

**Pearson International Finance Limited**

Registered Number :

02496206

Annual Report and Financial Statements

For the Year Ended :

31 December 2022

Registered Address :

80 Strand, London WC2R 0RL

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COMPANIES HOUSE

**Pearson International Finance Limited**

**DIRECTORS' REPORT**

The directors present their report and the financial statements of Pearson International Finance Limited (the 'company') for the year ended 31 December 2022.

The company has taken exemption from preparing a Strategic Report in accordance with s414B of the Companies Act 2006 relating to small companies.

**Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below :

F E Muir  
L Found  
J J T Kelly

**Qualifying third party indemnity provisions and liability insurance**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Pearson Management Services Limited, a related party, also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of the company and its directors and officers.

**Financial risk management**

From the perspective of the company, financial risk management is integrated with the financial risk management of the consolidated financial statements of Pearson plc (the 'group') and is not managed separately. Accordingly, the financial risk management of Pearson plc, which includes that of the company, is discussed in the group's annual report which does not form part of this report.

**Statement of directors' responsibilities**

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

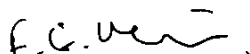
Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 'Reduced Disclosure Framework', and applicable law (United Kingdom Generally Accepted Accounting Practice).

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

On behalf of the board



F E Muir  
Director

30 August 2023

Company registered number :  
02496206

**Pearson International Finance Limited**

**PROFIT AND LOSS ACCOUNT**

For the year ended :  
31 December 2022

|  |             | <b>2022</b>  | 2021         |
|--|-------------|--------------|--------------|
|  | <b>Note</b> | <b>£'000</b> | <b>£'000</b> |
| Continuing operations                      |             |              |              |
| Other operating income                     |             | <b>2</b>     | -            |
| <b>Operating profit</b>                    | <b>2</b>    | <b>2</b>     | -            |
| <b>Profit before interest and taxation</b> |             | <b>2</b>     | -            |
| Interest receivable and similar income     | <b>4</b>    | <b>3,624</b> | 959          |
| <b>Profit before taxation</b>              |             | <b>3,626</b> | 959          |
| Tax on profit                              | <b>5</b>    | <b>(689)</b> | (182)        |
| <b>Profit for the financial year</b>       |             | <b>2,937</b> | 777          |

**Pearson International Finance Limited**

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended :

**31 December 2022**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Profit for the financial year</b>           | <b>2,937</b> | <b>777</b>   |
| <b>Total comprehensive income for the year</b> | <b>2,937</b> | <b>777</b>   |

**Pearson International Finance Limited**

**BALANCE SHEET**

As at :

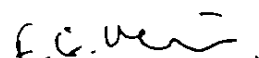
**31 December 2022**

|  |             | <b>2022</b>    | <b>2021</b>  |
|--|-------------|----------------|--------------|
|  | <b>Note</b> | <b>£'000</b>   | <b>£'000</b> |
| <b>Fixed assets</b>                                    |             |                |              |
| Investments  | 6           | <b>10</b>      | 10           |
|  |             | <b>10</b>      | 10           |
| <b>Current assets</b>                                  |             |                |              |
| Debtors  | 7           | <b>193,342</b> | 189,899      |
| Cash at bank and in hand                               |             | <b>16</b>      | 15           |
|  |             | <b>193,358</b> | 189,914      |
| <b>Creditors - amounts falling due within one year</b> | 8           | <b>(689)</b>   | (182)        |
| <b>Net current assets</b>                              |             | <b>192,669</b> | 189,732      |
| <b>Total assets less current liabilities</b>           |             | <b>192,679</b> | 189,742      |
| <b>Net assets</b>                                      |             | <b>192,679</b> | 189,742      |
| <b>Capital and reserves</b>                            |             |                |              |
| Called up share capital                                | 9           | <b>10</b>      | 10           |
| Profit and loss account                                |             | <b>192,669</b> | 189,732      |
| <b>Total shareholders' funds</b>                       |             | <b>192,679</b> | 189,742      |

For the year ended 31 December 2022 :

- The directors confirm that the company is entitled to take exemption from the requirement to obtain an audit under section 479A of the Companies Act 2006;
- The members have not required the company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

The financial statements were approved by the board of directors and authorised for issue on 30 August 2023. They were signed on its behalf by :



F E Muir  
Director

**Pearson International Finance Limited**

**STATEMENT OF CHANGES IN EQUITY**

**For the year ended :**

**31 December 2022**

|   | <b>Called up<br/>share<br/>capital</b> | <b>Profit and<br/>loss<br/>account</b> | <b>Total</b>   |
|---|--|--|----------------|
|   | <b>£'000</b>                           | <b>£'000</b>                           | <b>£'000</b>   |
| At 1 January 2021                       | 10                                     | 188,955                                | <b>188,965</b> |
| Profit for the financial year           | -                                      | 777                                    | <b>777</b>     |
| Total comprehensive income for the year | -                                      | 777                                    | <b>777</b>     |
| <b>At 31 December 2021</b>              | <b>10</b>                              | <b>189,732</b>                         | <b>189,742</b> |
| Profit for the financial year           | -                                      | 2,937                                  | <b>2,937</b>   |
| Total comprehensive income for the year | -                                      | 2,937                                  | <b>2,937</b>   |
| <b>At 31 December 2022</b>              | <b>10</b>                              | <b>192,669</b>                         | <b>192,679</b> |

Share capital represents nominal value of shares allotted and called up.

Profit and loss account reserve represents accumulated retained earnings less dividends paid.

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended :**

**31 December 2022**

**1**

**Accounting policies**

The principal accounting policies are set out below. These policies and measurement bases have been consistently applied to all the years presented.

**Basis of preparation**

Pearson International Finance Limited is a private limited company, limited by shares, incorporated in the United Kingdom. The address of its registered office is 80 Strand, London WC2R 0RL.

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 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. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements requiring disclosure.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where required, equivalent disclosures are given in the group financial statements of Pearson plc :

- IFRS 7 'Financial Instruments: Disclosures'
- Paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- Paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1 Presentation of Financial Statements:
  - (i) paragraph 10(d)
  - (ii) paragraph 16
  - (iii) paragraph 38A
  - (iv) paragraph 111
  - (v) paragraphs 134 - 136
- IAS 7 'Statement of Cash Flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'
- Paragraph 17 of IAS 24 'Related Party Disclosures'
- 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.

**Interpretations and amendments to published standards effective 2022**

No new standards were adopted in 2022.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended :**

**31 December 2022**

**1**

**Accounting policies (continued)**

**Consolidation**

The company is a wholly owned subsidiary of Pearson plc and is included in the consolidated financial statements of Pearson plc which are publicly available. Consequently the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

**Foreign currency translation**

The financial statements are presented in pounds sterling (£) which is also the company's functional currency.

Transactions in currencies other than the functional currency are recorded using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Interest income**

Interest is recognised in the profit and loss account as incurred.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**Current income tax**

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

**Investment in associated undertakings**

Investments in associated undertakings are held at cost less accumulated impairment losses.

**Share capital**

Ordinary shares are classified as equity.



**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**2**

**Operating profit**

Operating profit is stated after charging/(crediting):

|                            | <b>2022</b>  | <b>2021</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£'000</b> | <b>£'000</b> |
| Net foreign exchange gains | <b>(2)</b>   | <b>-</b>     |

Fees paid to the group's auditor for the year, Ernst & Young LLP, and its associates for non-audit services are not disclosed in the company's financial statements since the consolidated financial statements of the company's ultimate parent company, Pearson plc, are required to disclose non-audit fees on a consolidated basis.

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**3**

**Directors' emoluments and employee information**

The emoluments of the directors are paid by their employing company, another group undertaking. The directors' services to this company and to a number of fellow subsidiaries are chiefly of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to their employing company. Accordingly, the financial statements include no emoluments in respect of the directors. No one was employed by the company at any time during the year (2021: no one).

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**4**

**Interest**

|   | <b>2022</b>  | <b>2021</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| <b>Interest receivable</b>                    |              |              |
| Interest receivable from parent company       | <b>3,624</b> | 959          |
| <b>Interest receivable and similar income</b> | <b>3,624</b> | 959          |

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**5**

**Taxation**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Current tax</b>                                       |              |              |
| UK corporation tax on profits for the year               | <b>689</b>   | 182          |
| <b>Total current tax</b>                                 | <b>689</b>   | 182          |
| <b>Total tax</b>   | <b>689</b>   | 182          |
| <b>UK standard effective rate of corporation tax (%)</b> | <b>19</b>    | 19           |

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Profit before tax</b>   | <b>3,626</b> | 959          |
| Tax on profit at standard UK corporation tax rate of 19% (2021: 19%) | <b>689</b>   | 182          |
| <b>Total tax charge for the year</b>                                 | <b>689</b>   | 182          |

The current rate of corporation tax is 19% which has been effective since April 2017. The Spring Budget 2021 announced an increase in the corporation tax rate to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021 and received Royal Assent on 10 June 2021.

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**6**

**Investments**

|  | Note | 2022  | 2021  |
|--|------|-------|-------|
|  |      | £'000 | £'000 |
| Associated undertakings and joint ventures | 6a   | 10    | 10    |
|  |      | 10    | 10    |

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**6a**

**Investments - associated undertakings and joint ventures**

|                            | <b>Total</b> |
|----------------------------|--------------|
|                            | <b>£'000</b> |
| <b>Cost</b>                |              |
| At 1 January 2022          | 10           |
| <b>At 31 December 2022</b> | <b>10</b>    |
| <b>Net book value</b>      |              |
| At 31 December 2021        | 10           |
| <b>At 31 December 2022</b> | <b>10</b>    |

|   |                             |                               | <b>2022</b>   | <b>2021</b>   |
|---|-----------------------------|-------------------------------|---------------|---------------|
| <b>Associated undertaking</b>             | <b>Class of shares held</b> | <b>Place of incorporation</b> | <b>% held</b> | <b>% held</b> |
| TQ Education and Training Limited [Saudi] | Ordinary                    | Saudi Arabia                  | <b>10%</b>    | <b>10%</b>    |

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**7**

**Debtors**

|  | <b>2022</b>    | 2021    |
|--|----------------|---------|
|  | <b>£'000</b>   | £'000   |
| <b>Amounts falling due within one year</b> |                |         |
| Amounts owed by group undertakings         | <b>193,342</b> | 189,899 |
| <b>Total debtors</b>                       | <b>193,342</b> | 189,899 |

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**8**

**Creditors**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Amounts falling due within one year</b> |              |              |
| Corporation tax                            | <b>(689)</b> | <b>(182)</b> |
| <b>Total creditors</b>                     | <b>(689)</b> | <b>(182)</b> |



**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**9**

**Called up share capital**

|                                    | <b>2022</b>     |                 | <b>2021</b>  |              |
|------------------------------------|-----------------|-----------------|--------------|--------------|
|                                    | <b>£'000</b>    |                 | <b>£'000</b> |              |
| <b>Total share capital</b>         | <b>10</b>       |                 | <b>10</b>    |              |
|                                    | <b>2022</b>     | <b>2021</b>     | <b>2022</b>  | <b>2021</b>  |
| <b>Ordinary shares £1 each</b>     | <b>No '000s</b> | <b>No '000s</b> | <b>£'000</b> | <b>£'000</b> |
| Allotted, called up and fully paid | <b>10</b>       | <b>10</b>       | <b>10</b>    | <b>10</b>    |

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**10**

**Related party transactions**

*The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.*

**Pearson International Finance Limited**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2022**

**11**

**Ultimate parent undertaking**

The immediate parent undertaking is Pearson plc.

The ultimate parent undertaking and controlling party is Pearson plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Pearson plc's consolidated financial statements can be obtained from the Company Secretary at Pearson plc, 80 Strand, London WC2R 0RL.