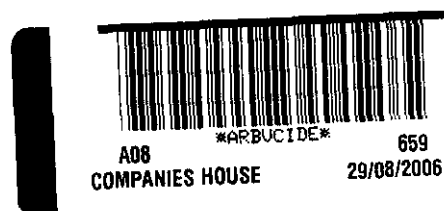


Funfax Limited

(Registered Number 02060097)

Directors' Report and Financial Statements

For the year ended 31 December 2005



Funfax Limited

Directors' Report

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2005.

Principal activities and business review

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 th February 2005)
A Welham	
B Landers	
J Makinson	(Appointed 28 th February 2005)
G June	(Appointed 18 th August 2005)

Directors' interests

At 31 December 2005 the directors were also directors of the company's immediate parent undertaking, Dorling Kindersley Limited and are therefore not required to notify to this company their interests 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 Dorling Kindersley Holdings Limited.

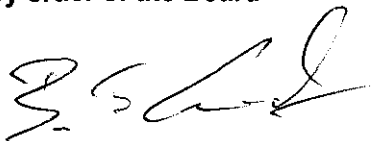
Auditors

At the EGM 6th June 2006 a special resolution was passed in accordance with section 238(1) and the company having qualified as small in that year having been dormant since the end of it, the company makes itself exempt from the obligations to appoint auditors as otherwise required by the Companies Act 1985, section 385.

Accordingly, no report of the registered auditors is submitted.

This report was approved 25 August 2006

By order of the Board



B Landers
Director

80 Strand
London
WC2R 0RL

Funfax Limited

Balance sheet at 31 December 2005

	<i>Note</i>	2005 £000	2004 £000
Creditors: amounts falling due within one year	3	(1,434)	(1,434)
Net liabilities		(1,434)	(1,434)
Capital and reserves			
Called up share capital	4	53	53
Share premium account	5	197	197
Profit and loss account	5	(1,684)	(1,684)
Equity shareholders' deficit	6	(1,434)	(1,434)

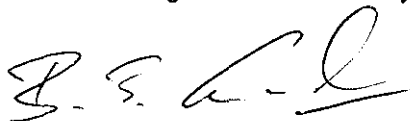
For the year ended 31 December 2005 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

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 pages 3 to 4 form part of these financial statements.

The financial statements on pages 2 to 4 were approved by the board of directors on 25 August 2006 and were signed on its behalf by:



B Landers
Director

Funfax Limited

Notes to the Financial Statements For the year ended 31 December 2005

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 profits before taxation was therefore nil.

The directors received no emoluments in respect of their services to the company in 2005 and 2004.

3 Creditors

	2005 £000	2004 £000
Amounts falling due within one year:		
Amount owed to group undertakings	1,434	1,434
	1,434	1,434

4 Called up share capital

	2005 £000	2004 £000
Authorised		
100,000 ordinary shares of £1 each	100	100
Allotted, called-up and fully paid		
53,192 ordinary shares of £1 each	53	53

5 Reserves

	Share Premium £000	Profit and Loss Account £000
At 1 January 2005	197	(1,684)
Transfer from profit and loss account	-	-
At 31 December 2005	197	(1,684)

Funfax Limited

Notes to the Financial Statements For the year ended 31 December 2005 (continued)

6 Reconciliation of movements in equity shareholders' funds

	2005 £000	2004 £000
Result for the period	-	-
Opening shareholders' funds	(1,434)	(1,434)
Closing shareholders' funds	(1,434)	(1,434)

7 Ultimate parent undertaking

The ultimate parent undertaking is Pearson plc, a company that is registered in England and Wales. Copies of the consolidated financial statements of Pearson plc may be obtained from The Secretary, Pearson plc, 80 Strand, London WC2R 0RL.