

# Beneficial Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

Company number  
829505



Beneficial Limited

## Contents

	Page
Directors' Report	2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

## Directors' Report

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2001.

### Principal activity

The Company has not traded during the year.

### Business review

The Directors believe that the Company will not trade for the foreseeable future.

### Financial results and dividends

The Directors do not recommend the payment of a dividend (2000 £Nil).

### Directors and their interests

The Directors of the Company who served during the year were:-

A R Hill  
R V Lovering

None of the Directors had at any time during the year any disclosable interest in the shares or loan stock of the Company or any Group Company incorporated within Great Britain.

### 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 year.

After making enquiries, the Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In preparing the 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; and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

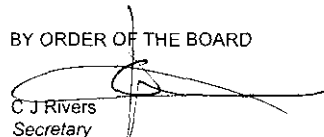
### Euro

Since the Company is non trading, the introduction of the Euro has had no effect.

### Auditors

Arthur Andersen, having indicated their intention to resign as auditors to the Company, and that there were no circumstances connected with the same which Arthur Andersen considered should be brought to the notice of the members or creditors of the Company, the Board noted that, with effect from the date of Arthur Andersen's resignation as auditors to the Company, alternative auditors would be required and, in such event, the Board would meet to make the necessary appointment. In accordance with section 385 of the Companies Act 1985 (as amended) a resolution proposing the appointment of new auditors to the Company will be put to the next General Meeting of the Company at which the financial statements are laid.

BY ORDER OF THE BOARD

  
C J Rivers  
Secretary  
13 March 2002

North Street,  
Winkfield,  
Windsor,  
Berkshire SL4 4TD

## **Independent auditors' report to the Shareholders of Beneficial Limited**

We have audited the financial statements of Beneficial Limited for the year ended 31 December 2001 which comprises the Profit and loss account, Balance sheet and related notes numbered 1 to 5. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting standards are set out in the Statement of Directors' responsibilities. 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 Directors' report 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 of information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of 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 circumstances of the Company, 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 affairs of the Company as at 31 December 2001 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors  
180 Strand  
London WC2R 1BL  
13 March 2002

Beneficial Limited

# **Profit and Loss Account**

**Year ended 31 December**

	Notes	2001 £000	2000 £000
Turnover		0	0
Profit on ordinary activities before taxation		0	0
Taxation on loss on ordinary activities		0	0
Profit on ordinary activities after taxation and retained profit carried forward	4	<u>0</u>	<u>0</u>

Movements in shareholders' funds are shown in note 4.

The only recognised gains or losses in the accounting period are those disclosed in the profit and loss account.

The notes on page 6 form an integral part of these financial statements

Beneficial Limited

## Balance Sheet

31 December		2001 £000	2000 £000
	Notes		
Net assets		<u>0</u>	<u>0</u>
Called up share capital	3	196,000	196,000
Capital reserve	4	32,500	32,500
Profit and loss account	4	(228,500)	(228,500)
Shareholders' funds - equity interest	4	0	0
Total liabilities and shareholders' funds		<u>0</u>	<u>0</u>

The financial statements on pages 4 to 6 were approved by the Board of Directors on 13 March 2002 and are signed on its behalf by:

A R Hill

Director

The notes on page 6 form an integral part of these financial statements

## Notes to the Financial Statements

### 1 Principal accounting policies

A summary of the principal accounting policies are set out below, all of which have been applied consistently throughout both this year and the preceding year, unless otherwise indicated.

#### General

##### (a) Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting. The Company is not required to comply with the accounting and disclosure provisions of Part VII, Chapter 1 of the Companies Act 1985. These financial statements have been prepared in compliance with Part VII, Chapter II, and Schedule 9 to the Companies Act 1985 in order to implement the EC Bank Accounts Directive and in accordance with applicable Accounting Standards and Statements of Recommended Accounting Practice. Historical cost profit is not materially different to the profit on ordinary activities before and after taxation as shown in the profit and loss account for both this year and the preceding year.

Under the provisions of Financial Reporting Standard No. 1 (Revised 1996), the Company has not prepared a cash flow statement because its ultimate holding company, Household International, Inc., which is incorporated in the United States of America, has prepared consolidated accounts including a cash flow statement which include the results of the Company for the year end.

### 2 Profit and loss account

The Directors received no emoluments during the year

During the year the Company had no employees

The auditors' remuneration has been borne by the holding company.

The Company has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose intercompany transactions within the Household International (U.K.) Limited Group.

Company profit on ordinary activities before taxation for 2001 and 2000 derives from continuing activities.

### 3 Share capital

	2001 £000	2000 £000
Authorised		
300,000,000 Ordinary Shares of £1 each	<u>300,000</u>	<u>300,000</u>
Issued, allotted and fully paid up		
196,000,000 Ordinary Shares of £1 each	<u>196,000</u>	<u>196,000</u>

### 4 Reserves

	Profit and loss account		Capital reserve	
	2001 £000	2000 £000	2001 £000	2000 £000
As at 1 January and 31 December	<u>(228,500)</u>	<u>(228,500)</u>	<u>32,500</u>	<u>32,500</u>

### 5 Holding company

The Company's immediate holding company is Household International (U.K.) Limited, which is a wholly owned subsidiary of Household Global Funding, Inc. The ultimate holding company and the largest Group in which Beneficial Limited is consolidated is Household International, Inc. which is incorporated in the State of Delaware, United States of America. The smallest Group in which it is consolidated is that headed by Household International (U.K.) Limited which is registered in England and operates in Great Britain. The consolidated financial statements of these groups are available from North Street, Winkfield, Windsor, Berkshire, SL4 4TD.

Beneficial Limited is registered in England and operates in the United Kingdom.