

# **Beneficial Premium Services Limited**

## **ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

**Company Registered Number  
3102671**



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## **Directors' Report**

The directors present their report together with the unaudited financial statements of the company for the year ended 31 December 2004.

### **Principal activities**

The company was dormant during the year.

### **Business review**

The directors believe that the company will not trade for the foreseeable future.

The directors do not recommend the payment of a dividend (2003: £nil).

### **Directors' interests**

The directors of the company who served during the year were:

A R Hill  
R V Lovering

The directors' interests in shares of HSBC Holdings plc is shown below.

	HSBC Holdings plc ordinary shares US\$0.50 par value	
	At 31 December 2003 Number of shares	At 31 December 2004 Number of shares
A R Hill	2,683	3,214
R V Lovering	30,810	26,127

The terms of a number of Employee Benefits Trusts provide that all employees of HSBC Holdings plc and any of its subsidiary undertakings are potential beneficiaries of the Trusts. As potential beneficiaries of the Trusts, each director of the company is deemed to have a technical interest in all of the HSBC Holdings plc ordinary shares of US\$0.50 each held by the Trusts. At 31 December 2004 the Trusts held a total of 123,108,967 ordinary shares of \$0.50 each (2003: 108,871,178).

During the year no directors were granted or exercised options over ordinary shares in HSBC Holdings plc.

### **Auditors**

For the year ended 31 December 2004, the company was entitled to exemption from audit under section 249AA and 249B of the Companies Act 1985.

### **Statement of directors' responsibilities**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Beneficial Premium Services Limited as at the end of the financial year and of the profit or loss for the year.

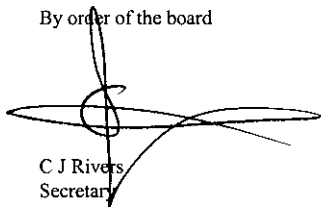
The directors are required to prepare these financial statements on the going concern basis unless it is not appropriate. Since the directors are satisfied that Beneficial Premium Services Limited has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the going concern basis.

The directors consider that in preparing the financial statements, Beneficial Premium Services Limited has used appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that Beneficial Premium Services Limited keeps accounting records which disclose with reasonable accuracy the financial position of Beneficial Premium Services Limited and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of Beneficial Premium Services Limited and to prevent and detect fraud and other irregularities.

By order of the board



C J Rivers  
Secretary

North Street,  
Winkfield,  
Windsor,  
Berkshire SL4 4TD

21st October 2005

## **Profit and loss account**

For the year ended 31 December	Notes	Discontinued operations	
		2004 £	2003 £
Turnover		-	2,000
Interest receivable		-	18
Administrative expenses		-	(1,000)
Operating profit and profit on ordinary activities before taxation	2	-	1,018
Taxation on profit on ordinary activities		-	(305)
Profit for the financial year		-	713

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

The notes on pages 5 and 6 form an integral part of these financial statements

## **Balance sheet**

As at 31 December	Notes	2004 £	2003 £
Current assets			
Cash at bank and in hand		2,125	2,125
Debtors	3	10,000	10,000
Current liabilities			
Creditors	4	(7,217)	(7,217)
<b>Net assets</b>		<b><u>4,908</u></b>	<b><u>4,908</u></b>
Capital and reserves			
Called-up share capital	5	1	1
Profit and loss account	6	4,907	4,907
<b>Equity shareholders' funds</b>		<b><u>4,908</u></b>	<b><u>4,908</u></b>

### **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 2004 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.

The financial statements on pages 4 to 6 were approved by the board of directors on 21st October 2005 and were signed on its behalf by:

  
R.V. Lovering     A.R. Hill  
Director

The notes on pages 5 and 6 form an integral part of these financial statements

## Notes to the financial statements

### 1 Principal accounting policies

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

#### (a) Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The company is a wholly owned subsidiary of HSBC Holdings plc and the cash flows of the company are included in the consolidated group cash flow statement of HSBC Holdings plc. Consequently the company is exempt under the terms of Financial Reporting Standard 1 ('FRS') (Revised 1996) from publishing a cash flow statement. Historical cost profit is not materially different to the Company profit on ordinary activities before and after taxation.

#### (b) Turnover

Turnover represents amounts earned in respect of fee income for the provision of fiscal representation to BFC Insurance Group.

### 2 Profit on ordinary activities before taxation

	2004 £	2003 £
Profit on ordinary activities before taxation is stated after charging:		

Auditors remuneration	<u>-</u>	<u>1,000</u>
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### 3 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	<u>10,000</u>	<u>10,000</u>

### 4 Creditors

	2004 £	2003 £
Amounts falling due within one year:		
Corporation tax	1,119	1,119
Amounts due to group undertakings	<u>6,098</u>	<u>6,098</u>
	<u>7,217</u>	<u>7,217</u>

### 5 Share capital

	2004 £	2003 £
Authorised:		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Issued, allotted and fully paid:		
1 Ordinary Share of £1 each	<u>1</u>	<u>1</u>

## Notes to the financial statements (continued)

### 6 Reserves

	2004 £	2003 £
Balance as at 1 January	4,907	4,194
Profit for the year	-	713
Balance as at 31 December	<u>4,907</u>	<u>4,907</u>

### Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Profit for year	-	713
Net increase in shareholders' funds	<u>-</u>	<u>713</u>
Opening shareholders' funds	4,921	4,208
Closing shareholders' funds	<u>4,921</u>	<u>4,921</u>

### 7 Ultimate parent undertaking

The company's immediate holding company is Household Global Funding, Inc. The ultimate holding and controlling company and the largest group in which Household Global Funding, Inc and its subsidiary companies are consolidated is HSBC Holdings plc which is registered in England and Wales. The smallest group in which they are consolidated is that headed by Household Global Funding, Inc which is incorporated in the State of Delaware, United States of America, the consolidated financial statements of which are not available to the public. The consolidated accounts of the group are available at North Street, Winkfield, Windsor, Berkshire, SL4 4TD.

Beneficial Premium Services Limited is registered in England and Wales.