Pearson Dollar Finance Ltd

Registered Number : 05111013

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

Registered Address :
80 Strand, London WC2R 0RL

Pearson Dollar Finance Ltd

DIRECTORS' REPORT

The directors present their report and the financial statements of Pearson Dollar Finance Ltd (the 'company') for the year ended 31 December 2025.

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

Dividends
During the year an interim dividend of $Nil was paid (2024: $2,013,746,000).

Directors
The directors who held office during the year and up to the date of signing the financial statements are given below :
L Found
F E Muir
S J Porter

Qualifying third party indemnity provisions and liability insurance
As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Pearson Management Services Limited, a related party, also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the company and its directors and officers.

Financial risk management
From the perspective of the company, financial risk management is integrated with the financial risk management of the consolidated financial statements of Pearson plc (the 'group') and is not managed separately. Accordingly, the financial risk management of Pearson plc, which includes that of the company, is discussed in the group's annual report which does not form part of this report.

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

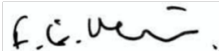
Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 ‘Reduced Disclosure Framework’, and applicable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

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to :
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



F E Muir
Director
9 June 2026

Company registered number :
05111013

Pearson Dollar Finance Ltd

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

		2025	2024
Continuing operations	**Note**	**$'000**	$'000
Interest receivable and similar income	4	**-**	53,747
Profit before taxation		**-**	53,747
Tax on profit	5	**-**	(133)
Profit for the financial year		**-**	53,614

Pearson Dollar Finance Ltd

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

	2025	2024
	$'000	$'000
Profit for the financial year	**-**	53,614
Total comprehensive income for the year	**-**	53,614

Pearson Dollar Finance Ltd

BALANCE SHEET
As at :
31 December 2025

	Note	**2025**	2024
		$'000	$'000
Net current assets		**-**	-
Net assets		**-**	-
Capital and reserves			
Called up share capital	7	**-**	-
Profit and loss account		**-**	-
Total shareholders' funds		**-**	-

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 9 June 2026. They were signed on its behalf by :

F E Muir
Director

Pearson Dollar Finance Ltd

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

	Called up share capital	Profit and loss account	Total
	$'000	**$'000**	**$'000**
At 1 January 2024	1,735,624	224,508	**1,960,132**
Profit for the financial year	-	53,614	**53,614**
Total comprehensive income for the year	-	53,614	**53,614**
Reduction of share capital	(1,735,624)	1,735,624	**-**
Dividends	-	(2,013,746)	**(2,013,746)**
At 31 December 2024	**-**	**-**	**-**
Profit for the financial year	-	-	**-**
Total comprehensive income for the year	-	-	**-**
At 31 December 2025	**-**	**-**	**-**

Share capital represents nominal value of shares allotted and called up.
Profit and loss account reserve represents accumulated retained earnings less dividends paid.

On 19 December 2024, the company undertook a reduction of its share capital by reducing the nominal value of each US$ Ordinary share from $1.00 to $0.00000000005762 and reducing the nominal value of each GBP Ordinary share from £1.00 to £0.0000375020. By this reduction, company has reduced its share capital by $1,735,624,000 which has been credited to the Company's distributable reserves.

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 and measurement bases have been consistently applied to all the years presented.

Basis of preparation
Pearson Dollar Finance Ltd is a private limited 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. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements requiring disclosure.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where required, equivalent disclosures are given in the group financial statements of Pearson plc :
- IFRS 7 'Financial Instruments: Disclosures'
- Paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- Paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1 Presentation of Financial Statements;
  (i) paragraph 10(d)
  (ii) paragraph 16
  (iii) paragraph 38A
  (iv) paragraph 111
  (v) paragraph 10(f)
  (vi) paragraph 40
  (vii) paragraphs 134 - 136
- IAS 7 'Statement of Cash Flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'
- Paragraph 17 of IAS 24 'Related Party Disclosures'
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2025 that have a material impact on the company's financial statements.

2
Operating profit

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

3
Directors' emoluments and employee information

The emoluments of the directors are paid by their employing company, another group undertaking. The directors' services to this company and to a number of fellow subsidiaries are chiefly of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to their employing company. Accordingly, the financial statements include no emoluments in respect of the directors. The company had no employees in the current year (2024: nil).

4
Interest

	2025	2024
Interest receivable	**$'000**	$'000
Interest receivable from parent company	**-**	52,355
Unwinding of loss on loan modification	**-**	1,234
Net foreign exchange gain	**-**	158
Interest receivable and similar income	**-**	53,747

5
Taxation

	2025	2024
	$'000	$'000
Current tax		
UK corporation tax on profits for the year	-	-
Foreign exchange difference arising on settlement / retranslation of tax liabilities	**-**	133
Total current tax	**-**	133
Total tax on profit	**-**	133
UK standard effective rate of corporation tax (%)	**25**	25

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

	2025	2024
	$'000	$'000
Profit before tax	**-**	53,747
Tax on profit at standard UK corporation tax rate of 25% (2024: 25%)	**-**	13,437
Effects of:		
Income not taxable for tax purposes	**-**	(39)
Foreign exchange difference arising on settlement / retranslation of tax liabilities	**-**	133
Group relief claimed	**-**	(13,398)
Total tax charge for the year	**-**	133

The current rate of corporation tax is 25% for the year ended 31 December 2025 (31 December 2024: 25%).

6
Dividends

	2025	2024	**2025**	2024
	cents per share	cents per share	**$'000**	$'000
Equity - Ordinary $1				
Declared and paid during the year:				
Interim dividend for the year	**-**	116.02	**-**	2,013,746
			-	2,013,746

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

7
Called up share capital

	2025	2024
	$'000	$'000
Total share capital	**-**	-

	2025	2024	**2025**	2024
Ordinary shares $0.00000000005762 each	**No '000s**	No '000s	**$'000**	No '000s
Allotted, called up and fully paid	**1,735,600**	1,735,600	**-**	-

	2025	2024	**2025**	2024
Ordinary share £0.000037502 each	**No '000s**	No '000s	**$'000**	No '000s
Allotted, called up and fully paid	**50**	50	**-**	-

On 19 December 2024, the company undertook a reduction of its share capital by reducing the nominal value of each US$ Ordinary share from $1.00 to $0.00000000005762 and reducing the nominal value of each GBP Ordinary share from £1.00 to £0.0000375020. By this reduction, company has reduced its share capital by $1,735,624,000 which has been credited to the Company's distributable reserves.

8
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).

9
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.

10
Ultimate parent undertaking

The immediate parent undertaking is Pearson plc.

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.