



# Our approach to tax 2024

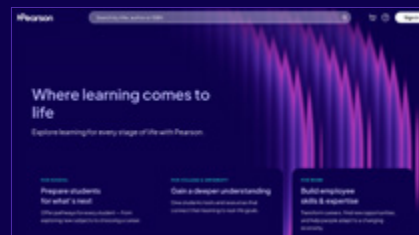
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# Pearson is the world's lifelong learning company

## Tax report 2024

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<https://plc.pearson.com>



## Our purpose

### **We help people realise the life they imagine through learning.**

At Pearson, our purpose is simple: to help people realise the life they imagine through learning. Humans are born to learn. From our very first breath, we never stop learning. It's a vital force that fuels and transforms our lives. This belief sits at the heart of who we are and how we support people in their lifelong learning journeys. We create vibrant, enriching learning experiences that deliver far-reaching benefits, preparing people for a new era of life and work. Because when you learn more, you can do more, be more, and live more.



**This is the ninth annual tax report published by Pearson and continues our commitment to transparency and clarity in our sustainability reporting as it pertains to the tax we pay on business profits, and the contributions we make to the public finances in the countries we operate in.**

Stakeholders expect clarity and transparency and at Pearson we are committed to providing that. Our sustainability pillars; driving learning for everyone with our products, empowering our people to make a difference and leading responsibly for a better planet, directly support UN Sustainable Development Goals (SDGs) as outlined in our annual report. Tax is a powerful tool which can help achieve SDGs, and it can also spur inclusive and sustainable development in other ways. Fiscal policies can simultaneously mobilise resources, reduce inequalities, and promote sustainable consumption and production patterns.<sup>1</sup>

As a business we continually endeavour to find ways to improve our tax transparency and elaborate on our tax contributions in a way that is clear, practical, and relevant. This is important as tax contributions – from individuals as well as businesses – are fundamental to a healthy society. These contributions are the lifeblood which fund vital public services, including education, as well as investment in infrastructure to fuel economic growth and promote a more equal society.

We continue to believe that, in line with our company values, we have an ongoing responsibility to enhance awareness and provide transparency on our position on tax. This core belief leads us to publish our ninth annual guide to the tax we pay on business profits around the world.

Since joining the B Team (an organisation that works with multinational companies committed to good tax practices) in 2018, we have endorsed their tax principles which have heightened expectations on how businesses approach tax and transparency, and are part of the B Team's Responsible Tax Working Group, which includes engagement with civil society organisations. Currently we are participating in the responsible tax principles accounting mechanism initiative whereby we will complete a responsible tax principles self-assessment and peer review in order to share our experiences and best practices and also understand areas of potential improvement.

## Tax contributions

Businesses act as vehicles for both collecting/ remitting and directly paying taxes in the jurisdictions they operate in. Taxes collected are those which the business collects on behalf of the government in the relevant region, such as employees' social security taxes and sales taxes, which are then passed on to the tax authorities on behalf of the payer. Taxes paid are those the company directly suffers, such as employer's social security contributions and taxes on business profits. This report specifically focuses on tax paid on business profits.

## Tax risk

We foster a risk-aware culture in decision-making and are committed to managing risk, including tax risk, in a proactive and effective manner. In this respect, our tax strategy is aligned with business and commercial strategy and tax decisions are evaluated within clear risk parameters. The tax team are responsible for reviewing principal risks and ensuring that tax risks are appropriately mitigated.

The main tax risks are highlighted below.

The Group is under assessment from the tax authorities in Brazil challenging the deduction for tax purposes of goodwill amortisation for the years 2012 to 2020. Similar assessments may be raised for other years. Potential total exposure (including possible interest and penalties) could be up to BRL 1,372m (£183m) up to 30 June 2025, with additional potential exposure of BRL 46m (£6m) in relation to deductions expected to be taken in future periods. Such assessments are common in Brazil. The Group believes that the likelihood that the tax authorities will ultimately prevail is low and that the Group's position is strong. At present, the Group believes no provision is required.

The Group is currently under audit in several countries. As at 31 December 2024, a provision is held in relation to these totalling £60m. In most countries, tax years up to and including 2018 are now statute barred from examination by tax authorities, however, a balance of £16m relates to certain remaining open issues. Of the remaining £44m balance, £21m relates to 2019, £9m to 2020, £6m to 2021, £3m to 2022, £3m to 2023 and £2m to 2024. The tax authorities may take a different view from management and the final liability may be greater or lower than provided.

The State Aid provision of £63m has been released as a result of the Court of Justice of the European Union ('CJEU') handing down its decision on 19 September 2024 determining that the United Kingdom controlled foreign company group financing partial exemption ('FCPE') did not constitute State Aid. During the first half of 2025, the Group received a £97m repayment from HMRC in respect of the State Aid matter, with an additional £17m of associated interest also received in the period.

Our intention is for our tax reporting to help stakeholders better understand how Pearson operates. We are committed to continuing to strengthen our reporting and, as always, welcome comments and feedback on how we might improve.



## Our global tax strategy

Our global tax strategy applies to all our businesses, including the UK, and this document therefore covers our obligation to publish our UK tax strategy<sup>1</sup> including governance, risk management, attitude to tax planning and being transparent with the UK and other tax authorities.

Our approach to tax is guided by our corporate values and by our Code of Conduct. Our tax principles have been published on our corporate website since 2014, and they guide tax strategy at Pearson.

1. Paragraph 16 Schedule 19 Finance Act 2016



## Our global tax strategy *continued*

### Taxation principles

In 2018, we joined the B team, a global non-profit coalition of leaders from business, civil society and government working together to achieve better ways of doing business sustainably. As part of their work, they have identified a framework of principles<sup>1</sup> to consider in order to follow best practice in relation to responsible tax practice. The principles are set out in three key categories and subsets:



#### Approach to tax management

Accountability & governance

Compliance

Business Structure



#### Relationships with others

Relationships with tax authorities

Seeking and accepting tax incentives

Supporting effective tax systems



#### Reporting to stakeholders

Transparency

As part of our commitment to the B Team and their practices, and as a hallmark of our dedication to acting responsibly and with integrity in our tax affairs, we strive to follow these principles where they are practical from a business perspective, and where they will enhance stakeholders' understanding of our tax affairs.

Whilst this report concentrates on tax on business profits, our tax principles apply to all taxes collected and borne by Pearson, including indirect taxes such as sales taxes and payroll taxes.

#### Pearson's taxation principles:

- 1 To pay tax on profits according to where value is created within the normal course of commercial activity, with transactions priced within an appropriate arm's length range i.e., cross border transactions take place as if the parties were unconnected. Any exceptions to this are compliant with local laws and fully disclosed to the tax authorities concerned.
- 2 To align tax planning with business activities, for example acquisitions, disposals and changes in business objectives. We do not seek to avoid tax by the use of 'tax havens' or by establishing arrangements that we consider to be artificial in nature or transactions that we would not fully disclose to a tax authority.
- 3 To comply with all relevant tax laws, regulations and tax reporting requirements in all jurisdictions in which we operate, including claiming tax incentives and exemptions that are available to all market participants and in accordance with generally recognised interpretation of the law.
- 4 To run our tax affairs in accordance with Pearson's values, Code of Conduct, risk management and governance procedures, which include regular reporting to the Board, the Chief Financial Officer and to the Audit Committee on tax strategy and risks. In addition, any material changes in tax legislation, business environment, or operations will be assessed and any resultant changes to strategy or risk will be reported as appropriate.
- 5 To achieve a more favourable tax outcome where a clear and legitimate choice exists between different options that each comply with our principles. In considering and deciding between different options, the factors we consider include commercial and reputational impact.
- 6 To have an open, proactive and constructive working relationship with tax authorities. Where possible and in line with local country practice, to discuss and consult on our interpretation of the law with tax authorities as issues arise. To engage directly or indirectly with governments on proposed changes to tax legislation where appropriate. We are committed to making full and accurate disclosures in tax returns and in correspondence with relevant tax authorities and we seek to co-operate with tax authorities at all times, to deal with issues in a timely and collaborative manner.
- 7 To ensure our tax professionals are appropriately qualified and trained, and to use external advice where appropriate.



## Our global tax strategy *continued*

### Tax incentives and arrangements

We do not seek to avoid tax by establishing arrangements that we consider to be artificial in nature. We do claim available tax incentives, for example, research and development tax incentives, together with exemptions that are available and widely accepted as mainstream tax practice among the tax community (taxpayers, tax advisers, policy makers and tax authorities). Tax law and regulation is complex and, in each country where we operate, a common view on practice evolves over time within the relevant tax community on the interpretation and application of these rules. An important factor for us is the prevailing practice and attitude of the relevant tax authority.



### Tax havens

There are many different definitions of what constitutes a 'tax haven'. For this purpose, we define a tax haven as a country with a corporation tax rate of 10% or less and would highlight that this definition is continuously reviewed given the ongoing changes in the tax landscape. Pearson does not seek to avoid tax by the use of tax havens. We assess Group entities as being in a tax haven if they are tax resident in a country that meets this definition based on its corporation tax rate. In some instances, we have acquired businesses with operations in tax havens that we unwind when we can do so at a reasonable cost. As at the date of publication, the Group has two corporate entities based in tax haven countries.

We hold an investment in Learn Capital IIIA, incorporated in the Cayman Islands. Learn Capital is a third-party impact venture capital fund that invests in innovative start-up companies around the world. Pearson is a minority investor and does not oversee the operations or administration of the fund. The fund is also registered in the United States and all income is reported and taxed in the United States, therefore no tax benefit is obtained.

We operate a captive insurance company domiciled in Bermuda. This company fulfils a commercial purpose for us, covering third-party risks often required by our customers. We do not gain any tax benefit from being based in Bermuda as all profits are subject to UK tax. We are domiciled there for regulatory reasons and because Bermuda is a recognised global insurance centre. Bermuda enforces a 15% corporate income tax from January 2025.

We do not have any active trading, and do not derive any tax benefit from any of the corporate entities based in so-called 'tax haven' countries.

### Governance and risk management

The Audit Committee appraises financial management and reporting and assesses the integrity of accounting procedures and financial controls. The Audit Committee also oversees risk, compliance and internal audit which includes considering these matters from a tax perspective. The tax department reports to the Audit Committee on a regular basis.

Tax is part of the Pearson Finance function, reporting to our Chief Financial Officer, who receives regular updates throughout the year from the tax team.



## Our global tax strategy *continued*

### Risk management

Risks are managed by members of the Pearson Executive Management team (PEM), either on a business unit basis or by function. Risk owners conduct regular risk reviews with their leadership teams, consulting others where appropriate, including technical specialists, within their business unit or operating in one of the centres of expertise. Risk reports are shared with key stakeholders, including the Enterprise Risk Management team, and are discussed at PEM meetings.

The Audit Committee has the delegated responsibility for reviewing the effectiveness of our procedures for identifying, assessing, managing and reporting risk. Each business unit is expected to present an overview of its risk register to the Board at least annually, and to provide an annual deep dive on key risks, supported by central risk team experts as required. Deep-dive sessions are also held at the Audit Committee with enterprise-wide functions such as tax, treasury and cyber security. The Board uses these deep-dive sessions to understand the rigour of management's risk scanning and to challenge any judgements in response to risks. The internal audit team provides independent assurance to the Audit Committee on the design and effectiveness of internal processes, to mitigate strategic, financial, operational and compliance risks. Internal audit plans are aligned to the principal risks but also consider other key risk areas and other assurances available. Plans are agreed in advance with the PEM team and the Audit Committee.

Principal risks are defined as those which could have a significant and ongoing effect on the Group's valuation by reducing the demand for, or profitability of, its products and services. Significant near term risks are defined by Pearson as those which could have a significant near-term cash impact or affect the Group's short-term results but would not be expected to have a significant additional ongoing effect on Group's valuation. Emerging risks are risks which we believe are well mitigated in the short term but may represent a significant future opportunity or threat. These include company-specific risks and risks affecting the macro-economy. Executive responsibility for tax sits with the Chief Financial Officer. Tax is currently assessed as a significant near-term risk.

### Management of our tax affairs

As set out in our global tax principles, in managing our tax affairs we seek to comply fully with legal and regulatory requirements, protect value for our shareholders and to align with business activities. The tax department advises the business on the tax consequences of transactions so that the business may structure its affairs in the manner that supports the business's commercial and economic activity in a tax compliant manner. We do not engage in artificial tax arrangements and where there is material uncertainty on the tax treatment of a transaction and the expertise is not available within the tax department, external advice is sought.

### Pearson's tax function

Pearson has a core team of tax professionals, primarily based in the United Kingdom, the United States and the Philippines. This team is responsible for global tax compliance, tax risk management, tax strategy and tax reporting, with support being provided by external advisers as required.

The tax department also leads on engagement with governments, tax authorities and other stakeholders on tax-related issues.

### Public policy

Pearson is committed to adding its voice to the global debate on tax transparency. We operate in a global, competitive environment, and support the belief that tax policy makers should implement international tax reform in a coherent, co-ordinated way, so that there is a level playing field and the risk of paying tax twice on the same income is minimised.

In 2024, we continued to endorse the B Team tax principles, having joined their Responsible Tax Working Group in 2018, which enables us to engage with civil society bodies in an open and constructive manner. In addition, we participate in the 100 Group Tax Committee.





## Our global tax strategy *continued*

Recent areas of international or national policy change affecting Pearson are as follows:

Policy development	Pearson response
State Aid	On 19 September 2024, the Court of Justice of the European Union (CJEU) issued its final judgement in favour of the UK Government and taxpayers and annulled the 2019 European Commission State Aid Decision. During the first half of 2025 the group received a £97m repayment from HMRC in respect of the State Aid with an additional £17m of associated interest also received in the period.
Taxation of the Digital economy – Digital Services Tax (DST)	<p>Various governments have introduced a digital services tax (DST). Whilst Pearson is driving a digital transformation strategy, we do not expect to be materially impacted by these taxes, as the nature of Pearson's digital revenues does not tend to be within their scope.</p> <p>Digital services taxes are closely linked to the Base Erosion Profit Shifting (BEPS) 2.0 agenda. The OECD Inclusive Framework committed not to impose any new digital services taxes from 8 October 2021 until the earlier of 31 December 2023 or the enforcement of Pillar 1 (after which all DSTs were expected to be removed). However, as Pillar 1 has not yet been implemented, many jurisdictions – including the UK – have retained their DST regimes beyond the 31 December 2023 moratorium deadline. Until unilateral DST measures are removed Pearson will continue to carefully monitor the impact of existing digital services tax measures as Pearson's digital strategy evolves.</p>
BEPS 2.0 – Pillar 1	At present, we do not expect to fall within the scope of the proposed Pillar 1 rules (MNEs with profitability above 10% and global revenue above EUR 20bn).
BEPS 2.0 – Pillar 2	The Group is within the scope of the UK legislation in relation to Pillar 2 which is effective from 1 January 2024. Based on the most recent forecast financial information available for the constituent entities in the Group, the Pillar 2 effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar 2 effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar 2 income taxes.



## Financial & tax data

**We are a global business and operate internationally, providing a range of products and services that help people make progress in their lives through learning.**

Our business pays and collects a wide range of taxes, including employee taxes and sales taxes, in addition to tax on business profits. As previously noted, this report focuses on tax on business profits.

As taxes arise and are paid to local economies based on where taxable profits arise, country of operation has been considered for the purposes of this report, rather than the business strategic segmental analysis as reflected in the annual report.

In total, Pearson paid £119m taxes on business profits during 2024. For the purposes of this report, we have chosen to focus on the larger regions, as this should be reflective of where substantial trading activities arise and material taxes are borne and paid. Explanations for any unusual differences between tax paid and profit levels are provided in the following pages, along with a five-year summary of cash tax payments including the 2021 State Aid payment to HMRC.

We have included a full breakdown of our revenues, profits and tax liabilities on a country-by-country basis on page 13.





Financial and tax data *continued*

## Taxes paid per country

Country	Tax (paid) / received £m		Cash tax rate %		
	FY24	FY23	FY24	FY23	
United States	(77)	(61)	18	40	The US cash tax rate is lower in FY24 than in FY23 due to a one off permanent disallowed expense in FY23
United Kingdom	(23)	(23)	20	17	The UK cash tax rate is lower than the statutory rate of 25% due to the utilisation of losses
Canada	(5)	(4)	41	11	The Canada cash tax rate for FY24 includes some WHT paid and a top up payment in relation to FY23
Brazil	(2)	(1)	200	33	The Brazil cash tax rate exceeds the statutory rate of 34% primarily due to permanent differences
India	(2)	0	4	0	The India tax payment for FY24 relates to domestic WHT which is recoverable
Australia	0	1	0	0	No payments were made during the year due to losses being available

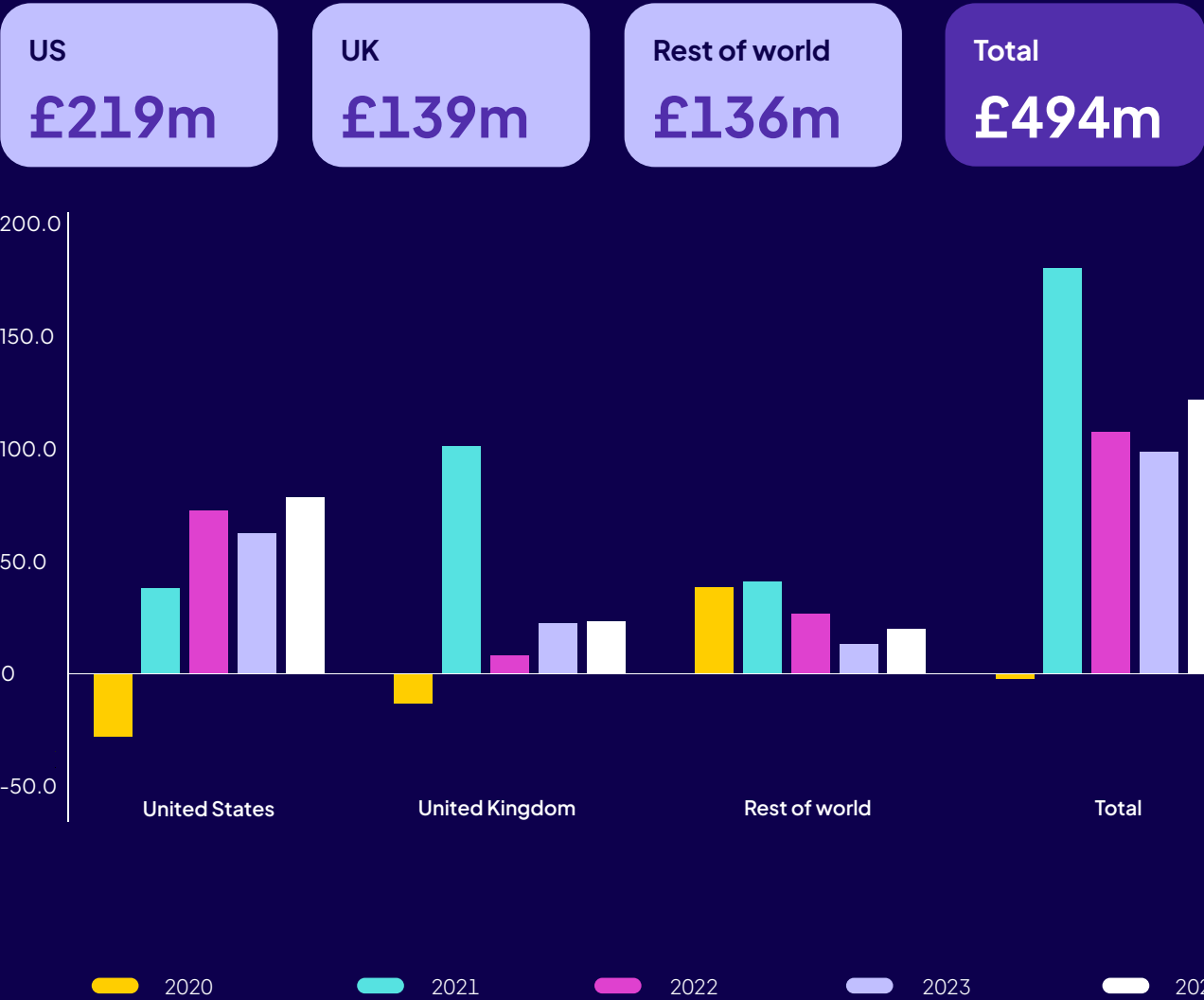
At a Group level, corporation tax paid in 2024 was higher than in 2023 due to an increase in US payments due to increased profits.



Financial and tax data *continued*

Historical cash tax

Cash tax payments over the last five years





## Questions & answers

### What types of tax does Pearson pay?

We pay and collect a wide range of taxes. These include employee, property and sales taxes. This report focuses on tax on business profits.

### What is the B Team?

The B Team is a not-for-profit initiative formed by a global group of business leaders to catalyse a better way of doing business, for the wellbeing of people and the planet. It has a Responsible Tax Working Group, which brings together the private sector, investors, civil society organisations and international institutions to promote dialogue, understanding and collaboration. We hope that by engaging with them, we can continue to improve our own approach. Pearson has participated in the responsible tax principles accounting mechanism initiative during 2024 whereby we completed a responsible tax principles self-assessment and peer review in order to share our experiences and best practices and also understand areas of potential improvement.

### What are the B Team tax principles and how do they relate to yours?

The full B Team tax principles can be found here <http://www.bteam.org/plan-b/responsible-tax/>. We endorse the principles that are broadly aligned to our own, however, in some cases, they go further than our current reporting.

### How does Pearson deal with the dynamic tax landscape?

The Group tax function has responsibility for ensuring that the business is aware of changes in legislation and seeks to ensure that the Group complies with evolving local compliance obligations.

### How do we balance the interests of different stakeholders?

We recognise that different stakeholders potentially have conflicting interests. We consider what we do to be in the interests of all our stakeholders, but recognise that not everyone will agree with decisions or positions we take.

### What is “generally recognized interpretation of the law”?

In each country where we operate, a common view on practice evolves over time within the relevant tax community on the interpretation and application of tax rules. The most important factor for us is the prevailing practice and attitude of the relevant tax authority with whom we foster open and transparent relationships.



## Questions & answers *continued*

### Why do you still have operations in low-tax countries that are not trading businesses?

This is largely a result of Pearson's history of growing through the acquisition of smaller companies over many years. In some cases, those new parts of our business did have low-tax arrangements. In the past few years, we have been winding up such arrangements wherever possible. However, this can be costly, and we have an obligation to our shareholders to act prudently. Our section on tax havens gives details.

### Is the Pearson entity in Switzerland a vehicle to own intellectual property?

No. The entity is a trading business and does not own intellectual property.

### Do you engage in transfer pricing?

Yes. Governments generally require companies to apply transfer pricing rules to intercompany activities to ensure profits are reported in the countries where the relevant economic activity takes place. As noted in our principles, intercompany transactions are priced as if the parties are unconnected.

### Pearson has numerous companies registered in the state of Delaware. Do you obtain tax benefits from this practice?

No, Pearson derives no tax benefit from its presence in Delaware. We selected Delaware to incorporate due to the ease of corporate registration in the state.

### Why does the total tax paid in the report not equal the tax charge? (cash to tax rec)

The tax charge reported in the annual report is a reflection of accounting practices, and is impacted by IFRS reporting standards, whereas cash tax payments / receipts are on an actual received or paid basis. The predominant difference relates to the timing of payments and receipts, which typically falls outside of the accounting period to which the amounts relate.

### What determines how much tax on business profits Pearson pays each year?

Broadly speaking, tax paid is based on company profit. However, the calculation method and timing of payment varies depending on the tax rules in different countries. Countries typically ask companies to pay tax on business profits in the same year that profits are generated. The amount paid will either be based on the final amount paid in tax on business profits for the previous financial year, or on the best estimate by the company of what profit it expects to make. Based on tax returns submitted once the financial year is complete, companies can benefit from a tax credit or will be required to make an additional payment. Some countries levy tax in the following financial year based on a tax return. This would mean tax paid in 2023 is being levied on 2022 profits rather than 2023 results.

### Is Pillar 2 expected to have an impact on Pearson?

The effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the effective tax rate is close to 15%. There was no material impact of the Pillar 2 legislation for the Group for 2024.





# Country by Country Report

Overview of the distribution of income, tax and types of activities by jurisdictions.

	Unrelated Party Revenue £m	Related Party Revenue £m	Total revenue £m	PBT £m	Tax (Paid) / Received £m	Tax (Accrued) Receivable £m	Share Capital £m	Accumulated Earnings / (Loss) £m	Tangible Assets other than Cash and Cash Equivalent £m	Number of Employees
Argentina	8	0	8	0	(0)	0	0	(1)	1	45
Australia	133	2	0	(1)	(0)	0	178	34	4	318
Belgium	3	0	0	0	(0)	0	0	0	0	7
Bermuda	0	1	1	4	(0)	0	1	9	0	0
Brazil	55	0	55	(1)	(2)	2	190	(191)	3	440
Canada	65	6	71	12	(5)	4	6	272	6	315
Chile	0	0	0	(0)	(0)	0	0	(7)	0	1
China	9	8	17	4	(2)	1	(26)	58	0	128
Cyprus	0	0	0	0	0	0	0	0	0	0
Colombia	24	(2)	22	5	(0)	2	2	3	2	70
Denmark	2	0	2	1	(0)	0	0	0	0	10
Ecuador	0	0	0	(0)	0	0	0	0	0	8
France	13	2	15	2	0	1	0	11	0	82
Germany	12	0	12	1	0	0	27	(24)	2	77
Greece	0	0	0	0	(0)	0	0	1	0	5
Hong Kong	35	1	36	12	(3)	2	44	3	1	106
Hungary	0	0	0	(10)	0	0	18	(17)	0	0
India	35	15	50	11	(5)	0	149	(134)	5	1,372
Ireland	0	0	0	(0)	0	0	0	(94)	0	0
Israel	0	1	1	1	(0)	0	1	3	0	28
Italy	12	0	12	2	(0)	0	0	(3)	0	40
Japan	7	(0)	7	1	(0)	0	1	(6)	1	39
Korea, Republic of	0	0	0	0	(0)	0	1	0	0	12
Lesotho	0	0	0	(0)	0	0	0	0	0	0
Malawi	0	0	0	0	0	0	0	(0)	0	0

Country by Country Report *continued*

	Unrelated Party Revenue £m	Related Party Revenue £m	Total revenue £m	PBT £m	Tax (Paid) / Received £m	Tax (Accrued) Receivable £m	Share Capital £m	Accumulated Earnings / (Loss) £m	Tangible Assets other than Cash and Cash Equivalent £m	Number of Employees
Malaysia	2	0	2	(1)	(0)	0	0	4	0	20
Mexico	23	2	25	2	(0)	0	14	19	6	217
Mozambique	0	0	0	(0)	(0)	0	0	8	0	0
Netherlands	15	3	18	9	(2)	3	2,065	(1,828)	2	67
Peru	0	2	2	1	(0)	0	0	(0)	(0)	16
Philippines	0	8	8	0	(0)	0	2	1	1	507
Poland	13	9	22	1	0	0	0	24	1	188
Puerto Rico	0	4	4	1	0	0	0	(18)	0	0
Romania	20	1	21	1	(1)	0	0	6	0	42
Saudi Arabia	3	0	3	1	(0)	0	0	(33)	0	13
Singapore	17	2	19	(7)	(1)	1	88	(51)	1	44
South Africa	1	0	1	1	(1)	1	1	29	0	25
Spain	9	1	11	0	0	0	0	0	2	134
Sri Lanka	0	5	5	(2)	(0)	0	0	11	1	375
Sweden	2	1	3	1	0	0	(0)	11	0	18
Switzerland	2	0	2	0	(0)	0	0	(0)	0	9
Taiwan	0	0	0	0	(0)	0	0	(1)	0	5
Thailand	0	0	0	(0)	(0)	0	0	1	0	9
Turkey	6	0	6	0	(0)	0	0	4	1	42
UAE	2	8	10	1	0	0	0	0	0	74
Uganda	0	0	0	(0)	0	0	0	(0)	0	0
United Kingdom	559	277	863	123	(20)	32	8,112	6,202	69	2,817
United States	2,490	112	2,602	339	(77)	60	11,829	1,289	103	9,258
Uruguay	1	0	1	0	(0)	0	0	2	0	2

# EU Public Country by Country Report

The following information is included for the purpose of EU public CBCR. Pearson Plc is the ultimate parent of the group and all financial information is included in GBP.

Tax Jurisdiction	Total Revenue £m	PBT £m	Income Tax (Paid) / Received £m	Income Tax (Accrued) / Receivable £m	Accumulated Earnings / (Loss) £m	Number of Employees
Belgium	3	0	(0)	0	0	7
Cyprus	0	0	0	0	(0)	1
Denmark	3	1	(0)	0	0	10
France	15	2	0	1	11	82
Germany	12	1	0	0	(24)	77
Greece	0	0	(0)	0	1	5
Hungary	0	(0)	0	(0)	(17)	1
Ireland	0	0	0	(0)	(95)	0
Italy	12	2	(1)	0	(3)	40
Netherlands	18	9	(2)	3	(1,828)	67
Poland	22	1	0	0	24	188
Romania	21	1	(1)	0	6	42
Spain	11	2	0	0	0	134
Sweden	3	1	0	0	11	18
Malaysia	2	(1)	(0)	0	4	20
Turkey	6	0	(0)	0	4	42
Rest of World	3,924	506	(117)	106	7,493	16,289



EU Public Country by Country Report *continued*

Entity	Jurisdiction	Business Activity											Dormant	Other
		Research and Development	Holding/managing intellectual property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Provision of services to unrelated parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding shares or other equity instruments		
Pearson Plc (Ultimate parent)	UK		x									x		
Pearson France	France				x	x								
Education Resources (Cyprus) Limited	Cyprus												x	
Williams Education GmbH	Germany												x	
Pearson Education Hellas SA	Greece				x	x								
Pearson Hungary LLC (Liquidated FY 25)	Hungary												x	
Dorian Finance Limited	Ireland												x	
Pearson Amsterdam B.V.	Netherlands				x	x								
Pearson Benelux B.V.	Netherlands				x	x								
Pearson Netherlands Holdings B.V.	Netherlands											x		
Pearson VUE Europe B.V.	Netherlands						x							
Pearson Central Europe Spółka z ograniczoną odpowiedzialnością	Poland				x	x								
ATI Studios A.P.P.S. SRL	Romania	x				x								
Pearson Educacion SA	Spain				x	x								
Pearson Sweden AB – Denmark Branch	Denmark					x								
Cogmed Systems AB	Sweden				x	x								
Pearson Sweden AB	Sweden				x	x								
Pearson Benelux B.V. Italian branch	Italy				x	x								
Pearson Benelux B.V. Belgian branch	Belgium				x	x								
Pearson Malaysia Sdn. Bhd.	Malaysia				x	x								
Pearson Egitim Cozumleri Tikaret Limited Sirketi	Turkey				x	x								
Pearson Educacion de Panama SA	Panama												x	
Pearson Benelux B.V. German branch	Germany					x							x	

# Appendix

## About the data

### Country-by-country table

**Total revenue:** In line with the country-by-country reporting requirements, we have included sales, intercompany transactions, interest and other income within this figure. Total revenue is therefore higher than the external sales number reported in our Annual Report & Accounts.

**Profit before tax:** This is the profit before tax at a statutory level, which is the starting point to calculate tax on business profits. It differs from the adjusted operating profit measure which we publish in the annual report. Adjusted operating profit is a key financial measure used by management to evaluate performance and allocate resources to business segments.

We hope you have found this document of use and interest.

If you have questions, or thoughts on ways in which we can improve future versions, we would be pleased to hear from you.



## Forward-looking statements

Except for the historical information contained herein, the matters discussed in this statement include forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated cost savings and synergies and the execution of Pearson's strategy, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in future. They are based on numerous assumptions regarding Pearson's present and future business strategies and the environment in which it will operate in the future. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside Pearson's control. These include international, national and local conditions, as well as competition. They also include other risks detailed from time to time in Pearson's publicly-filed documents and you are advised to read, in particular, the risk factors set out in Pearson's latest annual report and accounts, which can be found on its website ([www.pearsonplc.com](http://www.pearsonplc.com)). Any forward-looking statements speak only as of the date they were made, and Pearson gives no undertaking to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on such forward-looking statements.



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