Pearson Shared Services Limited
Registered Number : 04623186

Annual Report and Financial Statements
For the Year Ended : 31 December 2025

Registered address :
80 Strand, London WC2R 0RL

Pearson Shared Services Limited

STRATEGIC REPORT

The directors present their Strategic Report of Pearson Shared Services Limited (the 'company') for the year ended 31 December 2025.

Principal activity and Business model

The company generated a loss before taxation for the financial year of £4,839,000 (2024: loss before taxation £3,686,000).

The company provides support services to the various businesses within Pearson plc ('the Group') including technology, accounting and other support services. The company's primary objectives are reducing costs, driving efficiencies in support services, delivering technological developments, sustaining or improving services and minimising risk.

The directors are of the opinion that the current level of activity and the year end financial position are satisfactory and will remain so in the foreseeable future.

Key performance indicators

From the perspective of the company, the key performance indicators are integrated with the key performance indicators of the consolidated financial statements of the Group and are not managed separately. Accordingly, the key performance indicators of the Group, which include those of the company, are discussed in the Group's annual report, which does not form part of this report.

Future developments

The external commercial environment is expected to remain competitive in 2026 as it was in 2025. 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.

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 Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, 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 they consider, 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 and other factors which we consider relevant to the decision making. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our stakeholders and the financial markets. 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.

Section 172 (1) Statement (continued)

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 Group means that generally our stakeholder engagement best takes place at an operational or Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on some of the engagement that takes place with the group's stakeholders so as to encourage the directors to understand the issues to which they must have regard please see pages 17-22 of the Pearson plc 2025 Annual Report.

In considering the strategic direction of the company, the Board also considers feedback from engagement with key stakeholders, including our employees, learners and other customers, suppliers, and regulators. 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 promotion of the long-term success of the company and enhancement of its reputation.

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 strength of the company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of dividends. There were no dividend payments in 2025.

On behalf of the board



R M W Kearton
Director

1 September 2026

Pearson Shared Services Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Pearson Shared Services Limited for the year ended 31 December 2025.

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

R M W Kearton
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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 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.

Employee and other stakeholder engagement
The company's key stakeholders include its employees, customers and suppliers, as well as its parent company and fellow subsidiaries within the Group. The views of, and the impact of the company's activities on, those stakeholders are an important consideration for the Board when making relevant decisions. 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 Group means that generally our stakeholder engagement best takes place at an operational or group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on some of the engagement that takes place with the company's employees and other stakeholders so as to encourage the directors to understand the issues to which they must have regard, please see pages 17-22, 40-42, and 86 to 88 of the Pearson plc 2025 Annual Report.

During the year the Board received information to help it understand the interests and views of the company's key stakeholders and other relevant factors when making decisions. This information was provided in a range of different formats including in reports and presentations on non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement with specific stakeholders. As a result of this, we have an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duties to promote success of the company. For additional information into how engagement has influenced our decisions please see our strategic report.

Education is evolving to meet the changing demands of today's learners. The Group takes into account the emerging themes that have arisen as a result of research and frequent engagement with a variety of stakeholders. As a result, the Group strives to create long-term sustainable growth for its investors and all of its stakeholders by being a driving force in an increasingly digital world.

Our employees are also integral to the sustainable success of Pearson and the company is a strong advocate of driving employee engagement within the Group. Pearson offers a variety of thriving Employee Resource Groups which have active UK chapters, including, amongst others, Able, Spectrum and Women Initiative Network (WIN), which serve to cultivate and celebrate diversity and inclusion in the employee population. Our Employee Engagement Network provided an insight into the various employee perspectives across the Group in 2025.

DIRECTORS' REPORT (continued)

Employees

Employee involvement - The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in achieving the company's business goals.

Disabled employees - The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled during their service with the company, the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

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.

On behalf of the board

Michael Kearton

R M W Kearton

1 September 2026

Company registered number :
04623186

Pearson Shared Services Limited

PROFIT AND LOSS ACCOUNT
For the year ended :
31 December 2025

Continuing operations	Note	**2025** **£'000**	2024 £'000
Turnover	3	**61,448**	90,437
Gross profit		**61,448**	90,437
Administrative expenses		**(60,673)**	(87,645)
Operating profit	4	**775**	2,792
Interest payable and similar charges	7	**(5,614)**	(6,478)
Loss before taxation		**(4,839)**	(3,686)
Tax on loss	8	**971**	795
Loss for the financial year		**(3,868)**	(2,891)

Pearson Shared Services Limited

STATEMENT OF COMPREHENSIVE INCOME
For the year ended :
31 December 2025

	2025	2024
	£'000	£'000
Loss for the financial year	**(3,868)**	(2,891)
Total comprehensive expenditure for the year	**(3,868)**	(2,891)

Pearson Shared Services Limited

BALANCE SHEET
As at :
31 December 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Intangible assets	9	**26,885**	47,622
Tangible assets	10	**3,249**	3,844
		30,134	51,466
Current assets			
Debtors (including £10,050,000 (2024: £11,030,000) due after more than one year)	11	**45,911**	37,145
Cash at bank and in hand		**2,615**	2,386
		48,526	39,531
Creditors - amounts falling due within one year	12	**(67,613)**	(76,292)
Net current liabilities		**(19,087)**	(36,761)
Total assets less current liabilities		**11,047**	14,705
Provisions for liabilities	13	**(118)**	(317)
Net assets		**10,929**	14,388
Capital and reserves			
Called up share capital	15	**60,000**	60,000
Profit and loss account		**(51,304)**	(47,403)
Other reserves		**2,233**	1,791
Total shareholders' funds		**10,929**	14,388

For the year ended 31 December 2025:
- 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 1 September 2026. They were signed on its behalf by:

Michael Kearton

R M W Kearton
Director

Pearson Shared Services Limited

STATEMENT OF CHANGES IN EQUITY
For the year ended :
31 December 2025

	Called up share capital	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 January 2024	60,000	1,387	(44,665)	**16,722**
Loss for the financial year	-	-	(2,891)	**(2,891)**
Total comprehensive expenditure for the year	-	-	(2,891)	**(2,891)**
Share-based payment transactions	-	404	-	**404**
Current tax on share-based payment transactions	-	-	43	**43**
Deferred tax on share-based payment transactions	-	-	110	**110**
At 31 December 2024	**60,000**	**1,791**	**(47,403)**	**14,388**
Loss for the financial year	-	-	(3,868)	**(3,868)**
Total comprehensive expenditure for the year	-	-	(3,868)	**(3,868)**
Share-based payment transactions	-	442	-	**442**
Current tax on share-based payment transactions	-	-	91	**91**
Deferred tax on share-based payment transactions	-	-	(124)	**(124)**
At 31 December 2025	**60,000**	**2,233**	**(51,304)**	**10,929**

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

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

Other reserves represents capital contributions from Pearson plc in relation to share-based payment charges.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended :
31 December 2025

1
Accounting policies
The material accounting policies are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation
Pearson Shared Services Limited is a private company limited by shares, 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. For areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, see 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 accounts 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) the requirements of IAS 7 'Statement of Cash Flows';
e) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
f) the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
g) 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;
h) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118. 119(a) to (c), 120 to 127 and129 of IFRS 15 'Revenue from Contracts with Customers';
i) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets';
j) IFRS 7 'Financial Instruments: Disclosures'; and
k) paragraphs 91-99 of IFRS 13 'Fair Value Measurement'.

Interpretations and amendments to published standards effective 2025
No new standards were adopted in 2025.

A number of other new pronouncements are effective from 1 January 2025 but they do not have a material impact on the financial statements.

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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not re-translated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Interest
Interest is expensed or credited in the profit and loss account as incurred/earned. Amounts are accrued on a time proportioned basis by reference to the principal outstanding and at the applicable effective interest rate.

Revenue recognition
Revenue represents the invoiced value of services for support supplied, net of value added tax and trade discounts. Revenue is recognised when the amount can be reliably measured and when it is probable that future economic benefits will flow to the company. The transaction price determined is net of sales taxes, rebates and discounts. Variable consideration is measured using the expected value method. Historical experience, current trends, local circumstances and customer-specific funding formulae are considered in estimating and constraining variable consideration. To the extent that a higher degree of uncertainty exists regarding variable consideration, these amounts are excluded from the transaction price and recognised when the uncertainty is reasonably removed.

Judgement is applied to determine first whether control passes over time and if not, then the point in time at which control passes. Where revenue is recognised over time judgement is used to determine the method which best depicts the transfer of control.

Turnover that is recognised ahead of billings is shown as accrued income in the balance sheet. Turnover that is recognised as relating to future accounting periods is shown as deferred income in the balance sheet.

Current and deferred 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.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly to equity or other comprehensive income, in which case the tax is also recognised in equity or other comprehensive income. The exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied.

Intangible assets
Software - Internal and external costs incurred during the preliminary stage of developing computer software for internal use are expensed as incurred. Internal and external costs incurred to develop computer software for internal use during the application development stage are capitalised if the company expects economic benefits from the development. Capitalisation in the application development stage begins once the company can reliably measure the expenditure attributable to the software development and has demonstrated its intention to complete and use the software. Software is amortised on a straight-line basis over its estimated useful life of between 5 and 10 years.

Content development - These assets are capitalised on acquisition at cost and amortised over their estimated useful lives of between 5 and 20 years using an amortisation method that reflects the pattern of their consumption.

1
Accounting policies (continued)

Tangible fixed assets
Tangible fixed assets are stated at historical cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Plant and machinery: 3 to 7 years
Fixtures and fittings: 7 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying value of an asset is written down to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

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

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term investments with maturities of three months or less. Overdrafts are included in borrowings in current liabilities in the balance sheet.

Provisions
Provisions are recognised if the company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated.

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 'Employee Benefits' (2011), the company recognises a cost equal to its contribution payable for the period. The sponsoring entity to this scheme is Pearson Services Limited.

Share-based payments
Options and shares are awarded to the company's employees under Pearson plc share and option plans. The fair value of options or shares granted is recognised as an employee expense after taking into account the company's best estimate of the number of awards expected to vest. Fair value is measured at the date of grant and is spread over the vesting period of the option or share. The fair value of the options granted is measured using an option model that is most appropriate to the award. The fair value of the shares awarded is measured using the share price at the date of grant unless another method is more appropriate.

Share capital
Ordinary shares are classified as equity.

2
Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors 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.

Critical judgements in applying the company's accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

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 detailed below:

Intangible assets

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 factors. See accounting policies and intangible assets note for the carrying amount and for the useful economic lives for each class of assets.

3
Turnover

	2025	2024
Continuing operations	**£'000**	£'000
Provision of services	**61,448**	90,437
	61,448	90,437

No revenue was derived from exchanges of goods or services (2024: £nil).

Turnover by geographical market is as follows:	**2025**	2024
	£'000	£'000
United Kingdom	**48,536**	85,621
North America	**10,469**	4,273
Rest of World	**2,443**	543
	61,448	90,437

4
Operating profit

Operating profit is stated after charging/(crediting):		**2025**	2024
	Note	**£'000**	£'000
Staff costs	5	**17,814**	18,954
Depreciation of tangible fixed assets:			
- owned	10	**1,402**	1,307
Amortisation of intangible assets included in other operating expenses	9	**19,238**	23,189
Net foreign exchange (gains)/losses		**(3,403)**	3,361

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 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.

5
Staff costs

	2025	2024
Staff costs	**£'000**	£'000
Wages and salaries	**14,027**	14,846
Social security costs	**1,873**	1,753
Other pension costs	**1,472**	1,635
Share-based payment costs	**442**	404
Provision for loss of office (note 13)	**-**	316
	17,814	18,954

	2025	2024
Average number of persons employed by the company during the year	**Number**	Number
Administration	**146**	150
	146	150

6
Directors' remuneration

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 do not constitute a significant portion of their time and therefore 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.

7
Interest

	2025	2024
Interest payable and similar charges	**£'000**	£'000
Interest payable to group companies	**(5,614)**	(6,478)
Interest payable and similar charges	**(5,614)**	(6,478)

8
Taxation

	2025	2024
	£'000	£'000
Current tax		
UK corporation tax on losses for the year	**(895)**	(968)
Adjustments in respect of prior years	**(932)**	117
Total current tax	**(1,827)**	(851)
Deferred tax		
Origination and reversal of temporary differences	**(259)**	151
Deferred tax on share-based payments	**16**	3
Adjustments in respect of prior years	**1,099**	(97)
Total deferred tax	**856**	57
Total tax on loss	**(971)**	(794)
UK standard effective rate of corporation tax (%)	**25.0**	25.0

The credit for the year can be reconciled to the loss in the profit and loss account as follows:

	2025	2024
	£'000	£'000
Loss for the year	**(4,839)**	(3,686)
Tax on loss at standard UK corporation tax rate of 25% (2024: 25%).	**(1,210)**	(922)
Effects of:		
Expenses not deductible for tax purposes	**86**	1
Income not taxable for tax purposes	**(20)**	102
Adjustments in respect of prior years	**167**	20
Share-based payments	**6**	4
Total tax credit for the year	**(971)**	(795)

The current rate of corporation tax is 25% for the year ended 31 December 2025.

In addition to the amount charged in the profit and loss account, the following amounts relating to tax have been recognised directly in equity:

	2025	2024
	£'000	£'000
Current tax		
Share-based payments	**91**	43
	91	43
Deferred tax		
Share-based payments	**(124)**	110
	(124)	110
Total income tax recognised directly in equity	**(33)**	153

9
Intangible fixed assets

	Assets under construction	Content development	Software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2025	4,201	6,589	263,911	274,701
Additions	117	100	-	217
Disposals	-	(28)	(5,174)	(5,202)
Transfers	(4,306)	-	4,306	-
At 31 December 2025	**12**	**6,661**	**263,043**	**269,716**
Amortisation				
At 1 January 2025	-	4,212	222,867	227,079
Charge for the year	-	1,340	17,898	19,238
Disposals	-	-	(3,486)	(3,486)
At 31 December 2025	**-**	**5,552**	**237,279**	**242,831**
Net book value				
At 31 December 2024	4,201	2,377	41,044	47,622
At 31 December 2025	**12**	**1,109**	**25,764**	**26,885**

10
Tangible fixed assets

	Assets under construction	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2025	831	-	7,584	39	8,454
Additions	807		-	-	807
Transfers	(1,432)	515	917	-	(0)
At 31 December 2025	**206**	**515**	**8,501**	**39**	**9,261**
Depreciation					
At 1 January 2025	-	-	4,574	36	4,610
Charge for the year	-	21	1,378	3	1,402
At 31 December 2025	**-**	**21**	**5,952**	**39**	**6,012**
Net book value					
At 31 December 2024	831	-	3,010	3	3,844
At 31 December 2025	**206**	**494**	**2,549**	**-**	**3,249**

11
Debtors

	Note	**2025** **£'000**	2024 £'000
Amounts falling due within one year			
Amounts owed by group undertakings		**19,946**	20,635
Corporation tax		**1,660**	1,626
Other debtors		**5,178**	878
Prepayments and accrued income		**9,077**	2,976
		35,861	26,115
Amounts falling due in more than one year			
Deferred taxation	14	**10,050**	11,030
		10,050	11,030
Total debtors		**45,911**	37,145

12
Creditors

	2025	2024
	£'000	£'000
Amounts falling due within one year		
Trade creditors	**(3,276)**	(1,189)
Amounts owed to group undertakings	**(54,508)**	(65,073)
Other taxation and social security	**(4,353)**	(3,888)
Other creditors	**(2,197)**	(2,684)
Accruals and deferred income	**(3,279)**	(3,458)
	(67,613)	(76,292)

13
Provisions

	Restructuring	Total
	£'000	**£'000**
At 1 January 2025	(317)	(317)
Unused amounts reversed to profit and loss account	6	6
Utilisation of provision	193	193
At 31 December 2025	**(118)**	**(118)**

The restructuring provision related to costs in respect of the group's reorganisation project. Provided costs include staff costs in relation to redundancies due to be utilised within 12 months.

14
Deferred taxation

	Pensions	Share schemes	Other temporary differences	Total
Asset	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2025	-	357	10,673	11,030
Amounts (charged)/credited to the profit and loss	137	(9)	(984)	(856)
Credited to equity	-	(124)	-	(124)
At 31 December 2025	**137**	**224**	**9,689**	**10,050**

	2025	2024
	£'000	£'000
Deferred tax assets due after more than 12 months	**10,050**	11,030
Total provision	**10,050**	11,030

15
Called up share capital

	2025	2024
	£'000	£'000
Total share capital	**60,000**	60,000

	2025	2024	**2025**	2024
Ordinary shares £1 each	**No '000s**	No '000s	**£'000**	£'000
Allotted, called up and fully paid	**60,000**	60,000	**60,000**	60,000

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Share-based payments

The company's employees are entitled to shares and options under the following equity-settled employee option and share plans:

Save-for-Shares Global Plan
Under the Save for Shares Global Plan, employees can save a portion of their monthly salary over a period of three years. At the end of this period, the employee has the option to purchase ordinary shares with the accumulated funds at a purchase price equal to 80% of the market price prevailing at the time of the commencement of the employee's participation in the plan. Options that are not exercised within six months of the end of the savings period lapse unconditionally.

Long-Term Incentive Plan
The plan was first introduced in 2001 and from time to time the plan rules are renewed. The plan consists of restricted shares. The vesting of restricted shares is normally dependent on continuing service over a three to five-year period, and in the case of Executive Directors and senior management, upon the satisfaction of corporate performance targets over a three-year period. These targets may be based on market and/or non-market performance criteria. Restricted shares awarded to Executive Directors from May 2023 to May 2025 vest based on relative total shareholder return (FTSE 100 and S&P 500, excluding certain sectors), return on capital, adjusted earnings per share and strategic measures. Other restricted shares awarded in 2025, 2024, and 2023 generally vest depending on continuing service over periods of up to five years.

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Retirement benefit schemes

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 year. The sponsoring entity to this plan is Pearson Services Limited, consolidated with Pearson plc. Further details are disclosed in the financial statements of Pearson plc on pages 211 to 217 which are available at https://plc.pearson.com/en-GB/investors/performance/results-reports-presentations.

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Contingent liabilities

Bank guarantees

The company participates in an arrangement with HSBC Bank plc whereby the accounts of Pearson plc and 16 of its subsidiaries, 'the guarantors', are combined, with cleared debit and credit balances being offset for interest calculation purposes. In order to comply with banking regulations, each guarantor to this arrangement has provided a multilateral guarantee in respect of the overdraft obligations (but no other debts due to the bank) of each of the other participants. Under this arrangement, the net cash position at 31 December 2025 was £27,464,207 (2024: net cash position £57,607,318). The maximum amount of this guarantee is limited to a net overdraft of £50,000,000 (2024: £50,000,000).

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Related party transactions
The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

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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.