

CIRA's educational investment portfolio includes seven schools, wholly owned by the Company, and an additional eleven schools indirectly, through controlled joint ventures with its respective educational subsidiaries.

The following table lists all 17 schools along with CIRA's percentage of ownership, respectively, as they were accounted for in the valuation exercise:

CIRA 100% Owned Schools	Joint Venture Schools		Rented Schools
FLS Girls (K-6)	FLS Girls (7-12)	69.4%	FLS Boys
Othman IbnAffan	FLS El-Mokattam	69.4%	
FLS El-Rehab	FLS Maadi	69.4%	
L'Ecole Del'Avenir	FLS American	69.4%	
Deutsche Schule	LCF Maadi	69.4%	
FLS Fustat	Futures Tech	67.5%	
FLS Suez	Futures International (3)	71.5%	
	FLS Hurghada	50.0%	
	FLS Dahab	70.0%	

The company imbues a strong vision and was founded with the intent of improving the educational standards in Egypt. These strong corporate principles are still evident in the company today and firmly espoused by the Chairman/CEO and other Board members. These principles have made a significant contribution to CIRA's success and provide a promising foundation for future sustainability.

OUR GOVERNANCE SYSTEM

Continuing with the efforts of the past few years and working closely with the IFC to restructure our governance system and mold it towards sustainable practices, we are currently operating with 4 independent, 3 executive, and 2 shareholder board members. The gender balance on our board is around 20%, from the original level of 0%.

**"CIRA WAS FEATURED
AMONG THE SUCCESSFUL
GOVERNANCE CASE
STUDIES IN THE MENA
REGION BY IFC IN 2010"**

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SUBSIDIARIES

Futures Educational Systems



Futures Educational Systems was initiated with a mission to help enhance quality and equity in education as a whole, by establishing an educational model, which would be replicable, affordable, and economically viable. The Futures Foundation is a network of educational institutions with a mandate to develop instructional practices that help students excel in all educational systems including the National Egyptian Curriculum, American System, IGCSE, French, and German System. Futures Educational Systems into 12 schools within the Greater Cairo metropolis, and 4 schools in Hurghada, Dahab, Suez, and Assiut respectively; totaling 16 schools.

<http://www.futuresnet.net>

Egyptian Academy for Human Development



The Egyptian Academy for Human Development (EAHD) was founded to help professionals and students seek their highest potential in their different fields and become partners in the nation's development. EAHD is the outcome of an American-Egyptian project between the Futures Foundation and Edusystems organization, which is a U.S.-based company with more than 25 years of experience in the Arab World. The labs in the Egyptian Academy for Human Development offer students of all ages an introduction to a new technological era. It embodies a number of educational technology opportunities for example:

Growing-Up Ready Lab, Action Lab & Ellis Lab. EAHD also offers a variety of trainings including computer, professional development, and teacher trainings.

<http://www.eahd.org>

Edu Systems International



Edu Systems International (ESI) is a leading provider of professional services and products that assist in the enhancement of quality education across the globe. ESI assists organizations in achieving effectiveness and agility in a changing and collaborative world. The company primarily focuses on both the Egyptian national and international educational institutions and aims to improve student achievement and overall organizational development by implementing a number of strategies. ESI is a leader in the development of high standards and supporting products that result in high levels of quality and productivity.

<http://www.esi.edu.eg>

EMCO for Computers and Systems



EMCO for Computers and Systems specializes in providing integrated advanced Arabic/Latin computer solutions for the Egyptian market. EMCO for Computer and Systems provides its services to the major sectors in the Egyptian market namely: Business, Energy, Health, Government, Industry, and Education.

<http://www.emco-co.com>

Health Care International



Health Care International (HCI) was founded in 1992 with a mission to assist public, private, and community organizations achieve their strategic objectives and improve their performance and outcomes. HCI has years of development expertise in Egypt and other countries (Jordan, Lebanon, Yemen, Saudi Arabia, Sultanate of Oman, Sudan, Iraq, Syria, UAE, Morocco, Cyprus, and Turkey). HCI plays both a facilitating as well as an implementing role in bridging the cultural gap between various partners, donors and recipients in order to make development cost-effective.

Moreover, HCI manages unique health maintenance programs (HMP) with a clear focus on health promotion and raising awareness and practices towards healthy lifestyles. HCI is leading unique and well-built WHO-funded programs in Egypt and in other Eastern Mediterranean Region (EMR/WHO) countries. HCI is leading various national initiatives and assuming the role of Local Partner in many consortia responsible for undertaking bi-lateral and international improvement programs funded by US-AID, WB, EC, UNDCCP, UNESCO, UNFPA, and Governments of the Netherlands and Finland.

<http://www.hci.com.eg>

HUMAN RIGHTS

PRINCIPLE 1: *Businesses should support and respect the protection of internationally proclaimed human rights.*

- CIRA's policies and strategies assure supporting and preserving the human rights of its employees. We are keen on carrying-out regular impact assessments, assuring full compliance with human rights principals.
- Although we do not have an employee association, necessary measures are in place to allow for adequate communication. *Further discussed in Principle 3.*
- CIRA Applies NFPA (National Fire Protection Association) 101 "The Life Safety Code" to ensure that the design, construction and operation of new school buildings comply with life and fire safety standard. The company just engaged SGS external assurance to audit its schools against the NFPA. SO far 7 schools have been covered by the audit and corrective actions are currently implemented by the H & S team.
- All new facilities will be equipped for ease of mobility for disabled persons including ramps and rails.
- New procedures are being implemented regarding land acquisition and compensation for all new facilities. The company will be working with IFC's advisory to further develop a land acquisitions policy which details the handling of communities.
- Furthermore, CIRA ensures that its business partners uphold the same values, regarding human rights, before conducting any dealings.
- All employees are given training sessions on emergency procedures, including fire drills and evacuation procedures.
- Internal Auditors conduct safety audit on a regular basis and make regular unannounced visits to sites and schools.

PRINCIPLE 2: *Businesses should make sure that they are not complicit in human rights abuses.*

- CIRA conducts its business under well-established regulations in which fundamental human rights are well protected.

- Health care insurance is provided to all CIRA staff. We also have several primary health care centres in our different premises that provide medical services for our staff.
- We have contracted with National Societe Generale Bank for Life Insurance for all employees. Upon death, the beneficiary will receive a lump sum of 20x the salary of the employee paid by the company.
- We have a well-established Child Care Centre that caters to the needs of our employees and their families. Breast feeding rooms are also available for our postnatal female staff in 80 % of our premises.
- Based on a board resolution, \$50,000 USD per year is designated towards philanthropic activities within the schools.
- We secure a discount of up to 50% on educational fees for our staff, thus assuring the development and well being of not only our staff, but their families as well.
- An allotment was made of 3% of turnover to be used as financial aid for tuition fees for families with kids facing financial difficulties because of recent economic events.
- In order to comply with a fair work schedule, we operate on a 9–5 schedule, which amounts to 40 hours per week. We ensure that extra hours are properly compensated, and that no one is forced to work on either a scheduled vacation or a national holiday.
- To assure optimal personnel development, 2% of our current budget is designated to providing training opportunities to our staff in different fields of interest.
- The company has thorough grievance policies for both its employees and the community at large.

LABOUR STANDARDS

PRINCIPLE 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*

- Currently there is no employee association inside CIRA.
- CIRA implemented an open door policy to ensure open channels of communication between management and the employees.

- A secure and confidential complaint box is available in all CIRA companies, assuring honest employee feedback.
- CIRA conducts monthly meetings with heads of departments to review each department's employee-needs and feedback. To further guarantee that the employees' voices are heard, regular comprehensive staff meetings are convened.

PRINCIPLE 4: *Businesses should uphold the elimination of all forms of forced and compulsory labour.*

- There are no incidents of compulsory or forced labor inside the system.
- CIRA's employees are hired with contracts that are governed by the labor rules and regulations of the Egyptian Government.
- Our contracts clearly state each employee's duties and responsibilities, and the appropriate measures to be taken in case the wish to leave.

PRINCIPLE 5: *Businesses should uphold the effective abolition of child labour.*

- We take extensive measures to assure the abolition of child labor. The minimum age of employment at CIRA is above 18 years old, and there have been no incidents of violations of such rule.
- Furthermore, CIRA ensures that its business partners uphold the same values, regarding child labor, before conducting any dealings.

PRINCIPLE 6: *Businesses should uphold the elimination of discrimination in respect of employment and occupation.*

- CIRA assures the abolition of glass ceilings, and that no employee is discriminated against based on gender, age, or race. An employee is selected on the basis of their ability to do the job and there is no distinction, exclusion or preference made on other grounds.
- CIRA is aware of the gender wage gap, and assures that employees of either gender are treated equally, and not discriminated against based on gender. Current gender balance on the board is 20%, in upper management at the company level is 20%, and upper management at the school level is 85%.

- Due to the nature of our prime sector of operation, education, and because of the prevalence of female teachers, the ratio of females hired by CIRA is higher than that of males. Our employment ratio is 70% female to 30% male.

ENVIRONMENT

PRINCIPLE 7: *Businesses should support a precautionary approach to environmental challenges.*

- Due to the nature of education, CIRA uses large amounts of paper, which is why we employ strict recycling policies to assure maximum utilization of our supplies, and to adhere to an eco-friendly approach.
- Before approaching any construction endeavors, CIRA conducts an environmental impact study of the area of construction to assure the feasibility of construction with minimal damage to the environment.

PRINCIPLE 8: *Businesses should undertake initiatives to promote greater environmental responsibility.*

- In efforts to extend our responsibilities to our stakeholders, CIRA firmly believes in complying with UN and ICLEI's Triple Bottom Line of Sustainable Development, and is currently working on incorporating within its policies and procedures.
- Currently, CIRA has a policy of allocating 35 % green space in all of its school premises and 40% at universities.
- Through our schools and the Skool Learning Portal (<http://www.skool.com.eg>), we encourage students to delve further into sciences and spread awareness about eco-friendly practices for the environment.
- As part of the list of recommendations from the EASA, we are taking steps to measure our energy efficiency and water consumption in an attempt to create better environmental friendly buildings.

PRINCIPLE 9: *Businesses should encourage the development and diffusion of environmentally friendly technologies.*

- As previously mentioned, we have a policy of allocating 35% green space in all of our school premises.

- As mentioned under Principle 7, we employ firm recycling policies in all our schools.
- We assure that our gas station follows the safety and environmental guidelines implemented by Chevron Corporation, the parent company of Caltex.

ANTI-CORRUPTION

PRINCIPLE 10: *Businesses should work against corruption in all its forms, including extortion and bribery.*

- CIRA has implemented a new company website including an investor relations page that discloses all financials, ownership and governance transparency, and improving overall communication with all investors and stakeholders.
- CIRA has developed a formalized Community Grievance Mechanism (CGM) to record, review, and respond to community grievances.
- CIRA has established a new Internal Audit function that is now producing routine reports for senior management and the board, including previously unaudited areas. We have also hired a new External Auditor, replacing long-serving auditor with new, reputable firm, to reinforce independence.
- CIRA has an internal whistle blowing protection system.

ANNEX I

AUDITED CONSOLIDATED INCOME STATEMENT 2012 (EGP)

Total Revenue	121,781,484
Total Cost of Goods Sold	(72,629,953)
Gross Profit	49,151,531
General & Administrative Expenses (G&A)	
General & Administrative Expenses (G&A)	(10,163,555)
Net Operating Income	38,987,976
Other Income	2,135,959
Other Expenses	(11,046,704)
Net profit before Income tax	30,077,231
Income Tax	(6,550,798)
Net profit after tax	23,526,433

ANNEX II

AUDITED CONSOLIDATED INCOME STATEMENT Q3-2013 (EGP)

Total Revenue	106,388,003
Total Cost of Goods Sold	52,689,439
Gross Profit	53,698,564
General & Administrative Expenses (G&A)	
General & Administrative Expenses (G&A)	(8,476,878)
Net Operating Income	45,221,686
Other Income	3,540,779
Other Expenses	(13,390,385)
Net profit before Income tax	35,372,080
Income Tax	(8,336,773)
Net profit after tax	27,035,307

