

WUHAN BN VOCATIONAL SCHOOL

Independent Auditor's Report and Financial Information
For the year ended 31 August 2017

WUHAN BN VOCATIONAL SCHOOL

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL INFORMATION
FOR THE YAER ENDED 31 AUGUST 2017

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF WUHAN BN VOCATIONAL SCHOOL

(A non-profit organization established in the People's Republic of China)

Opinion

We have audited the financial information of Wuhan BN Vocational School (the "School") set out on pages 4 to 17, which comprise the statement of financial position as at August 31 2017 and the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year ended 31 August 2017, and notes to the financial information, including a summary of significant accounting policies (together "the Financial Information"). The Financial Information has been prepared by the management of the School in accordance with the basis of preparation set out in note 2 to the Financial Information.

In our opinion, the Financial Information for the year ended 31 August 2017 is prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Financial Information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are independent of the School in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Restriction on Distribution and Use

Without modifying our opinion, we draw attention to note 2 to the Financial Information, which describes the basis of accounting. The Financial Information has been prepared solely for the information of the Board of the School. As a result, the Financial Information may not be suitable for another purpose. Our report is intended solely for the School and should not be distributed to or used by parties other than the School without our prior written consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report. All duties and liabilities (including without limitation, those arising from negligence or otherwise) to any other parties are specifically disclaimed.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF WUHAN BN VOCATIONAL SCHOOL - continued

(A non-profit organization established in the People's Republic of China)

Responsibilities of Management and Those Charged with Governance for the Financial Information

The management of the School is responsible for the preparation and presentation of the Financial Information in accordance with the basis of preparation set out in note 2 to the Financial Information, and for such internal control as the management of the School determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, the management of the School is responsible for assessing the School'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 management of the School either intend to liquidate the School or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the School.

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF WUHAN BN VOCATIONAL SCHOOL - continued
(A non-profit organization established in the People's Republic of China)

Auditor's Responsibilities for the Audit of the Financial Information - continued

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu Certified Public Accountants LLP Beijing Branch
Deloitte Touche Tohmatsu Certified Public Accountants LLP Beijing Branch
28 September 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

	<u>Notes</u>	<u>Year ended 31 August 2017</u>	<u>Year ended 31 August 2016</u>
Total contributions	5	1,405,504	1,852,286
Operating expenditure			
Salaries and social securities	6	(881,369)	(917,649)
Student costs		(464,884)	(754,405)
Teaching costs		(115,437)	(113,669)
Depreciation		(17,480)	(27,364)
Administrative costs		(36,061)	(42,186)
Repair and maintenance		-	(38,100)
Total operating expenditure		<u>(1,515,231)</u>	<u>(1,893,373)</u>
Net deficit of operating activities		<u>(109,727)</u>	<u>(41,087)</u>
Interest income		495	702
Deficit for the year		<u><u>(109,232)</u></u>	<u><u>(40,385)</u></u>

The notes on pages 8 to 17 form part of these financial statements.

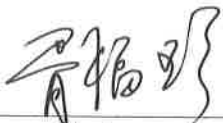
WUHAN BN VOCATIONAL SCHOOL

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017
(Expressed in RMB)

	<u>Notes</u>	<u>31/08/2017</u>	<u>31/08/2016</u>
Current assets			
Cash and bank balances	7	138,508	354,780
Due from Hubei CYDF		12,404	15,020
Other receivables		2,000	2,000
Inventories	8	30,776	36,210
Prepaid expenses		10,000	10,000
Total current assets		<u>193,688</u>	<u>418,010</u>
Non-current assets			
Equipment and vehicles	9	40,606	58,086
Total non-current assets		<u>40,606</u>	<u>58,086</u>
Total assets		<u>234,294</u>	<u>476,096</u>
Current liabilities			
Advances from Beijing BNVS		-	100,000
Other payables	10	58,092	90,662
Total current liabilities		<u>58,092</u>	<u>190,662</u>
Reserves		176,202	285,434
Total liabilities and reserves		<u>234,294</u>	<u>476,096</u>

The notes on pages 8 to 17 form part of these financial statements.

The financial statements from 8 to 17 are signed on its behalf by:



Board Chairperson of the School



Person in charge of finance

WUHAN BN VOCATIONAL SCHOOL

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 AUGUST 2017
(Expressed in RMB)

	<u>Total reserves</u>
Balance at 1 September 2015	325,819
Deficit for the year	<u>(40,385)</u>
Balance at 31 August 2016	285,434
Deficit for the year	<u>(109,232)</u>
Balance at 31 August 2017	<u><u>176,202</u></u>

The notes on pages 8 to 17 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017
(Expressed in RMB)

	Note	Year ended 31 August 2017	Year ended 31 August 2016
Cash from operating activities			
Deficit for the year		(109,232)	(40,385)
Adjustments for:			
Depreciation		17,480	27,364
Interest income		(495)	(702)
Net cash outflow from operations before working capital movements:		<u>(92,247)</u>	<u>(13,723)</u>
Decrease /(Increase) in due from Hubei CYDF		2,616	(15,020)
Decrease in inventories		5,434	2,848
Increase in deferred expenses		-	(1,666)
Increase /(Decrease) in advances from Beijing BNVS		(100,000)	100,000
Increase/(Decrease) in other payables		<u>(32,570)</u>	<u>45,952</u>
Net cash generated from/ (used in) operating activities		<u>(216,767)</u>	<u>118,391</u>
Cash flows from investing activities			
Interest received		495	702
Net cash generated from investing activities		<u>495</u>	<u>702</u>
Net increase/(decrease) in cash and cash equivalents		(216,272)	119,093
Cash and cash equivalents at beginning of the fiscal year		<u>354,780</u>	<u>235,687</u>
Cash and cash equivalents at end of the fiscal year	7	<u><u>138,508</u></u>	<u><u>354,780</u></u>

The notes on pages 8 to 17 form part of these financial statements.

WUHAN BN VOCATIONAL SCHOOL

NOTES TO FINANCIAL INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

1. GENERAL

Wuhan BN Vocational School (武汉百年农工子弟职业学校, the "School") is a non-profit organization, founded in Wuhan, People's Republic of China ("PRC"), which is supported by China Youth Development Foundation ("CYDF") and Beijing BN Vocational School (北京百年农工子弟职业学校, the "Beijing BNVS"). The premise of the School is subsidized by Hubei Communist Youth League free of charge. The School started operation on 10 July 2010. The registration certificate (E Min Zheng Zi No. 0010071) from Bureau of Civil Affairs of Hubei Province was updated on 12 August, 2013, and the qualification of middle level vocational education and license of non-government school from Committee of Education of Hubei Province was updated on 04 March 2014.

The principal activity of the School is to provide three-year education programs free of charge to the young people from low-income families, and to help these young people become highly skilled employees to meet the current and future needs of cities for a skilled workforce from 1 September 2015. The School provided two-year programs before 1 September 2015. The School updated the certificate on 02 December 2016 (5242000056547190XG).

2. BASIS OF PREPARATION

The School maintains its accounting records and prepares its statutory financial statements for each calendar year in accordance with accounting standards and regulations of the PRC which are applicable to the School.

The Financial Information has been prepared solely for the information of the Board of the School. The School has prepared the Financial Information in accordance with accounting policies set out in note 4. These accounting policies are applied in accordance with International Financial Reporting Standards (IFRSs). Currently, the IFRSs do not contain specific guidelines for non-profit and non-governmental organizations concerning the accounting treatment and presentation of consolidated financial statements. Where the IFRSs are silent or do not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies have been based on the general IFRS principles, as detailed in the Conceptual Framework for Financial Reporting issued by the International Accounting Standards Board.

Different from its statutory financial statements, the period of accompanying Financial Information is from 1 September 2016 to 31 August 2017.

The Financial Information is presented in Renminbi ("RMB"), which is the functional and presentation currency of the School.

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017
(Expressed in RMB)

3. APPLICATION OF ACCOUNTING POLICIES IN ACCORDANCE WITH NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1 Application of accounting policies in accordance with new and revised standards, amendments and interpretations (new and revised IFRSs).

As of 31 August 2017, the following new and revised IFRSs have become effective.

IFRS 14	Regulatory Deferral Accounts
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception

The application of accounting policies in accordance of these new and revised IFRSs has no material effect on the amounts reported in the Financial Information or disclosures set out in the Financial Information.

3.2 New and revised IFRSs issued but not yet effective

The School has not early applied its accounting policies in accordance with the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 7	Disclosure Initiative ⁴
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to IAS 40	Transfers of Investment Property ¹
Amendments to IFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ⁵

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

3. APPLICATION OF ACCOUNTING POLICIES IN ACCORDANCE WITH NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

3.2 New and revised IFRSs issued but not yet effective - continued

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

The School anticipates that the adoption of these new and revised IFRSs in future years will have no material financial impact on the Financial Information of the School.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared on the historical cost basis and in accordance with the following accounting policies which are applied in accordance with International Financial Reporting Standards.

Contributions

Cash contributions are recognized at the date of receipt of cash or when CYDF/Beijing BNVS confirms the amount of contribution.

Contributions of property, plant and equipment and inventory are recognized on the date of receipt at fair value if the objective evidence on the fair value is available. When the fair values of contribution in kind are not available, the School will not assign any value to these contributions but will keep a record of these contributions. After initial recognition, contribution in kind recognized as property, plant and equipment and inventory will follow the respective accounting policy of property, plant and equipment and inventory as set out in this note.

Contributions of service are recognized on the date of receipt of the service and are reported as equal contributions and expenditure in the statement of comprehensive income, if the objective evidence on the fair value is readily available.

Government grants

Government grants are not recognised until there is reasonable assurance that the School will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Scholl recognises as expenses the related costs for which the grants are intended to compensate.

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency

For cash contributions made in foreign currencies, the School exchanges the contributions into equivalent amount of RMB on the date when the contribution is received at the quoted exchange rate for the day.

Taxation

According to PRC Enterprise Income Tax Law, the income derived from a qualified non-profit organization is non-taxable. Based on Circular 122 issued jointly by the Chinese Ministry of Finance and the State Administration of Taxation (Cai Shui [2009] No. 122) on 11 November 2009, the non-profit organization should obtain the approval of such qualification from the Tax Bureau.

Although the School's application for Enterprise Income Tax exemption is in process, the Board believes that the School has satisfied all requirements for such qualification, and therefore, deemed all contribution income as non-taxable.

Financial assets

The School's financial assets are classified into loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables, other receivables and cash and bank balances) are measured at amortized cost using the effective interest method, less any impairment.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans or receivables, the estimated future cash flows of the loans and receivables have been affected.

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial assets - continued

Impairment of loans and receivables - continued

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that loans and receivables because of financial difficulties.

Impairment loss on loans and receivable is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the loans and receivables' original effective interest rate.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the loans and receivables at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Loans and receivables are derecognized when the rights to receive cash flows from them expire or, they are transferred and the School has transferred substantially all the risks and rewards of ownership of them. On derecognition of a loan or receivable, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

Financial liabilities at amortized cost

Financial liabilities including other payables are subsequently measured at amortized cost, using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial liabilities - continued

Financial liabilities at amortized cost - continued

Interest expense is recognized on an effective interest basis.

Financial liabilities at amortized cost are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Inventories

Inventories are recorded at lower of cost and net realisable value. The cost of inventories is based on the "first-in first-out" principle.

Property, plant and equipment

Property, plant and equipment are stated at costs less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method so as to depreciate the initial cost, after taking into account of the estimated residual value, over the item's useful life, which is as follows:

<u>Classes</u>	<u>Useful lives</u>	<u>Estimated residual value rates</u>	<u>Annual depreciation rates</u>
Equipment and vehicles	5 - 8 years	3%	12.125% - 19.40%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculation as the difference between the net disposal proceeds and the carrying amount of the item) is recognised profit or loss in the period in which the item is derecognized.

Reserves

Reserves represent the cumulative excess of income from contributions and other income over operating expenditure.

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017
(Expressed in RMB)

5. CONTRIBUTIONS

	Year ended 31 August 2017 RMB	Year ended 31 August 2016 RMB
Cash contributions	1,405,504	1,850,686
Contributions of inventories	-	1,600
Total contributions	<u>1,405,504</u>	<u>1,852,286</u>

6. SALARIES AND SOCIAL SECURITIES

	Year ended 31 August 2017 RMB	Year ended 31 August 2016 RMB
Salaries	771,781	793,606
Social securities	109,588	124,043
Total salaries and social securities	<u>881,369</u>	<u>917,649</u>

7. CASH AND BANK BALANCES

	31/08/2017 RMB	31/08/2016 RMB
Cash on hand	1,097	14,293
Cash at banks	137,411	340,487
Total cash and bank balances	<u>138,508</u>	<u>354,780</u>

Cash at banks consist of interest bearing deposits at market rate 0.30% (31/08/2016 0.30%).

For the purpose of the statement of cash flows, cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	31/08/2017 RMB	31/08/2016 RMB
Cash on hand	1,097	14,293
Cash at banks	137,411	340,487
Less: time deposit with maturity over 3 months	-	-
Total cash and cash equivalents	<u>138,508</u>	<u>354,780</u>

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017
(Expressed in RMB)

8. INVENTORIES

	<u>31/08/2017</u> RMB	<u>31/08/2016</u> RMB
Donated:		
Others	2,180	2,940
Purchased:		
Uniforms	6,877	17,185
Stationery	4,576	5,987
Textbooks	-	2,073
Others	17,143	8,025
Total inventories	<u>30,776</u>	<u>36,210</u>

9. EQUIPMENT AND VEHICLES

	<u>Equipment and vehicles</u> RMB	<u>Total</u> RMB
COST		
Balance at 1 September 2015	410,996	410,996
Addition	-	-
Balance at 31 August 2016	<u>410,996</u>	<u>410,996</u>
Addition		
Balance at 31 August 2017	<u>410,996</u>	<u>410,996</u>
DEPRECIATION		
Balance at 1 September 2015	(325,546)	(325,546)
Depreciation charges	(27,364)	(27,364)
Balance at 31 August 2016	<u>(352,910)</u>	<u>(352,910)</u>
Depreciation charges	(17,480)	(17,480)
Balance at 31 August 2017	<u>(370,390)</u>	<u>(370,390)</u>
CARRYING VALUES		
Balance at 31 August 2016	<u>58,086</u>	<u>58,086</u>
Balance at 31 August 2017	<u>40,606</u>	<u>40,606</u>

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017

(Expressed in RMB)

10. OTHER PAYABLES

	<u>31/08/2017</u>	<u>31/08/2016</u>
	RMB	RMB
Salaries and social securities	39,986	35,863
Others	18,106	54,799
Total other payables	<u>58,092</u>	<u>90,662</u>

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Foreign currency risk

The School is not exposed to significant fluctuations in foreign currency exchange rates as most of contributions are from Beijing BNVS and denominated in RMB.

(b) Credit risk

The School has a treasury policy which focuses on security of cash and bank balances. Those are held in banks with high credit ranking. Thus, the School is not exposed to significant credit risk.

(c) Liquidity risk

The School's objective is to strike a balance between continuity of funding and flexibility by maintaining sufficient funds as cash on hand, demand deposits or short-term deposits with maturities of one year or less to meet short-term liabilities. Therefore, the School is not exposed to significant liquidity risk.

12. RELATED PARTIES

(a) Identification of related parties

The School is supported by CYDF, which is identified as a related party.

Fellow schools that have the same supreme governing body (the Board) are identified as related parties.

The Board of the School and key management personnel are persons who have authorities and responsibilities for planning, directing and controlling the activities of the School. Related parties are the Board members, senior management, as well as close members of their families or households.

NOTES TO FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017
(Expressed in RMB)

12. RELATED PARTIES - continued

(b) Transactions with related parties

The School has entered into the following transactions with related parties :

	<u>Year ended</u> <u>31 August 2017</u> RMB	<u>Year ended</u> <u>31 August 2016</u> RMB
Cash contributions from Beijing BNVS	1,378,920	1,813,052
	<u> </u>	<u> </u>
	<u>Year ended</u> <u>31 August 2017</u> RMB	<u>Year ended</u> <u>31 August 2016</u> RMB
Cash contributions from Hubei CYDF	26,584	37,634
	<u> </u>	<u> </u>

The School had the following balances with related parties :

	<u>31/08/2017</u> RMB	<u>31/08/2016</u> RMB
Due from Hubei CYDF	12,404	15,020
	<u> </u>	<u> </u>
	<u>31/08/2017</u> RMB	<u>31/08/2016</u> RMB
Advances from Beijing BNVS	-	100,000
	<u> </u>	<u> </u>

There were no transactions with the key management personnel during the year ended 31 August 2017.

(c) Remuneration

None of the members under (a) above received remuneration from the School during the year ended 31 August 2017.

13. APPROVAL OF FINANCIAL INFORMATION

The Financial Information was approved and authorized for issue by the Board on 28 September 2017.