

VERA CRUZ (MEXICO) RAILWAYS LIMITED

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2009**

Registered Office:

**80 Strand
London
WC2R 0RL**

**Registered in England
Number 66525**

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VERA CRUZ (MEXICO) RAILWAYS LIMITED
Number 66525

Directors' Report for the year ended 31 December 2009

Directors

S A Jones
A J Midgley

The directors present their report and financial statements of Vera Cruz (Mexico) Railways Limited ("the Company") for the year ended 31 December 2009

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.

During the year to 31 December 2009 the Company maintained insurance covering officers of the Company against liabilities arising in relation to the Company in accordance with Section 233 of the Companies Act 2006.

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

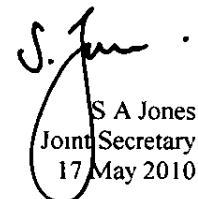
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

The directors are responsible for keeping proper accounting records that 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board


S A Jones
Joint Secretary
17 May 2010

VERA CRUZ (MEXICO) RAILWAYS LIMITED
Number 66525

Balance Sheet at 31 December 2009

| | <u>Notes</u> | <u>2009</u> £ | <u>2008</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 2009 the Company was entitled to the exemption under section 480 of the Companies Act 2006

Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for

- (i) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006, 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 sections 394 and 395 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company

The financial statements on pages 3 and 4 were approved by the board on 17 May 2010



A J Midgley
Director

VERA CRUZ (MEXICO) RAILWAYS LIMITED
Number 66525

Notes to the financial statements for the year ended 31 December 2009

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 | <u>Due from parent undertaking</u> | | <u>2009</u> | <u>2008</u> |
| | | £ | £ | |
| | Deposited with parent undertaking, Pearson Management Services Limited, Interest free, repayable on demand | | <u>168,380</u> | <u>168,380</u> |
| 3 | <u>Called up share capital</u> | | <u>2009</u> | <u>2008</u> |
| | | £ | £ | |
| | <u>Allotted, issued and fully paid</u> | | | |
| | 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 2009 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.