

INTERNATIONAL BOOK DISTRIBUTORS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004



INTERNATIONAL BOOK DISTRIBUTORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors submit their report and the financial statements of the company for the year ended 31 December 2004.

The company did not trade during the year.

DIRECTORS

The directors who held office during the year were:

Mrs V M Lockie
Mr J A Knight

DIRECTORS' INTERESTS

The directors had no interests in shares of the company. Their interests in shares of Pearson plc, the ultimate parent company, are disclosed in the accounts of the immediate parent company, IBD Holdings.

The directors in common with other employees of Pearson plc group companies may participate in the Pearson plc Save As You Earn (SAYE) Share Option Scheme under which rights are granted to purchase ordinary shares upon the expiry of 3, 5 or 7 year periods. Options taken up under the current scheme are exercisable at prices ruling on the Stock Exchange at the close of dealing on the day before the offer is made, less such discount (not exceeding 20%) as the Board of Pearson plc may determine. In addition the directors are eligible to participate in the Pearson plc Senior Executive Share Option Scheme.

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 affairs of the company and of the profit or loss of the group for that period. The directors are required to prepare the 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 statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records, which 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



J A Knight
Edinburgh Gate
Harlow
Essex
CM20 2JE

26 April 2005

INTERNATIONAL BOOK DISTRIBUTORS LIMITED

BALANCE SHEET - 31 DECEMBER 2004

	<u>Note</u>	<u>2004</u> <u>£'000</u>	<u>2003</u> <u>£'000</u>
CREDITORS			
Amount due from ultimate parent company – Pearson plc		107,443	107,443
		-----	-----
NET ASSETS		107,433	107,433
		=====	=====
CAPITAL AND RESERVES			
Called Up Share Capital	2	118	118
Share Premium Account		117,882	117,882
Profit and Loss Account		(10,557)	(10,557)
		-----	-----
		107,443	107,443
		=====	=====

The company was dormant throughout the period.

For the year ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and 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 financial statements on pages 2 and 3 were approved by the board on 26 April 2005 and signed on its behalf by:



J A Knight - Director

INTERNATIONAL BOOK DISTRIBUTORS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2004

1. PROFIT AND LOSS ACCOUNT

The company did not trade during the year and, accordingly, it made neither a profit nor a loss. Therefore no profit and loss account is attached.

2. SHARE CAPITAL

	2004	2003
	£	£
Authorised		
150,000 Ordinary Shares of £1 Each	150,000	150,000
	=====	=====
Allotted, Issued, Called Up and Fully Paid		
118,001 Ordinary Shares of £1 Each	118,001	118,001
	=====	=====

3. ULTIMATE PARENT COMPANY

The company's immediate parent company is IBD Holdings, a company incorporated in Great Britain, and registered in England and Wales.

The company's ultimate parent company and controlling party is Pearson plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Reports and Financial Statements of Pearson plc are available to the public from the following address:

Pearson plc
80 Strand
London
WC2R 0RL