

**EDU UK  
MANAGEMENT  
SERVICES LIMITED  
ANNUAL REPORT  
&  
FINANCIAL  
STATEMENTS  
31 DECEMBER 2016**

**Registered Number:  
07285370**

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## EDU UK MANAGEMENT SERVICES LIMITED

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**EDU UK MANAGEMENT SERVICES LIMITED  
DIRECTORS' AND CORPORATE INFORMATION**

**Directors**

E Lancaster  
D Leigh  
A Petersen  
D Rammal  
P Wilde

**Registered office**

Brighton Study Centre,  
1 Billinton Way,  
Brighton,  
East Sussex, BN1 4LF

**Company registered number**

Registered in England No. 07285370

**EDU UK MANAGEMENT SERVICES LIMITED  
STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their report and the financial statements for EDU UK Management Services Limited (the Company) for the year ended 31 December 2016. The Company is domiciled in the United Kingdom with its registered office at Brighton Study Centre, 1 Billinton Way, Brighton, East Sussex, BN1 4LF, and the Group is headquartered in London.

During the period, the Company continued to provide management services and hold financing for the Group in which it is an indirect subsidiary of the parent company, EDU UK Topco Limited.

**BUSINESS REVIEW**

The loss for the financial year was £17,122,047 (2015: £52,455,181). The directors do not recommend payment of a dividend (2015: £nil).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company provides management services to the Group in which it is consolidated. It does not generate revenue from parties outside of the consolidated Group and therefore the principal risk to the Company is the ability of the trading subsidiaries of the Group to continue to generate sufficient cash to meet its financing and operating requirements.

The risks to the subsidiaries are primarily global, economic and political risks; in particular those that impact on the willingness and ability of international students to travel to their centres to study, together with regulatory changes that may impede the ability of international students to study abroad. This is discussed further in EDU UK Topco Limited statutory accounts which are held at 1 Billinton Way, Brighton, BN1 4LF.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. This risk is mitigated by Group activities and Group trading whereby agents and students generally pay tuition fees prior to course commencement. All counterparties for the Company are related parties.

**Liquidity risk**

The Group holds the responsibility for the Company's liquidity risk. Ultimate responsibility for liquidity risk management rests with the board of directors of the Group, who have built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The group actively monitors compliance with its covenants relating to the Group term loans.

**FUTURE DEVELOPMENTS**

The Company will continue to operate as a management company.



**E Lancaster**  
**Director**  
**22 September 2017**

**EDU UK MANAGEMENT SERVICES LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**GENERAL INFORMATION**

EDU UK Management Services Limited is a management services company registered in England and Wales with the company number 07285370.

**PRINCIPAL ACTIVITIES**

The Company is an indirect subsidiary of EDU UK Topco Limited, which is the parent company of the Group. The principal activity of the Company is as a management services company. The Group's principal activity is that of a private international education provider.

**DIRECTORS**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

E Lancaster  
D Leigh  
A Petersen  
D Rammal  
P Wilde

**DIRECTORS' INDEMNITY PROVISION**

The Company maintains liability insurance for its directors and officers. The Company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity has been in place throughout the financial year and is in place as at the date of this report.

**POLITICAL CONTRIBUTIONS**

The Company made no political donations or incurred any political expenditure during the period.

**GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**AUDIT EXEMPTION**

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.



**E Lancaster**  
**Director**  
**22 September 2017**

**EDU UK MANAGEMENT SERVICES LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 of the Company and of the profit or loss of the Company 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board of Directors  
and signed on behalf of the Board



**E Lancaster**  
**Director**  
**22 September 2017**

# EDU UK MANAGEMENT SERVICES LIMITED

## BALANCE SHEET

as at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>FIXED ASSETS</b>			
Investments	5	329,939	383,669
<b>CURRENT ASSETS</b>			
Debtors	6	29,473	20,176
<b>Creditors: amounts falling due within one year</b>	7	<u>(78,628)</u>	<u>(88,248)</u>
<b>NET CURRENT LIABILITIES</b>		<b>(49,155)</b>	<b>(68,072)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>280,784</b>	<b>315,597</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(172,251)</b>	<b>(202,511)</b>
<b>NET ASSETS</b>		<u><b>108,533</b></u>	<u><b>113,086</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	-	-
Share premium		234,841	-
Subordinated preference certificates	11	-	222,272
Profit and loss account		<b>(126,308)</b>	<b>(109,186)</b>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u><b>108,533</b></u>	<u><b>113,086</b></u>

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements of EDU UK Management Services Limited, Company Registration Number 07285370, on pages 5 to 14 were approved by the Board of Directors and signed on its behalf by:



**E Lancaster**  
Director

22 September 2017

**EDU UK MANAGEMENT SERVICES LIMITED****INCOME STATEMENT**

for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Turnover</b>		<b>1,326</b>	<b>1,649</b>
Administrative expenses		(3,410)	(3,647)
Impairment of investment	5	<u>(3,780)</u>	<u>(35,965)</u>
<b>Operating loss</b>		<b>(5,864)</b>	<b>(37,963)</b>
Deemed dividend income	5	7,697	-
Finance income	2	5,570	581
Finance costs	3	(24,525)	(19,130)
<b>Loss on ordinary activities before taxation</b>		<b><u>(17,122)</u></b>	<b><u>(56,512)</u></b>
Tax credit	4	<u>-</u>	<u>4,057</u>
<b>Loss for the financial year</b>		<b><u>(17,122)</u></b>	<b><u>(52,455)</u></b>



# EDU UK MANAGEMENT SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2016

**2016**

	Share capital	Share Premium	Subordinated Preference Shares	Profit and loss account	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2016	-	-	222,272	(109,186)	113,086
Redemption of preference shares	-	-	(222,272)	-	(222,272)
Share capital issued at a premium	-	234,841	-	-	-
Loss for the year	-	-	-	(17,122)	(17,122)
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>234,841</b>	<b>-</b>	<b>(126,308)</b>	<b>108,532</b>

**2015**

	Share capital	Share Premium	Subordinated Preference Shares	Profit and loss account	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2015	-	-	222,272	(56,731)	165,541
Loss for the year	-	-	-	(52,455)	(52,455)
<b>Balance at 31 December 2015</b>	<b>-</b>	<b>-</b>	<b>222,272</b>	<b>(109,186)</b>	<b>113,086</b>

## **EDU UK MANAGEMENT SERVICES LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. ACCOUNTING POLICIES**

EDU UK Management Services Limited is a company incorporated and domiciled in the UK. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') on the historical cost basis. The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but makes amendments where necessary in order to comply with the Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- the requirements of IAS 24 Related Party Transactions and has, therefore, not disclosed transactions between the Company and its wholly owned subsidiaries;
- the effect of new but not yet effective IFRSs; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

##### **Group financial statements**

The financial statements contain information about EDU UK Management Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, EDU UK Topco Limited. The consolidated financial statements of EDU UK Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Brighton Study Centre, 1 Billinton Way, Brighton, East Sussex, BN1 4LF.

##### **Taxation including deferred tax**

Corporation tax, where payable, is provided on taxable profits at the current rate.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Deferred tax assets and liabilities have not been discounted.

##### **Turnover**

Turnover represents the value of management services invoiced to subsidiaries and fellow group companies, net of Value Added Tax. The Company's activities consist of that of a management company.

##### **Investments**

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment. Assets that have an indefinite useful life are tested for impairment where there is a trigger event. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, which is considered to be the higher of its value in use and fair value less costs to sell. In order to assess impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows.

**EDU UK MANAGEMENT SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES (CONT'D)**

**Borrowings**

Borrowings are recognised initially at fair value, net of directly attributable transaction costs. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as issue costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**Derivative financial instruments and hedging**

**a) Derivative financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

**b) Fair value hedges**

Where a derivative financial instrument is designated as a hedge of variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on re-measurement are recognised immediately in the income statement (even if those gains would normally be recognised in reserves).

**c) Hedge of a net investment**

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

The Company uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 9 for more details.

**Share capital and share premium**

Ordinary shares issued are shown as share capital at nominal value. The premium received on the issuance of shares in excess of the nominal value is shown as share premium within shareholders' equity.

**Going concern**

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Principal Risks and Uncertainties section of the Strategic Report on page 2.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**2. FINANCE INCOME**

	2016 £'000	2015 £'000
Interest income – on amounts due from Group undertakings	-	315
Foreign exchange gains	5,570	266
	<u>5,570</u>	<u>581</u>

**EDU UK MANAGEMENT SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**3. FINANCE COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Interest – revolving credit facility	79	-
Interest – term loan	3,468	-
Other finance costs	52	-
Amortisation of finance costs	973	916
Interest payable to Group companies	19,953	18,214
	<u>24,525</u>	<u>19,130</u>

**4. TAXATION**

**Tax credit on loss on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on losses for the year	-	(4,073)
Adjustments in respect of previous years	-	16
<b>Total tax on loss on ordinary activities</b>	<u>-</u>	<u>(4,057)</u>

**Reconciliation of effective tax rates**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before tax	<u>(17,122)</u>	<u>(56,512)</u>
Benefit at corporation tax rate of 20% (2015: 20.25%)	(3,424)	(11,444)
Effects of:		
Items not taxable or deductible	(1,951)	7,371
Adjustment for prior years	-	16
Tax losses not recognised	5,375	-
<b>Total current tax credit</b>	<u>-</u>	<u>(4,057)</u>

The main rate of corporation tax in the UK is 20% from 1<sup>st</sup> April 2015 and will reduce to 19% from 1<sup>st</sup> April 2017.

**EDU UK MANAGEMENT SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**5. INVESTMENTS**

	<b>Investments in subsidiaries £'000</b>
<b>Cost</b>	
At 1 January 2016	419,634
Additions	3,780
Revaluation	(3,178)
Disposals	(50,552)
<b>At 31 December 2016</b>	<b><u>369,684</u></b>
<b>Provisions</b>	
At 1 January 2016	(35,965)
Impairment in year	(3,780)
<b>At 31 December 2016</b>	<b><u>(39,745)</u></b>
<b>Net book value at 31 December 2016</b>	<b><u>329,939</u></b>
Net book value at 31 December 2015	<u>383,669</u>

The disposal of investments held in the year relates to a repurchase of preference shares by EDU Holdings SPV Pty Limited, which was executed in order to address the Group's capital structure in conjunction with the external bank refinance exercise. The shares were repurchased at a fair value equivalent to the par value with a resulting foreign exchange gain recognised in the income statement. An accrued dividend under the terms of the preference shares totalling £7.7m was settled at the same time and is recognised in the Income Statement.

A summary of the Company's direct investments at the balance sheet date is as follows:

Name of Entity	Country of Incorporation	Nature of Business	Ownership 2016 %	Ownership 2015 %
Study Group Holdings UK Limited	United Kingdom	Holding company	100	100
EDU Holdings SPV Pty Limited	Australia	Holding company	100	100
EDU US Holdco Inc.	USA	Holding company	100	100
Study Group Canada Limited	Canada	Holding company	100	100
Study Group Global PTE Limited	Singapore	Non trading	100	100

The directors believe that the carrying value of the investments at year end is supported by their underlying assets.

An impairment provision of £3,780,118 has been recognised in the year as the fair value of the underlying assets was deemed to be lower than the cost of investment. This impairment provision is recognised to reduce the carrying value of the investments in EDU US Holdco Inc. to £nil at the balance sheet date.

**EDU UK MANAGEMENT SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**6. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	28,714	15,466
Corporation tax receivable	396	4,073
Other taxation	213	24
Prepayments and accrued income	150	-
	<u>29,473</u>	<u>19,563</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	-	613
<b>Total debtors</b>	<u>29,473</u>	<u>20,176</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Taxation & social security costs	-	42
Accruals	1,658	1,076
Accrued finance costs	813	-
Revolving credit facility net of borrowing costs (note 9)	7,339	-
Amounts owed to group undertakings	68,818	87,130
	<u>78,628</u>	<u>88,248</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Term loan net of borrowing costs (note 9)	172,251	-
<b>Amounts owed to group undertakings:</b>		
With immediate parent company – interest bearing	-	205,000
Deferred borrowing costs for Group bond	-	(2,489)
	<u>172,251</u>	<u>202,511</u>

The Company had interest bearing debt with its immediate parent company EDU UK Intermediate Ltd of £205m at a rate of 8.885%. This was repaid during the year as part of the refinancing of the group.

**EDU UK MANAGEMENT SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**9. INTEREST BEARING LOANS AND BORROWINGS**

*Terms and repayment schedule*

	Currency	Nominal interest rate	Year of maturity	Face value 2016 £'000	Carrying value 2016 £'000	Face value 2015 £'000	Carrying value 2015 £'000
<b>Creditors falling due within one year</b>							
£49.0m Revolving credit facility	£ GBP	4.75% + Libor	2021	9,088	7,339	-	-
				<u>9,088</u>	<u>7,339</u>	<u>-</u>	<u>-</u>
<b>Creditors falling due after more than one year</b>							
Amounts owed to immediate parent	£ GBP	8.885%	2018	-	-	205,000	205,000
£115.0m Term loan	£ GBP	5.75% + Libor	2022	115,000	110,474	-	-
\$110.2m Term loan	\$ AUD	5.75% + BBSY	2022	64,308	61,777	-	-
				<u>179,308</u>	<u>172,251</u>	<u>205,000</u>	<u>205,000</u>

The Group successfully completed a refinance on 7 November 2016, whereby the senior secured loan notes with a carrying value of £205.0 million were redeemed and replaced with term loan financing totalling £231.0 million, of which £179.3 million is held by the Company as noted above. The amounts owed to the immediate parent were repaid on redemption of the bond.

Also during the year the Group entered into a new revolving credit facility agreement alongside the new term loans, increasing available credit from £30.0 million to £49.0 million. £9.1 million of the available facility was drawn by the Company as at year end.

**10. SHARE CAPITAL**

	2016		2015	
	Number of shares	£	Number of shares	£
<i>Ordinary shares authorised, allotted and issued of £1 each</i>				
Balance at the beginning of the year	1	1	1	1
New issues of shares	2	2	-	-
Balance at 31 December	<u>3</u>	<u>3</u>	<u>1</u>	<u>1</u>

Two ordinary shares of £1 were issued in the year. Share premium represents the excess of the issue price over the par value on shares issued.

**11. EQUITY INSTRUMENTS**

	2016 £'000	2015 £'000
<b>Called up, allotted and fully paid:</b>		
6,828,511,309 subordinated preference certificates	<u>-</u>	<u>222,272</u>

During the year, it was mutually agreed to release the obligations under the SPCs with the issue of ordinary shares including a premium amount to set off the consideration of an equivalent amount for the release resulting in a no gain no loss position.

**EDU UK MANAGEMENT SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**12. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2016	2015
	£'000	£'000
Staff costs during the year:		
Wages and salaries	1,222	1,084
Social security costs	160	185
Superannuation and other pension costs	36	49
	<u>1,418</u>	<u>1,403</u>

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

	Number	Number
Management	<u>3</u>	<u>3</u>

**Aggregate directors' remuneration**

	2016	2015
	£'000	£'000
Salaries and short term benefits	1,091	1,111
Post-employment benefits	57	50
	<u>1,148</u>	<u>1,161</u>

**Highest paid director**

	2016	2015
	£'000	£'000
Salaries and short term benefits	522	599
Post-employment benefits	42	37
	<u>564</u>	<u>636</u>

Some of the directors of EDU UK Management Services Limited were not employees of the Company during 2016.

**13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking of the company is EDU UK Intermediate Limited.

The ultimate parent undertaking and controlling party is Providence Equity Partners VI International LP, a company incorporated in the Cayman Islands.

The parent company of the largest consolidated group is EDU UK Topco Limited and the parent company of the smallest consolidated group is EDU UK Intermediate Limited. The consolidated accounts are available from 1 Billinton Way, Brighton, BN1 4LF.

**14. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption in IAS 24 from the requirement to disclose transactions between the Company and its wholly owned subsidiaries.

**15. CONTINGENT LIABILITIES**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

**16. EVENTS AFTER THE BALANCE SHEET DATE**

There were no events between the reporting date and the date the financial statements were authorised for issue that require disclosure.