

Edexcel Limited

Registered Number :

04496750

Annual Report and Financial Statements
For the Year Ended :

31 December 2019

Registered address :

190 High Holborn, London, WC1V 7BH

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Edexcel Limited

DIRECTORS' REPORT

For the year ended 31 December 2019

The directors present their report and the financial statements of Edexcel Limited (the "company") for the year ended 31 December 2019.

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 :

S M Brennan (resigned 24 April 2020)

D E Houston (resigned 20 December 2019)

R M W Kearton (appointed 20 December 2019)

A Hope (appointed 24 April 2020)

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.

Post balance sheet events

Following the global outbreak of COVID-19 and actions taken by the government in March 2020 and subsequently to contain and treat the disease, the directors have considered the impact of the COVID-19 pandemic on its businesses in 2020. The directors do not believe that any of the impacts constitute an adjusting post balance sheet event for the purposes of the 2019 financial statements.

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 (FRS 101) 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



R M W Kearton

Director

24 August 2020

Company registered number :
04496750

Edexcel Limited

PROFIT AND LOSS ACCOUNT

For the year ended :

31 December 2019

		2019	2018
	Note	£'000	£'000
Continuing operations			
Administrative expenses		-	(577)
Operating profit/(loss)	2	-	(577)
Profit/(loss) before interest and taxation		-	(577)
Interest receivable and similar income	4	1	2
Profit/(loss) before taxation		1	(575)
Tax on profit/(loss)	5	-	582
Profit for the financial year		1	7

Edexcel Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended :

31 December 2019

	2019	2018
	£'000	£'000
Profit for the financial year	1	7
Total comprehensive income for the year	1	7

Edexcel Limited**BALANCE SHEET****As at :****31 December 2019**

		2019	2018
	Note	£'000	£'000
Current assets			
Cash at bank and in hand		505	503
		505	503
Creditors - amounts falling due within one year	6	(337)	(336)
Net assets		168	167
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		167	166
Total shareholders' funds		168	167

For the year ended 31 December 2019 :

- 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 24 August 2020.
They were signed on its behalf by:



R M W Kearton
Director

Edexcel Limited**STATEMENT OF CHANGES IN EQUITY****For the year ended :****31 December 2019**

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2018	1	159	160
Profit for the financial year	-	7	7
Total comprehensive income for the year	-	7	7
At 31 December 2018	1	166	167
Profit for the financial year	-	1	1
Total comprehensive income for the year	-	1	1
At 31 December 2019	1	167	168

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended :

31 December 2019

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Accounting policies

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

Basis of preparation

Edexcel Limited is a company incorporated in the United Kingdom under the Companies Act 1985. The address of its registered office is 190 High Holborn, London, WC1V 7BH.

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'

- 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

- the requirements of IAS 7 'Statement of Cash Flows'

- paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

- the requirements of 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 2019

The following standards were adopted in 2019:

- IFRS 16 Leases

Adoption of this standard has not had a material impact on the financial statements.

A number of other new pronouncements are also effective from 1 January 2019 but they do not have a material impact on the financial statements. Additional disclosure has been given where relevant.

Standards, interpretations and amendments to published standards that are not yet effective

A number of other new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. None of these is expected to have a material impact on the financial statements.

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended :

31 December 2019

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Accounting policies (continued)

Going concern

Following the global outbreak of COVID-19 and actions taken by the government in March 2020 and subsequently to contain and treat the disease, the directors have considered the impact of the COVID-19 pandemic on its businesses in 2020. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not re-translated.

Current 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.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term investments with maturities of three months or less.

Share capital

Ordinary shares are classified as equity.

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Operating profit/(loss)

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

Edexcel Limited**NOTES TO THE FINANCIAL STATEMENTS continued****For the year ended :****31 December 2019****3****Directors' remuneration and employee information**

During the current and prior year the directors were remunerated by a fellow subsidiary undertaking in respect of services to the group as a whole. The directors did not receive any emoluments in respect of their services to the company (2018: £nil). The emoluments of the directors are paid by their employing company, another group undertaking. The directors' services to this company are chiefly of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to their employing company. Accordingly, these financial statements include no emoluments in respect of these directors. The company had no employees during the year (2018: nil).

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Interest

	2019	2018
	£'000	£'000
Interest receivable		
Bank interest receivable	1	2
Interest receivable and similar income	1	2

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Taxation			
	2019	2018	
	£'000	£'000	
Current tax			
UK corporation tax on profit for the year	-	-	
Adjustments in respect of prior years	-	(582)	
Total current tax	-	(582)	
Total tax credit on profit/(loss)	-	(582)	
UK standard effective rate of corporation tax (%)	19	19	

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

	2019	2018	
	£'000	£'000	
Profit/(loss) before tax	1	(575)	
Tax on profit/(loss) at standard UK corporation tax rate of 19% (2018: 19%)	-	(109)	
Effects of:			
Expenses not deductible for tax purposes	-	109	
Adjustments in respect of prior years	-	(582)	
Total tax credit for the year	-	(582)	

The current rate of corporation tax is 19%. It had been expected to reduce to 17% effective 1 April 2020, however, this was changed to 19% in the 2020 Budget. Although the 19% rate change has now been enacted, it had not been substantively enacted as at the balance sheet date and has therefore not been reflected in these financial statements.

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Creditors

	2019	2018
	£'000	£'000
Amounts falling due within one year		
Amounts owed to group undertakings	(337)	(336)
	(337)	(336)

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Called up share capital

	2019		2018	
	£'000		£'000	
Total share capital	1		1	

	2019	2018	2019	2018
	No '000s	No '000s	£'000	£'000
Ordinary shares £1 each				
Allotted, called up and fully paid	1	1	1	1

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Contingent liabilities

Bank guarantees

The company participates in an arrangement with HSBC Bank plc whereby the accounts of Pearson plc and 17 of its subsidiaries, 'the guarantors', are combined, with cleared debit and credit balances being offset for interest calculation purposes. In order to comply with banking regulations, each guarantor to this arrangement has provided a multilateral guarantee in respect of the overdraft obligations (but no other debts due to the bank) of each of the other participants. Under this arrangement, the net cash position at 31 December 2019 was £47,364,372 (2018: net cash position £51,597,127). The maximum amount of this guarantee is limited to a net overdraft of £50,000,000.

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NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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Post balance sheet events

Following the global outbreak of COVID-19 and actions taken by the government in March 2020 and subsequently to contain and treat the disease, the directors have considered the impact of the COVID-19 pandemic on its businesses in 2020. The directors do not believe that any of the impacts constitute an adjusting post balance sheet event for the purposes of the 2019 financial statements.

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NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2019

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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.

Edexcel Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

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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.