كـلـيـة أبـوظـبـي لـلإدارة
ABU DHABI SCHOOL OF MANAGEMENT

Abu Dhabi School of Management

Annual Financial Report

Year Ended 31 December 2024

Date	25-11-2025

The Abu Dhabi School of Management attempts to ensure the information contained in this publication is correct at the time of publication of **March/2026**. However, sections may be amended without notice by the school in response to changing circumstances or for any other reason. Visit the ADSM website or contact the school for any updated information.

Contents

1.0 Purpose and Reporting Scope

This report provides an overview of Abu Dhabi School of Management's (ADSM) 2024 financial performance, financial governance, resource allocation, financial risk management and sustainability arrangements for the year ended 31 December 2024, with comparative information for 2023.

The report presents the key numerical indicators needed to understand the institution's financial performance. It does not reproduce the complete signed financial statements, account balances or accompanying notes, which remain the authoritative financial record and should be consulted where detailed financial information is required.

2.0 Institutional Context

ADSM is an educational institution and a subsidiary of the Abu Dhabi Chamber of Commerce and Industry (ADCCI). Its financial activity is generated through tuition and related educational services. The 2024 financial year reflects ADSM's continued commitment to educational delivery, student access and responsible institutional stewardship.

2024 Financial Performance at a Glance

-25.2% change in net revenue	**41.6%** gross margin	**26.1%** scholarship support ratio	Unmodified external audit opinion

What the year shows

- Net recognized revenue declined by 25.2% compared with 2023.
- Gross margin decreased to 41.6% as revenue declined while direct costs increased modestly.
- Scholarship support remained a significant component of ADSM's commitment to educational access.
- The external auditor issued an unmodified opinion on the 2024 financial statements.

3.0 Financial Governance

Financial planning, control and oversight

As shown in Table 1, ADSM maintains financial governance arrangements intended to support accountability, transparency, appropriate authorization and responsible use of institutional resources.

Table 1. Financial Governance Arrangements

Governance area	Institutional approach
Annual budget preparation	The annual budget is prepared through a coordinated planning process that considers academic and administrative requirements, expected activity, institutional priorities and available resources.
Approval authority	The proposed budget and material financial matters are submitted through the applicable institutional review and approval route.
Delegation of authority	Financial commitments and transactions are authorized in accordance with the approved delegation of financial authority.
Expenditure controls	Expenditure is verified against approved budgets and is subject to appropriate authorization, supporting documentation and segregation of duties.
Procurement controls	Procurement follows established requirements intended to support appropriate competition, value for money, authorization and documentation.
Management reporting	Periodic financial reports support management review of revenue, expenditure, commitments, cash flow and overall financial performance.
Variance monitoring	Actual performance is compared with approved budgets, and material variances are investigated, explained and addressed where necessary.
Governance oversight	Relevant management and governance bodies oversee financial reporting, budget implementation, material commitments and financial sustainability.

Basis of preparation

The underlying financial statements cover the year ended 31 December 2024 and include comparative information for 2023. They were prepared on a going-concern basis using the accounting policies described in the signed financial statements, including revenue recognition principles aligned with IFRS 15. In this report, comparisons are presented on an accrual basis.

Table 2. Reporting Areas and Approach

Reporting area	Approach
Revenue	Analysis of tuition activity, scholarship support and recognized revenue
Operating costs	Review of direct costs, administrative expenses and the overall expense profile
Performance	Comparison of margins and year-on-year financial movements
Governance	Overview of financial reporting responsibilities and institutional stewardship

4.0 Financial Performance

Revenue pressure with continued scholarship support

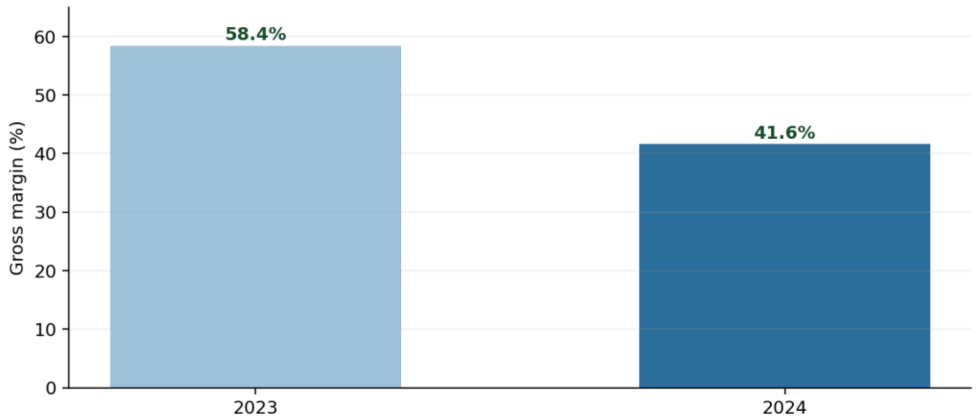
-15.4%	-11.5%	-25.2%
change in gross tuition activity	change in scholarship support	change in net recognized revenue

What the revenue figures show:

- Educational services remained ADSM’s core revenue source in 2024.
- Gross tuition activity decreased by 15.4% compared with 2023.
- Scholarship support decreased by 11.5%.
- Scholarship support represented approximately 26.1% of gross tuition activity.
- Approximately 73.9% of gross tuition activity was recognized as net tuition revenue.
- Net recognized revenue decreased by 25.2%.

Margin development

Figure 1. Gross Margin Comparison, 2023–2024



What the margin figures show:

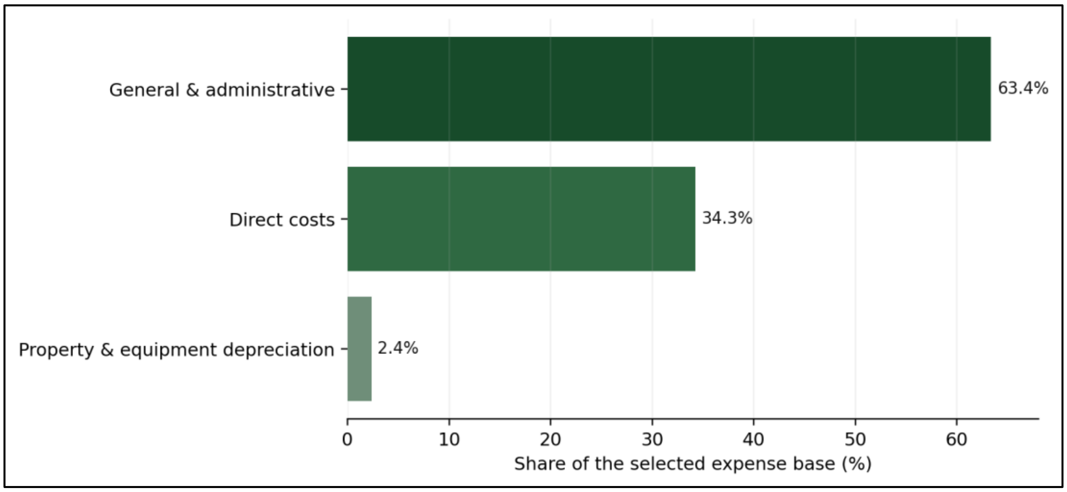
- Gross margin decreased from 58.4% in 2023 to 41.6% in 2024.
- This represents a decrease of 16.8 percentage points.
- The movement reflects lower recognized revenue alongside a modest increase in direct costs.

5.0 Resource Allocation

Expense profile and institutional priorities

The chart below presents the composition of the principal expense categories reported in the statement of comprehensive income before support-service recharges and other income.

Figure 2. Composition of Selected Expenses, 2024



What Figure 2 shows:

- General and administrative expenses represented 63.4% of the selected expense base.
- Direct costs represented 34.3%.
- Together, these two categories accounted for approximately 97.7% of the selected expense base.
- Property and equipment depreciation represented 2.4%.

+4.9% change in direct costs	**+2.5%** change in general and administrative expenses	**+21.9%** change in depreciation

Areas supported:

- Academic delivery, faculty and staff, and the continuity of teaching and learning;
- Student services, scholarships and other forms of student support;
- Technology, learning resources, facilities and institutional operations; and
- Research, quality assurance and institutional development priorities.

6.0 Financial Risk and Sustainability

Navigating revenue pressure

ADSM recorded a higher loss in 2024 than in 2023. The result primarily reflects lower recognized revenue, a reduced gross margin and modest increases in direct and administrative costs.

The 2024 financial profile reinforces the importance of disciplined budgeting, sustainable enrollment and revenue development, effective collection practices, careful prioritization of expenditure and continued monitoring of financial commitments.

Financial risks monitored

Table 3. Financial Risks Monitored

Enrollment and tuition dependency	Enrollment trends and reliance on tuition-related revenue are monitored to assess their effect on financial sustainability.
Cash flow	Cash-flow requirements are reviewed to support the timely funding of academic and institutional operations.
Collections	Collection performance is monitored to identify delays, outstanding balances and related liquidity risks.
Operating costs	Direct and administrative costs are reviewed against planned activity and approved budgets.
Contractual commitments	Material contractual and procurement commitments are considered in financial planning and monitoring.
Budget variances	Material variances are reviewed to determine causes, implications and necessary corrective action.
Business continuity	Financial and operational risks are considered in support of continuity of academic delivery, student services and essential operations.

Forward priorities

- Maintain the quality and continuity of teaching and student services while aligning resources with demand.
- Continue structured scholarship support within a financially sustainable framework.
- Strengthen value-for-money decisions and maintain disciplined cost monitoring.
- Pursue balanced revenue growth and prudent cash-flow management to support long-term resilience.

7.0 External Assurance

Independent audit and financial reporting

ADSM's financial statements for the year ended 31 December 2024 were independently audited and include comparative information for 2023. The signed financial statements received an unmodified audit opinion, concluding that they present fairly, in all material respects, ADSM's financial position, performance and cash flows in accordance with the applicable financial reporting framework.

Management is responsible for maintaining appropriate financial records, preparing the financial statements and assessing the institution's ability to continue as a going concern. Those charged with governance oversee the financial reporting process.

The financial indicators and commentary in this report are derived from ADSM's audited financial statements for the year ended 31 December 2024. Percentages are calculated from the underlying figures and may be affected by rounding.

8.0 Publication

Publication information

Reporting period	Year ended 31 December 2024
Comparative period	Year ended 31 December 2023
Publication date	25-11-2025
Source	ADSM's signed and audited financial statements for the year ended 31 December 2024, including comparative information for 2023.