

**Education Development International PLC**

Registered Number :

03914767

Annual Report and Financial Statements

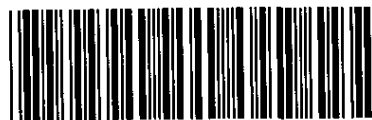
For the Year Ended :

31 December 2021

Registered address :

80 Strand, London, WC2R 0RL

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COMPANIES HOUSE

## **Education Development International PLC**

### **STRATEGIC REPORT**

The directors present their Strategic Report of Education Development International plc (the 'company') for the year ended 31 December 2021.

#### **Business review**

The company was dormant during the year. The directors do not envisage any significant change in the activity of the company in the foreseeable future.

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties of the company are integrated with the principal risks of the consolidated financial statements of Pearson plc (the 'group') and are not managed separately. Accordingly, the principal risks and uncertainties of Pearson plc, which include those of the company, are discussed in the group's annual report which does not form part of this report.

#### **Section 172 (1) Statement**

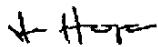
Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the company's purpose together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

While there are cases where the board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Pearson group means that generally our stakeholder engagement best takes place at an operational or group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on some of the engagement that takes place with the group's stakeholders so as to encourage the directors to understand the issues to which they must have regard please see pages 16 to 19 of the Pearson plc 2021 Annual Report.

On behalf of the board



A. Hope  
Director  
20 June 2022

## **Education Development International PLC**

### **DIRECTORS' REPORT**

**For the year ended 31 December 2021**

The directors present their report and the financial statements of Education Development International plc (the 'company') for the year ended 31 December 2021.

#### **Directors**

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

R.M.W. Kearton (appointed 1 July 2021)

K.R. Bristow (resigned 30 June 2021)

A. Hope

#### **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 International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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.

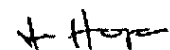
In preparing these financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 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



A. Hope  
Director

20 June 2022

Company registered number : 03914767

**Education Development International PLC**

**Income Statement**  
**For the year ended :**  
**31 December 2021**

|                                      |             | <b>2021</b>  | <b>2020</b>  |
|--------------------------------------|-------------|--------------|--------------|
|                                      | <b>Note</b> | <b>£'000</b> | <b>£'000</b> |
| <b>Operating profit</b>              | <b>2</b>    | <b>-</b>     | <b>-</b>     |
| <b>Profit before taxation</b>        |             | <b>-</b>     | <b>-</b>     |
| Tax on profit                        | <b>4</b>    | <b>-</b>     | <b>-</b>     |
| <b>Profit for the financial year</b> |             | <b>-</b>     | <b>-</b>     |

**Education Development International PLC**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended :**

**31 December 2021**

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Profit for the financial year</b>           | -            | -            |
| <b>Total comprehensive income for the year</b> | -            | -            |

Education Development International PLC

**BALANCE SHEET**

As at:

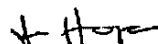
**31 December 2021**

|  |             | <b>2021</b>  | <b>2020</b>  |
|--|-------------|--------------|--------------|
|  | <b>Note</b> | <b>£'000</b> | <b>£'000</b> |
| <b>Current assets</b>                        |             |              |              |
| Trade and other receivables                  | 5           | <b>5,454</b> | 5,454        |
|  |             | <b>5,454</b> | 5,454        |
| <b>Net current assets</b>                    |             | <b>5,454</b> | 5,454        |
| <b>Total assets less current liabilities</b> |             | <b>5,454</b> | 5,454        |
| <b>Net assets</b>                            |             | <b>5,454</b> | 5,454        |
| <b>Capital and reserves</b>                  |             |              |              |
| Called up share capital                      | 6           | <b>576</b>   | 576          |
| Share premium account                        |             | <b>3,352</b> | 3,352        |
| Capital redemption reserve                   |             | <b>12</b>    | 12           |
| Merger reserve                               |             | <b>994</b>   | 994          |
| Other reserves                               |             | <b>212</b>   | 212          |
| Profit and loss account                      |             | <b>308</b>   | 308          |
| <b>Total shareholders' deficit</b>           |             | <b>5,454</b> | 5,454        |

For the year ended 31 December 2021 :

- 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 20 June 2022. They were signed on its behalf by :



A. Hope  
Director

Education Development International PLC

**STATEMENT OF CHANGES IN EQUITY**

For the year ended :

**31 December 2021**

|  | Called up<br>share<br>capital | Share<br>premium | Capital<br>redemption<br>reserve | Merger<br>reserve | Other<br>reserves | Profit and<br>loss<br>account | Total        |
|--|-------------------------------|------------------|----------------------------------|-------------------|-------------------|-------------------------------|--------------|
|  | £'000                         | £'000            | £'000                            | £'000             | £'000             | £'000                         | £'000        |
| At 1 January 2020                                  | 576                           | 3,352            | 12                               | 994               | 212               | 308                           | <b>5,454</b> |
| Profit for the financial year                      | -                             | -                | -                                | -                 | -                 | -                             | -            |
| Total comprehensive income for<br>the year         | -                             | -                | -                                | -                 | -                 | -                             | -            |
| At 31 December 2020                                | 576                           | 3,352            | 12                               | 994               | 212               | 308                           | <b>5,454</b> |
| Profit for the financial year                      | -                             | -                | -                                | -                 | -                 | -                             | -            |
| <b>Total comprehensive income<br/>for the year</b> | -                             | -                | -                                | -                 | -                 | -                             | -            |
| <b>At 31 December 2021</b>                         | <b>576</b>                    | <b>3,352</b>     | <b>12</b>                        | <b>994</b>        | <b>212</b>        | <b>308</b>                    | <b>5,454</b> |

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

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The capital redemption reserve includes the nominal value of shares bought back by the company.

The company applied the provisions of Section 131 of the Companies Act 1985 and obtained merger relief on 971,924 ordinary shares issued, with a fair value of 23.15p per share, as part of the acquisition of the entire share capital of eNVQ Limited on 31 May 2007 and on the 2,124,834 ordinary shares issued, with a fair value of 37.65p per share, as part of the acquisition of the entire share capital of ASET Group Limited on 19 November 2007.

On 11 March 2005 the company received court approval to reduce its share premium account by £9,840,842. The court also required the company to create a non-distributable special reserve equal to the amount of profit made by the company during the period from 1 October 2004 to the date the court order became effective.

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

## **Education Development International PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended :  
31 December 2021**

#### **1**

##### **Accounting policies**

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

##### **Basis of preparation**

Education Development International plc is a public limited company, 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 on the going concern basis in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in conformity with IFRS 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.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand pounds unless otherwise stated.

##### **Interpretations and amendments to published standards effective 2021**

No new standards were adopted in 2021.

A number of other new pronouncements are also effective from 1 January 2021 but they do not have a material impact on the financial statements.

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

A number of other new standards and amendments to standards have been issued but are not yet effective and have not yet been endorsed by the UK Endorsement Board. None of these is expected to have a material impact on the company financial statements.

##### **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.

##### **Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provisions for bad and doubtful debts.

##### **Share capital**

Ordinary shares are classified as equity.



## Education Development International PLC

### NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2021

#### 1

#### Accounting policies (continued)

##### Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provisions for bad and doubtful debts.

##### Liabilities

Liabilities are recognised initially at fair value and subsequently measured at amortised cost.

##### Financial instruments

###### *Financial assets*

The company's financial assets comprise related party loans.

The company measures its trade and other receivables at amortised cost. Subsequent to initial recognition these assets are carried at amortised cost using the effective interest method and are subject to impairment. Income from these financial assets is calculated on an effective yield basis and is recognised in the income statement.

The financial assets are presented as current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets.

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in transaction.

###### *Financial liabilities*

The company's financial liabilities comprise related party borrowings.

The company initially recognises its financial liabilities at fair value net of transaction costs where applicable and are subsequently measured at amortised cost using the effective interest method.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability the difference between the carrying amount extinguished and the consideration paid is recognised in profit and loss.

When a financial liability terms are modified and the cash flows of the modified liability are not substantially different and the modification of a financial liability is not accounted for as an extinguishment, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows discounted at the financial liability's original effective interest rate. Any gain or loss arising on modification is recognised in profit and loss.

**Education Development International PLC**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2021**

**2**

**Operating profit**

Fees paid to the group's auditor for the year, 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.

**Education Development International PLC**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :  
31 December 2021**

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**Key management compensation**

There was no personal compensation for key management, including directors, of the company, for each of the categories specified in IAS 24 'Related Party Disclosures'

The company had no employees during the year (2020: nil).

Education Development International PLC

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :  
31 December 2021

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Taxation

|   | 2021  | 2020  |
|---|-------|-------|
|   | £'000 | £'000 |
| Current tax                                       |       |       |
| Total current tax                                 | -     | -     |
| Total tax on profit                               | -     | -     |
| UK standard effective rate of corporation tax (%) | 19    | 19    |

The charge for the year can be reconciled to the profit in the income statement as follows:

|  | 2021  | 2020  |
|--|-------|-------|
|  | £'000 | £'000 |
| Profit before tax  | -     | -     |
| Tax on profit at standard UK corporation tax rate of 19% (2020: 19%) | -     | -     |
| Total tax for the year   | -     | -     |

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.

**Education Development International PLC**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :  
31 December 2021**

**5**

**Debtors**

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Amounts falling due within one year</b> |              |              |
| Amounts owed by group undertakings         | <b>5,454</b> | 5,454        |
|  | <b>5,454</b> | 5,454        |

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand

**Education Development International PLC**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2021**

**6**

**Called up share capital**

|                                    | <b>2021</b>       |               | <b>2020</b>  |              |
|------------------------------------|-------------------|---------------|--------------|--------------|
|                                    | <b>£'000</b>      |               | <b>£'000</b> |              |
| <b>Total share capital</b>         | <b>576</b>        |               | <b>576</b>   |              |
|                                    | <b>2021</b>       | <b>2020</b>   | <b>2021</b>  | <b>2020</b>  |
| <b>Ordinary shares 1p each</b>     | <b>Number</b>     | <b>Number</b> | <b>£'000</b> | <b>£'000</b> |
| Allotted, called up and fully paid | <b>57,581,916</b> | 57,581,916    | <b>576</b>   | 576          |

**Education Development International PLC**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2021**

**7**

**Related party transactions**

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Outstanding balances with other related parties</b> |              |              |
| Pearson Education Limited                              | <b>5,454</b> | 5,454        |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by group undertakings.

**Education Development International PLC**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**For the year ended :**

**31 December 2021**

**8**

**Ultimate parent undertaking**

The immediate and 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.