

McGraw-Hill Global Education UK Holdco Limited

Report and Financial Statements

31 December 2017



McGraw-Hill Global Education UK Holdco Limited

Registered No. 08414279

Directors

D Kraut
D Stafford
P Milano
I White
C Knight

Secretary

TMF Corporate Administration Services Limited

Auditors

Ernst & Young LLP
Forbury Road
Reading
RG1 1YE

Registered Office

McGraw-Hill Education
Statesman House
Stafferton Way
Maidenhead
United Kingdom
SL6 1AD

Strategic Report

The directors present the Strategic Report for year ended 31 December 2017.

Principal activities

The Company acts as an intermediate holding Company. For details on individual subsidiary undertakings see note 8.

Business review

The loss for the year is £22,655,327 (2016: £652,707). No dividends were declared or paid during the year (2016: £nil).

The loss in the year is mainly driven by the assessment that the Directors have performed on the investments carrying value, and the impairment charge of £14,904,054 that has been recognised in the current year (see Note 8 investments).

This results from the assessment of the underlying subsidiaries, McGraw-Hill Education (UK) Limited and Open International Publishing Limited. In spite of the growth in turnover in McGraw Hill Education (UK) Limited 2017 versus 2016, actual 2017 results provided a new baseline for the assessment of expected future cash flows which when run through the impairment testing model described in Note 10 (Investments), indicating the impairment of the investment balance.

The underlying drivers of the new baseline for expected future cash flows were as follows:-

- Mix of products sold and related variance on margins.
- Sales channel restructuring in one specific Middle East market
- Increased costs to support new business models whilst at the same time maintaining focus on traditional channels.

Open International Publishing Limited has changed, during the year, its business model from a publishing business to a distributing model, which has resulted in changes in future cash flows that has been run through the impairment testing model described in Note 8 (Investments), indicating the impairment of the investment balance

Principal risks and uncertainties

The principal risks and uncertainties facing the Company is the value of the investments in its subsidiaries. The Company considers the investment value regularly and are confident there are no indicators of impairment in addition to the provision charged during the year.

Future developments

The Company will continue to operate as an intermediate holding company.

Approved on behalf of the board



Ian White
Director
6 August 2018

Directors' report

The directors present the Director's Report for the year ended 31 December 2017.

Results and dividends

The loss for the year after taxation was £22,655,327 (2016: loss £652,707). No dividends were declared or paid during the year (2016: £nil).

Going concern

No material uncertainties that cast doubt about the ability of the Company to continue as a going concern have been identified by the directors. The Company's business activities together with the factors likely to affect its future development and performance have been included in the strategic report. The Company has the ability to call up dividends from the affiliates to obtain additional financial resources to continue in operational existence for the foreseeable future. Thus we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served during the year and thereafter are as listed on page 1. There have not been any changes compared to prior year.

Principal risks and uncertainties and future developments

In accordance with Section 414C (11) of the Companies Act 2006, the principal risks and uncertainties and future developments of the Company are included in the Strategic Report on page 2.

Post Balance Sheet Event

On 15 May 2018, the Board announced the transfer of 42,137,135 shares (ordinary shares of £1 each) from McGraw-Hill Global Education Singapore Holdings, Pte. Ltd to McGraw-Hill Global Education UK Holdco Limited. By this operation, McGraw-Hill Global Singapore Holdings Pte. Ltd has transferred, the investment in McGraw-Hill Global Education Australia Holdco Pty Ltd to McGraw-Hill Global Education UK Holdco Ltd.

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

McGraw-Hill Education, Inc. has purchased a directors and officers liability insurance policy for the benefit of the Company and its directors and such report was in force during the year and is in force as at the date of approving the directors' report.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report *(continued)*

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Ian White
Director

6 August 2018

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explain in the financial statements;
- notify the Company's shareholders in writing about the use of FRS 101 disclosure exemptions, if any; 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 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of McGraw-Hill Global Education UK Holdco Limited

Opinion

We have audited the financial statements of McGraw-Hill Global Education UK Holdco Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, 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 FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its 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 below. We are independent of the company 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 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 McGraw-Hill Global Education UK Holdco Limited (continued)

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 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 strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

to the members of McGraw-Hill Global Education UK Holdco Limited (continued)

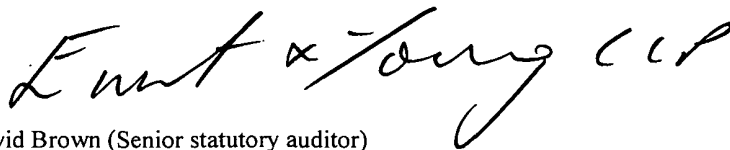
Auditor's responsibilities for the audit of the financial statements

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 <https://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.



David Brown (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading



Income Statement

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Administrative expenses		(126,250)	(1,050)
Impairment loss	8	(14,904,054)	-
Operating loss	3	(15,030,304)	(1,050)
Income from shares in group undertakings		-	7,000,000
Interest payable and other charges	6	(7,625,023)	(7,651,657)
Loss on ordinary activities before taxation		(22,655,327)	(652,707)
Tax on loss on ordinary activities	7	-	-
Loss for the year		<u>(22,655,327)</u>	<u>(652,707)</u>

All activities are continuing operations.

Statement of Comprehensive Income

for the year ended 31 December 2017

There are no recognised gains or losses attributable to the shareholders of the Company for the year ended 31 December 2017 (2016: none) other than those disclosed in the income statement above.

Statement of Financial Position

at 31 December 2017

	Notes	2017 £	2016 £
Non-current assets			
Investments	8	216,799,014	231,703,068
Current assets			
Debtors	10	100	100
Creditors: amounts falling due within one year	11	(8,343,451)	(592,178)
Net current liabilities		(8,343,351)	(592,078)
Total assets less current liabilities		208,455,663	231,110,990
Creditors: amounts falling due after more than one year	12	(118,631,780)	(118,631,780)
Net assets		89,823,883	112,479,210
Capital and reserves			
Called up share capital	13	1,000,000	1,000,000
Other reserves		9	9
Profit and loss reserve		88,823,874	111,479,201
Total equity		89,823,883	112,479,210

The financial statements of McGraw-Hill Global Education UK Holdco Limited, registered number 08414279, were approved by the Board and authorised for issue on 6 August 2018.

They were signed on its behalf by:



Ian White
Director

Statement of Changes in Equity

for the year ended 31 December 2017

	<i>Share capital</i>	<i>Other reserves</i>	<i>Profit and loss reserve</i>	<i>Total shareholder's funds</i>
	£	£	£	£
1 January 2016	134,993,300	9	(21,861,392)	113,131,917
Loss for the year	-	-	(652,707)	(652,707)
Reduction of share capital	(133,993,300)	-	133,993,300	-
At 31 December 2016	<u>1,000,000</u>	<u>9</u>	<u>111,479,201</u>	<u>112,479,210</u>
Loss for the year	-	-	(22,655,327)	(22,655,327)
At 31 December 2017	<u>1,000,000</u>	<u>9</u>	<u>88,823,874</u>	<u>89,823,883</u>

Notes to the financial statements

For the year ended 31 December 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of McGraw-Hill Education UK Holdco Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the board of directors on 6 August 2018 and the Statement of Financial Position was signed on the board's behalf by Ian White. McGraw-Hill Education UK Holdco Limited a private company limited by shares, is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

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 IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the exemption from preparing consolidated financial statements permitted under section 401 of the Companies Act 2006 because it is a wholly-owned subsidiary of McGraw-Hill Education Inc. (a company incorporated in the US), which prepares consolidated financial statements which are publicly available, see Note 15.

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

(a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:

(i) paragraph 79(a)(iv) of IAS 1;

(b) the requirements of the following paragraphs of IAS 1 Presentation of Financial Statements:

10(d) and 111 – a statement of cash flows for the period;

16 – a statement of compliance with IFRS, which is not applicable since we are adopting FRS 101 rather than following IFRS in full;

(c) the requirements of IAS 7 Statement of Cash Flows;

(d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;

(e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less provision for impairment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Notes to the financial statements (*continued*)

For the year ended 31 December 2017

2. Accounting policies (*continued*)

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Statement of Financial Position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available, against which, the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The carrying amount of deferred income tax assets is reviewed at each Statement of Financial Position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Critical Accounting Estimates

The preparation of financial statements in conformity with FRS101 requires management to make estimates and assumptions that affect the amounts reported for assets, liabilities, revenues and expenses. Critical accounting estimates represent estimates made by management that are, by their very nature, uncertain. Such estimates are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our estimates and assumptions, including those related to indefinite-lived assets (Note 8), income taxes and contingencies.

Notes to the financial statements (*continued*)

For the year ended 31 December 2017

3. Operating loss

This is stated after charging:

	2017	2016
	£	£
Administration expenses	126,250	1,050
Impairment loss (note 8)	14,904,054	-

4. Auditor's remuneration

There is no auditor's remuneration in the Company financial statements as it is all borne by McGraw-Hill Education (UK) Limited, a fellow subsidiary undertaking of McGraw-Hill Education, Inc. The amount borne by McGraw-Hill Education (UK) Limited on behalf of the Company was £5,400 (2016: £5,900).

5. Directors' remuneration

The directors' remuneration for 2017 was borne by McGraw-Hill Education (UK) Limited, McGraw-Hill Interamericana De Espana SL and McGraw-Hill Global Education, LLC, which make no recharge to the Company as the directors' services to the Company do not occupy a significant amount of their time, their services may be classed as 'incidental services' to the Company, for which the directors do not consider that they have received any remuneration.

6. Interest payable and similar charges

	2017	2016
	£	£
Payable to group undertakings	7,625,023	7,651,657

7. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax on the loss for the year	-	-
Tax charge on loss on ordinary activities	-	-

Notes to the financial statements (*continued*)

For the year ended 31 December 2017

7. Tax (*continued*)

(b) Factors affecting the tax charge for the year:

	2017	2016
	£	£
Loss on ordinary activities before taxation	(22,655,327)	(652,707)
Loss on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.25% (2016: 19.25%)	(4,361,150)	(125,637)
<i>Effects of:</i>		
Non-deductible expenses	24,091	-
Non-taxable income	-	(1,347,404)
Non-deductible interest expense	122,847	168,664
Non-deductible impairment expense	2,869,030	-
Group relief	706,927	771,922
Tax losses carried forward	638,255	532,455
Total tax charge for the year	-	-

(c) Factors affecting the tax charge for the year:

Reductions in the main rate of corporation tax to 19% from 1st April 2017 and 17% from 1st April 2020 were substantially enacted before the balance sheet date. The closing deferred tax balances (see note 17) have therefore been calculated at the rate at which they are forecast to unwind of 17% (2016:18%).

8. Investments

	2017	2016
	£	£
Cost		
At 1 January & 31 December	253,625,089	253,625,089
Impairment		
Provision brought forward	(21,922,021)	(21,922,021)
Charge in the year	(14,904,054)	-
	(36,826,075)	(21,922,021)
Net book value		
At 31 December	216,799,014	231,703,068

Notes to the financial statements (*continued*)

For the year ended 31 December 2017

8. Investments (*continued*)

The Company subsidiary at 31 December 2017 is as follows:

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
<i>Subsidiary undertakings</i>			
McGraw-Hill Global Education UK Holdco II Limited	United Kingdom	Holding company	Ordinary 100%

For the 2017 reporting period, the Company engaged an independent third-party valuation firm to assist management with assessing the recoverable amount of the CGUs, based on the value-in-use approach which requires the use of assumptions. For the purpose of this impairment test, the Company used cash flows projections based on financial budgets approved by management covering a 5 year period, cash flows beyond the 5 year period are extrapolated using estimated growth rates. These growth rates consider past experience, inflation and are consistent with forecasts included in industry reports specific to the industry in which the CGU operates.

The key assumptions used in determining the value-in-use of the goodwill CGU are as follows:

Budgeted gross margins – Gross margins are based on past performance and management expectation of the market development.

Growth rates – The forecasted growth rates are based on past performance, management's expectations of market development, industry trends and prevailing inflation forecasts in the economy.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investor. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

The Directors have assessed, in the current year, that the carrying value of the investment that the Company holds in McGraw-Hill Global Education UK Holdco II Limited is more than the recoverable amount, and, as a result of this, an impairment charge of £14,904,054 has been recognised in the current year.

9. Deferred Taxation

The Company has an unrecognised deferred tax asset of £1,190,981 (2016: £559,867) which relates to losses carried forward. The deferred tax asset on the tax losses has not been recognised due to uncertainty over future utilisation.

Notes to the financial statements (*continued*)

For the year ended 31 December 2017

10. Debtors

	2017	2016
	£	£
Amounts owed by group undertakings	100	100

11. Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts due to group undertakings	8,343,451	592,178

12. Creditors: amounts falling due after one year

	2017	2016
	£	£
Loan note	118,631,780	118,631,780

On 31 January 2017 the loan deed was transferred from McGraw Hill Global Education Holdings, LLC to McGraw Hill Global Education Singapore Holdings Pte Ltd.

The loan note is repayable on 22 March 2020 in full. Interest is payable on the loan note at 6.3% per annum. The loan note is unsecured.

13. Issued share capital

	2017	2016
	£	£
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each (2017: 1,000,000 shares; 2016: 1,000,000 shares)	1,000,000	1,000,000

14. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned group undertakings as it is a wholly owned subsidiary and is consolidated into the group financial statements of its ultimate parent undertaking.

Notes to the financial statements (*continued*)

For the year ended 31 December 2017

15. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the Company was McGraw-Hill Global Education Holdings, LLC. On 9 February 2017, the Board announced the transfer of 1,000,000 shares (ordinary shares of £1 each) from McGraw-Hill Global Education Holdings, LLC to McGraw-Hill Global Education Singapore Holdings Pte.Ltd, its parent undertaking since then.

The Company considers its ultimate parent undertaking and controlling party to be McGraw-Hill Education, Inc., a Company incorporated in the United States of America. The parent undertaking of the smallest and largest group of undertakings for which group financial statements were drawn up and of which the Company was a member was McGraw-Hill Education, Inc. Copies of the group financial statements of McGraw-Hill Education, Inc. can be obtained from:

McGraw-Hill Education
Statesman House,
Stafferton Way
Maidenhead
United Kingdom
SL6 1AD

16. Post Balance Sheet Event

On 15 May 2018, the Board announced the transfer of 42,137,135 shares (ordinary shares of £1 each) from McGraw-Hill Global Education Singapore Holdings, Pte. Ltd to McGraw-Hill Global Education UK Holdco Limited. By this operation, McGraw-Hill Global Singapore Holdings Pte. Ltd has transferred, the investment in McGraw-Hill Global Education Australia Holdco Pty Ltd to McGraw-Hill Global Education UK Holdco Ltd.