

VERA CRUZ (MEXICO) RAILWAYS LIMITED

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2007**

Registered Office:

**80 Strand
London
WC2R 0RL**

**Registered in England
Number 66525**

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VERA CRUZ (MEXICO) RAILWAYS LIMITED

Directors

S A Jones
A J Midgley

Report of the Directors

The directors present their report and financial statements of Vera Cruz (Mexico) Railways Limited ("the Company") for the year ended 31 December 2007

Principal activities, review of business and future developments

The Company has not traded during the year or the previous year. It is envisaged that this status will continue.

Directors and their interests

The present directors are listed above. All the directors served throughout the year.

Statement of directors' responsibilities

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

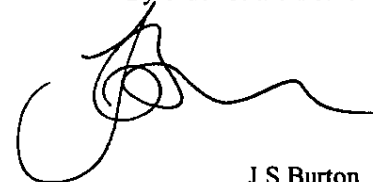
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

By order of the Board



J S Burton
Secretary
10 July 2008

VERA CRUZ (MEXICO) RAILWAYS LIMITED

Balance Sheet at 31 December 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
<u>Current Assets</u>			
Debtors amounts falling due within one year			
Due from parent undertaking	2	168,380	168,380
Cash at bank and in hand		<u>84</u>	<u>84</u>
		168,464	168,464
<u>Creditors amounts falling due within one year</u>			
Other creditors		<u>(84)</u>	<u>(84)</u>
<u>Net current assets</u>		<u>168,380</u>	<u>168,380</u>
<u>Net assets</u>		<u>168,380</u>	<u>168,380</u>
<u>Capital and Reserves</u>			
Called up share capital	3	500,000	500,000
Capital deficit		(246,987)	(246,987)
Profit and loss account		<u>(84,633)</u>	<u>(84,633)</u>
<u>Equity shareholders' interests</u>		<u>168,380</u>	<u>168,380</u>


For the year ended 31 December 2007 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985

Members have not required the Company to obtain an audit in accordance with section 249 (B)(2) of the Companies Act 1985

The directors acknowledge their responsibility for

- (i) ensuring the Company keeps accounting records which comply with section 221, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The financial statement on pages 4 was approved by the board on 10 July 2008


Director

VERA CRUZ (MEXICO) RAILWAYS LIMITED

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the UK. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting - the financial statements are prepared under the historical cost convention.

2 Due from parent undertaking

	<u>2007</u>	<u>2006</u>
	£	£

Deposited with parent undertaking, Pearson Management Services Limited, interest free, repayable on demand	<u>168,380</u>	<u>168,380</u>
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3 Called up share capital

	<u>2007</u>	<u>2006</u>
	£	£

Authorised

37,500 ordinary shares of £10 each	<u>375,000</u>	<u>375,000</u>
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37,500 4 2% cumulative preference shares of £10 each	<u>375,000</u>	<u>375,000</u>
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Allotted, issued and fully paid

25,000 ordinary shares	250,000	250,000
37,500 preference shares	375,000	375,000
less 12,500 surrendered to the company	<u>(125,000)</u>	<u>(125,000)</u>
	<u>500,000</u>	<u>500,000</u>

4 Approval of the Court is required to cancel the preference shares surrendered to the company

5 Arrears of dividend on the cumulative preference shares at 31 December 2007 amounted to £801,500 (excluding any tax credit)

6 Transactions with directors

No director had a material interest in any contract or arrangement with the Company during the year.

7 Related party transactions

The Company is a wholly owned subsidiary within Pearson plc and utilises the exemption contained in FRS 8 Related Party Disclosures not to disclose any transactions with entities that are part of the Pearson group. The address at which Pearson plc consolidated financial statements are publicly available is shown in note 8.

8 Ultimate parent undertaking

The immediate parent undertaking is Pearson Management Services Limited, a company registered in England and Wales. The ultimate parent undertaking is Pearson plc, which is also registered in England and Wales. Copies of the consolidated financial statements of Pearson plc may be obtained from The Secretary, Pearson plc, 80 Strand, London WC2R 0RL.