

Education Development International PLC

Registered Number :

03914767

Annual Report and Financial Statements

For the Year Ended :

31 December 2020

Registered address :

80 Strand, London, WC2R 0RL

WEDNESDAY

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ACO 30/06/2021 #64
COMPANIES HOUSE

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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 2020.

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 the 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 27 to 29 of the Pearson plc 2020 Annual Report.

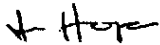
We delegate authority for day-to-day management of the company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the company's activities and make decisions. As a part of those meetings the directors receive information in a range of different formats on section 172 matters when making relevant decisions. For example, each year we make an assessment of the future activities of the company.

In considering the strategic direction of the Company, the Board also considers feedback from engagement with key stakeholders, including our employees, customers and suppliers. As a result of this ongoing feedback, changes are introduced as and when appropriate which we believe will result in improvements for stakeholders, as well as promoting the long-term success of the Company and enhancing its reputation.

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



A. Hope
Director
23 June 2021

Education Development International PLC

DIRECTORS' REPORT

For the year ended 31 December 2020

The directors present their report and the financial statements of Education Development International plc (the 'company') for the year ended 31 December 2020.

Directors

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

K.R.Bristow

C.L.Collard (resigned 21 September 2020)

A. Hope (appointed 21 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.

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.

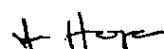
In preparing these financial statements, the directors are required to :

- 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

23 June 2021

Company registered number : 03914767

Education Development International PLC

Income Statement
For the year ended :
31 December 2020

		2020	2019
	Note	£'000	£'000
Operating profit	2	-	-
Profit before taxation		-	-
Tax on profit	4	-	-
Profit for the financial year		-	-

Education Development International PLC

STATEMENT OF COMPREHENSIVE INCOME

For the year ended :

31 December 2020

	2020	2019
	£'000	£'000
Profit for the financial year	-	-
Total comprehensive income for the year	-	-

Education Development International PLC

BALANCE SHEET

As at:

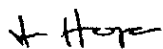
31 December 2020

		2020	2019
	Note	£'000	£'000
Current assets			
Trade and other receivables	5	5,454	5,454
		5,454	5,454
Net current assets		5,454	5,454
Total assets less current liabilities		5,454	5,454
Net assets		5,454	5,454
Capital and reserves			
Called up share capital	6	576	576
Share premium account		3,352	3,352
Capital redemption reserve		12	12
Merger reserve		994	994
Other reserves		212	212
Profit and loss account		308	308
Total shareholders' deficit		5,454	5,454

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 23 June 2021. 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 2020

	Called up share capital	Share premium	Capital redemption reserve	Merger reserve	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2019	576	3,352	12	994	212	308	5,454
Profit for the financial year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
At 31 December 2019	576	3,352	12	994	212	308	5,454
Profit for the financial year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
At 31 December 2020	576	3,352	12	994	212	308	5,454

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 2020

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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

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 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.

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 ongoing impact of the COVID-19 pandemic on its businesses in 2021. 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.

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 2020

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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 2020

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Operating profit

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.

Education Development International PLC

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

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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 (2019: nil).

Education Development International PLC

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

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Taxation

	2020	2019
	£'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 profit and loss account as follows:

	2020	2019
	£'000	£'000
Profit before tax	-	-
Tax on profit at standard UK corporation tax rate of 19% (2019: 19%)	-	-
Total tax credit for the year	-	-

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.

Education Development International PLC

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

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Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year		
Amounts owed by group undertakings	5,454	5,454
	5,454	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 2020

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Called up share capital

	2020		2019	
	£'000		£'000	
Total share capital	576		576	
	2020	2019	2020	2019
Ordinary shares 1p each	Number	Number	£'000	£'000
Allotted, called up and fully paid	57,581,916	57,581,916	576	576

Education Development International PLC

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

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Related party transactions

	2020	2019
	£'000	£'000
Outstanding balances with other related parties		
Pearson Education Limited	5,454	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 Pl.C

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2020

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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.