

The Exchange Telegraph Company Limited

(Registered Number: 1406615)

Annual Report And Financial Statements For The Year Ended 31 December 2004



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The Exchange Telegraph Company Limited

Directors' Report

The Directors present their annual report on the affairs of the Company and the financial statements for the year ended 31 December 2004.

Principal Activities

During the year the Company has not traded. There has been no income or expenditure and, therefore, no change in the Company's position has arisen.

Directors

The Directors who have held office during the year are as follows:

J L King

Directors' share interests

No Director had any interests in the shares of the Company at the end of the year.

The interests, including share option entitlements, of those directors together with the interests of their families in the shares of Pearson plc at 31 December 2004 were as follows:

25p ordinary shares	Ordinary shares		Share options			
	1 January 2004	31 December 2004	1 January 2004	Granted	Exercised	31 December 2004
J L King	18,502	17,916	63,507	-	-	63,507

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the Company and of the profit or loss of the Company for that period. The Directors are required to prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statement for the year ended 31 December 2004 and that applicable Accounting Standards have been followed.

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.

By order of the board



K C Bossey
Secretary

2005

The Exchange Telegraph Company Limited

Balance Sheet As At 31 December 2004

	Notes	2004 £	2003 £
Fixed Assets			
Tangible assets		100	100
Current Assets			
Amounts owed by group undertakings		266,495	266,495
Creditors: amounts falling due after more than one year	1	262,595	262,595
Net Current Assets/ (Liabilities)		3,900	3,900
Total Assets Less Current Liabilities		4,000	4,000
Capital and Reserves			
Called up share capital	2	4,000	4,000

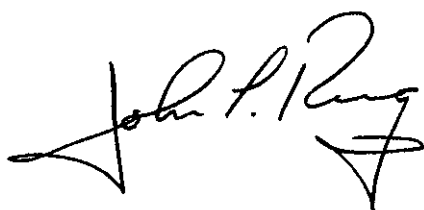
For the year ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with the section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records which comply with section 221; and
- (b) 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 or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board of Directors on

2005 and signed on its behalf by:



J L King
Director

The Exchange Telegraph Company Limited

Notes To The Financial Statements For The Year Ended 31 December 2004

1 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to group undertakings	262,595	262,595

2 Share Capital

	2004 £	2003 £
Authorised:		
5,000 Ordinary shares of £1 each	5,000	5,000
Called up, allotted and fully paid:		
2,000 Ordinary shares of £1 each	2,000	2,000
2,000 3% non-cumulative preference shares of £1 each	2,000	2,000
	4,000	4,000

3 Ultimate Parent Undertaking

The immediate parent company is Exshare Computing Limited a private limited company registered in Great Britain. The ultimate parent company and controlling party is Pearson plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Pearson plc are available to the public from The Company Secretary, Pearson plc, 80 Strand, London WC2R 0RL.