

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005
FOR
INFOGRAMES LEARNING LIMITED

967400



INFOGRAMES LEARNING LIMITED

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for the Year Ended 31 March 2005

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INFOGRAMS LEARNING LIMITED

Company Information
for the Year Ended 31 March 2005

DIRECTORS:

B Y J Bonnell (resigned 15.1.05)
F M A Chesnais (resigned 20.1.05)
M Passam (appointed 20.1.05)
T J Schmider (resigned 20.1.05)
J Wigmore (appointed 20.1.05)

SECRETARY:

A R Carroll

REGISTERED OFFICE:

Landmark House
Hammersmith Bridge Road
London
W6 9EJ

REGISTERED NUMBER:

00967400 (England & Wales)

AUDITOR:

Defries Weiss LLP
311 Ballards Lane
London
N12 8LY

INFOGRAMES LEARNING LIMITED

Report of the Directors **for the Year Ended 31 March 2005**

The directors present their report with the financial statements of the company for the year ended 31 March 2005.

PRINCIPAL ACTIVITY

The company did not trade during the year.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2005.

DIRECTORS

The directors holding office during the year were as follows:

B Y J Bonnell - resigned 15.1.05
F M A Chesnais - resigned 20.1.05
M Passam - appointed 20.1.05
T J Schmider - resigned 20.1.05
J Wigmore - appointed 20.1.05

None of the directors had any beneficial interest in the company's shares.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

AUDITOR

The auditor, Defries Weiss LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
M Passam - Director

Date: 23/3/05

INFOGRAMES LEARNING LIMITED

Report of the Independent Auditor to the Shareholders of
Infogrames Learning Limited

We have audited the financial statements of Infogrames Learning Limited for the year ended 31 March 2005 on pages 4 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Report of the Directors 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 United Kingdom Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Defries Weiss LLP

Defries Weiss LLP
Registered Auditor
311 Ballards Lane
London
N12 8LY

Date: 30/03/06

INFOGRAMES LEARNING LIMITED

Profit and Loss Account
for the Year Ended 31 March 2005

	Notes	31.3.05 £	31.3.04 £
TURNOVER		-	-
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	2	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	-
RETAINED PROFIT FOR THE YEAR		-	-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES


The company has no recognised gains or losses for the current year or previous year.

INFOGRAMES LEARNING LIMITED

Balance Sheet
31 March 2005

	Notes	31.3.05 £	£	31.3.04 £	£
FIXED ASSETS					
Investments	3		750		750
CURRENT ASSETS					
Debtors	4	272,124		272,124	
CREDITORS					
Amounts falling due within one year	5	<u>4,744,862</u>		<u>4,744,862</u>	
NET CURRENT LIABILITIES			<u>(4,472,738)</u>		<u>(4,472,738)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(4,471,988)</u>		<u>(4,471,988)</u>
CAPITAL AND RESERVES					
Called up share capital	6		1,826,765		1,826,765
Share premium	7		628,864		628,864
Profit and loss account	7		<u>(6,927,617)</u>		<u>(6,927,617)</u>
SHAREHOLDERS' FUNDS	10		<u>(4,471,988)</u>		<u>(4,471,988)</u>

ON BEHALF OF THE BOARD:


.....
M Passam - Director

Approved by the Board on 23/3/06

INFOGRAMES LEARNING LIMITED

Notes to the Financial Statements **for the Year Ended 31 March 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Group accounts

The company is exempt from preparing group accounts as it is a wholly owned subsidiary. These financial statements present information about the company as an individual and not as a group.

Cashflow statement

The company's holding company produces consolidated financial statements. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement conferred by the provisions of Financial Reporting Standard No. 1.

Investments

Investments are stated at cost less provision for any impairment in value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2005 nor for the year ended 31 March 2004.

3. FIXED ASSET INVESTMENTS

	31.3.05	31.3.04
	£	£
Shares in unlisted subsidiary	<u>750</u>	<u>750</u>

The company owns 100% of the ordinary shares of Infogrames Learning Interactive Limited, a non-trading company incorporated in England & Wales. The aggregate capital and reserves of Infogrames Learning Interactive Limited as at 31 March 2005 were £1,000 (2004: £1,000) and the profit for the year then ended was £nil (2004: £nil).

4. DEBTORS

	31.3.05	31.3.04
	£	£
Tax recoverable	<u>272,124</u>	<u>272,124</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.05	31.3.04
	£	£
Amounts due to group companies	4,368,854	4,363,854
Accruals and deferred income	<u>376,008</u>	<u>381,008</u>
	<u>4,744,862</u>	<u>4,744,862</u>

INFOGRAMES LEARNING LIMITED

Notes to the Financial Statements **for the Year Ended 31 March 2005**

6. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.3.05 £	31.3.04 £
777,259	Ordinary shares	5p	38,863	38,863
199,000	Institutional ordinary shares	5p	9,950	9,950
1,009	Ordinary A shares	5p	50	50
19,322	Ordinary B shares	5p	966	966
3,410	Ordinary C shares	5p	171	171
1,805,000	Preference shares	£1	1,805,000	1,805,000
19,322	Redeemable preference shares	£1	19,322	19,322
			<u>1,874,322</u>	<u>1,874,322</u>

Allotted, issued and paid up:

Number:	Class:	Nominal value:	31.3.05 £	31.3.04 £
2,272	Ordinary shares	5p	114	114
22,867	Institutional ordinary shares	5p	1,143	1,143
1,009	Ordinary A shares	5p	50	50
19,322	Ordinary B shares	5p	966	966
3,410	Ordinary C shares	5p	170	170
1,805,000	Preference shares	£1	1,805,000	1,805,000
19,322	Redeemable preference shares	£1	19,322	19,322
			<u>1,826,765</u>	<u>1,826,765</u>

The various classes of share capital were set up when the company was owned by a number of different investors with each category having different voting rights, distribution rights and repayment terms in the event that that company is liquidated. Since the acquisition of the company by Hasbro UK Limited in August 1999 and the subsequent purchase by Infogrames Entertainment SA in January 2000 all the different classes of shares have been held by a single entity at any time.

Hence throughout the period of these financial statements the shares have been owned by a single entity and therefore the various rights attached to the shares have not been listed here. However a copy of the company's articles of association listing the various rights attached to each class of share may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

7. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 April 2004	(6,927,617)	628,864	(6,298,753)
Retained profit for the year	-	-	-
At 31 March 2005	<u>(6,927,617)</u>	<u>628,864</u>	<u>(6,298,753)</u>

8. ULTIMATE PARENT COMPANY

The ultimate parent company is Infogrames Entertainment SA, which is incorporated in France.

INFOGRAMES LEARNING LIMITED

Notes to the Financial Statements
for the Year Ended 31 March 2005

9. RELATED PARTY DISCLOSURES

The company has taken advantage of the provisions of Financial Reporting Standard No 8 in not disclosing transactions with members of the same group.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.05	31.3.04
	£	£
Profit for the financial year	-	-
Opening shareholders' funds	<u>(4,471,988)</u>	<u>(4,471,988)</u>
Closing shareholders' funds	<u>(4,471,988)</u>	<u>(4,471,988)</u>
Equity interests	<u>(4,471,988)</u>	<u>(4,471,988)</u>

11. GOING CONCERN

The financial statements have been prepared on a going concern basis which is dependent on the continued support of the group. The directors believe this support will not be withdrawn in the foreseeable future, and therefore that the going concern basis is reasonable.