

**CHATELAIN PROPERTIES LIMITED**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2008**

**Registered Office:**

**80 Strand  
London  
WC2R 0RL**

**Registered in England  
Number 1101779**

**SATURDAY**



**A51**

**\*AYEIG9B4\***

**25/04/2009**

**COMPANIES HOUSE**

**278**

# **CHATELAIN PROPERTIES LIMITED**

## **Directors' Report for the year ended 31 December 2008**

### **Directors**

A C Miller  
S A Jones

The directors present their report and the audited financial statements for Chatelain Properties Limited (the "company") for the year ended 31 December 2008.

### **Principal Activities**

The company is a property development 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 VII of the Companies Act 1985 relating to small companies.

### **Results**

The profit for the year after taxation was £373,000 (2007: £383,000) which has been transferred to reserves.

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

### **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.

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 1985. 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.

### **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.

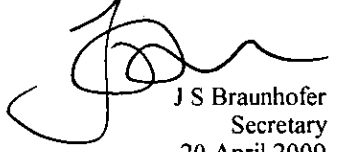
**CHATELAIN PROPERTIES LIMITED**

**Directors' Report for the year ended 31 December 2008 (continued)**

**Auditors**

The company has previously passed an elective resolution under the Companies Act 1985 dispensing with, amongst other things, the need for the annual appointment of auditors. Under the Companies Act 2006, the relevant sections of which came into force on 1 October 2007, this resolution remains in force in relation to the annual appointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the Company.

By order of the board



J S Braunhofer  
Secretary  
20 April 2009

# CHATELAIN PROPERTIES LIMITED

## Profit and Loss Account for the year ended 31 December 2008

	<u>Notes</u>	<u>2008</u> £000	<u>2007</u> £000
Administrative expenses		-	(33)
<b>Operating profit/(loss) before interest and taxation</b>		-	(33)
Bank interest receivable		136	160
Interest receivable from parent undertaking		<u>385</u>	<u>420</u>
<b>Profit on ordinary activities before taxation</b>		<b>521</b>	<b>547</b>
Tax on profit on ordinary activities	4	<u>(148)</u>	<u>(164)</u>
<b>Profit for the financial year</b>	8	<b><u>373</u></b>	<b><u>383</u></b>

The company has no recognised gains and losses other than those included in the profit above and therefore no statement of total recognised gains and losses has been presented.

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

All the above results are derived from continuing operations.

**CHATELAIN PROPERTIES LIMITED**

**Balance Sheet at 31 December 2008**

	<u>Notes</u>	<u>2008</u> £000	<u>2007</u> £000
<b>Current Assets</b>			
Trade debtors		1	5
Amounts due from ultimate group undertaking	5	7,993	7,626
Cash at bank and in hand		<u>2,904</u>	<u>2,900</u>
		<u>10,898</u>	<u>10,531</u>
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to fellow subsidiary undertakings		(7)	(7)
Corporation Tax		<u>(158)</u>	<u>(164)</u>
		<u>(165)</u>	<u>(171)</u>
<b>Total assets less current liabilities</b>		<u>10,733</u>	<u>10360</u>
<b>Net current assets</b>		<u>10,733</u>	<u>10360</u>
<b>Creditors: amounts falling due after more than one year</b>			
Amounts due to fellow subsidiary undertaking	6	(1,500)	(1,500)
<b>Net assets</b>		<u>9,233</u>	<u>8,860</u>
<b>Capital and reserves</b>			
Called up share capital	7	4,300	4,300
Profit and loss reserve	8	<u>4,933</u>	<u>4,560</u>
<b>Total shareholders' funds</b>	9	<u>9,233</u>	<u>8,860</u>

The financial statements on pages 4 to 7 were approved by the board of directors on 20 April 2009 and signed on its behalf by:



Director

# CHATELAIN PROPERTIES LIMITED

## Notes to the accounts for the year ended 31 December 2008

### 1. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the UK.

### 2. Auditors' remuneration

Auditors' remuneration is borne by a fellow group company.

### 3. 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 (2007: no one).

### 4. Tax on profit on ordinary activities

	<u>2008</u>	<u>2007</u>
	£000	£000
Current tax:		
UK corporation tax on profits of the year	<u>148</u>	<u>164</u>
Total current tax	<u>148</u>	<u>164</u>

The tax assessed for the current and prior year is equal to the standard rate of corporation tax in the UK for the current year (28.5%) and the prior year (30%) as shown below;

	<u>2008</u>	<u>2007</u>
	£000	£000
Profit on ordinary activities before tax	<u>521</u>	<u>547</u>
Profit on ordinary activities multiplied by standard rate in the UK 28.5% (2007 - 30%)	<u>148</u>	<u>164</u>

There is no unprovided deferred tax liability or unrecognised deferred tax asset in these financial statements.

### 5. Amounts due from ultimate group undertaking

Amounts due from ultimate parent undertaking are unsecured. During the year, interest was charged at the Bank of England base rate plus 25 basis points and is repayable on demand.

### 6. Creditors

Amounts falling due after one year of £1,500,000 (2006: £1,500,000) relates to an interest free, Unsecured Loan Stock 2075, due to a fellow subsidiary undertaking.

### 7. Share capital

	<u>2008</u>	<u>2007</u>
	£000	£000
Authorised 4,300,000 ordinary shares of £1 each	<u>4,300</u>	<u>4,300</u>
Allotted, called up and fully paid 4,300,000 shares of £1 each	<u>4,300</u>	<u>4,300</u>

### 8. Profit and loss reserve

	<u>2008</u>
	£000
At 1 January 2008	4,560
Profit for the financial year	<u>373</u>
At 31 December 2008	<u>4,933</u>

## CHATELAIN PROPERTIES LIMITED

### Notes to the accounts for the year ended 31 December 2008 (contd)

#### 9. Reconciliation of movements in shareholders' funds

	<u>2008</u>	<u>2007</u>
	<u>£000</u>	<u>£000</u>
Opening shareholders' funds	8,860	8,477
Profit for the financial year	<u>373</u>	<u>383</u>
Closing shareholders' funds	<u>9,233</u>	<u>8,860</u>

#### 10. Contingent liabilities

The company participates in an arrangement with HSBC Bank plc whereby the accounts of Pearson plc and 33 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 2008 was £306,079.

The maximum amount of this guarantee is limited to a net overdraft of £50,000,000. At 31 December 2008 this was the company's potential liability.

As at 31 December 2008 the potential liability arising from these guarantee arrangements amounted to £50,000,000 for the parent undertaking and fellow subsidiary undertakings.

#### 11. Related party transactions

The company is a wholly owned subsidiary of 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 undertaking

The immediate and ultimate parent undertaking is Pearson plc, a company incorporated in England and Wales. Pearson plc is the parent undertaking of the only group to consolidate these financial statements at 31 December 2008. Copies of the consolidated financial statements for Pearson plc may be obtained from The Secretary, Pearson plc, 80 Strand, London, WC2R 0RL.

**CHATELAIN PROPERTIES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATELAIN PROPERTIES LIMITED**

We have audited the financial statements of Chatelain Properties Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

20 April 2009