

LAKESIDE TRADING ESTATE LIMITED

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

Registered Office:

**80 Strand
London
WC2R 0RL**

**Registered in England
Number 180780**

WEDNESDAY



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LAKESIDE TRADING ESTATE LIMITED

Number 180780

Directors' Report for the year ended 31 December 2009

Directors

A C Miller
S A Jones

The directors present their report and the audited financial statements for Lakeside Trading Estate Limited (the "company") for the year ended 31 December 2009

Principal activities

The company is an investment holding company. The directors believe that the company will continue in this activity for the foreseeable future. The directors' report has been prepared in accordance with the special provisions of Part 15 Chapter 1 of the Companies Act 2006 relating to small companies.

Results

The loss for the year after taxation was £287,000 (2008: £292,000 profit). The loss for the year has been transferred to reserves.

Directors

The directors listed above held office during the year and up to the date of signing the accounts.

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 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 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.

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Directors' Report for the year ended 31 December 2009 (cont)

Statement of provision of information to auditors

In the case of each of the persons who are directors at the time when this report is approved, the following applies

- so far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP will continue in office as auditors of the company in accordance with Section 485 of the Companies Act 2006

By order of the board


S A Jones
Joint Secretary
19 April 2010

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Profit and Loss Account for the year ended 31 December 2009

	<u>Notes</u>	<u>2009</u> £000	<u>2008</u> £000
Administrative expenses		(465)	(20)
Operating (loss) / profit		(465)	(20)
Income from fixed asset investment		7	7
(Loss) / profit on ordinary activities before interest and taxation		(458)	(13)
Bank interest receivable		20	146
Interest receivable from parent undertaking		212	244
(Loss) / profit on ordinary activities before taxation		(226)	377
Tax on loss on ordinary activities	4	(61)	(85)
(Loss) / profit for the financial year		(287)	292
Interim dividend paid on ordinary shares		(5,400)	=
Retained (loss) / profit for the period	8	(5,687)	292

The company has no recognised gains and losses other than the loss above and therefore no statement of total recognised gains and losses have been presented

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents

All the above results are derived from continuing operations

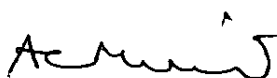
LAKESIDE TRADING ESTATE LIMITED

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Balance Sheet at 31 December 2009

	<u>Notes</u>	<u>2009</u> £000	<u>2008</u> £000
Fixed assets			
Investments	5	-	445
Current assets			
Trade debtors		3	8
Amounts due from ultimate parent undertaking		-	5,100
Amounts due from subsidiary undertaking		7	7
Prepayments and accrued income		-	8
Cash at bank and in hand		<u>3,108</u>	<u>3,109</u>
		3,118	8,232
Creditors: amounts falling due within one year			
Amounts due to ultimate parent undertaking	6	(180)	-
Other creditors		(100)	(107)
Taxation		(61)	(118)
Accruals and deferred income		<u>(12)</u>	-
		(353)	(225)
Net current assets		<u>2,765</u>	<u>8,007</u>
Total assets less current liabilities		<u>2,765</u>	<u>8,452</u>
Net assets		<u>2,765</u>	<u>8,452</u>
Capital and reserves			
Called up share capital	7	2,979	2,979
Profit and loss reserve	8	<u>(214)</u>	<u>5,473</u>
Total shareholders' funds	9	<u>2,765</u>	<u>8,452</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 19 April 2010 and signed on its behalf by



A C Miller
Director

LAKESIDE TRADING ESTATE LIMITED
Number 180780

Notes to the accounts for the year ended 31 December 2009

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the UK. A summary of the more important accounting policies, which have been applied consistently, is set out below.

- a) Basis of accounting – the financial statements are prepared under the historical cost convention
- b) Fixed asset investments are stated at cost, less provisions for diminution in value. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

2 Directors' emoluments and employee costs

The emoluments of the directors are paid by another group undertaking. Their 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 the parent company. Accordingly, the above details include no emoluments in respect of the directors. There were no employees employed by the company during the period (2008: no one).

3 Auditors' remuneration

Auditors' remuneration is borne by a fellow group company.

4 Taxation

	<u>2009</u> £'000	<u>2008</u> £'000
Current tax:		
UK corporation tax on profit/(loss) of the period	61	107
Adjustment in respect of previous periods	=	<u>(22)</u>
Total current tax	<u>61</u>	<u>85</u>

The tax assessed for the year is greater than the standard rate of corporation tax in the UK (28%). In the previous year the tax assessed for the period was lower than the standard rate of corporation tax in the UK (28.5%). The differences are explained below.

	<u>2009</u> £'000	<u>2008</u> £'000
(Loss) / Profit on ordinary activities before tax	<u>(226)</u>	<u>377</u>
(Loss) / Profit on ordinary activities multiplied by standard rate in the UK 28% (2008 – 28.5%)	(63)	107
Effects of		
Adjustments in respect of previous periods	-	(22)
Non allowable expenses	<u>124</u>	=
Current tax charge for the period	<u>61</u>	<u>85</u>

There is no deferred tax asset or liability that is not recognized in these financial statements.

5 Investments

	<u>2009</u> £'000	<u>2008</u> £'000
Investment in Chafford Hundred Limited - cost	1,779	1,779
Provision	<u>(1,779)</u>	<u>(1,334)</u>
	<u>-</u>	<u>445</u>

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Notes to the accounts for the year ended 31 December 2009 (continued)

6 Amounts due to ultimate parent undertaking

Amounts due to the ultimate parent undertaking are unsecured and repayable on demand, during the period the interest was charged at a rate of Bank of England base rate with margins ranging from 368 basis points to 412 basis points

7 Share capital

	<u>2009</u> £'000	<u>2008</u> £'000
Allotted, called up and fully paid		
2,978,515 Ordinary share capital of £1 each	<u>2,979</u>	<u>2,979</u>

8 Reserves

	Profit and loss £000
At 1 January 2009	5,473
Loss for the year	<u>(5,687)</u>
At 31 December 2009	<u>(214)</u>

9 Reconciliation of movements in total shareholders' funds

	<u>2009</u> £'000	<u>2008</u> £'000
Opening shareholders' funds	8,452	8,160
Profit for the financial year	(287)	292
Dividends paid	<u>(5400)</u>	<u>-</u>
Closing shareholders' funds	<u>2,765</u>	<u>8,452</u>

10 Contingent liabilities

The company participates in an arrangement with HSBC Bank plc whereby the accounts of Pearson plc and 34 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 is joint and severally liable for the guarantee in respect of the overdraft obligations (but no other debts due to the bank) of each of the other participants. The net balance position under this arrangement at 31 December 2009 was £4,238,177.

The maximum amount of this guarantee is limited to a net overdraft of £50,000,000. At 31 December 2009 this was the company's potential liability.

As at 31 December 2009 the potential liability arising from these guarantee arrangements amounted to £50,000,000 for the parent undertaking and fellow subsidiary undertakings.

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Notes to the accounts for the year ended 31 December 2009 (continued)

11 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 the Pearson plc consolidated financial statements are publicly available is shown in note 13.

12 Cash flow statement

The company is a wholly owned subsidiary of Pearson plc and is included in the consolidated financial statements of Pearson plc, which are publicly available. The company has taken advantage of the exemption in FRS 1 "Cash flow statements (revised 1996)" from the requirement to present a cash flow statement on the grounds that it is a small company.

13 Ultimate parent company

The immediate and ultimate parent undertaking is Pearson plc, a company incorporated in England and Wales. The only group in which the financial statements of the company as at 31 December 2009 are consolidated, is that headed by Pearson plc. Copies of the consolidated financial statements for Pearson plc may be obtained from The Secretary, Pearson plc, 80 Strand, London, WC2R 0RL.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAKESIDE TRADING ESTATE LIMITED

We have audited the financial statements of Lakeside Trading Estate Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime.

R. G.

Ranjan Sriskandan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 April 2010