

Chatelain Properties Limited
Registered Number

1101779

Annual Report and Financial Statements
For the Year Ended

31 December 2010

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Chatelain Properties Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Chatelain Properties Limited (the "company") for the year ended 31 December 2010

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 15 Chapter 1 of the Companies Act 2006 relating to small companies.

Results and dividends

The profit for the year after taxation was £116,000 (2009 profit £274,000) which has been transferred to reserves. No dividends were proposed (2009 nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

A C Miller
S A Jones

During the year to 31 December 2010, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

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.

Disclosure of information to auditors

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- he / she 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 auditor is aware of that information

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board



D Hiran
Company secretary
18 April 2011

Company registered number
1101779

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 2010 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities 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 and express an opinion on 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 of 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 2010 and of its profit 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.

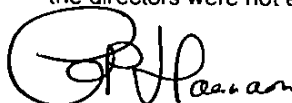
Opinion on other matters prescribed by the Companies Act 2006

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, or
- the financial statements are not in agreement with the accounting records and returns, or
- 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,
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.



Giles Hannam
Senior Statutory Auditor

For and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 April 2011

Chatelain Properties Limited

PROFIT AND LOSS ACCOUNT

For the year ended

31 December 2010

		2010	2009
		£'000	£'000
Continuing operations	Note		
Profit / (loss) on ordinary activities before interest and taxation		0	0
Interest receivable and similar income	5	161	381
Profit / (loss) on ordinary activities before taxation		161	381
Tax on profit / (loss) on ordinary activities	6	(45)	(107)
Profit / (loss) for the financial year		116	274

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

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

Chatelain Properties Limited

BALANCE SHEET

As at :

31 December 2010

		2010	2009
	Note	£'000	£'000
Current assets			
Debtors	7	6,772	8,217
Cash at bank and in hand		2,903	2,904
		9,675	11,121
Creditors - amounts falling due within one year	8	(52)	(114)
Net current assets		9,623	11,007
Total assets less current liabilities		9,623	11,007
Creditors - amounts falling due after more than one year	8	0	(1,500)
Net assets		9,623	9,507
Capital and reserves			
Called up share capital	9	4,300	4,300
Profit and loss reserve	10	5,323	5,207
Total shareholders' funds		9,623	9,507

The financial statements on pages 5 to 19 were approved by the board of directors on 18 April 2011 and were signed on its behalf by



A C Miller
Director

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended

31 December 2010

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Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the UK. The principal accounting policies, which have been applied consistently, are set out below.

Corporation Tax

Corporation tax payable is provided on taxable profits at the current rate.

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2010

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Cash flow statement and related party disclosure

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. Consequently, the company has taken exemption from preparing a cash flow statement under the terms of FRS 1 "Cash flow statements (Revised 1996)". The company is also exempt under the terms of FRS 8 "Related Party Transactions" from disclosing related party transactions with entities that are part of the Pearson plc group or investees of the Pearson plc group.

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2010

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Auditors' remuneration

Auditors' remuneration is borne by a fellow group company

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended .

31 December 2010

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Directors' emoluments

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 (2009: no one).

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2010

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Net interest			
	2010	2009	
	£'000	£'000	
Bank interest receivable	14	19	
Interest receivable from group companies	147	362	
Interest receivable and similar income	161	381	
Net interest receivable / (payable)	161	381	

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2010

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Tax on profit / (loss) on ordinary activities	2010	2009
	£'000	£'000
Current tax		
UK corporation tax on profits / (losses) for the year	(45)	(107)
Total current tax	(45)	(107)
Tax charge / (credit) on profit / (loss) on ordinary activities	(45)	(107)

UK standard effective rate of corporation tax (%)	28	28
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The tax assessed for the period differs from the standard effective rate of corporation tax in the UK as explained below	2010	2009
	£'000	£'000
Profit / (loss) on ordinary activities before taxation	161	381
Profit / (loss) on ordinary activities before taxation multiplied by UK standard effective rate	45	107
Current tax charge / (credit) for the year	45	107

The tax assessed for the year and for the prior year equals that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%) to the profit before tax

There is no deferred tax asset or liability that is recognized in these financial statements

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2010

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Debtors

	2010	2009
	£'000	£'000
Amounts falling due within one year		
Trade debtors	1	1
Amounts owed by group undertakings	6,771	8,216
	6,772	8,217
Total debtors	6,772	8,217

Amounts owed by 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 113 basis points to 165 basis points

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2010

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Creditors

	2010	2009
	£'000	£'000
Amounts falling due within one year		
Amounts owed to group undertakings	(7)	(7)
Corporation tax	(45)	(107)
	(52)	(114)
Amounts falling due after more than one year		
Amounts owed to group undertakings	0	(1,500)
	0	(1,500)

Amounts due to ultimate parent undertaking are unsecured, during the period interest was charged at Bank of England base rate with margins ranging from 113 basis points to 165 basis points and is payable on demand

Amounts due to fellow subsidiary undertakings in the current year and prior year are normal trading debts and as such are unsecured and interest free

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended :

31 December 2010

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Called up share capital

	2010	2009
	£'000	£'000
Total share capital	4,300	4,300

	2010	2009	2010	2009
	No '000s	No '000s	£'000	£'000
Ordinary share £1 each				
Allotted and fully paid	4,300	4,300	4,300	4,300

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2010

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Reserves

	Profit and loss	Total
	£'000	£'000
At 1 January 2010	5,207	5,207
Profit / (loss) for the financial year	116	116
At 31 December 2010	5,323	5,323

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended

31 December 2010

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Reconciliation of movements in shareholders' funds

	2010	2009
	£'000	£'000
Profit / (loss) for the financial year	116	274
Opening shareholders' funds	9,507	9,233
Closing shareholders' funds	9,623	9,507

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended .

31 December 2010

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Contingent liabilities

Bank guarantees

The company participates in an arrangement with HSBC Bank plc whereby the accounts of Pearson plc and 35 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. The net balance under this arrangement at 31 December 2010 was a credit balance of £8,952,264 (2009 debit £4,238,177). The maximum amount of this guarantee is limited to a net overdraft of £50,000,000.

	2010	2009
Potential liability arising from these guarantee arrangements	£'000	£'000
Parent undertaking and fellow subsidiary undertakings	50,000	50,000

Chatelain Properties Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended .

31 December 2010

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Ultimate parent undertaking

The immediate and 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.