

**MAJAN COLLEGE SAOG
(MAJAN UNIVERSITY COLLEGE)**

**CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2025

MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

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MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

ADMINISTRATION AND CONTACT DETAILS

AS AT 31 AUGUST 2025

Commercial registration number	1506609 obtained on 17 December 1995
Directors	Eng. Ameer Arfa AL Haf AL-Baraka - Chairman Dr. Mansour Faraj Khamis Al-Saeed - Vice Chairman Dr. Ahmad Ali Darwish Haji Ali Al Shamali - Board Member Dr. Mansour M A H AL Shamali - Board Member Mr. Emad Aldeen Fahmi Nemer Assaf - Board Member
Audit Committee	Dr. Mansour Faraj Khamis Al Saeed - Chairman Dr. Mansour M A H AL Shamali - Member Mr. Emad Aldeen Fahmi Nemer Assaf - Member
Nominations and Remuneration Committee	Dr. Ahmad Ali Darwish Haji Ali Al Shamali- Chairman Mr. Emad Aldeen Fahmi Nemer Assaf - Member Eng. Ameer Arfa AL Haf AL-Baraka - Member
Registered Office	P.O. Box 710 Postal Code 112 Ruwi, Muscat, Sultanate of Oman
Bankers	Ahli Islamic Bank SAOG Oman Arab Bank SAOG Alizz Islamic Bank SAOG Commercial Bank of Kuwait Muzn Islamic Bank (National Bank of Oman SAOG)
Auditors	Middle East Chartered Accountants & Business Advisors Bariq Al Shatti, Qurum P.O. Box: 126 , PC: 103, Muscat, Oman

MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)
DIRECTORS' REPORT

The Directors of **MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)** have great pleasure in presenting their report and the financial statements of the College for the year ended 31

Principal activities

The College is engaged in management sciences, scientific research and providing education to students in the Sultanate of Oman.

Basis of preparation of accounts

The accompanying audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards-Accounting Standards and the Commercial Companies Law No. 18/2019 of the Sultanate of Oman.

Financial highlights

The total fee income of the College for the year ended 31 August 2025 was RO 4,439,987/- as compared to the previous year's income of RO 4,107,592/-. The College earned a profit of RO 735,268/- for the year ended 31 August 2025, as compared to a profit of RO 917,937/- in the year 2024.

Auditors

The financial statements have been audited by Middle East Chartered Accountants & Business Advisors.

Chairman

Vice Chairman



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Chartered Accountants
& Business Advisors

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

REPORT ON THE AUDIT OF CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS

Opinion

In our opinion, the financial statements of Majan College SAOG (the “College”), (the “Parent Company”) and the consolidated financial statements of the Parent Company and its subsidiaries (together, the “Group”) present fairly, in all material respects, the respective financial positions of the Parent Company and the Group as at 31 August 2025, and their respective financial performance and their respective cash flows for the year then ended in accordance with IFRS Accounting Standards.

We have audited the financial statements of the Parent Company and the consolidated financial statements of the Group (together “these financial statements”) comprise their respective statement of comprehensive income, statement of financial position, statement of changes in equity for the year then ended, statement of cashflows for the year then ended and notes to these financial statements, comprising material accounting policy information and other including a summary of significant accounting policies.

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 and Separate financial statements section our report. We are independent of the Group and the Parent Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements relevant to our audit of the consolidated and separate financial statements in the Sultanate of Oman. We have fulfilled our 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.

Our Audit Approach

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on these financial statements as a whole, taking into account the structure of the College, its accounting processes and controls, and the education sector in which it operates.



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REPORT ON THE AUDIT OF CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS(Continued)

Key Audit Matters

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

1. Expected Credit Loss (ECL) on Fees and Other Receivable

The College holds significant balances of fees and other receivables arising from tuition and related income. The estimation of expected credit losses (ECL) on these receivables involves considerable management judgment in assessing historical collection trends, the aging of balances, student category profiles, and other qualitative factors. Given the inherent subjectivity and estimation uncertainty in determining appropriate provisioning levels, this area was considered a key audit matter.

How Our Audit Addressed the Key Audit Matter:

Our audit procedures included obtaining an understanding of the processes and controls established by management over receivable provisioning, and performing detailed testing of the aging of fees and other receivables. We assessed the adequacy of the ECL by performing a retrospective review of historical provisions, evaluating the completeness, accuracy, and arithmetic precision of the data used in the computation model, and reviewing the reasonableness of the provisioning policy in line with IFRS requirements. We further ensured that related disclosures in the financial statements were presented in accordance with IFRS Accounting Standards.

2. Share of Profit from Subsidiary – MKHG WLL

The Group's investment in its Kuwait subsidiary is material to the consolidated financial statements. The determination of the share of profit and the translation of the subsidiary's results require significant management judgment in applying the equity method and exchange rates under IAS 28 and IAS 21.

How Our Audit Addressed the Key Audit Matter:

Our audit work focused on assessing the accuracy and appropriateness of the Group's recognition and translation of its share of profit from the subsidiary. We reviewed the subsidiary's audited financial statements, evaluated the application of the equity method, and verified that translation practices were consistent with IFRS requirements. We also assessed the adequacy of related disclosures in the consolidated financial statements.



**REPORT ON THE AUDIT OF CONSOLIDATED AND PARENT COMPANY'S
FINANCIAL STATEMENTS(Continued)**

2. Share of Profit from Subsidiary – MKHG WLL (Continued)

Audit Procedures Performed:

- We have reviewed the subsidiary's audited financial statements and confirmed Majan's ownership interest.
- Evaluated the accounting treatment and translation of results under IAS 28 and IAS 21.
- Recomputed the share of profit using relevant exchange rates and verified rates with the Published exchange rates.
- Checked the linkage between the share of profit, carrying value of investment, and other comprehensive income.

3. Foreign Exchange Losses (Investment at Amortized Cost)

The College holds investments classified at amortized cost under IFRS 9. The determination and recognition of annual foreign-exchange movements on these monetary items require significant management judgment under IAS 21, particularly in distinguishing adjustments between retained earnings and current-year profit. The College has not yet affected the required allocation, and the related audit differences have been communicated to management and the board of directors.

How Our Audit Addressed the Key Audit Matter:

Our audit focused on assessing the appropriateness of the foreign-exchange translation and evaluating whether the accounting treatment and related disclosures complied with IFRS 9 and IAS 21. We reviewed the amortized-cost schedules and the foreign-exchange computation provided by management, assessed the recognition principles applied, and verified the exchange rates used. We also analyzed whether the absence of allocation had a material impact on the financial statements.

Audit Procedures Performed:

- Verified the exchange rates published by Central Bank of Oman data.
- Reperformed the foreign-exchange translation calculations and compared movements with prior years.
- Conducted analytical review procedures to assess reasonableness of the reported balances.
- Evaluated management's rationale for not recording the allocation and confirmed the audit differences were communicated to them.

Other Matter

The financial statements for the year ended 31 August 2024 were audited by another auditor who expressed an opinion with Key Audit Matters in their report dated 30 October 2024.



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REPORT ON THE AUDIT OF CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS(Continued)

Other Information

The directors are responsible for the other information. The other information comprises the Board of Directors Report, Management's Discussion and Analysis and the Corporate Governance Report (but does not include these financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Groups' Annual Report, which is expected to be made available to us after that date.

Our opinion on these 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 these financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with these 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 the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

Responsibilities of the Directors for these Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, the directors are responsible for assessing the Parent Company and 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 they either intend to liquidate the Parent Company and the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.



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REPORT ON THE AUDIT OF CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS(Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company's Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 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 these 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 Parent Company's and/or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Parent Company's and/or 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 these 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 Parent Company and/or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of these financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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REPORT ON THE AUDIT OF CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS(Continued)

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Parent Company and/or the Group as a basis for forming an opinion on these financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

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


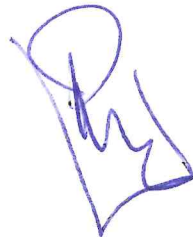
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of these financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public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

Report on Other Legal and Regulatory Requirements

Further, as required by the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, we report that these financial statements have been prepared and comply, in all material respects, with those requirements and provisions.

Middle East Chartered Accountants

CA Ramananda Prabhu
Director – Audit and Assurance
Muscat, Sultanate of Oman;
Date: 30th October 2025



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MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)
CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2025

	Notes	Consolidated 2025 RO	Parent 2025 RO	Parent 2024 RO
ASSETS				
Non-current assets				
Property, plant and equipment	7	2,951,611	2,951,611	3,019,402
Deferred tax asset	30 b)	253,829	253,829	286,012
Investment in subsidiaries	8	-	8,258,831	-
Investment in associates	9	8,347,055	-	-
Total non-current assets		11,552,495	11,464,271	3,305,414
Current assets				
Fees and other receivables	10	1,549,541	1,549,541	1,433,188
Investments at amortised cost	11	-	-	7,370,730
Investments at fair value through profit and loss (FVTPL)	12	1,276,865	1,276,865	1,259,455
Cash and cash equivalents	13	1,445,580	1,445,490	1,630,863
Total current assets		4,271,986	4,271,896	11,694,236
TOTAL ASSETS		15,824,481	15,736,167	14,999,650
EQUITY AND LIABILITIES				
Equity				
Share capital	14	9,000,000	9,000,000	9,000,000
Legal reserves	15	1,786,478	1,786,478	1,712,951
Retained earnings		3,280,971	3,280,971	2,619,230
Foreign currency translation reserve		4,719	-	-
Equity attributable to the equityholders of the parent company		14,072,168	14,067,449	13,332,181
Non-controlling interest	16	83,470	-	-
Total equity		14,155,638	14,067,449	13,332,181
Non-current liabilities				
Employees' end of service benefits	17	686,745	686,745	654,463
Students security deposits	18	289,655	289,655	253,305
Total non-current liabilities		976,400	976,400	907,768
Current liabilities				
Trade and other payables	19	593,572	593,447	586,940
Income tax payable	30 a)	98,871	98,871	172,761
Total current liabilities		692,443	692,318	759,701
Total liabilities		1,668,843	1,668,718	1,667,469
TOTAL EQUITY AND LIABILITIES		15,824,481	15,736,167	14,999,650
Net assets per share	20	0.156	0.156	0.148

The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2025 and signed on their behalf by:

Chairman



Vice Chairman

Notes 1 to 36 and other explanatory information form an integral part of these consolidated and parent company's financial statements.

MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)
CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2025

		Consolidated	Parent	Parent
	Notes	2025	2025	2024
		RO	RO	RO
INCOME				
Fee income	23	4,439,987	4,439,987	4,107,592
Other income	24	131,173	131,173	143,193
Investment income	25	402,048	399,808	457,195
TOTAL INCOME		4,973,208	4,970,968	4,707,980
EXPENSES				
Salaries and staff related costs	26	(2,299,241)	(2,299,241)	(2,305,105)
General and administrative expenses	27	(1,259,958)	(1,259,923)	(1,033,637)
Depreciation	7	(271,458)	(271,458)	(271,018)
Expected credit losses	28	(39,511)	(39,511)	(31,783)
Foreign exchange gains/(losses)	29	(228,122)	(228,122)	13,534
TOTAL EXPENSES		(4,098,290)	(4,098,255)	(3,628,009)
TOTAL INCOME BEFORE TAX		874,918	872,713	1,079,971
Income tax	30 c)	(137,445)	(137,445)	(162,034)
NET INCOME FOR THE YEAR AFTER TAX		737,473	735,268	917,937
Attributable to owners of parent		735,268	-	-
Attributable to NCI		2,205	-	-
		737,473	-	-
Other comprehensive income		4,767	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		742,240	735,268	917,937
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity shareholders of the parent company		739,987	-	-
Non-controlling interest		2,253	-	-
		742,240	-	-
Basic and diluted earnings per share	21	0.0082	0.0082	0.0100

The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2025 and signed on their behalf by:

Chairman



Vice Chairman

Notes 1 to 36 and other explanatory information form an integral part of these consolidated and parent company's financial statements.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)
CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2025**

2025	Share capital		Legal reserves	Retained earnings	Foreign currency translation reserve	Attributable to owners of parent	Non controlling interest	Total
	RO	RO						
Beginning of the year	9,000,000	1,712,951		2,619,230	-	13,332,181	-	13,332,181
Net Income for the year after tax	-	-		735,268	-	735,268	2,205	737,473
Foreign currency translation reserve	-	-		-	4,719	4,719	48	4,767
Total comprehensive income for the year	-	-		735,268	4,719	739,987	2,253	742,240
Transfer to legal reserves	-	73,527		(73,527)	-	-	-	-
NCI recognized on acquisition	-	-		-	-	-	81,217	81,217
AS AT 31 AUGUST 2025	9,000,000	1,786,478		3,280,971	4,719	14,072,168	83,470	14,155,638

2025	Share capital		Legal reserves	Retained earnings	Total
	RO	RO			
Beginning of the year	9,000,000	1,712,951		2,619,230	13,332,181
Total comprehensive income for the year	-	-		735,268	735,268
Transfer to legal reserves	-	73,527		(73,527)	-
AS AT 31 AUGUST 2025	9,000,000	1,786,478		3,280,971	14,067,449

2024	Share capital		Legal reserves	Retained earnings	Total
	RO	RO			
Beginning of the year	9,000,000	1,621,157		1,793,087	12,414,244
Total comprehensive income for the year	-	-		917,937	917,937
Transfer to legal reserves	-	91,794		(91,794)	-
AS AT 31 AUGUST 2024	9,000,000	1,712,951		2,619,230	13,332,181

Notes 1 to 36 and other explanatory information form an integral part of these consolidated and parent company's financial statements.

MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)
CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	<i>Notes</i>	Consolidated 2025 RO	Parent 2025 RO	Parent 2024 RO
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from income		4,587,804	4,587,804	4,186,620
Cash paid towards expenses		<u>(3,200,283)</u>	<u>(3,200,372)</u>	<u>(3,493,151)</u>
Cash from operations		1,387,521	1,387,432	693,469
Income tax paid		<u>(180,491)</u>	<u>(180,491)</u>	<u>(103,026)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)		<u>1,207,030</u>	<u>1,206,941</u>	<u>590,443</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	7	(203,667)	(203,667)	(60,800)
Proceeds from disposal of property, plant and equipment	7	19	19	349
Investment in subsidiaries	8	-	(8,037,088)	-
Investment in associates	9	(8,118,352)	-	-
Proceeds from disposal of investment at amortized costs	11	7,372,389	7,372,389	-
Receivable from Oula Wasata	10	(826,546)	(826,546)	-
Paid for non-controlling interest	16	81,265	-	-
Income received from investment deposits		302,413	302,413	35,410
NET CASH USED IN INVESTING ACTIVITIES (B)		<u>(1,392,479)</u>	<u>(1,392,480)</u>	<u>(25,041)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance costs paid on short term borrowings		-	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)		<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH & CASH EQUIVALENTS DURING THE YEAR (A+B+C)				
		<u>(185,449)</u>	<u>(185,539)</u>	<u>565,402</u>
Cash & cash equivalents at the beginning of the year		1,631,053	1,631,053	1,065,651
CASH & CASH EQUIVALENTS AT THE END OF YEAR		<u>1,445,604</u>	<u>1,445,514</u>	<u>1,631,053</u>
Comprises:				
Cash in hand		3,549	3,549	2,808
Cash at banks		<u>1,442,055</u>	<u>1,441,965</u>	<u>1,628,245</u>
TOTAL		<u>1,445,604</u>	<u>1,445,514</u>	<u>1,631,053</u>
Less:(Allowance for Expected Credit Losses (ECL))		<u>(24)</u>	<u>(24)</u>	<u>(190)</u>
CASH & CASH EQUIVALENTS AT THE END OF YEAR		<u>1,445,580</u>	<u>1,445,490</u>	<u>1,630,863</u>

Notes 1 to 36 and other explanatory information form an integral part of these consolidated and parent company's financial statements.

0 MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)
NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1 Legal status and principal activities

Majan College SAOG (Majan University College) (the College) is a Public Joint Stock Company (SAOG) incorporated and domiciled on 17 December 1995 in the Sultanate of Oman in accordance with the Commercial Companies Law of 1974 as amended, and replaced by the Commercial Companies Law promulgated by the Royal Decree No. 18/2019.

The College's registered office and principal address is P.O. Box 710, Ruwi, Postal Code 112, the Sultanate of Oman. The College's shares are listed on the Muscat Stock Exchange.

The College is a subsidiary of Human Investment LLC, an Oman based company, whose registered address is P.O. Box 1814, Postal Code 112, Muscat, the Sultanate of Oman.

The College is engaged in the fields of management sciences, scientific research and providing education to students in the Sultanate of Oman.

<u>Subsidiary of Majan College SAOG</u>	<u>Country of incorporation</u>	<u>Shareholding %</u>		<u>Principal activities</u>
		<u>2025</u>	<u>2024</u>	
M/s Majan Kuwait Holding Group WLL	Kuwait	99.00	-	Owning real estate and movable property
<u>Associates companies</u> <u>(Investment from MKHG WLL)</u>				
M/s Al-Oula Gulf Holding Company WLL	Kuwait	49.37	-	Trading in stocks, bonds, and other securities
M/s Abyat Kuwaiti Holding Company WLL	Kuwait	27.57	-	Managing its subsidiaries or participating in the management of other companies

2 Academic Affiliation

University of Bedfordshire – UK

The College has entered into an Academic Affiliation Agreement with the University of Bedfordshire in the United Kingdom (the UOB Agreement), for validating the College's undergraduate programs leading to the awards of bachelors' degrees in business, English language and Information Technology disciplines. Additionally, the College has another agreement with the University of Bedfordshire for hosting its master programs in Business Administration, Computer Sciences and Information Technology, International Human Resources Management* and Applied Linguistics. In accordance with the UOB aforementioned Agreements, the College is required to pay an annual affiliation fee per semester that is based on the number of students and certain other criteria.

**Discontinued as part of UOB's program restructuring.*

3 Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards-Accounting Standards (IFRS Accounting Standards) as promulgated by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (the Committee), the requirements of the Commercial Companies Law No. 18/2019 of the Sultanate of Oman, and relevant disclosures requirements for Public Joint Stock Companies issued by the Financial Services Authority (FSA) of the Sultanate of Oman.

b. Basis of measurement

The Company follows the accrual basis of accounting. Under this method, transactions and events are recognized when they occur, rather than when cash is received or paid, and are recorded in the financial statements for the period to which they relate.

c. Functional & presentation currency

These financial statements are presented in Omani Rial (RO), which is also the Company's functional currency. All financial information is expressed in Omani Rial (RO) and has been rounded to the nearest Rial Omani

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3 Basis of preparation (continued)

d. Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (i) below), after initially being recognised at cost.

(i) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

e. Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are reviewed by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

f. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- * fair values of the assets transferred
- * Acquisition-related costs are expensed as incurred

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

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4 Adoption of new and amended IFRS accounting standards

New standards, amendments and interpretations to existing IFRS effective 1 September 2024

- The College has adopted all approved new Standards and amendments for the first time for annual reporting period beginning from 1 September 2024, which has accounted for and disclosed only the relevant and applicable Standards and amendments:
- IFRS 10 Consolidated Financial Statements
- IFRS 28 Investments in Associates and Joint Ventures
- IFRS 17 Insurance Contracts and Amendments to IFRS 17
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendment to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.
- Amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.
- IFRS S1 : General Requirements for Disclosure of Sustainability-related Financial Information.
- IFRS S2 : Climate-related Disclosures.
- Amendments to IFRS 16: Leases.
- Amendments to IAS 1: Presentation of Financial Statements.
- Amendments to IAS 1 and IFRS 7: Supplier Finance Arrangements.

Standards, amendments and interpretations to existing IFRS accounting standards that are not yet effective

The forthcoming requirements of new standards and amendments to existing standards are applicable for future reporting periods.

Standards/ amendments to standards	Effective date
- Amendments to IAS 21: Lack of Exchangeability.	01-Jan-25
- IFRS 19: Subsidiary without Public Accountability	01-Jan-27
- IFRS 18: Presentation and Disclosure in the Financial Statements.	01-Jan-27
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);	

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

5 Summary of material accounting policies

a. Property, plant and equipment

Property, plant and equipment, other than land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following useful lives are used for the depreciation of property and equipment:

Buildings	15 Years
Motor vehicles	5 Years
Furniture and fittings	5 Years
Computers and software	5 Years
Library books	5 Years

Freehold land is not depreciated as it is deemed to have an infinite life.

If there is any indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect new expectations.

Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the statement of comprehensive income.

b. Capital work-in-progress

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policies.

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5 Summary of material accounting policies (continued)

c. Financial instruments

Financial assets and financial liabilities are recognized when the College becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets

Except for those fees receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- * amortized cost;
- * fair value through profit or loss (FVTPL); or
- * fair value through other comprehensive income (FVOCI).

The above classification is determined by both:

- * the College's business model for managing the financial asset; and
- * the contractual cash flow characteristics of the financial asset.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortized cost using the effective interest rate method.

The College's cash and cash equivalents, investment at amortised cost, and fees and other receivables, fall into this category of financial instruments.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL includes all financial assets not classified and measured under amortised cost or FVTOCI. They can be initially measured at cost and are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities

All financial liabilities are initially measured at fair value and are subsequently measured at amortized cost.

The Group and the Parent Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

The financial liabilities are classified in the following measurement categories:

- * those to be measured as financial liabilities at fair value through profit or loss; and
- * those to be measured at amortised cost.

Company's non financial assets and liabilities disclosed separately in the financial statements.

d. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Parent Company and the Group prior to end of reporting date which are unpaid. These amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

e. Impairment

Financial assets

IFRS 9's impairment requirements use forward-looking information to recognize expected credit losses – the expected credit loss (ECL) model. The College considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

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5 Summary of material accounting policies (continued)

e. Impairment (continued)

- * financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
- * financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2); and
- * Stage 3 which covers financial assets that have objective evidence of impairment at the reporting date (Stage 3).

12-month expected credit losses are recognized for the first category while “lifetime expected credit losses” are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Non-financial assets

At the end of each reporting year, the management assesses if there is any indication of impairment of non-financial assets. If an indication exists, the management estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of comprehensive income. The management also assesses whether there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of comprehensive income.

f. Fees and other receivables

A receivable represents the College’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Other receivables originated by the College are measured at cost. Receivables are stated at original invoice amount less provision as per the expected credit loss model as required under IFRS 9. Bad debts are written off when there is no possibility of recovery.

The College makes use of a simplified approach in accounting for expected credit losses and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the provision, the College uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The carrying values of fees receivables approximate their fair values due to the short-term nature of those receivables.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, and short-term deposits which are subject to an insignificant risk of changes in value.

h. Legal reserve

As required by the Commercial Companies Law No. 18/2019, 10% of the annual profit, regardless of accumulated losses, is transferred to a legal reserve, until the amount of the legal reserve reaches one third of the paid-up capital of the College. The reserve is not available for distribution unless there is a restructuring or liquidation.

i. Employees’ end of service benefits

The provision for employees’ termination benefits is based upon the liability accrued in accordance with the terms of employment of the College’s employees at the reporting date with regard to the requirements of the Oman Labor Law and the Social Security Law, issued by way of the Royal Decree 53/2024, dated 25 July 2023.

Government of Oman Social Insurance Scheme (the Scheme)

The College contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The College and Omani employees are required to make monthly contributions to the Scheme at 12.5% and 8% respectively, of gross salaries.

Non-Omani employee termination benefits

The provision for end of service benefits for non-Omani employees up to the previous reporting period was made in accordance with the requirements of the Oman Labor Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years. However, the employees hired earlier than 2002 are entitled to end of service benefits calculated at the rate of 30 days basic salary for each year of continuous service following the date of joining.

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5 Summary of material accounting policies (Continued)

i. Employees' end of service benefits (Continued)

For the year ended 31 August 2025, the provision is made as per the requirements of the Oman Labor Law of 2023. Accordingly, the employees are entitled to end of service benefits calculated at the rate of 30 days basic salary for each of the years of continuous service following the date of joining.

This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

j. Leases

The College assesses whether a contract is or contains a lease, at inception of the contract. The College recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements other than the two exempted leases which are short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these exempted leases, the College recognizes the lease payments as an operating expense on a straight-line basis over the terms of the leases unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the College expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the College lessee uses its incremental borrowing rate.

The College applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets policy.

k. Inventories

Inventories at the reporting date consist of books, stationery and consumable items, and are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all costs necessary to make the sale.

l. Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. The timing or amount of the outflow may still be uncertain.

A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognized only if a detailed formal plan for the restructuring has been developed and implemented, or the Management has at least announced the plan's main features to those affected by it. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Group Management. In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognized.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are disclosed as contingent assets.

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5 Summary of material accounting policies (Continued)

m. Contract liabilities

A contract liability is the obligation to transfer services to a student for which the College has received consideration (or an amount of consideration is due) from the student. If a student pays consideration before the College transfers services to the student, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the College performs under the contract.

n. Fee income

The College is in the business of providing higher education programs affiliated with the University of Bedfordshire in different disciplines. The College follows a 5-step process:

- 1 Identifying the contract with a customer;
- 2 Identifying the performance obligations;
- 3 Determining the transaction price;
- 4 Allocating the transaction price to the performance obligations; and
- 5 Recognizing revenue when/as performance obligation(s) are satisfied.

The College has various disciplines and programs that includes Higher Education Diplomas, Bachelors' degree, Masters' degrees, CMA and ACCA professional courses. All services of the College are separate, therefore are considered distinct and separate performance obligations.

Revenue from contracts with customers is recognized over a period of time when the service has been consumed by the student. The service is considered to be consumed when the tuition hours are provided. The College's revenue comprises tuition fees of the course chosen by the student, measured by reference to the fair value of consideration received or receivable by the College for services provided. Revenue earned upon the initiation of the semester courses is realized on an accrual basis in the statement of comprehensive income.

o. Other income

Other income comprises hostel fee income, accreditation of prior learning income, profit on disposal of property and equipment and other miscellaneous income, recognized in the statement of comprehensive income on the accrual basis or when the College's right to receive the payment is established.

p. Interest income and expense

Interest income and expense are accounted for on the accrual basis using an effective interest method.

q. Operating expenses

Operating expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date of their origin.

r. Related parties

A related party is a person or an entity that is related to the College:

A person or a close member of that person's family is related to the College if that person has control, joint control, or significant influence over the College or is a member of its key management personnel.

An entity is related to the College if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the College, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Functional and presentation currency

The RO is the functional and presentation currency of the College. Any currency other than the functional currency is considered as a foreign currency. Transactions in foreign currencies are translated to the RO at the rate of exchange prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to RO using the closing rate at the reporting date. An exchange difference on settlement of monetary items or on translation is recognized in the statement of comprehensive income.

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5 Summary of material accounting policies (Continued)

s. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income,

Foreign exchange gains and losses that relate to borrowings, trade payables and cash and cash equivalents are presented in the statement of comprehensive income within "foreign exchange gains (losses) - net".

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- * assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- * all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

t. Taxation

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the College expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Majan Kuwait Holding Group LLC ("MKHG"), a subsidiary, is subject to income tax in accordance with the Kuwait Income Tax Law No. 2 of 2008 and its executive regulations, as enforced by the Department of Income Taxes, Ministry of Finance, State of Kuwait.

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5 **Summary of material accounting policies (continued)**

u. Directors' remuneration

The College has an internal policy to calculate Directors' remuneration. The College considers the Commercial Companies Law of the Sultanate of Oman No. 18/2019, such as amended, and other latest relevant directives issued by the Financial Services Authority, with regards to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of comprehensive income in the year to which it relates.

v. Non-controlling interests

The Group has the choice, on a transaction by transaction basis, to initially recognise any noncontrolling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

w. Dividends distribution

The Board of Directors recommends to the shareholders dividends to be paid out of the College's profits. The Directors consider appropriate parameters including the requirements of the Commercial Companies Law No. 18/2019 of the Sultanate of Oman when recommending dividends. Dividends are recognized in the year in which these are declared by the Board of Directors and are approved by the shareholders.

x. Fair values

The carrying amounts of the Group's and the Parent Company's financial assets and liabilities approximate their fair values at the reporting date.

y. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- * the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary
- * shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- * the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- * the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Net assets per share

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

6 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the College's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

a. Useful lives and residual values of property and equipment

Management reviews the useful lives of depreciable assets at each reporting date. At each expiry date, management assesses that the useful lives represent the expected utility of the assets to the College. The carrying amounts are mentioned in note 7. Actual results, however, may vary due to technical obsolescence.

b. Provision for expected credit losses of fees receivables

The College uses a provision matrix to calculate ECL of fees receivables. The provision rates are based on days past due for groupings of various students' segments that have similar loss patterns.

The provision matrix is initially based on the College's historical observed default rates. The College calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector in which the students of the College operate, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The College's historical credit loss experience and forecast of economic conditions may also not be representative of students' actual default in the future. The information about the ECL on the College's fees receivables is disclosed in notes 10 and 28.

c. Going concern

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

d. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

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**7 Property, plant and equipment
CONSOLIDATED**

2025	Land		Building		Motor vehicles		Furniture & fixtures		Computer & software		Library books		Capital work in progress		Total	
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
COST: (A)																
Beginning of the year	1,153,509	4,401,469	52,300	1,194,497	674,284	287,150	1,555	7,764,764								
Additions during the year	-	-	-	8,087	190,319	5,261	-	203,667								
Transfer during the year	-	-	-	-	1,555	-	-	-								
Disposals during the year	-	-	-	-	-	(19)	-	-								
AS AT 31 AUGUST 2025	1,153,509	4,401,469	52,300	1,202,584	866,158	292,392	-	7,968,412								

DEPRECIATION: (B)

Accumulated depreciation																
Beginning of the year	-	2,755,565	52,300	1,089,668	567,781	280,048	-	4,745,362								
Depreciation charged during the year	-	162,920	-	46,684	59,352	2,502	-	271,458								
Depreciation on disposal	-	-	-	-	-	(19)	-	-								
AS AT 31 AUGUST 2025	-	2,918,485	52,300	1,136,352	627,133	282,531	-	5,016,801								

NET BOOK VALUE: (A-B)

AS AT 31 AUGUST 2025	1,153,509	1,482,984	-	66,232	239,025	9,861	-	2,951,611								
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PARENT

2024	Land		Building		Motor vehicles		Furniture & fixtures		Computer & software		Library books		Capital work in progress		Total	
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
COST: (A)																
Beginning of the year	1,153,509	4,401,469	52,300	1,185,926	688,675	280,346	1,555	7,762,225								
Additions during the year	-	-	-	14,913	37,369	6,963	-	60,800								
Disposals during the year	-	-	-	(6,342)	(51,760)	(159)	-	(58,261)								
AS AT 31 AUGUST 2024	1,153,509	4,401,469	52,300	1,194,497	674,284	287,150	1,555	7,764,764								

DEPRECIATION: (B)

Accumulated depreciation																
Beginning of the year	-	2,586,715	52,300	1,048,210	567,061	278,172	-	4,532,458								
Depreciation charged during the year	-	168,850	-	47,800	52,480	1,888	-	271,018								
Depreciation on disposal	-	-	-	(6,342)	(51,760)	(12)	-	(58,114)								
AS AT 31 AUGUST 2024	-	2,755,565	52,300	1,089,668	567,781	280,048	-	4,745,362								

NET BOOK VALUE: (A-B)

AS AT 31 AUGUST 2024	1,153,509	1,645,904	-	104,829	106,503	7,102	1,555	3,019,402								
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The land comprises the value of the College's campus land and the acquisition cost of the student hostel land. The College's campus land and building were provided as non-monetary Government grants by the Sultanate of Oman. At the time of the grant, the campus land and buildings were valued at RO 650,000 and RO 200,000, respectively. The College must obtain prior approval from the Government of the Sultanate of Oman before taking any actions related to this grant.

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8	Investment in subsidiaries	Consolidated	Parent	Parent
		2025	2025	2024
		RO	RO	RO
	MKHG LLC - Kuwait			
	Balance at the beginning of the year	-	-	-
	Cost of acquisition	-	8,037,088	-
	Subsidiary share of profit	-	221,743	-
	Total Inv in Subsidiaries at end of year	-	8,258,831	-

During the year, Majan Kuwait Holding Group (W.L.L) was established by the parent company, which obtained 99% ownership interest at a total acquisition cost of RO 8,037,088/-. The subsidiary contributed a profit share of RO 221,743/- during the period, resulting in a closing carrying amount of RO 8,258,831/- as of 31 August 2025.

Summarized financial information in respect of subsidiaries is set out below:

Subsidiary	Total Assets		Total Liabilities		Net Assets
	Non - Current	Current	Non - Current	Current	(MUC)
MKHG W.L.L	8,347,055	90	-	125	8,347,020

9	Investment in associates	Consolidated	Parent	Parent
		2025	2025	2024
		RO	RO	RO
	Investment in associates	8,118,318	-	-
	Share of profit from associates	224,018	-	-
	Foreign currency translation gain (KWD to OMR)	4,719	-	-
	Total Inv in associates	8,347,055	-	-

The company, Majan Kuwait Holding Group (W.L.L.), holds 27.85% equity interest in Abyat Kuwaiti Holding Company (W.L.L.) and 49.87% equity interest in Al-Oula Gulf Holding Company (W.L.L.). These investments provide the company with significant influence over the financial and operating policies of the associates and are therefore accounted for using the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures. The carrying amount of these investments represents the initial cost of acquisition adjusted for the company's share of post-acquisition profits or losses.

10	Fees and other receivables	Consolidated	Parent	Parent
		2025	2025	2024
		RO	RO	RO
	Financial assets: (A)			
	Fees receivable	1,689,917	1,689,917	1,754,190
	(Less): Allowance for expected credit losses (note 10.1)	(1,171,198)	(1,171,198)	(1,132,190)
		518,719	518,719	622,000
	Other receivables (B)	77,352	77,352	69,682
	Oula Wasata (First Securities Brokerage Com. K.S.C.C)	826,546	826,546	-
	Accrued investment income	-	-	455,600
		903,898	903,898	525,282
	Accrued interest receivable (C)			
	Accrued interest on investments at amortised cost	-	-	141,902
	(Less): Allowance for expected credit losses (note 28)	-	-	(32)
		-	-	141,870
	Non-financial assets (D)			
	Prepayments	126,924	126,924	144,036
	Total fees and other receivables (A+B+C+D)	1,549,541	1,549,541	1,433,188

The credit period of the student fees receivable is between the beginning and completion of each semester and not subject to interest.

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10 Fees and other receivables (Continued)

10.1 The movement in allowance for expected credit loss of fees receivables is as follows:

Balance at the beginning of the year	1,132,190	1,132,190	1,100,240
Provided for the year	39,008	39,008	31,950
Balance at the end of the year	1,171,198	1,171,198	1,132,190

11 Investments at amortised cost

	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Balance at the beginning of the year	7,370,730	7,370,730	7,372,389
Additions	-	-	-
(Less): Proceeds on disposal	(7,145,399)	(7,145,399)	-
Balance at the end of the year	225,331	225,331	7,372,389
Reverse/(less): Allowance for expected credit losses	1,659	1,659	(1,659)
Forex losses	(226,990)	(226,990)	-
Net Balance for Inv at amortised Cost	-	-	7,370,730

Investment at amortised cost represents an investment placed with M/s Human Investment and Training Corporation, Kuwait, a related party, under a Musharaka scheme, maturing within one year and carries expected profit at the rate of 6% per annum (2024: 6% per annum). During the year, all investments are disposed off.

12 Investments at fair value through profit and loss (FVTPL)

	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Quoted investments [Level 1] (A)			
Financial services	44,911	44,911	32,997
Others	13,603	13,603	7,950
Total quoted investments [Level 1]	58,514	58,514	40,947
Unquoted investments [Level 2] (B)			
Oil & gas	88,477	88,477	88,489
Real estate	775,116	775,116	775,216
Financial services	354,758	354,758	354,803
Total unquoted investments [Level 2]	1,218,351	1,218,351	1,218,508
Total Investments at FVTPL (A+B)	1,276,865	1,276,865	1,259,455

12.1 Movement in investments at FVTPL during the year was as follows:

Balance at the beginning of the year	1,259,455	1,259,455	1,275,722
Unrealised gain on investments at FVTPL	17,555	17,555	(23,815)
Foreign exchange changes	(145)	(145)	7,548
Balance at the end of the year	1,276,865	1,276,865	1,259,455

12.2 The geographical distribution of the investments in notes 8, 9 & 12 is as follows:

GCC	9,610,316	9,522,092	8,622,235
Other than GCC	13,604	13,604	7,950
Total geographical distribution of the investments	9,623,920	9,535,696	8,630,185

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13 Cash and cash equivalents	Consolidated 2025 RO	Parent 2025 RO	Parent 2024 RO
Maturing within three months			
Cash at banks	1,442,055	1,441,965	1,628,245
(Less): Allowance for expected credit losses (note 13.1)	(24)	(24)	(190)
	<u>1,442,031</u>	<u>1,441,941</u>	<u>1,628,055</u>
Cash in hand	3,549	3,549	2,808
Total Cash and cash equivalents at end of year	<u><u>1,445,580</u></u>	<u><u>1,445,490</u></u>	<u><u>1,630,863</u></u>

13.1 The movement in allowance for expected credit losses of cash in bank is as follows:

Balance at the beginning of the year	190	190	356
Reversed during the year	(166)	(166)	(166)
Balance at the end of the year	<u><u>24</u></u>	<u><u>24</u></u>	<u><u>190</u></u>

14 Share capital	2025 RO	2024 RO
Authorised share capital		
150,000,000 authorised share capital of RO 0.1 each	<u>15,000,000</u>	<u>15,000,000</u>
Subscribed and paid-up share capital		
90,000,000 fully paid-up share capital of RO 0.1 each	<u>9,000,000</u>	<u>9,000,000</u>

Significant shareholders

Details of shareholders of the College who own 10% or more of the College's shares at the end of the reporting period, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

<u>Name of shareholders</u>	<u>2025</u>		<u>2024</u>	
	<u>Holding</u> %	<u>Shares</u> Held	<u>Holding</u> %	<u>Shares</u> Held
Human Investment LLC - Oman	76.43%	68,784,230	76.43%	68,784,230
Oman Chamber of Commerce and Industry	10.53%	9,480,000	10.53%	9,480,000

15 Legal reserves

As per the Commercial Companies Law of the Sultanate of Oman, an annual appropriation of 10% of a College's net profit is to be made to a non-distributable legal reserve, until the amount of legal reserve becomes equal to one-third of the amount of issued share capital. This reserve is not available for distribution. During the year, RO 73,527/- was transferred to legal reserve (2024: RO 91,794/-).

16 Non-controlling interest	Consolidated 2025 RO	Parent 2025 RO	Parent 2024 RO
NCI at recognition	81,217	-	-
Share of profit	2,205	-	-
Foreign currency translation gain	48	-	-
Total Non-controlling interest	<u><u>83,470</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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17 Employees' end of service benefits

In accordance with the requirements of Oman Labour Laws, the College has provided for end of service benefits for its non-Omani employees. The movement in end of service benefits for the year is as follows:

	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Balance at the beginning of the year	654,463	654,463	650,614
Provided for the year	55,951	55,951	61,259
Payments during the year	(23,669)	(23,669)	(57,410)
Balance at the end of the year	686,745	686,745	654,463

18 Students security deposits

Security deposits include Students' security deposits & Sponsors' security deposits amounting to RO 289,655/- (2024: RO 253,305/-) include refundable deposits collected from students at the time of registration. These have not been carried at amortised cost as the effect of the discounting is not considered material.

19 Trade and other payables

	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Financial liabilities (A)			
Trade payables	263,167	263,167	202,320
Withholding tax payable	10,561	10,561	11,605
Other accrued expenses	82,445	82,320	40,175
	356,173	356,048	254,100
Non Financial liabilities (B)			
Air passage and leave salaries	52,055	52,055	41,575
Advance tuition fees	185,344	185,344	287,044
Other advance income	-	-	4,221
	237,399	237,399	332,840
Total trade and other payables (A)+(B)	593,572	593,447	586,940

20 Net assets per share

Net assets per share is calculated by dividing the net assets at the end of the year attributable to shareholders of the Parent Company, by the number of shares outstanding as follows:

	Consolidated	Parent	Parent
	2025	2025	2024
Net assets value (RO)	14,155,638	14,067,449	13,332,180
(Less): Non-controlling interest	(83,470)	-	-
Number of shares outstanding	90,000,000	90,000,000	90,000,000
Net assets value per share (RO)	0.156	0.156	0.148

21 Basic and diluted earnings per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year, as follows:

	Consolidated	Parent	Parent
	2025	2025	2024
Profit for the year (RO)	742,240	735,268	917,937
Weighted average number of ordinary shares	90,000,000	90,000,000	90,000,000
Basic and diluted earnings per shares (RO)	0.0082	0.0082	0.0100

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22 Related party transactions

The Group's related parties include its key management personnel and business entities who have the ability to control or exercise significant influence in financial and operating decisions. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Key management personnel of the Group's is the Executive Management. The nature of significant related party transactions and the amounts involved during the year are presented below:

	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Income from investments at amortised cost	111,429	111,429	445,600
Maturity/withdrawals	(7,372,389)	(7,372,389)	-
Unrealised loss on fair value	11,757	11,757	2,710
	<u>111,429</u>	<u>111,429</u>	<u>445,600</u>
Key management personnel compensation:			
Salaries and related costs	291,166	291,166	290,354
Board sitting fees	25,400	25,400	21,700
Board of trustees meetings fees	2,950	2,950	600
	<u>319,516</u>	<u>319,516</u>	<u>312,654</u>
	<u>319,516</u>	<u>319,516</u>	<u>312,654</u>
23 Fee income	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Undergraduate income	4,566,450	4,566,450	4,663,426
Post graduate income	944,961	944,961	419,020
(Less): Discounts allowed	(1,071,424)	(1,071,424)	(974,854)
Total Fee income	<u>4,439,987</u>	<u>4,439,987</u>	<u>4,107,592</u>
	<u>4,439,987</u>	<u>4,439,987</u>	<u>4,107,592</u>
24 Other income	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Hostel income	69,000	69,000	80,820
Rental income	27,687	27,687	28,022
Accreditation of prior learning income	17,825	17,825	21,390
Gain on disposal of property, plant and equipment	19	19	204
Miscellaneous income	22,327	22,327	12,757
(Less): Discount offered	(5,685)	(5,685)	-
Total Other income	<u>131,173</u>	<u>131,173</u>	<u>143,193</u>
	<u>131,173</u>	<u>131,173</u>	<u>143,193</u>
25 Investment income	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Income on investments at amortised cost	160,510	160,510	481,010
Unrealised gain on investments at FVTPL (note 12.1)	17,555	17,555	(23,815)
Share of profit from investment in associates / subsidiary	223,983	221,743	-
Total Investment income	<u>402,048</u>	<u>399,808</u>	<u>457,195</u>
	<u>402,048</u>	<u>399,808</u>	<u>457,195</u>

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26 Salaries and staff related costs	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Salaries and staff related costs	1,959,524	1,959,524	1,995,045
Contributions to social security fund	130,813	130,813	106,665
Employees' end of service benefits (note: 17)	55,951	55,951	61,259
Other staff benefits	152,953	152,953	142,136
Total salaries and staff related costs	2,299,241	2,299,241	2,305,105
27 General and administrative expenses	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Postgraduate affiliation fees	199,989	199,989	168,243
Legal and professional fees	179,631	179,631	97,329
Undergraduate affiliation fees	165,253	165,253	167,326
Utility expenses	133,046	133,046	132,893
Repairs and maintenance expenses	123,912	123,912	122,580
Software license fees	122,820	122,820	99,297
Advertising expenses	86,626	86,626	48,172
Rent expenses	42,810	42,810	52,012
Fuel, travelling and hotel expenses	42,045	42,045	30,114
Miscellaneous expenses	40,458	40,423	37,009
Graduation ceremony expenses	29,806	29,806	1,147
Board meetings fees	25,400	25,400	21,700
Student activities expenses	21,198	21,198	10,751
Bank charges	20,698	20,698	13,694
Stationery and printing expenses	15,289	15,289	12,728
Insurance	8,027	8,027	13,592
Board of trustees meetings fees	2,950	2,950	5,050
Total general and administrative expenses	1,259,958	1,259,923	1,033,637
28 Expected credit losses	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Fees receivables	41,368	41,368	31,949
Bank balances	(166)	(166)	(166)
Investment amortised cost	(1,659)	(1,659)	-
Accrued investment income	(32)	(32)	-
Total expected credit losses	39,511	39,511	31,783
29 Foreign exchange gains/(losses)	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Realised foreign exchange	225,561	225,561	(5,986)
Unrealised foreign exchange	2,561	2,561	(7,548)
Foreign exchange losses/(gains)	228,122	228,122	(13,534)

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30 Taxation

The College is liable to pay tax at the rate of 15% on its taxable income in accordance with the income tax law of the Sultanate of Oman (2024: 15%).

The computation of income tax and deferred tax calculated is as follows:

Recognized in the statement of financial position:

	Consolidated 2025 RO	Parent 2025 RO	Parent 2024 RO
30 a) Income tax payable			
Balance at the beginning of the year	172,761	172,761	103,026
Provision for the current year	98,871	98,871	172,761
Prior year tax	6,391	6,391	-
Additional tax	1,339	1,339	-
Payments made	(180,491)	(180,491)	(103,026)
Total Income tax payable	98,871	98,871	172,761

	2025 RO	2025 RO	2024 RO
30 b) Deferred tax asset			
Balance at the beginning of the year	286,012	286,012	275,285
Recognised for the year	(32,183)	(32,183)	10,727
Balance at the end of the year	253,829	253,829	286,012

The deferred tax asset in the statement of financial position and deferred tax (charged)/recognised in the statement of comprehensive income are attributable to the following items:

	As at 1/Sep/24 RO	Recognized RO	As at 31/Aug/25 RO
31-Aug-25			
Property, plant and equipment	120,371	(2,161)	118,210
Provisions and fair value adjustments	165,641	(30,022)	135,619
Total deferred tax asset	286,012	(32,183)	253,829

	1/Sep/23 RO	Recognized RO	31/Aug/24 RO
31-Aug-24			
Property, plant and equipment	116,877	3,494	120,371
Provisions and fair value adjustments	158,408	7,233	165,641
Total deferred tax asset	275,285	10,727	286,012

	2025 RO	2025 RO	2024 RO
30 c) Income tax			
Current period tax	98,871	98,871	172,761
Prior period tax	6,391	6,391	-
Deferred tax expense / (income)	32,183	32,183	(10,727)
Balance at the end of the year	137,445	137,445	162,034
Income before tax	872,713	872,713	1,079,971
Tax on accounting profit @ 15%	130,907	130,907	161,996
Add: disallowed expenses (tax effect)	47,093	47,093	49,056
(Less): Allowable expenses (tax effect)	(79,129)	(79,129)	(38,291)
Income after tax	98,871	98,871	172,761
Loss carryforward tax credit	-	-	-
Current tax charge for the year	98,871	98,871	172,761

30 d) Current status of tax assessments

Tax assessments of the College have been completed up to the year 2021. Management is of the view that, additional taxes, if any, which may become payable on the completion of assessments of the open years, would not be significant to the financial position of the College at the reporting date.

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31 Financial instruments risk

Risk management objectives and policies

The College does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the College is exposed to are described below.

31.1 Market risk analysis

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The College is not significantly exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which results from its operating activities.

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Most of the College's transactions are carried out in the RO. Exposure to currency exchange rates arise from the College's overseas transactions, which are primarily denominated in US Dollar (USD), Kuwaiti Dinar (KWD) and Great Britain Pound (GBP).

To mitigate the College's exposure to foreign currency risk, non-RO cash flows are monitored.

Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The College's policy is to minimise interest rate cash flow risk exposures on long term financing.

31.2 Credit risk analysis

Credit risk is the risk of financial loss to the College if a student or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the College's receivables from students and cash at bank.

Credit risk management

The credit risk is managed on a group basis based on the College's credit risk management policies and procedures. The credit risk in respect of cash balances held with banks are managed via balances held with major reputable financial institutions.

The credit terms range up to 7 months for fees receivable, the period of one semester offered at the College.

The credit terms for students are negotiated subject to installment payments within the semester period. The ongoing credit risk is managed through receipt of advance payments confirmation from the Ministry of Higher Education for scholarship students and Private or Public sponsors for sponsorship students. The students on a credit basis are regularly reviewed for ageing analysis, together with credit limits per student.

Expected credit loss of cash at bank and investment at amortised cost

The cash at bank is considered to be a low-risk item and the College applies the IFRS 9, 12 months Expected Credit Loss (ECL) method. The expected credit loss on cash at bank is calculated based on the credit ratings given by an external credit rating agency. The Probability of Default (PD) is considered based on the historical data of the credit ratings. Should a case of default occur, the College is exposed to 100% amount held with the bank. Therefore, the Loss Given Default (LGD) reflects the same assumption.

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31 Financial instruments risk (continued)

31.2 Credit risk analysis (continued)

Expected credit loss of cash at bank and investment at amortised cost (continued)

Credit rating	2025		2024	
	Exposure at year end	ECL	Exposure at year end	ECL
	RO	RO	RO	RO
Cash and cash equivalents	1,441,965	(24)	1,628,245	190
Investment at amortised cost	-	-	7,372,389	1,659
Accrued interest on investments at amortised cost	-	-	141,902	32
	1,441,965	(24)	9,142,536	1,881

Expected credit loss of fees receivables

The College applies the IFRS 9 simplified model of recognising lifetime expected credit losses for fees receivables (except from contractual balances due from the Ministry of Higher Education), as these items do not have a significant financing component.

In measuring the expected credit losses, the fees receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Loss rates are calculated using a 'roll rates' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics.

Loss rates are based on actual credit loss experience over the past years. These are then adjusted for the current economic outlook of the geographical region to which the receivables belong.

	2025		2024	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	RO	RO	RO	RO
Not past due	360,506	1,686	494,348	1,825
1 – 2 years past due	107,400	22,554	50,985	10,707
2 – 3 years past due	91,855	48,683	61,164	32,152
3 – 4 years past due	43,368	28,295	74,466	49,147
4 – 5 years past due	58,587	46,868	94,821	75,857
More than 5 years past due	1,028,201	1,023,112	978,406	962,502
	1,689,917	1,171,198	1,754,190	1,132,190

31.3 Liquidity risk analysis

Liquidity risk, also referred to as funding risk, is the risk that the College will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The College's maximum exposure to liquidity risk is limited to the carrying amount of financial liabilities recognized at the reporting date, as summarized below:

	Consolidated	Parent	Parent
	2025	2025	2024
	RO	RO	RO
Non-interest bearing:			
Student security deposits (note 18)	289,655	289,655	253,305
Trade payables and accruals (note	356,173	356,048	254,100
	645,828	645,703	507,405

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31 Financial instruments risk (continued)

31.3 Liquidity risk analysis (continued)

The table below summarises the maturities of the College's financial liabilities:

	Up to 6 months RO	7 to 12 months RO	Above 1 year RO	Total RO
31-Aug-25				
Non-interest bearing:				
Student security deposits	800	11,200	277,655	289,655
Trade payables	234,122	5,053	23,992	263,167
Other accrued expenses	92,881	-	-	92,881
	<u>327,803</u>	<u>16,253</u>	<u>301,647</u>	<u>645,703</u>
31-Aug-24				
Non-interest bearing:				
Student security deposits	19,450	20,350	213,505	253,305
Trade payables	179,227	5,722	17,371	202,320
Other accrued expenses	51,780	-	-	51,780
	<u>250,457</u>	<u>26,072</u>	<u>230,876</u>	<u>507,405</u>

Management believes that the College is able to generate sufficient funds for the foreseeable future to meet the College's liquidity requirements and meet the financial obligations as they fall due.

32 Fair value measurement

The Parent Company and the Group measures its financial assets at fair value through profit or loss at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of publicly traded investments is based on quoted market prices at the reporting date.

The carrying amounts of all financial assets and liabilities approximate their fair values.

The College measures fair value using the following fair value hierarchy that reflects the significance of the input used in the making the measurements:

Level 1

Level 1 assets and liabilities are typically exchange-traded positions traded in active markets. These positions are valued using unadjusted quoted prices in active markets.

Level 2

Fair value is determined using valuation techniques based on valuation models with directly or indirectly market observable inputs. These valuation techniques include discounted cash flow analysis models, option pricing models, simulation models and other standard models commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, such as discount rates, default rates, credit spreads and option volatilities. These inputs need to be directly or indirectly observable in order to be classified as level 2. The College has made unquoted investments under level 2.

Level 3

Level 3 assets are valued using techniques similar to those outlined for level 2, except that if the instrument has one or more inputs that are unobservable and significant to the fair value measurement of the instrument in its entirety, it will be classified as level 3.

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy of the investment securities during the year.

The College's quoted shares are valued using the Level 1 method based on quoted prices in active markets, whereas the College's unquoted shares are valued using the Level 2 method based on the discounted cash flow analysis model.

33 Capital management policies and procedures

The College's capital management objectives are:

- To ensure the College's ability to continue as a going concern.
- To provide an adequate return to shareholders by services commensurately with the level of risk.

The College manages its capital structure in a way it is able to continue as a going concern and adjust it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the year.

Capital risk management

The Parent Company and the Groups' objectives when managing capital is to safeguard the Parent Company and the Groups' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Parent Company and the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares. The capital requirements of the Parent Company and the Group are determined by the Commercial Companies Law of the Sultanate of Oman.

The capital of the Group Companies comprises share capital and retained earnings. Management's policy is to maintain an optimum capital base to maintain investor, creditor and market confidence to sustain future growth of business as well as return on capital.

34 Comparative information

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform to the presentation adopted in the current year's consolidated and separate financial statements. Such regrouping or reclassification did not affect previously reported net profit or shareholders' equity.

35 Contingent liabilities and commitments

The College had no contingent liabilities or commitments as at 31 August 2025 (2024: RO nil).

36 Subsequent events

There are no events occurring subsequent to 31 August 2025 and before the date of the report that are expected to have a significant impact on the consolidated financial statements of the Group and separate financial statements of the Parent Company.