

Educational Publishers LLP

Registered Number :

OC314882

Annual Report and Financial Statements

For the Year Ended :

31 December 2022

Registered address :

80 Strand, London WC2R 0RL

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COMPANIES HOUSE

Educational Publishers LLP

MEMBERS' REPORT

The members present their report and the audited financial statements of Educational Publishers LLP (the 'partnership') for the year ended 31 December 2022.

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

Principal activities

The principal activity of the partnership is that of an educational publisher in the markets of schools, revision, languages, life-skills and professional. The partnership remains focussed on the key customer groups of educators, people in education and consumers.

Business review and future developments

During 2022 the markets for the partnership's products have continued to prove challenging, with decline across core publishing areas.

The external commercial environment is expected to remain as competitive in 2023 as it was in 2022. However, it is expected that the company will maintain the current level of performance in the future, in line with the group results and expectations.

The partnership for 2022 had turnover of £256,000 (2021: £288,000), with an operating loss of £9,000 (2021: £449,000). A summary of the results for the year and the financial positions are set out in the financial statements on pages 4 to 22.

The net liabilities attributable to members as at 31 December 2022 are £5,709,000 (2021: £5,700,000).

Designated members

The designated members of the partnership during the year and up to the date of signing the financial statements are shown below :

Pearson Education Limited (designated member from 25 August 2005)

BBC Studios Distribution Limited (designated member from 25 August 2005)

Going concern

The members believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Pearson plc, the ultimate parent company of Pearson Education Limited. The members have received confirmation that Pearson plc intends to support the partnership for at least 12 months from the date these financial statements are signed.

Educational Publishers LLP

MEMBERS' REPORT (continued)

Statement of members' responsibilities

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 'Regulations') requires the members to prepare financial statements for each financial year. Under that law, the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS101 "Reduced Disclosure Framework", and applicable law).

Under company law, the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members 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, comprising 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 limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006. The members are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members' profit share and capital

Each member's capital subscription is linked to their share of profit and is repayable on the basis set out below.

If financial statements for the partnership are approved within less than six months from the end of the relevant financial year, the share of the profits, 85% Pearson Education Limited and 15% BBC Studios Distribution Limited, are paid out within ten business days after the date on which the financial statements were approved.

If the financial statements are not approved within six months the partnership is to:

- a) Make an initial distribution of 80% of the profits (shared according to the appropriate percentages) less than ten business days after the end of the six months subsequent to which the financial statements relate and
- b) Pay the rest within 10 business days after the end of the approval of the financial statements.

There have been no drawings during the year.

The joint venture agreement stipulates that profits are shared between the joint venture partners in accordance with their ownership interest, whereas losses are allocated 100% to Pearson Education Limited.

Signed on behalf of the members

Thomas Holford

Thomas Holford (Sep 27, 2023 11:13 GMT+1)

T R Holford

Director

On behalf of Pearson Education Limited

Designated member

27 September 2023

Registered number :
OC314882

Educational Publishers LLP

PROFIT AND LOSS ACCOUNT

For the year ended

31 December 2022

		2022	2021
	Note	£'000	£'000
Turnover	3	256	288
Cost of sales		(220)	(319)
Gross profit/(loss)		36	(31)
Administrative expenses		(45)	(418)
Operating loss	4	(9)	(449)
Loss for the financial year available for discretionary division among members		(9)	(449)

Educational Publishers LLP

STATEMENT OF COMPREHENSIVE INCOME
For the year ended
31 December 2022

	2022	2021
	£'000	£'000
Loss for the financial year	(9)	(449)
Total comprehensive expenditure for the year	(9)	(449)

Educational Publishers LLP

BALANCE SHEET

As at

31 December 2022

		2022	2021
	Note	£'000	£'000
Fixed assets			
Intangible assets	7	505	693
		505	693
Current assets			
Stocks	8	75	75
Debtors	9	27	25
Amounts due from members		2,206	2,021
		2,308	2,121
Creditors - amounts falling due within one year	10	(722)	(714)
Net current assets		1,586	1,407
Total assets less current liabilities		2,091	2,100
Creditors - amounts falling due after more than one year	11	(7,800)	(7,800)
Net liabilities		(5,709)	(5,700)
Represented by			
Other reserves		(5,709)	(5,700)
Total members' deficit		(5,709)	(5,700)

For the year ended 31 December 2022:

- The members confirm that the partnership is entitled to take exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008);
- The members have not required the company to obtain an audit of its accounts in accordance with section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008); and
- The members 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 27 September 2023.

They were signed on its behalf by :

Thomas Holford
Thomas Holford (Sep 27, 2023 11:13 GMT+1)

T R Holford
Director
On behalf of Pearson Education Limited
Designated member
27 September 2023

Educational Publishers LLP

STATEMENT OF MEMBERS' INTERESTS

For the year ended

31 December 2022

	Members' capital	Other reserves	Amounts due (from)/to members	Total members' interests
	£'000	£'000	£'000	£'000
At 1 January 2021	7,800	(5,251)	(2,206)	343
Total comprehensive expenditure for the financial year	-	(449)	-	(449)
Loans from members	-	-	185	185
At 31 December 2021	7,800	(5,700)	(2,021)	79
Total comprehensive expenditure for the financial year	-	(9)	-	(9)
Loans from members	-	-	(185)	(185)
At 31 December 2022	7,800	(5,709)	(2,206)	(115)

Members' capital contributions are set by reference to equity unit profit share proportions and are not repayable until the member retires. This is included within 'Creditors - amounts falling due after more than one year' on the Balance Sheet.

Other reserves represents accumulated retained earnings.

Amounts due from members are included in 'Current assets' on the Balance Sheet.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

31 December 2022

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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

Educational Publishers LLP is a partnership incorporated in the United Kingdom under the Limited Liability Partnerships Act 2000. The address of its registered office is 80 Strand, London WC2R 0RL.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the Financial Reporting Council. The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'.

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 partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

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:

- a) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'
- b) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'; and
 - (iii) paragraph 118(e) of IAS 38 'Intangible Assets';
- c) the requirements of paragraphs 10(d), 16, 38(a), and 111 of IAS 1 'Presentation of Financial Statements';
- d) paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- e) the requirements of IAS 7 'Statement of Cash Flows';
- f) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- g) the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
- h) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets';
- i) 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;
- j) IFRS 7 'Financial Instruments: Disclosures'; and
- k) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.

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 partnership's financial statements.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2022

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Accounting policies

Going concern

The members believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Pearson plc, the ultimate parent company of Pearson Education Limited. The members have received confirmation that Pearson plc intends to support the partnership for at least 12 months from the date these financial statements are signed.

Foreign currency translation

The financial statements are presented in pounds sterling (£'000) which is also the partnership'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.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns and value added taxes. The partnership recognises turnover when the amount of turnover can be reliably measured and when it is probable that future economic benefits will flow to the entity. This is considered to be the delivery date.

Taxation

Under s118ZA Income and Corporation Taxes Act 1988, the partnership itself is tax transparent and is not subject to either income or corporation tax. The taxation that is payable on the profits of the partnership is the liability of its members.

Intangible assets

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the net assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Companies Act 2006 requires goodwill to be reduced by provisions for depreciation on a systematic basis. However, under IFRS goodwill is not amortised. Consequently the partnership does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The partnership has therefore invoked a 'true and fair' override in respect of goodwill.

Intangible assets arising on the acquisition of publishing rights and titles are capitalised and amortised over their estimated useful lives of up to 20 years. The estimated economic lives are determined by taking account of the nature of the transaction and the opinion of the members.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Accounting policies

Intangible assets (continued)

Product development costs are the direct costs incurred in the development of training materials prior to their use. Product development costs are regarded as an internally generated fixed intangible asset and as such are to be capitalised and recognised as an asset when it is probable that future economic benefits that are attributable to the asset will flow to the operating company and the cost of the asset can be measured reliably. Product development costs, once in use, are amortised on a straight line basis over their useful life of 4 years.

Impairment of non-financial assets

Goodwill is tested annually for impairment. An impairment loss is recognised to the extent that the carrying value of goodwill exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first in first out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Provisions are made for slow moving and obsolete stock.

Creditors

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

Pensions

The company participates in The Pearson Pension Plan. This is a hybrid plan with both defined benefit and defined contribution sections but, predominantly, consisting of defined benefit liabilities.

The company is unable to identify its share of the underlying assets and liabilities of The Pearson Pension Plan owing to information regarding non-active members and changes to the group structure including acquisitions and disposals. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (Revised 2011), the company recognises a cost equal to its contribution payable for the period. The sponsoring entity to this scheme is Pearson Services Limited and further details are disclosed in the financial statements of that company which are available from the Company Secretary, 80 Strand, London WC2R 0RL.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2022

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Critical accounting judgements and key sources of estimation uncertainty

In the application of the partnership's accounting policies, which are described in note 1 above, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are :

i) Intangible assets' estimated useful economic lives (note 7)

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives based on the future economic benefit of the asset. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and other sales factors.

ii) Carrying value of intangible assets and goodwill (note 7)

Goodwill is tested annually for impairment, and other intangible assets where an indication of impairment is identified. This requires estimation of the future cash flows from the business, which is treated as one CGU, and selection of appropriate discount rates to calculate the net present value of those cash flows.

The carrying value of goodwill and other intangible assets at 31 December 2022 are £210,000 and £295,000 respectively (2021: £210,000 and £483,000). Future cash flows are subject to inherent uncertainty but the members believe their current approved forecasts are appropriate due to recent product refreshes and new distributor channels.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Turnover

	2022	2021
	£'000	£'000
Continuing operations		
Provision of services	256	288
Turnover	256	288

Turnover by class of business is as follows:

	2022	2021
	£'000	£'000
<i>Educational publishing</i>	256	288
	256	288

Turnover by geographical market is as follows:

	2022	2021
	£'000	£'000
United Kingdom	256	288
	256	288

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2022

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Operating loss

This is stated after charging

	2022	2021
	£'000	£'000
Staff costs	-	79
Amortisation of intangible assets :		
- publishing rights	-	8
- product development	173	206

Fees paid to the group's auditors for the year, Ernst & Young LLP, and its associates for non-audit services are not disclosed in the partnership's financial statements since the consolidated financial statements of the Pearson plc, the ultimate parent company of Pearson Education Limited, are required to disclose non-audit fees on a consolidated basis.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Staff costs

	2022	2021
	£'000	£'000
Staff costs		
Wages and salaries	-	62
Social security costs	-	7
Other pension costs	-	10
	-	79
	2022	2021

Average number of persons employed by the company during the year	Number	Number
Selling and administration	-	1
	-	1

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2022

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Members' remuneration

Losses are shared among members in accordance with the agreed profit-sharing arrangements.

	2022	2021
	£'000	£'000
Loss attributable to highest paid member	(9)	(449)
Average members' remuneration	(5)	(225)
Average number of members during the financial year	2	2

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Intangible assets

	Product development	Publishing rights	Goodwill	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	966	4,438	210	5,614
Additions	57	-	-	57
Disposals	(72)	-	-	(72)
At 31 December 2022	951	4,438	210	5,599
Accumulated amortisation				
At 1 January 2022	483	4,438	-	4,921
Charge for the year	173	-	-	173
Disposals	-	-	-	-
At 31 December 2022	656	4,438	-	5,094
Net book value				
At 31 December 2022	295	-	210	505
At 31 December 2021	483	-	210	693

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Stocks

	2022	2021
	£'000	£'000
Finished goods and goods for resale	75	75
	75	75

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Debtors

	2022	2021
	£'000	£'000
Amounts falling due within one year		
Other debtors	27	25
Total debtors	27	25

Included within other debtors is an amount of £27,000 (2021: £25,000) which is due from fellow subsidiary undertakings. These amounts are unsecured, interest free and repayable on demand. During the year sales of £6,000 (2021: £9,000) were made to fellow subsidiary undertakings.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Creditors - Amounts falling due within one year

	2022	2021
	£'000	£'000
Amounts falling due within one year		
Trade creditors	14	13
Other creditors	708	685
Accruals and deferred income	-	16
	722	714

Included within other creditors is an amount of £708,000 (2021: £685,000) which is due to fellow subsidiary undertakings. These amounts are unsecured, interest free and repayable on demand. During the year purchases of £nil (2021: £nil) were made from fellow subsidiary undertakings.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Creditors - Amounts falling due after more than one year

Members' capital	2022	2021
	£'000	£'000
Total members' capital	7,800	7,800

Members' capital was introduced on 25 August 2005. Members' capital contributions are set by reference to equity unit profit share proportions and are not repayable until the member retires.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2022

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Retirement benefit schemes

The partnership participates in The Pearson Pension Plan. This is a hybrid plan with both defined benefit and defined contribution sections but, predominantly, consisting of defined benefit liabilities.

The partnership is unable to identify its share of the underlying assets and liabilities of The Pearson Pension Plan owing to information regarding non-active members and changes to the group structure including acquisitions and disposals. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (Revised 2011), the partnership recognises a cost equal to its contribution payable for the period, which in the year ended 31 December 2022 was £nil (2021: £9,623). The sponsoring entity to this scheme is Pearson Services Limited and further details are disclosed in the financial statements of that company which are available from the Company Secretary, 80 Strand, London WC2R 0RL.

Educational Publishers LLP

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended
31 December 2022

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Ultimate parent undertaking

The immediate parent undertaking of Pearson Education Limited, the partnership's majority partner, is Pearson Education 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.