

PVNT Limited

Registered Number :

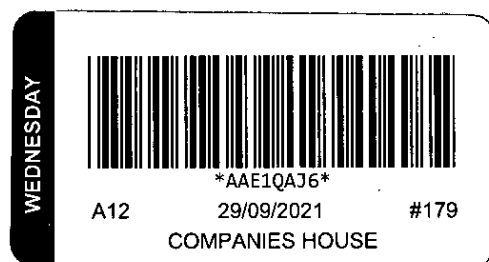
08038068

Annual Report and Financial Statements
For the Year Ended :

31 December 2020

Registered Address :

80 Strand, London WC2R 0RL



PVNT Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of PVNT Limited (the 'company') for the year ended 31 December 2020.

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

Going concern

The directors have considered the impact of the COVID-19 pandemic on the business and on trading in future periods. The directors are of the opinion that through a combination of the mitigating actions that the company has put in place *and the continued financial support provided by the ultimate parent company, Pearson plc, preparing the financial statements on the going concern basis is appropriate.*

On the basis of the position of the overall Pearson plc group the company believes it will be able to continue for the foreseeable future. The Pearson plc group has also reassessed its funding requirements considering the impact of the COVID-19 pandemic on the business. The impact has been modelled under several scenarios to ensure that the likelihood of a prolonged period of disruption has been appropriately considered in assessing the availability of funding to the group and the ability of the group to comply with its banking covenants. Based on this modelling and a review of historical trends in working capital requirements and forecast balance sheets for the next 12 months, the group believes that it will comply with its banking covenants and has sufficient funds available for the group's present requirements.

Directors

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

N R Roberts

S Kroon

Y Harsono (resigned 14 September 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

On 21 September 2021, the company sold its stake in Faethm Holdings Pty Ltd (being 107,250 preference shares) for A\$10,892,306.

PVNT Limited

DIRECTORS' REPORT (continued)

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.

Brexit

The UK exited the European Union (EU) on 31 January 2020. Given the prolonged negotiation process during the latter part of 2020, we continued our work to identify and mitigate any potential impact on our principal risks, including supply chain and operations, tax and data privacy, workforce mobility and more. By virtue of that analysis and mitigation planning, we have not seen any impact to the company operations or colleagues because of Brexit, with no material adverse impact on financial results.

On behalf of the board



N R Roberts
Director
28 September 2021

Company registered number :
08038068

PVNT Limited

PROFIT AND LOSS ACCOUNT

For the year ended :

31 December 2020

		2020	2019
	Note	£'000	£'000
Continuing operations			
Administrative expenses		(11)	-
Operating loss /profit	2	(11)	-
Impairment of investments		-	(610)
Loss on disposal of investments		(1,742)	-
Loss before interest and taxation		(1,753)	(610)
Interest receivable and similar income	4	22	77
Interest payable and similar expenses	4	(63)	(259)
Loss before taxation		(1,794)	(792)
Tax on loss	5	23	32
Loss for the financial year		(1,771)	(760)

PVNT Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended :

31 December 2020

	2020	2019
	£'000	£'000
Loss for the financial year	(1,771)	(760)
Increase in fair value of investments	2,006	4,042
Impairment of investments	(12,388)	-
Total comprehensive income for the year	(12,153)	3,282

PVNT Limited

BALANCE SHEET
For the year ended :
31 December 2020

		2020	2019
	Note	£'000	£'000
Fixed assets			
Investments	6	18,004	26,785
		18,004	26,785
Current assets			
Debtors	7	703	6,480
Cash at bank and in hand		3	67
		706	6,547
Creditors - amounts falling due within one year	8	(6,624)	(9,093)
Net current assets		(5,918)	(2,546)
Total assets less current liabilities		12,086	24,239
Net assets		12,086	24,239
Capital and reserves			
Called up share capital	9	14,895	14,895
Profit and loss account		(2,809)	9,344
Total shareholders' funds		12,086	24,239

For the year ended 31 December 2020 :

- 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 28 September 2021.
They were signed on its behalf by :

Nanny Roberts

N R Roberts
Director

PVNT Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended :

31 December 2020

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2019	14,895	6,062	20,957
Loss for the financial year	-	(760)	(760)
Other comprehensive income for the year	-	4,042	4,042
Total comprehensive income for the year	-	3,282	3,282
At 31 December 2019	14,895	9,344	24,239
Loss for the financial year	-	(1,771)	(1,771)
Other comprehensive expenditure	-	(10,382)	(10,382)
Total comprehensive expenditure for the year	-	(12,153)	(12,153)
At 31 December 2020	14,895	(2,809)	12,086

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

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

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended :

31 December 2020

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

PVNT 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 2020

No new standards were adopted in 2020.

A number of other new pronouncements are also effective from 1 January 2020 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 2021, and have not been applied in preparing these financial statements. None of these is expected to have a material impact on the financial statements.

PVNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended :

31 December 2020

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.

Going concern

The directors have considered the impact of the COVID-19 pandemic on the business and on trading in future periods. The directors are of the opinion that through a combination of the mitigating actions that the company has put in place and the continued financial support provided by the ultimate parent company, Pearson plc, preparing the financial statements on the going concern basis is appropriate.

On the basis of the position of the overall Pearson plc group the company believes it will be able to continue for the foreseeable future. The Pearson plc group has also reassessed its funding requirements considering the impact of the COVID-19 pandemic on the business. The impact has been modelled under several scenarios to ensure that the likelihood of a prolonged period of disruption has been appropriately considered in assessing the availability of funding to the group and the ability of the group to comply with its banking covenants. Based on this modelling and a review of historical trends in working capital requirements and forecast balance sheets for the next 12 months, the group believes that it will comply with its banking covenants and has sufficient funds available for the group's present requirements.

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 earned.

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 classified and subsequently measured at fair value through other comprehensive income. Changes in fair value are recorded in equity in the fair value reserve via other comprehensive income. On subsequent disposal of the asset, the net fair value gains or losses are reclassified from the fair value reserve to retained earnings. Any dividends received from equity investments classified as fair value through other comprehensive income are recognised in the profit and loss account unless they represent a return of capital.

Share capital

Ordinary shares are classified as equity.

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

**For the year ended :
31 December 2020**

2

Operating loss /profit

Fees paid to the group's auditor, PricewaterhouseCoopers 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.

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

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 (2019: no one).

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

4

Interest

	2020	2019
	£'000	£'000
Interest receivable and similar income		
<i>Interest receivable from group companies</i>	13	77
<i>Net foreign exchange gain</i>	9	-
Interest receivable and similar income	22	77
	2020	2019
	£'000	£'000
Interest payable and similar charges		
<i>Interest payable to group companies</i>	(63)	(48)
<i>Guarantee fees</i>	-	(71)
<i>Net foreign exchange loss</i>	-	(140)
Interest payable and similar charges	(63)	(259)

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

5

Taxation

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax on losses for the year	(23)	(35)
Adjustments in respect of prior years	-	(1)
	(23)	(36)
Foreign tax	-	4
	-	4
Total current tax	(23)	(32)
Total tax credit on loss	(23)	(32)
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:

	2020	2019
	£'000	£'000
Loss before tax	(1,794)	(792)
Tax on loss at standard UK corporation tax rate of 19% (2019: 19%)	(341)	(150)
Effects of:		
Expenses not deductible for tax purposes	318	115
Adjustments in respect of prior years	-	(1)
Foreign tax paid	-	4
Total tax credit for the year	(23)	(32)

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 and substantively enacted on 17 March 2020 and has therefore been reflected in these financial statements.

The 2021 Budget in March this year announced an increase in the corporation tax rate to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021. As the change to 25% had not been substantively enacted at the reporting date, its effects are not included in these financial statements.

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

6

Investments

	Note	2020	2019
		£'000	£'000
Associated undertakings and joint ventures	6a	18,004	26,785
Other	6b	-	-
		18,004	26,785

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

6a

Investments - associated undertakings and joint ventures

	Total £'000
Cost	
At 1 January 2020	26,785
Additions	3,434
Disposals	(1,833)
Revaluation	2,006
Impairment	(12,388)
At 31 December 2020	18,004
Net book value	
At 31 December 2019	26,785
At 31 December 2020	18,004

On 30 January 2020, the company made a further investment in Avanti Learning Centres Private Limited for £153,000.

On 24 March 2020, the company increased its investment in Knowledge to Practice Inc by £10,000 to reflect transaction costs paid in 2020 in connection with the 2019 acquisition of shares.

On 7 April 2020, the company made a further investment in Karadi Path Education Company Private Limited for £66,000.

On 26 June 2020, the company disposed of its interest in Omega Schools Franchise Limited (value £1,833,000) for \$100,000 and \$100,000 of seller notes (generating loss on disposal of £1,742,000).

On 26 June 2020, the company made a further investment in SlideRule Labs Inc. (dba Springboard) for £1,620,000. On 30 June 2020, the company's investment in SlideRule Labs Inc. (dba Springboard) was revalued upwards to fair value by £2,006,000.

On 30 June 2020, the company's investment in eAdvance Proprietary Limited was impaired by £9,694,000.

On 18 August 2020, the company entered into an investment in Faethm Holdings Pty Ltd in return for 107,250 subscription shares for \$2,860,000 (£1,585,000 equivalent).

On 28 October 2020, the company's investment in Avanti Learning Centres Private Limited was impaired by £2,694,000.

Details of associated undertakings and joint ventures:

			2020	2019
Associated undertaking	Class of shares held	Registered address	% held	% held
Avanti Learning Centres Private Limited	Class A Equity, Preferred Bridge Shares and Series A Compulsorily Convertible Preference Shares	16 Paschimi Marg, Vasant Vihar, New Delhi, DL, India.	23.47%	23.06%
eAdvance Proprietary Limited	Ordinary	2nd Floor, 1 Sturdee Avenue, Rosebank, Johannesburg, 2193, Gauteng, South Africa	13.77%	29.03%
Faethm Holdings Pty Ltd	Subscription	Altus Financial Pty Ltd, Level 12, 10-14 Spring Street, Sydney, NSW, NSW 2000, Australia.	8.80%	0.00%
Holberton Inc	Series B Preferred Stock	Incorporating Services, Ltd., 3500 S Dupont Way, Dover, Kent, DE, 19901, United States	1.33%	1.33%
Karadi Path Education Company Private Limited	Equity Shares and Compulsorily Convertible Preference Shares	3A Dev Regency II, First Main Road, Gandhinagar, Adyar, Chennai, TN, India.	24.96%	24.96%
Knowledge to Practice Inc	Series A-2 Preferred Stock	251, Little Falls Drive, Corporation Service Company, Wilmington, DE, 19808, United States	9.98%	9.98%

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

6a

Investments - associated undertakings and joint ventures (continued)

			2020	2019
Associated undertaking	Class of shares held	Registered address	% held	% held
Omega Schools Franchise Limited*	Preference and Ordinary	2nd Floor OTS Building, off Accra-Winneba Road, Kasoa second, Kasoa P.O Box WJ973, Weija, Accra, Ghana.	0.00%	49.05%
Secondmind Limited	Series B Preferred Stock	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	3.98%	3.98%
SlideRule Labs Inc. (dba Springboard)	Series A-8 Preferred Stock	Incorporating Services, Ltd., 3500 S Dupont Way, Dover, Kent, DE, 19901, United States	4.64%	4.33%

* Sold 26 June 2020

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

12

Ultimate parent undertaking

The immediate parent undertaking is Pearson Overseas Holdings Limited.

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.

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

11

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.

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

10

Post balance sheet events

On 21 September 2021, the company sold its stake in Faethm Holdings Pty Ltd (being 107,250 preference shares) for A\$10,892,306.

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

9

Called up share capital

	2020		2019	
	£'000		£'000	
Total share capital	14,895		14,895	
	2020	2019	2020	2019
Ordinary shares £1 each	No '000s	No '000s	£'000	£'000
Allotted, called up and fully paid	14,895	14,895	14,895	14,895

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

8

Creditors

	2020	2019
	£'000	£'000
Amounts falling due within one year		
Amounts owed to group undertakings	(6,624)	(9,093)
	(6,624)	(9,093)

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

7

Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year		
Amounts owed by group undertakings	607	6,445
Corporation tax	23	35
Other debtors	73	-
	703	6,480

PVNT Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

6b

Other Investments

	Total
	£'000
Cost	
At 1 January 2020	-
At 1 January 2020	-
Net book value	
At 31 December 2019	-
At 31 December 2020	-

On 26 November 2020, the Company sold its investment in Zaya Learning Labs Private Limited which was fully impaired. The company received no proceeds from this sale.

Details of other investments :

			2020	2019
Other investments	Class of shares held	Registered address	% held	% held
Experifun Educational Solutions Private Limited	Ordinary	139 Himagiri Meadows, Gottigere, B.G. Road, Bangalore, KA, India.	19.00%	18.59%
Sudiksha Knowledge Solutions Private Limited	Equity Shares and Series B and B1 Compulsorily Convertible Cumulative Preference Shares	# 2-2-1130/19/5/C/A, 1st Floor, Shivam Road, Nallakunta, above Karur Vysya Bank, Hyderabad, Telangana, 500044, India	4.82%	4.82%
Zaya Learning Labs Private Limited*	Ordinary	Unit No. 404, New Udyog Mandir 2, Mogul Lane, Mahim(West), Mumbai, MH, 400016, India.	0.00%	20.00%

None of the investments are listed. The above available for sale investments are measured at estimated fair value.

* Sold 26 November 2020