred government grant	2,437,300	-	2,437,300
Expenses			
Staff costs	(365,181,380)	(4,618,971)	(369,800,351)
Operating costs and general and administrative expenses	(91,280,651)	(5,050,000)	(96,330,651)
Depreciation, impairment and amortisation	(72,788,821)	-	(72,788,821)
Finance costs	(18,729,258)	-	(18,729,258)
Segmental profit	**91,678,301**	**(9,668,971)**	**82,009,330**

Corporate head office is not an operating segment and comprises mainly administrative and payroll costs relating to the certain key management personnel which are not assigned to the "School operations" segment.

	2023 AED	2022 AED
Reconciliation of profit		
Segment profit	115,776,925	82,009,330
Rental income	1,561,668	911,723
Profit for the year	**117,338,593**	**82,921,053**

Other segment information

Segment assets and liabilities comprise all assets and liabilities reflected in the consolidated statement of financial position as at 31 August 2023 and 2022. This is entirely attributable to the "School operations" segment. All such assets (including capital expenditure) and liabilities are relating to the Group's operations in UAE.

31 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to the shareholders by weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (adjusted for the effect of dilution, if any) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 August 2023 and 2022, there were no shares which were dilutive in nature.

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

	2023 AED	2022 AED
Profit for the year attributable to equity holders of the Parent (AED)	**117,338,593**	**82,921,053**
Weighted average number of shares*	932,794,555	750,000,000
Attributable to the shareholders:		
Basic and diluted earnings per share (AED per share)	**0.13**	**0.11**

*the weighted number of ordinary shares takes into account the weighted average effect of changes in own shares during the year.

32 Corporate income tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the consolidated financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 September 2023. The Ministry of Finance continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 September 2023. However, the related deferred tax accounting impact has been considered for the year ended 31 August 2023. Following assessment of the potential impact of the UAE CT Law on the consolidated balance sheet, the Group's management has concluded that there is no material temporary differences on which deferred taxes should be accounted.

The Group's management will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position for the subsequent reporting dates.

33 Subsequent events

Subsequent to the year, the Board of Directors of the Company has proposed a cash dividend of AED 110 million, which is subject to the approval of the shareholders at the forthcoming Annual General Assembly of the Company. There were no other significant events subsequent to the year-end that requires either adjustments or disclosures in the consolidated financial statements.

34 Comparative information

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. Such reclassifications do not affect the previously reported consolidated profit or equity.

táaleem

www.taaleem.ae