

Hamish Hamilton Children's Books Limited

(Registered Number 700925)

Report and Financial Statements

For the year ended 31 December 2004



Hamish Hamilton Children's Books Limited

Directors' Report

The directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2004.

Principal activity

The company did not trade during the year and is unlikely to do so in the foreseeable future.

Directors

The current directors of the company or those who held office during the year are as follows:

A Forbes Watson	(Resigned 28 February 2005)
B Landers	
J Makinson	(Appointed 28 February 2005)

The present directors will continue in office pursuant to the Articles of Association.

Directors' interests

At 31 December 2004, A Forbes Watson and B Landers were directors of the company's parent undertaking, Penguin Books Limited and are therefore not required to notify to this company their interest in the shares and debentures of group undertakings, on the basis that such interests are disclosed in the accounts of the parent undertaking. Details of their interests are disclosed in the financial statements of The Penguin Publishing Company Limited.

Elective resolutions

At the 1990 annual general meeting an elective resolution under section 379A of the Companies Act 1985 was passed in respect of dispensing with the following provisions:

- the laying of the annual report and financial statements before the company in general meeting; and
- the holding of an annual general meeting.

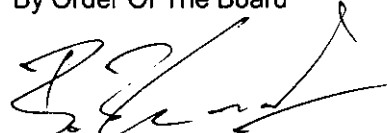
The provisions of this elective resolution will apply for subsequent years until the election is revoked.

Auditors

At the 1990 annual general meeting a special resolution was passed in accordance with section 250 of the Companies Act 1985 resolving not to appoint registered auditors.

Accordingly no report of the registered auditors is submitted.

By Order Of The Board



B Landers
Director

80 Strand
London
WC2R 0RL

Hamish Hamilton Children's Books Limited

Balance sheet at 31 December 2004

	2004 £000	2003 £000
Current liabilities		
Amounts due to Group undertakings	(5,852)	(5,852)
Net current liabilities	(5,852)	(5,852)
Capital and reserves		
Authorised, allotted, called-up and full paid:		
100 shares of £1 each	100	100
Profit and loss account – deficit	(5,952)	(5,952)
Equity shareholders' deficit	(5,852)	(5,852)

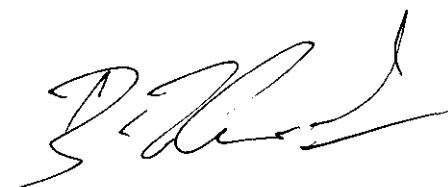
For the year ended 31 December 2004 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

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

The notes on page 3 form part of these financial statements.

The financial statements on pages 2 and 3 were approved by the board of directors on 30/1/06 and signed on its behalf by:



B Landers
Director

Hamish Hamilton Children's Books Limited

Notes to the Financial Statements For the year ended 31 December 2004

1 Accounting policy and basis of Financial Statements

The financial statements are prepared in accordance with the historical cost basis of accounting and in accordance with applicable Accounting Standards in the United Kingdom.

2 Profit and loss account

During the year the company has not traded or incurred any liabilities and accordingly no profit and loss account is submitted. The company's profit or loss on ordinary activities before taxation was therefore nil.

There are no emoluments paid to directors in respect of their services to Hamish Hamilton Children's Books Limited.

3 Ultimate and immediate parent undertakings

The company's immediate parent undertaking is Penguin Books Limited and its ultimate parent undertaking is Pearson plc, both companies being registered in England and Wales. Copies of the consolidated financial statements of Pearson plc are available to the public from the following address:

The Secretary
Pearson plc
80 Strand
London WC2R 0RL