HFC PENSION PLAN LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

Company registered number
2426093

Contents

Directors' Report

The Directors present their report together with the unaudited financial statements of the Company for the year ended 31 December 2002.

Principal activity

The Company acts as Corporate Trustee for HFC Pension Plan, the HFC Bank plc Money Purchase PensionScheme and the HFC Bank plc Money Purchase Scheme No 2, HFC Bank 2-4-1 and 1-4-1 Share Scheme and HFC Bank Midas Share Scheme.

The Company was dormant during the year.

Business review

The Directors believe that the Company will remain dormant for the foreseeable future.

Following the acquisition of Household International, Inc. by HSBC Holdings plc on 28 March 2003, the ultimate parent company of HFC Pension Plan Limited is now HSBC Holdings plc.

Directors and their interests

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

S A Cooper
R V Lovering
F A H Madill
M J Rees
K L Scholfield
J M Butterfield - Alternate Director to K L Scholfield
S G Boyle

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

Auditors

For the year ended 31 December 2002, the Company was entitled to exemption from audit under section 249AA and 249B of the Companies Act 1985.

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 year.

After making enquiries, the Directors have a reasonable expectation that the Company has 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.

BY ORDER OF THE BOARD

C J Rivers
Secretary
21 October 2003

North Street,
Winkfield,
Windsor,
Berkshire SL4 4TD

HFC Pension Plan Limited

Balance Sheet

31 December	Notes	2002 £	2001 £
ASSETS			
Group Debtor		2	2
NET ASSETS		2	2
CAPITAL AND RESERVES			
Called-up share capital	3	2	2
TOTAL EQUITY SHAREHOLDERS FUNDS		2	2

The Directors:

(a) confirm that the Company was entitled to exemption under subsection (1) of section 249AA of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 31 December 2002 audited.

(b) confirm that members have not required the Company to obtain an audit of its accounts for that financial year in accordance with subsection (2) of section 249B of that Act.

(c) acknowledge their responsibilities for:

(i) ensuring that the Company keeps proper accounting records which comply with section 221 of the Companies Act 1985, 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 the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

Profit and Loss Account

During the financial year and the preceding year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit or a loss.

The financial statements on pages 3 and 4 were approved by the Board of Directors on 21 October 2003 and were signed on its behalf by:

R.V. Lovering - Director

The notes on page 4 form an integral part of these financial statements

Notes to the Financial Statements

1 Principal accounting policy

A summary of the principal accounting policy is set out below, which has been applied consistently throughout both this year and the preceding year.

Basis of preparation
The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards and Statements of Recommended Accounting Practice. 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 which include the accounts of the Company for the year end which contain a cash flow statement. Historical cost profit is not materially different to the Company profit on ordinary activities before and after taxation.

2 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 to these financial statements.

The Directors received no emoluments during the year.

During the year the Company had no employees.

The Company has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose intercompany transactions within the HFC Bank plc Group.

3 Share Capital

	2002	2001
Authorised:-	£	£
100 Ordinary £1 shares	100	100
Issued, allotted and fully paid:-		
2 Ordinary £1 shares	2	2

4 Holding Company

The Company's immediate holding company is HFC Bank plc. The ultimate holding company and the largest group in which HFC Bank plc and its subsidiary companies are consolidated is Household International, Inc. which is incorporated in the State of Delaware, United States of America. The smallest group in which they are consolidated is that headed by HFC Bank plc which is registered in England and operates in the United Kingdom. The consolidated accounts of these groups are available at North Street, Winkfield, Windsor, Berkshire, SL4 4TD.

Following the acquisition of Household International, Inc. by HSBC Holdings plc on 28 March 2003, the ultimate parent company of HFC Pension Plan Limited is now HSBC Holdings plc.

HFC Pension Plan Limited is registered in England.