

**Pearson Australia Finance Unlimited**

Registered Number :

5578463

Annual Report and Financial Statements

For the Year Ended :

31 December 2022

Registered Address :

80 Strand, London WC2R 0RL

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## Pearson Australia Finance Unlimited

### DIRECTORS' REPORT

The directors present their report and the financial statements of Pearson Australia Finance Unlimited (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.

#### Dividends

There were no dividends paid during the year (2021: £8,000,000).

#### 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.

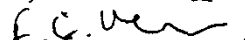
Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 'Reduced Disclosure Framework', and applicable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

By order of the board



F E Muir

Director

30 August 2023

Company registered number :  
5578463

**Pearson Australia Finance Unlimited**

**PROFIT AND LOSS ACCOUNT**

For the year ended :

**31 December 2022**

		<b>2022</b>	2021
Continuing operations	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Profit before interest and taxation</b>		-	-
Interest receivable and similar income	4	<b>6,716</b>	1,074
Interest payable and similar charges	4	<b>(3)</b>	(4,986)
<b>Profit/(loss) before taxation</b>		<b>6,713</b>	(3,912)
Tax on profit/(loss)	5	<b>(446)</b>	(218)
<b>Profit/(loss) for the financial year</b>		<b>6,267</b>	(4,130)

**Pearson Australia Finance Unlimited**

**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/(loss) for the financial year</b>	<b>6,267</b>	<b>(4,130)</b>
<b>Total comprehensive income/(expenditure) for the year</b>	<b>6,267</b>	<b>(4,130)</b>

**Pearson Australia Finance Unlimited**

**BALANCE SHEET**

As at :

**31 December 2022**

		2022	2021
	Note	£'000	£'000
<b>Current assets</b>			
Debtors (including £72,672,000 (2021: £69,356,000) due after one year)	7	99,546	92,823
		99,546	92,823
<b>Creditors - amounts falling due within one year</b>	8	(585)	(129)
<b>Net current assets</b>		98,961	92,694
<b>Total assets less current liabilities</b>		98,961	92,694
<b>Net assets</b>		98,961	92,694
<b>Capital and reserves</b>			
Called up share capital	9	85,758	85,758
Profit and loss account		13,203	6,936
<b>Total shareholders' funds</b>		98,961	92,694

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 Australia Finance Unlimited**

**STATEMENT OF CHANGES IN EQUITY**

**For the year ended :**

**31 December 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January 2021	85,758	19,066	104,824
Loss for the financial year	-	(4,130)	(4,130)
Total comprehensive expenditure for the year	-	(4,130)	(4,130)
Dividends	-	(8,000)	(8,000)
<b>At 31 December 2021</b>	<b>85,758</b>	<b>6,936</b>	<b>92,694</b>
Profit for the financial year	-	6,267	6,267
Total comprehensive income for the year	-	6,267	6,267
<b>At 31 December 2022</b>	<b>85,758</b>	<b>13,203</b>	<b>98,961</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 Australia Finance Unlimited**

### **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 Australia Finance Unlimited is a private unlimited 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 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) paragraph 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 Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

**1**

**Accounting policies (continued)**

**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.

**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.

**Amounts owed by group undertakings**

Amounts owed by group undertakings generally mature within five years, but can be called upon on short notice, or are repayable on demand. Amounts are classified as current if they mature within one year of the balance sheet date or if the company intends to call the loan within one year of the balance sheet date. All other amounts are classified as non-current. The company has assessed and concluded that these loans will be fully recovered. Therefore, credit losses are considered to be immaterial.

**Share capital**

Ordinary shares are classified as equity.



**Pearson Australia Finance Unlimited**

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

**For the year ended :  
31 December 2022**

**2**

**Operating profit**

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 Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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**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 Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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**Interest**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest receivable and similar income</b>		
Interest receivable from group companies	<b>1,863</b>	932
Net foreign exchange gain	<b>4,437</b>	-
Interest receivable from parent companies	<b>416</b>	142
<b>Interest receivable and similar income</b>	<b>6,716</b>	1,074
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest payable and similar charges</b>		
Interest payable to group companies	<b>(3)</b>	-
Net foreign exchange loss	<b>-</b>	(4,986)
<b>Interest payable and similar charges</b>	<b>(3)</b>	(4,986)

**Pearson Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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**Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits/(losses) for the year	<b>432</b>	204
Adjustments in respect of prior years	<b>14</b>	14
<b>Total current tax</b>	<b>446</b>	218
<b>Total tax on profit/(loss)</b>	<b>446</b>	218
<b>UK standard effective rate of corporation tax (%)</b>	<b>19</b>	19

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit/(loss) before tax</b>	<b>6,713</b>	(3,912)
Tax on profit/(loss) at standard UK corporation tax rate of 19% (2021: 19%)	<b>1,275</b>	(743)
Effects of:		
Non-taxable exchange (gain)/loss	<b>(843)</b>	947
Adjustments in respect of prior years	<b>14</b>	14
<b>Total tax charge for the year</b>	<b>446</b>	218

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 Australia Finance Unlimited**

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

For the year ended :

**31 December 2022**

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**Dividends on equity shares**

	<b>2022</b>	2021	<b>2022</b>	2021
	<b>pence per share</b>	pence per share	<b>£'000</b>	£'000
<b>Ordinary shares AUS\$1 each</b>				
Declared and paid during the year:				
Interim dividend for the year	-	5.04	-	8,000
			-	8,000

**Pearson Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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**Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	<b>26,874</b>	23,467
	<b>26,874</b>	23,467
<b>Amounts falling due in more than one year</b>		
Amounts owed by group undertakings	<b>72,672</b>	69,356
	<b>72,672</b>	69,356
<b>Total debtors</b>	<b>99,546</b>	92,823

**Pearson Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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**Creditors**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Amounts owed to group undertakings	<b>(279)</b>	<b>-</b>
Corporation tax	<b>(306)</b>	<b>(129)</b>
<b>Total creditors</b>	<b>(585)</b>	<b>(129)</b>

**Pearson Australia Finance Unlimited**

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

For the year ended :

31 December 2022

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Called up share capital

	2022		2021	
	£'000		£'000	
<b>Total share capital</b>	<b>85,758</b>		<b>85,758</b>	
	2022	2021	2022	2021
<b>Ordinary shares AUS\$1 each</b>	<b>No '000s</b>	<b>No '000s</b>	<b>£'000</b>	<b>£'000</b>
Allotted, called up and fully paid	158,764	158,764	85,758	85,758



**Pearson Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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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.

**Pearson Australia Finance Unlimited**

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

**For the year ended :**

**31 December 2022**

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**Ultimate parent undertaking**

The immediate parent undertaking is Pearson Strand Finance 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.