

ASTRUM EDUCATION GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THURSDAY



L8DVEVZS

LD7

12/09/2019

#96

COMPANIES HOUSE

ASTRUM EDUCATION GROUP LIMITED

COMPANY INFORMATION

Directors	W Colvin (appointed 27 September 2016) Y Hao (appointed 1 September 2016)
Registered number	08057914
Registered office	Room 520, 5th Floor 52 Grosvenor Gardens Belgravia London SW1W 0AU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2M 4RB

ASTRUM EDUCATION GROUP LIMITED

CONTENTS

	Page
Group strategic report	1 – 4
Directors' report	5 – 7
Independent auditor's report	8 – 10
Consolidated statement of comprehensive income	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated Statement of cash flows	16
Notes to the financial statements	17 – 32

ASTRUM EDUCATION GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Activities

The principal activity of the company in the year under review was ownership and management of schools and the supply of education services within the United Kingdom. The company aims to provide an excellent all-round education for boys and girls from 11-18 years old, which includes a varied curriculum while ensuring to the highest standards of student welfare, plus a wise programme of varied sporting, artistic and extra-curricular activities.

Astrum Education comprising two schools in central London: Kensington Park School, a new independent school for boys and girls aged 11 to 18; and Chelsea Independent College, for pupils aged 14 to 19 who come study in London from more than 30 countries.

Review of the business

Creation of Kensington Park School (KPS)

During 2018, two of our sixth form colleges merged into a single 11-18 school, and was renamed as Kensington Park School. This new name reflects the rich heritage of the sites' locations either side of Hyde Park/Kensington Gardens. Our sixth form college will continue to recruit international pupils until our own cohort of students move through the year groups.

The concept behind the creation

The opportunity to open a new school in the heart of London, with some of the most highly regarded teachers and education leaders in the UK was compelling. The split site (KPS is located across two buildings on either side of Hyde Park) has allowed us to develop specialist timetables that suit under 16s whilst also providing A-level pupils with the longer lessons they need in the Sixth Form. All KPS pupils enjoy the benefit of studying with subject and age group specialists who work solely within their fields of expertise. This is unusual even with the leading UK schools.

The location

The beauty of our Kensington location is that it places us in the heart of the most competitive independent school market in the UK and probably the world. Excellence is expected here, but there is a shortage of places at top schools. A new school such as ours, with the teaching staff credentials we have managed to attract, has brought much excitement to the sector. Many of our staff have taught at some of the capital's top schools; their knowledge, experience and reputations have ensured that KPS is already attracting a high level of interest from parents looking for an alternative to the large traditional British schools. Kensington itself is also a cultural hub offering unparalleled opportunities. At KPS we have taken advantage of our prime location by collaborating with providers of sports, music, and art facilities in and around Kensington and West London for our extensive co-curricular programme. These include Imperial College's Ethos Sports Centre with its state-of-the-art gym, pool and 9-metre climbing wall; expert fencing and riding coaches, including former Olympians; Fulham Reach Boat Club, a superbly equipped new rowing facility on the Thames; and an exclusive partnership with Will to Win Tennis in Hyde Park.

The Partnership Programme – a USP

Students who are pursuing sports or performance programmes alongside academic studies may opt for KPS as we can offer them the flexibility to work their studies around their sporting and music commitments. The personalised teaching and pastoral support allows pupils who train or practice for 20 + hours a week the opportunity to have a strong balanced education. Very few top UK academic schools are able to deliver this. We currently have four pupils representing England/Great Britain in Fencing and Ice Hockey.

ASTRUM EDUCATION GROUP LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Student Profile

We are looking for pupils who are keen to learn and work hard. An interest in a wider range of activities that support their studies is important and a willingness to be involved in the co-curricular life of the school is also essential. For international pupils, there is an IELTS or equivalent score that they need to secure before they start their A-level studies.

What we offer:

The majority of all schools, regardless of whether they are state, independent or public, all attempt to provide a more holistic education by offering pupils a balance of academic, cultural, and athletic opportunities. Independent schools support pupils with a strong pastoral system and through close relationships with their family. Small class sizes are also at the heart of many independent schools. At KPS, we have a maximum class size of 10 pupils in the Sixth Form, and a max of 14 for the setted, core subjects in the Senior School (ages 11 to 16). Nevertheless, small classes alone do not guarantee academic success. Teachers are still the greatest asset a school has. At KPS, we are lucky enough to have both: small classes and some excellent teachers. When combined with setting in core subjects, our specialist, age-appropriate timetables, and pastoral support, this is a tried-and-tested winning formulae.

Chelsea Independent College (CIC)

We have strengthened the management structure at the college and improved the focus on academic, pastoral and co-curricular activities. The boarding option is now exclusively run in conjunction with Kensington Park School. CIC provides Astrum with a broad spectrum of academic options to service not only the local community but also respond to the needs of international pupils, whether they be academically very capable, with strong English, or require a three-year course with a lot of support leading to A Level. Pupils at CIC also benefit from the group's knowledge and expertise in the university application process whether in the UK or abroad.

Princess Beatrice House (Boarding)

Our students use the modern boarding complex, Princess Beatrice House, situated next to Earls Court tube. The rooms are fully appointed studios, including kitchenette and ensuite bathroom. Pupils may choose to share or have single rooms. The building is managed by security 24 hours a day. Pupils' wellbeing is supported by a strong pastoral team led by an experienced Housemaster.

Upgrades to School facilities

To achieve our desired position as a quality London school, we have made significant improvement to our school buildings.

We already enjoy first-class facilities at our boarding house and have invested £2.3 million in the brand new Kensington Park School facilities. We are in the process of refurbishing the rest of Chelsea Intendent School science labs at the Bark Place and Queen's Gate campuses.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Principal risks and uncertainties

Educational and Legislative Risk

Changes to examination systems for A level and GCSE will cause fluctuations in the year on year demand from students for courses offered by sixth form colleges. Other factors such as university entry requirements can also alter the number of students looking for places. The Group has managed this risk by broadening the base of its intake, both from UK and overseas, across those students looking to complete whole GCSE and A level programmes. With the decline in the retake market in the UK, and lower numbers of international students coming into Britain, the Group will now look to manage this risk by the changes described under Future Developments.

ASTRUM EDUCATION GROUP LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Economic and Competitive Risk

Changes in economic conditions in the core countries from which the colleges attract students, including the UK, can affect the affordability of an independent college education programme to prospective fee payers. In addition overseas markets carry specific risks related to movements in exchange rates, and other factors including changes to rules related to entry requirements and academic progression for students, and increased provision of in country educational courses as an alternative to a UK based education. The new strategy of the Group will reduce its exposure to these risks as the colleges become increasingly sought after and more selective in their approach.

Reputational Risk

Reputational risk is a key consideration for the group, which is monitored on a regular basis by an active and engaged board of Governors. Colleges and other educational establishments are increasingly being looked at to provide early concerns related to the safeguarding and promotion of welfare of their students. The colleges and boarding facilities all have well established safe-guarding procedures in place, and handbooks and policies are kept up to date and distributed to all staff and students. Through its centralised operating system, the group also monitors key areas such as attendance, exam performance against expectation and has separate processes for measurement of quality of teaching.

Liquidity and Cash Flow Risk

In order to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long term and short term debt finance. The group's banking facilities comprise a combination of parent company loans and bank overdraft facilities.

The group's principal financial assets are bank balances and cash, and trade and other receivables.

The group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The group has hedged its exposure to interest rate rises, which would otherwise pose a risk to the business.

Financial Key Performance Indicators

	2018 £000	2017 £000	% increase /(decrease)
Turnover	7,952	14,861	(46%)
Operating (loss).Profit	(30,071)	(4,447)	576%
Operating margin	(378%)	(29%)	1203%
Student numbers	253	519	(51%)

The reduction in turnover and operating profit reflects a significant reduction in student numbers in Chelsea Independent Collage (CIC) and Kensington Park School (KPS). In CIC and KPS (Sixth Form), the demand for traditional core markets education has dropped this is due to increase competition and alternative options to education in Britain for overseas students. Whereas, KPS, the lower school, based at Bark Place was closed for the year to be refurbished and relaunched from September 2018.

ASTRUM EDUCATION GROUP LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'W Colvin', with a stylized flourish at the end.

W Colvin

Director

Date: 10/9/19

ASTRUM EDUCATION GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their report and the financial statements for the year ended 31 August 2018.

Directors

The directors who served during the year were:

W Colvin

Y Hao

R H Webster (resigned 29 May 2018)

J Jing (resigned 1 February 2018)

H Zhou (appointed 1 February 2018, resigned 29 August 2018)

M Labovitch (appointed 7 March 2018, resigned 10 October 2018)

Results for the Year

The Group incurred losses for the financial year of £30,071K (2017: £4,447K). Current year losses are stated after an impairment charge of £23,017K.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ASTRUM EDUCATION GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Staff policies

The company favours the principle of equal opportunities in employment and opposes all forms of discrimination. All necessary steps are taken to ensure that individuals are treated equally and fairly and decisions affecting individuals' recruitment, training and career development are based solely on objective, job related criteria. Employment policies do not discriminate between employees or potential employees on the grounds of disability. The company actively involves employees in the development of the business and undertakes to provide information of concern to them that is likely to affect their interests.

Going concern

Following the acquisition of the entire share capital of the Company by Star Education Investments Limited (Star) on 1 September 2016, the existing bank and shareholders loans were replaced entirely by new loans from Star. In addition, Star has provided further cash reserves over the past two financial years to enable the Company to continue to trade on, also invest significant capital sums in creating the new Kensington Park School (KPS) of Bark Place and Queens Gate in central London.

The changes made to create KPS during 2018 were made in the full knowledge that student numbers would fall temporarily as both Lansdowne College and Duff Miller College were closed to be replaced by the new KPS entity. These major changes were made by the Company's Board in full consultation and agreement by Star and Star's ultimate owner Shanghai Sailing Qiyu Enterprise Management Consulting Centre LLP (Sailing).

The Directors, in their detailed consideration of going concern, have reviewed the latest cash forecasts of future revenue on cash projections. It is clear that over the next 12 to 24 months the Company is entirely dependent on ongoing financial support from the parent company Star and its ultimate owner Sailing, until student numbers increase sufficiently to over the running costs of both schools (KPS and Chelsea Independent College). Both Star and Sailing have confirmed their ongoing financial support and agreed to fund the cash shortfall highlighted by the forecasts over the next 2 years.

The Directors have relied upon the financial support letter in their detailed consideration of going concern and consider it appropriate that accounts are prepared on that basis.

Dividends

The directors do not recommend the payment of a dividend.

Donations

The Company did not make any political or charitable donations during the period.

Directors' insurance and Indemnities

The directors have the benefit of the indemnity provision contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefits of all its Directors in a form and scope which comply with the requirements of the Companies Act 2016 and which were in force throughout the year and remain in force.

ASTRUM EDUCATION GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

Disclosure of information to auditor

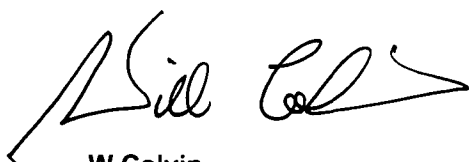
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 September 2019 and signed on its behalf.



W Colvin
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTRUM EDUCATION GROUP LIMITED

Opinion

We have audited the financial statements of Astrum Education Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2018, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTRUM EDUCATION GROUP LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTRUM EDUCATION GROUP LIMITED

- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "Paul Naylor", with a stylized flourish at the end.

Paul Naylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 10 September 2019

ASTRUM EDUCATION GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £000	2017 £000
Turnover	4	7,952	14,861
Cost of sales		(3,710)	(5,195)
Gross profit		4,242	9,666
Administrative expenses		(11,298)	(14,091)
Impairment loss		(23,017)	-
Operating loss	5	(30,073)	(4,425)
Interest receivable and similar income		2	4
Interest payable and expenses	8	-	(26)
Loss before taxation		(30,071)	(4,447)
Loss for the financial year		<u>(30,071)</u>	<u>(4,447)</u>
(Loss) for the year attributable to:			
Owners of the parent Company		<u>(30,071)</u>	<u>(4,447)</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2018 £nil (2017: £Nil).

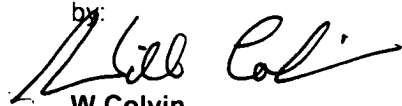
The notes on pages 17 to 32 form part of these financial statements.

ASTRUM EDUCATION GROUP LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018**

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	10	-	24,637
Tangible assets	11	3,282	2,011
		<u>3,282</u>	<u>26,648</u>
Current assets			
Debtors: amounts falling due within one year	13	4,411	5,932
Cash at bank and in hand	14	3,611	4,875
		<u>8,022</u>	<u>10,807</u>
Creditors: amounts falling due within one year	15	(61,587)	(57,665)
Net current liabilities		<u>(53,565)</u>	<u>(46,858)</u>
Total assets less current liabilities		<u>(50,283)</u>	<u>(20,210)</u>
Creditors: amounts falling due after more than one year		-	-
Net liabilities		<u><u>(50,283)</u></u>	<u><u>(20,210)</u></u>
Capital and reserves			
Called up share capital	20	10	10
Share premium account	21	322	322
Profit and loss account	21	(50,615)	(20,542)
Equity attributable to owners of the parent Company		<u><u>(50,283)</u></u>	<u><u>(20,210)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



W Colvin
Director

Date: 10/9/19

The notes on pages 17 to 32 form part of these financial statements.

ASTRUM EDUCATION GROUP LIMITED

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018**

	Note	2018 £000	2017 £000
Fixed assets			
Investments	12	-	39,745
		<u>-</u>	<u>39,745</u>
Current assets			
Debtors: amounts falling due within one year	13	15,943	12,488
Cash at bank and in hand	14	1,065	1,553
		<u>17,008</u>	<u>14,041</u>
Creditors: amounts falling due within one year	15	(68,338)	(65,316)
Net current liabilities		<u>(51,330)</u>	<u>(51,275)</u>
Total assets less current liabilities		<u>(51,330)</u>	<u>(11,530)</u>
Creditors: amounts falling due after more than one year		-	-
Net liabilities		<u><u>(51,330)</u></u>	<u><u>(11,530)</u></u>
Capital and reserves			
Called up share capital	20	10	10
Share premium account	21	322	322
Profit and loss account	21	(51,662)	(11,862)
Shareholders' deficit		<u><u>(51,330)</u></u>	<u><u>(11,530)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

W Colvin
Director

Date: 10/9/18



The notes on pages 17 to 32 form part of these financial statements.

ASTRUM EDUCATION GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018**

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000	£000
At 1 September 2017	10	322	(20,542)	(20,210)	(20,210)
Comprehensive income for the year					
Loss for the year	-	-	(30,071)	(30,071)	(30,071)
Total comprehensive income for the year	-	-	(30,071)	(30,071)	(30,071)
At 31 August 2018	10	322	(50,613)	(50,281)	(50,281)

The notes on pages 17 to 32 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000	£000
At 1 September 2016	10	322	(16,095)	(15,763)	(15,763)
Comprehensive income for the year					
Loss for the year	-	-	(4,447)	(4,447)	(4,447)
Total comprehensive income for the year	-	-	(4,447)	(4,447)	(4,447)
At 31 August 2017	10	322	(20,542)	(20,210)	(20,210)

The notes on pages 17 to 32 form part of these financial statements.

ASTRUM EDUCATION GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 September 2017	10	322	(11,862)	(11,530)
Comprehensive income for the year				
Loss for the year	-	-	(39,800)	(39,800)
Total comprehensive income for the year	-	-	(39,800)	(39,800)
At 31 August 2018	10	322	(51,662)	(51,330)

The notes on pages 17 to 32 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 September 2016	10	322	(11,805)	(11,473)
Comprehensive income for the year				
Loss for the year	-	-	(57)	(57)
Total comprehensive income for the year	-	-	(57)	(57)
At 31 August 2017	10	322	(11,862)	(11,530)

The notes on pages 17 to 32 form part of these financial statements.

ASTRUM EDUCATION GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	2018 £000	2017 £000
Cash flows from operating activities		
Loss for the financial year	(30,071)	(4,447)
Adjustments for:		
Amortisation of intangible assets	1,620	1,938
Impairment loss	23,017	-
Depreciation of tangible assets	614	527
Interest paid	-	26
Interest received	(2)	(4)
Decrease/(increase) in debtors	1,481	(3,925)
(Decrease)/increase in creditors	(2,281)	1,854
Corporation tax received/(paid)	40	(191)
Net cash generated from operating activities	(5,582)	(4,222)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,884)	(802)
Interest received	2	4
Net cash from investing activities	(1,882)	(798)
Cash flows from financing activities		
Repayment of loans	-	(37,711)
Other new loans	6,200	45,892
Interest paid	-	(26)
Net cash used in financing activities	6,200	8,155
Net (decrease)/increase in cash and cash equivalents	(1,264)	3,135
Cash and cash equivalents at beginning of year	4,875	1,740
Cash and cash equivalents at the end of year	<u>3,611</u>	<u>4,875</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,611	4,875
	<u>3,611</u>	<u>4,875</u>

The notes on pages 17 to 32 form part of these financial statements.

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. General information

Astrum Education Group Limited is a private company limited by shares and incorporated in England and Wales. It's registered head office is located at Room 520, 5th Floor 52 Grosvenor Gardens, Belgravia, London, United Kingdom, SW1W 0AU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

Following the acquisition of the entire share capital of the Company by Star Education Investments Limited (Star) on 1 September 2016, the existing bank and shareholders loans were replaced entirely by new loans from Star. In addition, Star has provided further cash reserves over the past two financial years to enable the Company to continue to trade on, also invest significant capital sums in creating the new Kensington Park School (KPS) of Bark Place and Queens Gate in central London.

The changes made to create KPS during 2018 were made in the full knowledge that student numbers would fall temporarily as both Lansdowne College and Duff Miller College were closed to be replaced by the new KPS entity. These major changes were made by the Company's Board in full consultation and agreement by support of the ultimate parent company Star and Star's ultimate owner Shanghai Sailing Qiyu Enterprise Management Consulting Centre (Sailing).

The Directors, in their detailed consideration of going concern, have reviewed the latest cash forecasts of future revenue on cash projections. It is clear that over the next 12 to 24 months the Company is entirely dependent on ongoing financial support from the parent company Star and its ultimate owner Sailing, until student numbers increase sufficiently to over the running costs of both schools (KPS and Chelsea Independent College). Both Star and Sailing have confirmed their ongoing financial support and agreed to fund the cash shortfall highlighted by the forecasts over the next 2 years.

The Directors have relied upon the financial support letter in their detailed consideration of going concern and consider it appropriate that accounts are prepared on that basis.

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

2. Accounting policies (continued)

2.3 Turnover

Revenue is recognised on provision of educational services.

Turnover comprises fees receivable from the provision of educational services. Fees are credited to turnover as educational and related services are delivered to students, where an element of the fees relates to services to be provided in subsequent accounting period, that proportion is accounted for as deferred invoice and released to turnover when the service has been delivered.

2.4 Goodwill/ Impairment

Goodwill, being the difference between the considerations paid and the fair value of assets and liabilities acquired on the acquisition of businesses, is being written off on a straight line basis over its economic useful life, which is twenty years. Provision is made for any impairment.

The Group has tested goodwill for impairment which requires judgement when determining the recoverable amount. Further details of the impairment testing and key assumptions are included in note 10.

An impairment loss on goodwill was recognised in administrative expenses during the period due to worse than expected economic performance of operations in UK.

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation net of depreciation.

Depreciation is provided on cost in monthly instalments over the estimated useful life of the assets at the following annual rates:

Leasehold property	-	Over the shorter of the length of the lease and the
Fixtures, fittings and equipment	-	33% on cost

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2.6 Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

2.7 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease.

2.8 Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2.9 Investments

In the Company balance sheet fixed asset investments are shown at cost less provision for impairment.

2.10 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries from the date of acquisition using the acquisition method of accounting.

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Impairment

Any impairment test is a comparison of the carrying value of assets of a business to their recoverable amount, where the recoverable amount is less than the carrying value, an impairment results. During the year, the goodwill on the acquisition of Astrum Education Group Limited was tested for impairment, with an impairment loss resulting.

Goodwill attributable to Astrum Education Group Limited amounts to £nil (2017: £24,637k)

Key assumptions

In determining the recoverable amount it is necessary to make a series of assumptions to estimate the present value of future cash flow. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Post-tax adjustment discount rate

Post-tax adjusted discount rates are derived from the Group's weighted average cost of capital. A

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

relative risk adjustment has been applied to the rate inherent in the private education sectors to which the cash flows arise. The post-tax risk adjusted discount rate used for Astrum Education Group Limited of 13%; reflects the mix of geographical elements within which the business operates.

Operating cash flows

The main assumptions, which are derived from past experience and external information, within the forecast operating cash flow include the achievement of future fees, student numbers, staff costs, establishment costs, overhead costs and the level of ongoing capital expenditure.

Long-term growth rates

To forecast beyond the five years, a long-term growth rate has been used: this is not greater than the average long-term independent school industry growth rate in each of the territories where the business is based. This results in an average growth rate for: Astrum Education Group Limited of 2%.

4. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Group, the ownership, management and the provision of educational services to schools and colleges in Great Britain.

5. Operating loss

The operating loss is stated after charging:

	2018	2017
	£000	£000
Amortisation of intangible assets, including goodwill	1,620	1,620
Impairment loss	23,017	-
Depreciation of tangible assets	612	527
Other operating lease rentals	3,636	4,355
Defined contribution pension cost	11	94
Audit fees		
Audit services	60	43
Other services	11	10

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. Employee Remuneration

	Group 2018 £000	<i>Group 2017 £000</i>
Wages and salaries	4,964	6,362
Social security costs	524	552
Cost of defined contribution scheme	11	94
	<u>5,499</u>	<u><i>7,008</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	<i>2017 No.</i>
Directors	3	4
Teachers and tutors	65	85
Operations and administration	45	61
	<u>113</u>	<u><i>150</i></u>

7. Directors' remuneration

	2018 £000	<i>2017 £000</i>
Directors' emoluments	<u>410</u>	<u><i>448</i></u>

The highest paid director received remuneration of £225K (2017: £330k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2017: £Nil).

During the year retirement benefits were accruing to Nil directors (2017: Nil) in respect of defined contribution pension schemes.

Key management personnel compensation £1,098,000 in the group.

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. Interest payable

	2018	2017
	£000	£000
Bank interest payable	<u>-</u>	<u>26</u>

9. Taxation

	2018	2017
	£000	£000
Corporation tax		
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017: *higher than*) the standard rate of corporation tax in the UK of 19.00% (2017: 19.58%). The differences are explained below:

	2018	2017
	£000	£000
Loss on ordinary activities before tax	<u>(30,071)</u>	<u>(4,447)</u>
Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%(2017: 20.00%)	(5,713)	(889)
Effects of:		
Expenses not deductible for tax purposes	4,692	337
Adjust closing deferred tax to average tax		(32)
Adjust opening deferred tax to average tax		400
Other short term timing differences	-	115
Deferred tax not recognised	985	
Fixed asset difference	36	62
Other differences leading to an increase (decrease) in the tax charge		7
Total tax charge for the year	<u>-</u>	<u>-</u>

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. Intangible assets	
Group	
	Goodwill £000
Cost	
At 1 September 2017	32,992
At 31 August 2018	<u>32,992</u>
Amortisation	
At 1 September 2017	8,355
Change for the year	1,620
Impairment Loss	23,017
At 31 August 2018	<u>32,992</u>
Net book value	
At 31 August 2018	<u>nil</u>
At 31 August 2017	<u>24,637</u>

Following a detailed impairment review undertaken by the Board the remaining goodwill was written off in the year.

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. Tangible fixed assets

Group

	Short leasehold property £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation			
At 1 September 2017	2,945	3,388	6,333
Additions	1,324	560	1,884
At 31 August 2018	<u>4,269</u>	<u>3,948</u>	<u>8,217</u>
Depreciation			
At 1 September 2017	1,059	3,263	4,322
Charge for the year on owned assets	511	103	614
At 31 August 2018	<u>1,570</u>	<u>3,366</u>	<u>4,936</u>
Net book value			
At 31 August 2018	<u><u>2,699</u></u>	<u><u>582</u></u>	<u><u>3,281</u></u>
At 31 August 2017	<u><u>1,886</u></u>	<u><u>125</u></u>	<u><u>2,011</u></u>

The net book value of land and buildings may be further analysed as follows:

	2018 £000	2017 £000
Long leasehold	<u><u>2,699</u></u>	<u><u>1,886</u></u>

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 September 2017	39,745
At 31 August 2018	39,745
Accumulated impairment	
At 1 September 2017	-
Impairment loss	(39,745)
At 31 August 2018	(39,745)
Net book value	
At 31 August 2018	-
At 31 August 2017	39,745

Following a detailed impairment review carried out by the Board, the investment attributable to the Astrum Education Group companies was written off in the year.

ASTRUM EDUCATION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Astrum Education Limited	Room 520, 5th Floor 52 Grosvenor Gardens, Belgravia, London, United Kingdom, SW1W 0AU	Education	Ordinary	100 %
Duff Miller and Company (London Tutors) Limited	Room 520, 5th Floor 52 Grosvenor Gardens, Belgravia, London, United Kingdom, SW1W 0AU	Education	Ordinary	100 %
Kensington Park School Limited	Room 520, 5th Floor 52 Grosvenor Gardens, Belgravia, London, United Kingdom, SW1W 0AU	Education	Ordinary	100 %
Chelsea Independent College Limited	Room 520, 5th Floor 52 Grosvenor Gardens, Belgravia, London, United Kingdom, SW1W 0AU	Education	Ordinary	100 %

13. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade debtors	3,164	3,396	-	-
Amounts owed by group undertakings	-	-	15,943	12,488
Other debtors	870	855	-	-
Prepayments and accrued income	377	1,641	-	-
Tax recoverable	-	40	-	-
	4,411	5,932	15,943	12,488

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. Cash and cash equivalents

	Group 2018 £000	<i>Group 2017 £000</i>	Company 2018 £000	<i>Company 2017 £000</i>
Cash at bank and in hand	<u>3,611</u>	<u>4,875</u>	<u>1,065</u>	<u>1,553</u>

15. Creditors: Amounts falling due within one year

	Group 2018 £000	<i>Group 2017 £000</i>	Company 2018 £000	<i>Company 2017 £000</i>
Other loans	52,091	45,892	52,091	45,892
Trade creditors	325	1,654	-	-
Amounts owed to group undertakings	-	-	16,245	19,424
Other taxation and social security	223	230	-	-
Other creditors	1,613	2,180	-	-
Accruals and deferred income	7,335	7,709	-	-
	<u>61,587</u>	<u>57,665</u>	<u>68,338</u>	<u>65,316</u>

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. Loans and overdrafts

Group	<i>Group</i>	Company	<i>Company</i>
2018	<i>2017</i>	2018	<i>2017</i>
£000	<i>£000</i>	£000	<i>£000</i>

An analysis of the maturity of loans is given below:

Amounts falling due in under one year:

Investor loans	<u>52,091</u>	<u><i>45,892</i></u>	<u>52,091</u>	<u><i>45,892</i></u>
----------------	----------------------	----------------------	----------------------	----------------------

The investor loans are with the parent company, Star Education Investments Limited, and ultimately from the groups owner Shanghai Sailing Qiyi Enterprise Management Consulting Centre LLP. The loans are interest free and have no set repayment date.

ASTRUM EDUCATION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. Financial instruments

	Group 2018 £000	<i>Group 2017 £000</i>	Company 2018 £000	<i>Company 2017 £000</i>
Financial assets				
Financial assets measured at fair value through profit or loss	3,611	4,875	1,065	1,553
Financial assets that are debt instruments measured at amortised cost	4,034	4,292	15,943	12,486
	<u>7,645</u>	<u><i>9,167</i></u>	<u>17,013</u>	<u><i>14,039</i></u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(54,252)</u>	<u><i>(53,224)</i></u>	<u>(68,338)</u>	<u><i>(65,315)</i></u>

18. Operating lease commitments

At 31 August 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £000	<i>Group 2017 £000</i>
Not later than 1 year	2,476	3,175
Between 1 and 5 years	8,396	10,061
After more than 5 years	1,656	2,468
	<u>12,528</u>	<u><i>15,704</i></u>

19. Provisions for liabilities

There is an unrecognised deferred tax asset in respect of revenue losses within Astrum Education Group Limited which has not been recognised as there is insufficient evidence that the losses could be utilised in the future period.

ASTRUM EDUCATION GROUP LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. Share capital

	2018	<i>2017</i>
	£000	<i>£000</i>
Allotted, called up and fully paid		
850,000 (2017 : 850,000) "A" ordinary shares of £0.01 each	9	<i>9</i>
129,500 (2017: 129,500) "B" ordinary shares of £0.01 each	1	<i>1</i>
	<hr/> 10 <hr/>	<hr/> <i>10</i> <hr/>

The ordinary shares entitle the holder to one ordinary vote for each share held.

21. Reserves

Share premium

Includes only premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profit and losses.

22. Related party transactions

In accordance with the exemption under FRS 102 Related Party Transactions, the company does not disclose transactions with companies which are wholly owned within the Astrum Education Group Limited Group and the Group prepares consolidated financial statements which are publicly available.

23. Ultimate controlling party

The directors consider Star Education Investments Limited to be the controlling party of the Group. The ultimate parent undertaking is Shanghai Sailing Qiyu Enterprise Management Consulting Centre LLP, a company incorporated in China.