ITNMark Education Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 4560248

ITNMark Education Limited

Report and financial statements
for the year ended 31 December 2016

Contents

Page:

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

4560248

Auditors

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

ITNMark Education Limited

Report of the directors
for the year ended 31 December 2016

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

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year.

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

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

At the year end the company had net current liabilities of £232k (2015: £232k). 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 is that of a holding company.

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' responsibilities

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

Company law requires the directors to prepare 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.

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.

In preparing this directors' report advantage has been taken of the small companies exemption.

On behalf of the Board

P Gupta
Director

29 September 2017

TO THE MEMBERS OF ITNMARK EDUCATION LIMITED

We have audited the financial statements of ITNMark 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 result 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 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.

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 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

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).

ITNMark 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
Operating profit and profit on ordinary activities before taxation	6	-	-
Tax on profit from ordinary activities	7	-	-
Profit for financial year		-	-

Statement of comprehensive income

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

All amounts relate to continuing operations.

The notes on pages 8 to 13 are an integral part of these financial statements.

ITNMark Education Limited

Balance sheet
at 31 December 2016

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Investments	8		**861**		861
Current assets					
Debtors	9	**770**		1,763	
Creditors: amounts falling due within one year	10	**(1,002)**		(1,995)	
Net current liabilities			**(232)**		(232)
Total assets less current liabilities			**629**		629
Capital and reserves					
Called-up share capital	12		**1**		1
Share premium account			**628**		628
Retained earnings			**-**		-
Total equity			**629**		629

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 8 to 13 are an integral part of these financial statements.

The financial statements on pages 5 to 13 were authorised for issue by the board of directors on 29 September 2017 and were signed on its behalf.

P Gupta
Director

ITNMark Education Ltd
Registered no. 4560248

ITNMark 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	**1**	**628**	**-**	**629**
Profit for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2015	**1**	**628**	**-**	**629**
Profit for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2016	**1**	**628**	**-**	**629**

The notes on pages 8 to 13 are an integral part of these financial statements.

1 General information

ITNMark Education Limited ('the company') is a holding company. 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 financial statements contain information about ITNMark Education Limited as an individual company and not consolidated financial information as the parent company of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings will be included by full consolidation in the consolidated financial statements of its ultimate parent company, Core Education and Technologies Limited a company registered in India.

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 liabilities of £232k (2015: £232k). 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.

3 Summary of significant accounting policies *(continued)*

e) 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.

f) Fixed asset investments

Investments in subsidiary undertakings are stated in the balance sheet of the parent company at cost, less any provision for impairment in value.

g) 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.

3 Summary of significant accounting policies *(continued)*

g) Financial instruments *(continued)*

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.

h) 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.

i) 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 there are indicators of impairment of the company's fixed asset investments. 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) Impairment of debtors (see note 9)

The company makes an estimate of the recoverable value of amounts owed by group undertakings. When assessing whether an impairment exists of amounts owed by group undertakings, management considers factors including the economic viability and expected future financial performance of the underlying subsidiary.

5 Employees

There were no employees during the year. No director received any remuneration during the year.

6 Operating profit

Auditors remuneration is borne by Mark Education Limited.

7 Income tax

a) Analysis of tax charge for the year	**2016 £'000**	**2015 £'000**
Current tax		
- UK corporation tax on result for the year	-	-
Total current tax	-	-
Deferred tax		
- Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

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 the same as 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	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	-	-
Effects of:		
Group relief for nil payment	2	-
Transfer pricing adjustment	(2)	-
Tax charge for the year	-	-

There is no charge in respect of taxation in the current or prior year.

8 Investments

	2016 £'000	2015 £'000
Cost and net book value		
At 1 January and at 31 December	**861**	861

The principal undertakings in which the company's interest at the year end is more than 20% are:

Subsidiary undertakings	Country incorporated	Principal activity	% shares held
Mark Education Limited	Great Britain	Recruitment	100%
International Teachers Network Limited	Great Britain	Recruitment	100%
NP Teaching Limited	Great Britain	Recruitment	100%

9 Debtors

	2016 £'000	2015 £'000
Amounts owed by group undertakings	**769**	1,762
Unpaid share capital	**1**	1
	770	1,763

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.

10 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	**1,002**	1,995

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

11 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		
- Amounts owed by group undertakings	769	1,762
	769	1,762
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost		
- Amounts owed to group undertakings	1,002	1,995
	1,002	1,995

12 Share capital

	Authorised			
	2016 Number	2015 Number	2016 £'000	2015 £'000
Ordinary shares of £0.01 each	64,423,000	64,423,000	644	644

	Allotted, issued and fully paid			
	2016 Number	2015 Number	2016 £'000	2015 £'000
Ordinary shares of £0.01 each	70,730	70,730	1	1

13 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 Mark 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).

14 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.

15 Ultimate parent undertaking and controlling parties

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.