

Taaleem Holdings P.J.S.C. and its subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX-MONTH PERIOD ENDED
29 FEBRUARY 2024**

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Taaleem Holdings P.J.S.C. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the interim condensed consolidated statement of financial position as at 29 February 2024, and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Ernst & Young



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

28 March 2024

Dubai, United Arab Emirates

Taaleem Holdings P.J.S.C. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 29 February 2024

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

	Notes	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	1,250,355,982	1,168,872,964
Investment property		10,582,885	10,868,123
Intangible assets		37,108,122	38,445,326
Goodwill	4	239,997,759	239,997,759
Right-of-use assets	18(i)	265,700,578	211,434,597
Net investment in finance lease		3,349,485	3,623,459
Capital advances	5	30,315,254	18,894,549
		1,837,410,065	1,692,136,777
Current assets			
Fees and other receivables	6	82,707,179	47,761,008
Wakala deposits	7	308,433,333	475,147,917
Cash and cash equivalents	8	290,847,407	227,544,412
		681,987,919	750,453,337
TOTAL ASSETS		2,519,397,984	2,442,590,114
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	1,000,000,000	1,000,000,000
Statutory reserve	15	542,459,941	542,459,941
Own shares	16	(6,461,757)	(10,511,347)
Own shares reserve	16	(24,280,046)	(31,057,144)
Retained earnings		200,772,800	170,512,734
TOTAL EQUITY		1,712,490,938	1,671,404,184
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	9	95,000,000	27,000,000
Lease liabilities	18(ii)	279,407,667	215,798,988
Deferred income on government grant		43,773,334	44,939,998
Debentures payable		17,613,965	18,054,911
Retentions payable		10,193,616	1,978,934
Provision for employees' end of service benefits		38,775,624	32,969,372
Deferred tax liabilities	23	27,575,463	-
		512,339,669	340,742,203

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

Taaleem Holdings P.J.S.C. and its subsidiaries

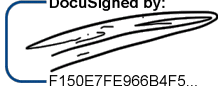
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 29 February 2024

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

		29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
	<i>Notes</i>		
Current liabilities			
Trade and other payables	10	96,809,914	117,617,340
Fees received in advance		165,789,075	291,906,141
Interest bearing loans and borrowings	9	783,576	219,909
Lease liabilities	18(ii)	12,446,106	18,367,004
Deferred income on government grant		2,333,333	2,333,333
Income tax provision	23	16,405,373	-
		294,567,377	430,443,727
TOTAL LIABILITIES		806,907,046	771,185,930
TOTAL EQUITY AND LIABILITIES		2,519,397,984	2,442,590,114

These interim condensed consolidated financial statements were approved by the Board of Directors on 28 March 2024 and signed on their behalf by:

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 Chairman

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 Vice Chairman

Taaleem Holdings P.J.S.C. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and six-month period ended 29 February 2024

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

		<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Notes					
REVENUE	11	289,946,772	240,953,717	548,651,347	477,233,769
FINANCE AND OTHER INCOME					
Rental income		396,705	240,047	790,482	628,391
Income from deferred government grant		583,332	583,336	1,166,664	1,166,670
Finance income		7,329,161	8,448,942	15,156,635	9,179,128
Other income		387,676	502,728	6,217,456	1,150,535
TOTAL FINANCE AND OTHER INCOME		8,696,874	9,775,053	23,331,237	12,124,724
EXPENSES					
Operating costs	12	(140,630,941)	(120,427,929)	(274,119,119)	(244,117,394)
General and administrative expenses	13	(28,740,195)	(32,318,049)	(60,371,858)	(68,214,379)
Amortisation of intangible assets		(668,602)	(668,602)	(1,337,204)	(1,337,204)
Depreciation on property and equipment	5	(18,662,076)	(17,256,959)	(36,923,057)	(34,285,503)
Depreciation on investment property		(142,619)	(142,619)	(285,238)	(285,238)
Amortisation of right-of-use assets	18(i)	(4,668,746)	(3,452,589)	(8,525,657)	(6,905,183)
Finance costs		(3,949,756)	(7,811,943)	(7,628,280)	(14,705,084)
TOTAL EXPENSES		(197,462,935)	(182,078,690)	(389,190,413)	(369,849,985)
PROFIT FOR THE PERIOD BEFORE TAX		101,180,711	68,650,080	182,792,171	119,508,508
Current income tax expense	23	(9,113,563)	-	(16,405,373)	-
Deferred income tax benefit / (expense)	23	118,752	-	(27,575,463)	-
PROFIT FOR THE PERIOD		92,185,900	68,650,080	138,811,335	119,508,508
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		92,185,900	68,650,080	138,811,335	119,508,508
Earnings per share					
Basic and diluted, profit for the period attributable to ordinary equity holders of the Company (in AED per share)	21	0.09	0.07	0.14	0.14

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

Taaleem Holdings P.J.S.C. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 29 February 2024

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

28 February 2023 (Unaudited)

	Share capital AED	Statutory reserve AED	Own Shares AED	Own shares reserve AED	Retained earnings AED	Total AED
As at 1 September 2022	750,000,000	63,297,202	-	-	120,674,141	933,971,343
Total comprehensive income for the period (Unaudited)	-	-	-	-	119,508,508	119,508,508
Issuance of share capital (Note 15) (Unaudited)	250,000,000	479,702,725	-	-	-	729,702,725
Dividends (Note 17) (Unaudited)	-	-	-	-	(67,500,000)	(67,500,000)
As at 28 February 2023 (Unaudited)	<u>1,000,000,000</u>	<u>542,999,927</u>	<u>-</u>	<u>-</u>	<u>172,682,649</u>	<u>1,715,682,576</u>

29 February 2024 (Unaudited)

	Share capital AED	Statutory reserve AED	Own Shares AED	Own shares reserve AED	Retained earnings AED	Total AED
As at 1 September 2023	1,000,000,000	542,459,941	(10,511,347)	(31,057,144)	170,512,734	1,671,404,184
Total comprehensive income for the period (Unaudited)	-	-	-	-	138,811,335	138,811,335
Own Shares (Note 16) (Unaudited)	-	-	4,049,590	6,777,098	-	10,826,688
Dividends (Note 17) (Unaudited)	-	-	-	-	(110,000,000)	(110,000,000)
Dividends from own shares (Unaudited)	-	-	-	-	1,448,731	1,448,731
As at 29 February 2024 (Unaudited)	<u>1,000,000,000</u>	<u>542,459,941</u>	<u>(6,461,757)</u>	<u>(24,280,046)</u>	<u>200,772,800</u>	<u>1,712,490,938</u>

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

Taaleem Holdings P.J.S.C. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 29 February 2024

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

		<i>Six-month period ended</i>	
		<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit for the period before income tax		182,792,171	119,508,508
Adjustments for:			
Depreciation on property and equipment	5	36,923,057	34,285,503
Depreciation on investment property		285,238	285,238
Amortisation of right-of-use assets	18(i)	8,525,657	6,905,183
Amortisation of intangible assets		1,337,204	1,337,204
Provision for employees' end of service benefits		7,593,786	7,189,439
Allowance for impairment on fees receivable	13	1,331,013	1,007,547
Gain on disposal of property and equipment		(92,704)	-
Finance income		(15,156,635)	(9,179,128)
Finance costs		7,628,280	14,705,084
Income from deferred government grant		(1,166,664)	(1,166,670)
Income from unwinding of debentures payable		(355,518)	(355,522)
Other non-cash items		-	860,690
Operating cash flows before changes in working capital		229,644,885	175,383,076
Changes in working capital:			
Change in fees and other receivables		(34,828,453)	(4,508,315)
Changes in restricted cash		(22,514,300)	(5,771,280)
Change in fees received in advance		(126,117,066)	(125,267,502)
Change in trade and other payables		(14,917,580)	1,125,146
Change in retentions payable		8,214,682	-
Cash flows generated from operations		39,482,168	40,961,125
Payment of employees' end of service benefits		(1,787,534)	(1,563,386)
Net cash flows generated from operating activities		37,694,634	39,397,739
INVESTING ACTIVITIES			
Additions to property and equipment - net	5	(116,812,311)	(22,853,859)
Proceeds from disposal of property and equipment		140,667	-
Receipts from sublessor		369,387	-
Capital advances		(11,420,705)	(22,992,828)
Changes in wakala deposits, net		175,173,695	(506,325,000)
Interest received		6,602,111	9,095,739
Net cash flows from / (used in) investing activities		54,052,844	(543,075,948)
FINANCING ACTIVITIES			
Proceeds from issue of shares, net		-	735,720,000
Sale of own shares through liquidator (net)		10,826,688	-
Proceeds from bank borrowings	9	68,000,000	-
Repayment of bank borrowings	9	-	(211,553,571)
Payments of principal portion of lease liabilities	18(ii)	(12,257,413)	(11,539,169)
Interest paid		(1,078,060)	(7,674,643)
Dividends paid	17	(110,000,000)	(67,455,000)
Repayment of debentures		(6,449,998)	(11,432,311)
Net cash flows (used in) / from financing activities		(50,958,783)	426,065,306
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		40,788,695	(77,612,903)
Cash and cash equivalents at the beginning of the period		200,266,602	227,986,388
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	241,055,297	150,373,485

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

Taaleem Holdings P.J.S.C. and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 29 February 2024

(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 authorized 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 15).

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 subsidiaries (collectively referred to as the “Group”) and their principal activities are as follows:

<i>Name</i>	<i>Percentage of equity interest</i>	<i>Country of incorporation</i>	<i>Principal Activities</i>
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 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.

Taaleem Holdings P.J.S.C. and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 29 February 2024

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

1 STATUS AND PRINCIPAL ACTIVITIES (continued)

Owned 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 Foundation Kindergarten ("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.

*During the six-month period ended 29 February 2024, Raha International School establishment has been converted to a Sole proprietorship LLC and is a fully owned subsidiary of Taaleem Management LLC.

**During the six-month period ended 29 February 2024, Raha International School Khalifa A establishment has been converted to a Sole proprietorship LLC and is a fully owned subsidiary of 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 commencing 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 commencing 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.
 - During the six-month period ended 29 February 2024, the above mentioned agreement was amended to manage and operate one additional school in Abu Dhabi, UAE from 1 January 2024.
 - The Group recognizes the management fees as an agent in relation to the arrangements with ADEK.

1 STATUS AND PRINCIPAL ACTIVITIES (continued)

Managed School operations (continued)

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

- During 2021, to manage and operate two schools of TEC in the Emirate of Dubai, Dubai Schools Al Barsha (“DSB”) and Dubai Schools 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 school is constructed is leased by TEC and not recharged to the Group. The Group will be responsible for operating 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 academic year 2022-23.
- During the current period, the Group obtained a trade license for DSAK (Br of Taaleem Management LLC), designated as “Dubai School – Al Khawaneej”.
- 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 2021-22, 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) commencing from academic year 2022-23. The Group will act as an agent in relation to the arrangement with ESE.
- During 2022-23, 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 Group acts as an agent in relation to the arrangement with ESE.

The above schools are collectively referred to as the “Schools”.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six-month period ended 29 February 2024 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 August 2023.

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group’s interim condensed consolidated financial statements are largely consistent with the annual consolidated financial statements for the year ended 31 August 2023 and should be read in conjunction thereof.

2 BASIS OF PREPARATION (continued)

The Group's operations is subject to cyclical fluctuations during the financial year due to the academic break mainly during the summer months, typically from July to August. Whilst revenue from tuition and other fees are recognised by the Group's management over the academic term (i.e. typically 10 months), the underlying costs of school operations are over the full financial year (i.e. 12 months). Accordingly, the interim period revenue and earnings of each quarter is not necessarily indicative of the results that may be achieved for any other quarter or the full financial year ending 31 August 2024. In particular, the Group's financial results for the last quarter of the financial year will reflect lower revenue against costs for the entire quarter.

These interim condensed consolidated financial statements have been presented on the historical cost basis, except otherwise stated.

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

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

3 ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 August 2023, except for the accounting policy on current income tax (note 3.2) and the adoption of new standards effective as of 1 January 2023 which had no significant impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued as at the date of the authorisation of these interim condensed consolidated financial statements but is not yet effective. Management has assessed the implication of adopting the new standards which are not yet effective and concluded that there are no significant impact on the interim condensed consolidated financial statements of the Group.

3.2 Accounting policy on Current Income Tax

Current income tax computation is performed as per the requirement of 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 UAE.

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the interim condensed consolidated statement of comprehensive income. Management periodically evaluates tax positions where underlying tax regulations are subject to interpretation and establishes provisions as appropriate.

Taaleem Holdings P.J.S.C. and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 29 February 2024

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

4 GOODWILL AND BUSINESS COMBINATION

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
Acquisition through business combination:		
- Taaleem LLC and Taaleem Management LLC (referred together as "Taaleem acquisition") [Note (a) below]	204,932,063	204,932,063
- Jebel Ali School [Note (b) below]	35,065,696	35,065,696
	<u>239,997,759</u>	<u>239,997,759</u>

(a) Taaleem acquisition:

On 1 September 2007, the Group had 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. Pursuant to this Agreement, Taaleem LLC and Taaleem Management LLC became wholly owned subsidiaries of the Company.

(b) 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 2022-23. Accordingly, fair value of purchase consideration as of acquisition date i.e. 26 May 2022 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 2022-23.

The fair value of net assets acquired amounted to AED 166,734,304. The excess of the fair value of the purchase consideration amounting to AED 231,900,000 was recognised as follows as on the date of acquisition:

	AED
- Student relationships	30,100,000
- Goodwill	35,065,056
	<u>65,165,056</u>

The Group's management has revisited the underlying assumptions used to determine the recoverable amount of goodwill and other intangible assets as at 31 August 2023 (Audited), and concluded that there were no indicators of impairment as at 29 February 2024 (Unaudited).

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5 PROPERTY AND EQUIPMENT

During the six-month period ended 29 February 2024 (Unaudited), the additions to property and equipment amounted to AED 118,454,038 (six-month period ended 28 February 2023 (Unaudited): AED 22,853,859). The depreciation expense for the six-month period ended 29 February 2024 (Unaudited) amounted to AED 36,923,057 (six-month period ended 28 February 2023 (Unaudited): AED 34,285,503).

There were no significant disposals during the and six-month period ended 29 February 2024 (Unaudited) and 28 February 2023 (Unaudited).

The Group's management has assessed and concluded there were no indicators of impairment as at 29 February 2024 (Unaudited).

Capital advances

- a) During 2022-23, the Group had paid advances of AED 21,862,950 (Audited) towards the construction and development of the school building and premises for Dubai British School, Jumeira.

Of this, an amount of AED 12,315,731 has been transferred to capital work-in-progress during the six-month period ended 29 February 2024 (Unaudited) (31 August 2023 (Audited): AED 2,968,401). As at 29 February 2024 (Unaudited), advances amounted to AED 6,578,818 (31 August 2023 (Audited): AED 18,894,549). The school construction and development is expected to be completed during the year 2023-24.

- b) During the period ended 29 February 2024 (Unaudited), the Group has paid advance of AED 4,375,943 towards the construction of additional classrooms in Greenfield International School ("GIS"). The construction and development activities are expected to be completed during the year 2023-24.
- c) During the period ended 29 February 2024 (Unaudited), the Group has paid advances of AED 19,360,493 towards the construction and development of the school building and premises for Dubai British School, Mira. The school construction and development activities are expected to be completed during the year 2024-25.

6 FEES AND OTHER RECEIVABLES

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
Fees and other receivables	27,580,008	9,735,744
Less: allowance for impairment of fees and other receivables	(6,784,104)	(7,073,147)
Net fees and other receivables	20,795,904	2,662,597
Prepayments*	7,721,554	12,090,222
VAT receivables	19,779,960	18,399,907
Deposits and advances	34,409,761	14,608,282
	82,707,179	47,761,008

As at 29 February 2024 (Unaudited), fees and other receivables with a nominal value of AED 6,784,104 (31 August 2023 (Audited): AED 7,073,147) were impaired.

*Prepayments mainly includes AED 5.9 million (Unaudited) (31 August 2023 (Audited): AED 10.4 million) paid towards staff accommodation.

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7 WAKALA DEPOSITS

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
Wakala deposits	368,459,111	545,260,785
(Less): Wakala deposits – original maturity less than 3 months (Note 8)	(60,025,778)	(70,112,868)
	<u>308,433,333</u>	<u>475,147,917</u>

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. During the six-month period ended 29 February 2024 (Unaudited), the Group has earned an interest income amounting to AED 11,434,325 from Wakala deposits (six-month period ended 28 February 2023 (Unaudited): AED 7,623,417).

8 CASH AND CASH EQUIVALENTS

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
Cash in hand	63,229	62,109
Cash at banks	72,666,646	57,369,435
Sukuk deposits (Note 14)	158,091,754	100,000,000
Wakala deposits (Note 7)	60,025,778	70,112,868
	<u>290,847,407</u>	<u>227,544,412</u>
(Less): Restricted cash*	<u>(49,792,110)</u>	<u>(27,277,810)</u>
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	<u>241,055,297</u>	<u>200,266,602</u>

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. During the six-month period ended 29 February 2024 (Unaudited), the Group has earned an interest income amounting to AED 3,481,178 from sukuk deposits (six-month period ended 28 February 2023 (Unaudited) AED 1,346,570).

*The cash and cash equivalents disclosed above and in the interim condensed consolidated statement of cash flows include AED 49,792,110 (Unaudited) (31 August 2023 (Audited): AED 27,277,810) 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 and ESE charter schools and therefore not available for use by the Group for its own school operations.

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9 INTEREST BEARING LOANS AND BORROWINGS

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
As at beginning of the period/year	27,219,909	332,422,210
Add: finance costs charged for the period / year	-	12,687,456
Add: Borrowing cost capitalized during the period / year	1,641,727	607,676
Add: loans drawn down	68,000,000	54,000,000
Less: finance costs paid for the period / year	(1,078,060)	(13,943,536)
Less: loans repaid during the period / year	-	(358,553,897)
	95,783,576	27,219,909
Less: Current portion	(783,576)	(219,909)
Non-current portion	95,000,000	27,000,000

All loans and borrowings are obtained in AED.

During the six-month period ended 29 February 2024 (Unaudited), the Group had drawn down an additional borrowing of AED 68,000,000 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.

The financing carried a profit payable on a quarterly basis at the rate of 3 months Emirates Inter Bank Offer Rate (EIBOR) plus a profit mark-up per annum (2023 (Audited): 3 months EIBOR plus a profit mark-up per annum).

During the period, the Group has capitalised borrowings costs amounting to AED 1,641,727 (Unaudited) (31 August 2023 (Audited): AED 607,676) as a part of qualifying assets. The weighted average rate used to capitalise such borrowing costs was 3 months EIBOR plus a profit mark-up per annum.

As at 29 February 2024 (Unaudited), there were no significant changes in the mortgages and securities pledged against the bank borrowings as compared to the disclosures provided in the annual consolidated financial statements for the year ended 31 August 2023 (Audited).

10 TRADE AND OTHER PAYABLES

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
Trade payables	63,744,098	78,301,439
Other payables and accruals	32,154,854	32,515,092
Debentures payable	18,479,927	24,810,720
Dividends payable	45,000	45,000
	114,423,879	135,672,251
Less: Long-term debentures payable	(17,613,965)	(18,054,911)
	96,809,914	117,617,340

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11 REVENUE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Gross tuition fees	270,276,199	235,677,208	527,348,761	467,192,928
(Less): Discounts	(5,105,819)	(5,178,062)	(9,895,752)	(9,543,351)
Net tuition fees	265,170,380	230,499,146	517,453,009	457,649,577
Management fees	4,128,520	2,665,500	8,474,646	5,730,498
Application fees (on initial admission)	544,427	468,030	972,773	916,560
Other operating income	20,103,445	7,321,041	21,750,919	12,937,134
	289,946,772	240,953,717	548,651,347	477,233,769

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>

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

Timing of revenue recognition

Services transferred over time	288,246,618	240,011,265	546,007,863	474,960,745
Services transferred at a point in time	1,700,154	942,452	2,643,484	2,273,024
Total revenue from contracts with customers	289,946,772	240,953,717	548,651,347	477,233,769

The revenue is entirely earned in United Arab Emirates.

12 OPERATING COSTS

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Staff costs and other benefits	122,940,580	109,370,633	247,808,822	222,556,736
School supplies	12,117,726	6,600,963	16,418,815	13,460,746
Lease rent and service charges	2,819,206	2,113,329	4,041,126	3,169,112
Bank charges	1,430,201	1,177,725	2,336,522	1,756,268
Others	1,323,228	1,165,279	3,513,834	3,174,532
	140,630,941	120,427,929	274,119,119	244,117,394

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13 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Staff costs and other benefits	9,135,284	6,546,388	16,731,921	13,371,352
Repairs and maintenance	4,167,922	5,172,759	11,490,561	10,693,247
Water and electricity charges	3,508,782	3,686,291	9,238,622	9,858,538
Legal and professional expenses	1,964,925	4,964,323	4,188,072	7,957,440
Board remuneration, compensation and other benefits (Note 14)	1,130,000	-	2,260,000	7,350,000
Janitorial and security	3,885,315	4,256,450	6,549,339	6,702,842
Marketing and advertisement	1,873,685	899,222	3,674,763	1,568,535
Printing and stationery	775,018	871,941	1,530,423	1,440,808
Impairment loss on fees receivable	475,587	286,931	1,331,013	1,007,547
Travel and communication	562,601	516,119	1,133,438	936,359
Office rent	255,776	170,444	507,246	325,954
Others (insurance, bank charges etc.)	1,005,300	4,947,181	1,736,460	7,001,757
	28,740,195	32,318,049	60,371,858	68,214,379

14 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

Significant transactions entered with related parties during the period are as follows:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Entities with significant influence:				
National Bonds Corporation ("NBC")				
Profit from sukuk deposits	2,012,589	1,189,412	3,481,178	1,346,570
Cash dividends paid	-	-	(24,599,865)	(15,552,012)
Knowledge Fund ("KF")				
Rent payment	(1,026,794)	(92,346)	(1,119,140)	(184,692)
Cash dividends paid	-	-	(15,001,081)	(12,273,612)

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14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Significant related party transactions (continued)

Compensation to key management personnel

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Short-term employee benefits	1,426,280	1,368,600	2,852,560	2,737,200
Provision for employees' end of service benefits	37,840	34,496	124,476	66,551
Tuition fee discounts	169,353	188,579	338,707	387,282
Executive Committee and Audit Committee compensation	287,500	375,000	575,000	750,000
Board remuneration, compensation and other benefits (Note 13)	1,130,000	-	2,260,000	7,350,000
	3,050,973	1,966,675	6,150,743	11,291,033

(b) Related party balances

Due from related parties

Entities with significant influence:

	<i>29 February 2024 AED (Unaudited)</i>	<i>31 August 2023 AED (Audited)</i>
<i>National Bonds Corporation</i>		
Sukuk deposits (Note 8)	158,091,754	100,000,000
<i>Knowledge Fund</i>		
Other receivables	376,933	138,140

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 period-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 period ended 29 February 2024 (Unaudited), the Group has not recognised any provision for expected credit losses relating to amounts owed by the related parties (31 August 2023 (Audited): Nil).

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15 SHARE CAPITAL

	<i>29 February 2024 AED (Unaudited)</i>	<i>31 August 2023 AED (Audited)</i>
Authorised, issued and fully paid up capital:		
1,000,000,000 ordinary shares of AED 1 each (Note 1)	1,000,000,000	1,000,000,000

The total proceeds received from the IPO subscription were AED 750,000,000. Of this, AED 250,000,000 had 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 had been classified as part of statutory reserve in accordance with Article 196 of the UAE Federal Decree Law No (32) of 2021 before deduction of the IPO transaction costs amounting to AED 20,297,275 that were directly attributable to issuance of such new shares.

16 OWN SHARES

During 2022-23, the Group had 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 29 February 2024 (Unaudited), the Market Maker held 6,461,757 (31 August 2023 (Audited): 10,511,347) of the Company's shares on behalf of the Group at par value and the Group recorded the premium paid over and above par value as own shares reserve of AED 24.3 million (31 August 2023 (Audited): AED 33.02 million), which is classified under equity as at 29 February 2024 (Unaudited).

Further, accumulated loss (net) of AED 5.85 million (Unaudited) has been recognised until 29 February 2024 (Unaudited) and netted off against own shares reserves (31 August 2023 (Audited): accumulated gain (net) of AED 1.96 million). The balance receivable from liquidity provider as at 29 February 2024 (Unaudited) amounts to AED 15.7 million (31 August 2023 (Audited): receivable of AED 3.4 million).

17 DIVIDENDS

During the shareholders' meeting dated 31 October 2023, the shareholders approved a dividend of AED 0.11 per share amounting to AED 110,000,000 (2022: Dividend of AED 0.09 per share amounting to AED 67,500,000 on 28 October 2022). Of this, dividend amounting to AED 110,000,000 was paid during the six-month period ended 29 February 2024 (Unaudited) (2022: of this, dividend amounting to AED 67,455,000 was paid during the six-month period ended 28 February 2023 (Unaudited)).

18 LEASES

i. Right-of-use assets

During the six-period ended 29 February 2024 (Unaudited), the Group has entered into a new land lease agreement to construct a super-premium school in Dubai. The addition to right-of-use assets during the period amounts to AED 62,791,638 (six-month period ended 28 February 2023 (Unaudited): Nil). The amortization charge for the six-month period ended 29 February 2024 (Unaudited) amounted to AED 8,525,657 (six-month period ended 28 February 2023 (Unaudited): AED 6,905,183).

There are no significant lease modifications during the six-month period ended 29 February 2024 and 28 February 2023 (Unaudited).

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18 LEASES (continued)

ii. Lease liabilities

During the six-period ended 29 February 2024 (Unaudited), the addition to lease liabilities amounts to AED 62,791,638 (six-month period ended 28 February 2023 (Unaudited): Nil). The finance costs for the six-month period ended 29 February 2024 (Unaudited) amounted to AED 7,153,557 (six-month period ended 28 February 2023 (Unaudited): AED 5,441,906).

The Group has made payments of AED 12,257,413 towards lease liabilities during the six-month ended 29 February 2024 (Unaudited) (six-month ended 28 February 2023 (Unaudited): AED 11,539,169).

19 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

	29 February 2024 AED (Unaudited)	31 August 2023 AED (Audited)
(a) Capital commitments	203,059,680	127,489,321
(b) Bank guarantee	283,612,552	209,695,692

As at 29 February 2024 (Unaudited), the Group's capital commitments related to its on-going construction of Dubai British School Jumeira, Dubai British School Mira and Greenfield International School in Dubai, UAE.

Bank guarantee 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, Jumeira.

20 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 the 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 interim condensed 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 29 February 2024 (Unaudited), all of the business activities and operations of the Group are conducted in UAE.

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20 SEGMENT INFORMATION (continued)

Primary segment information

Segmental information is presented below:

Six-month period ended 29 February 2024 (In AED) (Unaudited):

	<i>School operations</i>	<i>Corporate head office</i>	<i>Consolidated</i>
Revenue			
External customers	548,651,347	-	548,651,347
Finance and other income			
Finance income	15,156,635	-	15,156,635
Other income	6,217,456	-	6,217,456
Income from deferred government grant	1,166,664	-	1,166,664
Expenses			
Staff costs and other benefits	(261,225,000)	(3,315,743)	(264,540,743)
Operating and administrative expenses	(67,115,234)	(2,835,000)	(69,950,234)
Depreciation, impairment and amortization	(47,071,156)	-	(47,071,156)
Finance costs	(7,628,280)	-	(7,628,280)
Segmental profit / (loss)	188,152,432	(6,150,743)	182,001,689

Three-month period ended 29 February 2024 (In AED) (Unaudited):

	<i>School operations</i>	<i>Corporate head office</i>	<i>Consolidated</i>
Revenue			
External customers	289,946,772	-	289,946,772
Finance and other income			
Finance income	7,329,161	-	7,329,161
Other income	387,676	-	387,676
Income from deferred government grant	583,332	-	583,332
Expenses			
Staff costs and other benefits	(130,442,391)	(1,633,473)	(132,075,864)
Operating and administrative expenses	(35,877,772)	(1,417,500)	(37,295,272)
Depreciation, impairment and amortization	(24,142,043)	-	(24,142,043)
Finance costs	(3,949,756)	-	(3,949,756)
Segmental profit / (loss)	103,834,979	(3,050,973)	100,784,006

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20 SEGMENT INFORMATION (continued)

Six-month period ended 28 February 2023 (In AED) (Unaudited):

	School operations	Corporate head office	Consolidated
Revenue			
External customers	477,233,769	-	477,233,769
Finance and other income			
Finance income	9,179,128	-	9,179,128
Other income	1,150,535	-	1,150,535
Income from deferred government grant	1,166,670	-	1,166,670
Expenses			
Staff costs and other benefits	(232,737,055)	(3,191,033)	(235,928,088)
Operating and administrative expenses	(68,303,685)	(8,100,000)	(76,403,685)
Depreciation, impairment and amortisation	(42,813,128)	-	(42,813,128)
Finance costs	(14,705,084)	-	(14,705,084)
Segmental profit / (loss)	130,171,150	(11,291,033)	118,880,117

Three-month period ended 28 February 2023 (In AED) (Unaudited):

	School operations	Corporate head office	Consolidated
Revenue			
External customers	240,953,717	-	240,953,717
Finance and other income			
Finance income	8,448,942	-	8,448,942
Other income	502,728	-	502,728
Income from deferred government grant	583,336	-	583,336
Expenses			
Staff costs and other benefits	(114,325,347)	(1,591,674)	(115,917,021)
Operating and administrative expenses	(36,453,957)	(375,000)	(36,828,957)
Depreciation, impairment and amortisation	(21,520,769)	-	(21,520,769)
Finance costs	(7,811,943)	-	(7,811,943)
Segmental profit / (loss)	70,376,707	(1,966,674)	68,410,033

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 monitored separately and not attributed to the "School operations" segment.

	Three-month period ended		Six-month period ended	
	29 February 2024 AED (Unaudited)	28 February 2023 AED (Unaudited)	29 February 2024 AED (Unaudited)	28 February 2023 AED (Unaudited)
Reconciliation of profit				
Segment profit	100,784,006	68,410,033	182,001,689	118,880,117
Rental income	396,705	240,047	790,482	628,391
Profit for the period before tax	101,180,711	68,650,080	182,792,171	119,508,508

Other segment information

Segment assets and liabilities comprise all assets and liabilities reflected in the interim condensed consolidated statement of financial position as at 29 February 2024 (Unaudited) and 31 August 2023 (Audited). 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 29 February 2024

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

21 EARNINGS PER SHARE

Basic earnings per share based on the weighted average number of shares outstanding during the period are as follows:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>	<i>29 February 2024 AED (Unaudited)</i>	<i>28 February 2023 AED (Unaudited)</i>
Profit for the period	92,185,900	68,650,080	138,811,335	119,508,508
Weighted average number of shares in issue outstanding during the period	988,573,208	1,000,000,000	988,367,611	877,071,823
Earnings per share – basic (AED)	0.09	0.07	0.14	0.14

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

22 FAIR VALUE MEASUREMENT

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents and fees and other receivables. Financial liabilities consist of interest-bearing loans and borrowings, retentions payable, trade and other payables and debenture payables.

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. For retentions payable, management has assessed the fair value using the discounted cash flow analysis and concluded that such value is not significantly different to its carrying amount. 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.

23 CURRENT INCOME TAX AND DEFERRED TAX

With the introduction of corporate tax in the United Arab Emirates, the Group is subject to corporate income tax at 9% on the taxable profits. The major components of income tax expense in the interim condensed consolidated statement of comprehensive income are:

	<i>Three-month period ended 29 February 2024 AED (Unaudited)</i>	<i>Six-month period ended 29 February 2024 AED (Unaudited)</i>
Current income tax		
Current income tax expense	(9,113,563)	(16,405,373)
Deferred tax		
Deferred income tax expense relating to origination and reversal of temporary differences	118,752	(27,575,463)
Income tax expense reported in the interim condensed consolidated statement of comprehensive income	(8,994,811)	(43,980,836)

Taaleem Holdings P.J.S.C. and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six-month period ended 29 February 2024

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

23 CURRENT INCOME TAX AND DEFERRED TAX (continued)

Following is the reconciliation of current income tax expense and accounting profit:

	<i>Three-month period ended 29 February 2024 AED (Unaudited)</i>	<i>Six-month period ended 29 February 2024 AED (Unaudited)</i>
Accounting profit for the period before tax	101,180,711	182,792,171
At the UAE statutory tax rate of 9% charged during the period	(9,106,264)	(16,451,295)
Adjustments in respect of standard deduction as per the Law*	-	67,500
Non-deductible expense for tax purpose:		
Entertainment expense (50% allowed as per the Law)	(5,045)	(15,654)
Fines and penalties (disallowed as per the Law)	(2,254)	(5,924)
At the effective current income tax rate of 8.9%	(9,113,563)	(16,405,373)

*As per the UAE CT law, maximum standard deduction applicable for each tax group is AED 375,000. The standard deduction applicable for the two tax groups considered by the Group amounts to AED 750,000 on which tax rate at 9% amounts to AED 67,500.

The deferred tax liability comprises of the following temporary differences:

	<i>29 February 2024 AED (Unaudited)</i>
Goodwill	21,599,798
Other intangible assets	3,351,530
Other fair value adjustments (mainly relates to property, plant and equipment)	2,624,135
As at 29 February	27,575,463

	<i>Six-month period ended 29 February 2024 AED (Unaudited)</i>
Reconciliation of deferred tax liabilities, net:	
As at 1 September 2023	-
Tax expense recognised during the period ended 30 November 2023*	(27,694,215)
Tax benefit due to amortisation during the period	118,752
As at 29 February 2024	(27,575,463)

*The deferred tax liability is recognised in relation business combinations undertaken by the Company in UAE prior to the effective date of the enactment of the UAE CT law.

For the purpose of determining income tax expense for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Group has not identified any material risks or uncertainties in the structure from a corporate tax perspective and will continuously monitor further developments that could impact the tax profile of the Group.

24 SUBSEQUENT EVENTS

There were no significant events subsequent to the period-end that requires either adjustments or disclosures in the interim condensed consolidated financial statements.

25 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements. Such reclassifications do not affect the previously reported interim condensed consolidated statement of comprehensive income.