

Mark Education Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 03495297

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Mark Education Limited

Report and financial statements for the year ended 31 December 2016

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Directors

P Gupta
S Mansotra (resigned 1 April 2016)
N Morsawala
A Ghare (appointed 1 April 2016)

Secretary and registered office

N Morsawala, Ship Canal House, 98 King Street, Manchester, M2 4WU

Company number

03495297

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Mark Education Limited

Strategic report for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

The company's profit for the financial year was £115k (2015 - £592k).

No interim dividend per share (2015 - £Nil) was paid during the year.

The directors do not recommend the payment of a final dividend (2015 - £Nil).

At the year end the company had net current assets of £1,927k (2015: £1,824k). The ultimate parent company has entered into a corporate debt restructuring with its creditors which include EXIM bank. The company is pledged as security against the amounts owed to EXIM bank. Subsequent to the year end the trading environment has been challenging and the company is closely managing its cost base. The directors have produced cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements and are of the view that the going concern basis remains appropriate. The going concern assumption is also predicated on the ongoing availability of an invoice discounting facility with the bank which renews annually. The company is confident of the ongoing support of the bank in this regard.

Principal activity

The principal activity of the company during the year was the provision of recruitment consultancy services alongside International Teachers Network Limited (a fellow group company) under the brand of ITNMark Education. Together these companies provide a national presence in England and Wales.

Key performance indicators

The company uses certain performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPIs).

The key financial performance indicators are turnover, gross profit and profit before tax

	2016 £'000	2015 £'000
Revenue	11,272	13,278
Gross profit	3,528	4,220
Profit before tax	112	590

The results for the year show the effects of challenges in the company's market which saw falling demand from schools as they came under increasing financial pressures. There was also increased competition in the market place, in particular from new entrants, for candidates, staff and clients. These pressures are expected to remain in at least the short to medium term and may be further exacerbated by additional attempts by government to introduce a national framework covering all schools in England and Wales.

The strategy of the company is to maintain tight control on its overheads, whilst looking at ways to generate efficiencies in the way in which the company services its clients and strengthen relationships by further improving the quality and range of services provided.

Mark Education Limited

Strategic report for the year ended 31 December 2016 (*continued*)

Financial risk management objectives and policies

The company makes use of a variety of financial instruments to fund the business including both those that arise directly from operations such as cash, trade debtors and trade creditors, and others such as loans. The use of such financial instruments exposes the company to certain financial risks. The main ones are interest risk, credit risk and liquidity risk. These are described in greater detail below.

Interest rate risk:

The company is part funded by external borrowings at variable rates of interest which is agreed on a regular basis with the lender.

Credit risk:

The company's principal credit risk relates to the recovery of amounts owed by trade debtors. In order to manage the risk, limits are set for each client based upon a mixture of past payment history and third party credit references. These are regularly reviewed. Debts are actively chased by the credit control department and those over a certain size or age are reported to the board monthly.

Liquidity risk:

The company may be exposed to liquidity risk when changes to market conditions impact its trading volumes and pipeline. Current and projected working capital requirements are regularly monitored and compared to existing and future facilities to ensure sufficient working capital is available.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Approval

This strategic report was approved on behalf of the Board on 29 September 2017



P Gupta
Director

Mark Education Limited

Report of the directors for the year ended 31 December 2016

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2016.

Directors

The directors of the company during the year and up to the date of signing this report were as follows:

P Gupta
S Mansotra (resigned 1 April 2016)
N Morsawala
A Ghare (appointed 1 April 2016)

Directors' and officers' liability insurance

During the year, the company has maintained cover for its directors and officers under a directors' and officers' liability insurance policy.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the 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). 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 accounting estimates that are reasonable and prudent;
- 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 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.

Mark Education Limited

Report of the directors for the year ended 31 December 2016 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



P Gupta
Director

29 September 2017

Mark Education Limited

Independent auditor's report

TO THE MEMBERS OF MARK EDUCATION LIMITED

We have audited the financial statements of Mark Education Limited for the year ended 31 December 2016 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

Opinion 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 directors' report has been prepared in accordance with applicable legal requirements.

Mark Education Limited

Independent auditor's report *(continued)*

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 the directors' report.

We have nothing to report in respect of the following matters where 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.

BDO LLP

*Andrew William Radford (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

29 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Mark Education Limited

Profit and loss account and statement of comprehensive income for the year ended 31 December 2016

Profit and loss account

	Note	2016 £'000	2015 £'000
Turnover		11,272	13,278
Cost of sales		(7,744)	(9,058)
Gross profit		3,528	4,220
Administrative expenses		(3,410)	(3,608)
Operating profit	6	118	612
Interest payable and similar charges	7	(6)	(22)
Profit on ordinary activities before taxation		112	590
Tax on profit from ordinary activities	8	3	2
Profit for the financial year		115	592

Statement of comprehensive income

	2016 £'000	2015 £'000
Profit for the financial year attributable to the owners of the parent	115	592
Total comprehensive income for the year attributable to the owners of the parent	115	592

All amounts relate to continuing activities

The notes on pages 10 to 20 are an integral part of these financial statements.

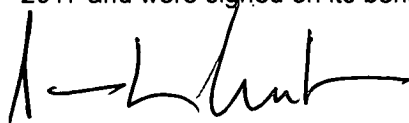
Mark Education Limited

Balance sheet at 31 December 2016

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible assets	9		47		21
Current assets					
Debtors	10	3,570		4,062	
Cash at bank and in hand		53		1,051	
		<u>3,623</u>		<u>5,113</u>	
Creditors: amounts falling due within one year	11	(1,696)		(3,289)	
Net current assets			<u>1,927</u>		<u>1,824</u>
Total assets less current liabilities			<u>1,974</u>		<u>1,845</u>
Creditors: amounts falling due after more than one year	12		(14)		-
Net assets			<u>1,960</u>		<u>1,845</u>
Capital and reserves					
Called-up share capital	15		100		100
Share premium account			450		450
Retained earnings			1,410		1,295
Total equity			<u>1,960</u>		<u>1,845</u>

The notes on pages 10 to 20 are an integral part of these financial statements.

The financial statements on pages 7 to 20 were authorised for issue by the board of directors on 29 September 2017 and were signed on its behalf.



P Gupta
Director

Mark Education Ltd
Registered no. 03495297

Mark Education Limited

Statement of changes in equity at 31 December 2016

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	100	450	703	1,253
Profit for the year	-	-	592	592
Total comprehensive income for the year	-	-	592	592
At 31 December 2015	100	450	1,295	1,845
Profit for the year	-	-	115	115
Total comprehensive income for the year	-	-	115	115
At 31 December 2016	100	450	1,410	1,960

The notes on pages 10 to 20 are an integral part of these financial statements.

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 General information

Mark Education Limited ('the company') provides recruitment consultancy services alongside International Teachers Network Limited (a fellow group company) under the brand of ITNMark Education. Together these companies provide a national presence in England and Wales.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Ship Canal House, 98 King Street, Manchester, M2 4WU.

2 Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historic cost convention, and certain financial assets and liabilities are measured at fair value through the profit and loss account.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

b) Going concern

At the year end the company had net current assets of £1,927k (2015: £1,824k). The ultimate parent company has entered into a corporate debt restructuring with its creditors which include EXIM bank. The company is pledged as security against the amounts owed to EXIM bank. Subsequent to the year end the trading environment has been challenging and the company is closely managing its cost base. The directors have produced cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements and are of the view that the going concern basis remains appropriate. The going concern assumption is also predicated on the ongoing availability of an invoice discounting facility with the bank which renews annually. The company is confident of the ongoing support of the bank in this regard.

c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent Core Education and Technologies Limited, includes the company's cash flows in its own consolidated financial statements.

The company has also taken advantage of the qualifying entity exemption not to provide disclosures in respect of key management personnel.

d) Functional and presentational currency

The company's functional and presentational currency is the pound sterling.

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

3 Summary of significant accounting policies (*continued*)

e) Revenue recognition and operating profit

Turnover in respect of permanent placement fees is recognised on the start date of the candidates' employment. Turnover in respect of temporary placements is recognised when the service has been rendered and accepted by the client.

The company's turnover and operating profit were all derived from its principal activity and all arose in the United Kingdom.

Turnover is stated net of value added tax.

f) Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. Where these arise, they are disclosed separately to provide further understanding of the financial performance of the company.

g) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the period end.

Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

3 Summary of significant accounting policies (*continued*)

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes all necessary costs to bring the asset to working condition for intended use. Depreciation is provided to write each asset down to its anticipated residual value over its estimated useful life. The annual rates in use are generally as follows:

Leasehold improvements	-	over the period of the lease
Office equipment	-	25 - 33% on cost

The depreciation is pro-rated in the year of acquisition and disposal of assets.

i) Leased assets

At inception the company assess agreements that transfer the rights to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Finance leases

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset, or if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

ii) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense on a straight line basis over the expected period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date.

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

3 Summary of significant accounting policies (*continued*)

j) Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where it is measured at the present value of future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment with any impairment loss being recognised in the profit and loss account.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset expire or are settled, or substantially all of the risks and rewards of ownership are transferred to another party.

ii) *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

k) Employee benefits

The company provides a range of benefits to employees, including bonus arrangements, paid holiday arrangements and pension scheme payments.

i) *Short term benefits*

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

ii) *Pension contributions*

The company contributes to the personal pension plans of certain employees. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets are held separately from the company in independently administered funds.

iii) *Bonuses*

The company operates bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligations can be made.

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 *(continued)*

3 Summary of significant accounting policies *(continued)*

l) Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

m) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

4 Critical accounting judgements and estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- i) Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- ii) Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Key areas of estimation uncertainty are:

i) Revenue recognition

Revenue is recognised according to clear milestones agreed with clients. Revenue is only recognised where there is clear evidence from the client that the terms of the assignment have been agreed and the milestones achieved. This is typically the start date for permanent placements and the period worked for temporary placements.

ii) Bonus accruals

The bonus accruals which are recognised at the balance sheet date are management's best estimates of the bonuses payable to employees. However, if debtors are not recovered or the employee leaves the amounts of bonus may vary. The methodology applied by management is based on their historical experience and is consistently applied.

iii) Impairment of debtors (see note 10)

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing of profile of debtors, the credit rating of the debtor and historical experience.

Mark Education Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

5 Employees

	2016 £'000	2015 £'000
Staff costs consist of:		
Wages and salaries	2,160	2,337
Social security costs	232	237
Pension costs	21	21
	<u>2,413</u>	<u>2,595</u>

In 2016 there were no directors' emoluments paid from Mark Education Limited (2015 - £Nil).

	2016 Number	2015 Number
The average monthly number of persons (including directors) employed by the company during the year was:		
Sales, operation and management	<u>65</u>	<u>62</u>

6 Operating profit

	2016 £'000	2015 £'000
This has been arrived at after charging:		
Depreciation of tangible fixed assets	19	36
Auditors' remuneration - audit and non-audit services	22	36
Operating lease charges	<u>255</u>	<u>264</u>

7 Interest payable and similar charges

	2016 £'000	2015 £'000
Bank interest	5	22
Finance lease interest	<u>1</u>	<u>-</u>
	<u>6</u>	<u>22</u>

Mark Education Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

8 Income tax

a) Analysis of tax charge for the year	2016 £'000	2015 £'000
Current tax		
- UK corporation tax on profits for the year	-	-
- Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax		
- Origination and reversal of timing differences	(5)	(2)
- Effect of changes in tax rates	2	-
	<hr/>	<hr/>
Total deferred tax	(3)	(2)
	<hr/>	<hr/>
Tax on profit on ordinary activities	(3)	(2)
	<hr/>	<hr/>

b) Reconciliation of tax charge

The main rate of UK corporation tax rate fell from 21% to 20% with effect from 1 April 2015 and remained at 20% throughout the year ended 31 December 2016.

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are reconciled below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	112	590
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	22	120
Effects of:		
Difference between depreciation and capital allowances	-	2
Group relief for nil payment	(37)	(113)
Other adjustments	2	(2)
Transfer pricing adjustment	10	(9)
	<hr/>	<hr/>
Tax charge for the year	(3)	(2)
	<hr/>	<hr/>

Mark Education Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

9 Tangible assets

	Leasehold improvements £'000	Office equipment £'000	Total £'000
<i>Cost</i>			
At 1 January 2016	19	143	162
Additions	-	45	45
Disposals	(7)	(28)	(35)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	12	160	172
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2016	17	124	141
Charge for the year	-	19	19
Disposals	(7)	(28)	(35)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	10	115	125
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2016	2	45	47
	<hr/>	<hr/>	<hr/>
At 31 December 2015	2	19	21
	<hr/>	<hr/>	<hr/>

The net carrying amount of assets held under finance leases included in office equipment is £ 28,453 (2015: £nil).

10 Debtors

	2016 £'000	2015 £'000
Trade debtors	1,006	961
Amounts owed by group undertakings	2,415	2,936
Other debtors and prepayments	138	148
Deferred tax asset	11	8
Corporation tax debtor	-	9
	<hr/>	<hr/>
	3,570	4,062
	<hr/>	<hr/>

Trade debtors are stated after provisions for impairment of £nil (2015: £nil).

Amounts owed by group companies are unsecured, interest free have no fixed date of repayment and are repayable on demand. All debtors fall due within one year.

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

11 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Invoice discounting (secured)	74	597
Trade creditors	151	178
Amounts owed to group undertakings	822	1,997
Social security and other taxes	410	361
Accruals and deferred income	228	156
Finance leases	11	-
	<u>1,696</u>	<u>3,289</u>

The company has entered into an invoice discounting facility with Barclays secured by way of fixed and floating charges on the company's assets. Interest is charged on this facility at 2.25% over LIBOR (2015 - 2.25% over LIBOR).

Amounts due to group undertakings are unsecured, interest free have no fixed date of repayment and are repayable on demand.

12 Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Finance leases	14	-
	<u>14</u>	<u>-</u>

13 Finance leases

The future minimum finance lease payments are as follows:

	2016 £'000	2015 £'000
Not later than 1 year	13	-
Later than one year and not later than five years	15	-
	<u>28</u>	<u>-</u>
Total gross payments	28	-
Less: finance charges	3	-
	<u>25</u>	<u>-</u>
Carrying amount of liability	25	-

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

14 Financial instruments

The company has the following financial instruments:

	2016 £'000	2015 £'000
Financial assets at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	1,006	961
- Amounts owed by group undertakings	2,415	2,936
- Other debtors	20	23
- Cash at bank and in hand	53	1,051
	3,494	4,971
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost		
- Invoice discounting (secured)	74	597
- Trade creditors	151	178
- Amounts owed to group undertakings	822	1,997
- Finance leases	25	-
- Accruals and deferred income	228	156
	1,300	2,928

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Strategic report.

15 Share capital

	2016 Number	Authorised 2015 Number	2016 £'000	2015 £'000
Ordinary shares of £1 each	100,000	100,000	100	100
		Allotted, called up and fully paid		
	2016 Number	2015 Number	2016 £'000	2015 £'000
Ordinary shares of £1 each	100,000	100,000	100	100

Mark Education Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

16 Pension commitments

The company makes contributions to defined contribution plans, the assets of the plans being held separately from the assets of the company. At 31 December 2016, there were £4,312 outstanding contributions payable to the plan (2015 - £2,633).

17 Capital and other commitments

As at 31 December 2016, the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £'000	2015 £'000
Payments due		
Not later than one year	177	180
Later than one year and not later than five years	39	117
Later than five years	-	-
	<u>216</u>	<u>297</u>

18 Contingent liability

The company has entered into a guarantee with Barclays Bank Plc whereby it undertakes to guarantee all obligations to Barclays Bank Plc by ITNMark Education Limited, International Teachers Network Limited, NP Teaching Limited and Core Education and Consulting (UK) Limited. At the end of the year, the contingent liability was £73,792 (2015 - £798,042).

19 Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

20 Ultimate parent undertaking and controlling parties

The company's immediate parent company is ITNMark Education Limited a company incorporated in England and Wales. Copies of the accounts of ITNMark Education Limited are available at Companies House.

The company's ultimate parent company at 31 December 2016 was Core Education and Technologies Limited, a public limited company incorporated in India and listed on the Mumbai Stock Exchange, India. Core Education and Technologies Limited prepares group financial statements and copies can be obtained from Unit 1-4, Building No.4, Sector III, Millennium Business Park, Mhape, Navi Mumbai, India 400710.