

**Household Mortgage Corporation Limited**  
(Registered Number: 2026572)

**Directors' Report and Financial Statements**  
**Year ended 31 December 2007**

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COMPANIES HOUSE

**Company Information**

**Directors**

D Berry  
W J Flynn  
D Harvey  
B Heese  
R D Hunkin  
M S Johar  
A R Punch  
C J V Shave

**Company Secretary**

FN Secretary Limited

**Registered Office**

53-61 College Road  
Harrow  
Middlesex  
HA1 1FB

**Company Auditor**

KPMG Audit Plc  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**Directors' Report****Year ended 31 December 2007**

The directors have pleasure in presenting their report and the financial statements for Household Mortgage Corporation Limited (the "Company") for the year ended 31 December 2007

**Principal activities**

The principal activity of the Company was the provision of first charge mortgage loans until 31 October 2003 at which time the Company ceased to trade

The Company has not traded during the current or preceding financial year and is not expected to trade in the foreseeable future. The Company has no employees, all administrative expenses have been met by other group companies and, consequently, made neither a profit nor a loss for the financial year. Thus no profit and loss account has been presented.

**Business Review**

The directors are satisfied with the result for the year and the future prospects of the Company.

An interim dividend of £50.04 (2006: £Nil) per ordinary share, amounting to £137.6 million (2006: £Nil) was approved by the Board on 15 November 2007 and paid on 16 November 2007. The directors do not recommend the payment of a final dividend.

**Directors**

The directors who held office during the year and up to the date of this Directors' Report were

A R Punch	
C J V Shave	
D Berry	
R D Hunkin	
W J Flynn	(appointed 19 July 2007)
D Harvey	(appointed 6 November 2007)
B Heese	(appointed 6 November 2007)
M S Johar	(appointed 20 December 2007)
M R Bellora	(resigned 5 October 2007)
M J Melling	(resigned 25 October 2007)
J S Nutley	(resigned 31 August 2007)
E M Sully	(resigned 28 September 2007)

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Directors' Report (continued)**

**Year ended 31 December 2007**

**Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

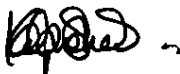
**Auditors**

In accordance with Section 379A of the Companies Act 1985, the Company has elected to dispense with the following obligations

- to lay accounts and reports before general meetings,
- to hold annual general meetings, and
- to appoint auditors annually

KPMG Audit Plc will therefore continue in office

**By Order of the Board**



For and on behalf of  
FN Secretary Limited, Secretary  
16 April 2008

53-61 College Road  
Harrow  
Middlesex  
HA1 1FB

## **Independent auditors' report to the members of Household Mortgage Corporation Limited**

We have audited the financial statements of Household Mortgage Corporation Limited for the year ended 31 December 2007, which comprise the Balance Sheet and the related notes. These financial statements have been prepared under 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*  
**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
16 April 2008

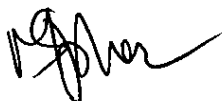
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**Balance Sheet**  
**As at 31 December 2007**

	Note	2007 £'000	2006 £'000
<b>Current assets</b>			
Debtors	5	10,970	229,819
<b>Creditors: amounts falling due within one year</b>	6	(8,220)	(89,472)
<b>Net current assets</b>		<b>2,750</b>	<b>140,347</b>
<b>Net assets</b>		<b>2,750</b>	<b>140,347</b>
<b>Capital and reserves</b>			
Called up share capital	7	2,750	2,750
Profit and loss account	8	-	137,597
<b>Shareholder's funds</b>	9	<b>2,750</b>	<b>140,347</b>

These financial statements were approved by the Board of Directors on 16 April 2008

**Signed on behalf of the Board of Directors**



**M S Johar**  
**Director**

**Notes to the Financial Statements  
Year ended 31 December 2007****1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. There have been no changes in accounting policy during the current year.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 1985 and applicable United Kingdom Accounting Standards.

**Profit and loss account**

The Company has not traded during the current or preceding financial year and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit nor a loss.

**Related party transactions**

The Company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS 8, "Related Parties", in preparing its financial statements. This exemption allows the Company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of General Electric Company in which the Company is included are available to the public and can be obtained from the address given in note 11.

**Dividends**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**Cash flow statement**

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of a parent company which are available to the public.

**2. Information regarding directors and employees****Employees**

There are no direct employees of the Company (2006 Nil). Employees are remunerated by another group company, under their contracts of employment with that company. There were no recharged costs to the Company in the current and prior period. Full disclosure regarding employees can be found in the financial statements of GE Money Home Lending Holdings Limited, a parent undertaking.

## Notes to the Financial Statements (continued)

Year ended 31 December 2007

## 2. Information regarding directors and employees (continued)

## Directors

The Company paid for no directors' remuneration (2006 £Nil) None of the directors has any pension benefits provided by the Company (2006 £Nil)

C J V Shave, M R Bellora, A R Punch, E M Sully, D Harvey, R D Hunkin, W J Flynn, D Berry and M S Johar are/were also directors of GE Money Home Lending Holdings Limited, a parent undertaking, and do not specifically receive any remuneration in respect of their services to the Company It was not possible to determine an appropriate proportion of their services on behalf of the Company Accordingly disclosure regarding their total emoluments can be found in the financial statements of that company

B Heese, M J Melling and J S Nutley are/were also directors of GE Money Home Finance Limited, a parent undertaking, and do not specifically receive any remuneration in respect of their services to the Company It was not possible to determine an appropriate proportion of their services on behalf of the Company Accordingly disclosure regarding their total emoluments can be found in the financial statements of that company

## 3. Notes to the Profit and Loss Account

Auditors' remuneration in the current and prior year was borne by another group company on behalf of the Company The audit fee in respect of the Company was

	2007	2006
	£'000	£'000
Fees for the audit of the Company	2	-

Fees paid for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated accounts of the Company's parent undertaking, GE Money Home Lending Holdings Limited, are required to disclose non-audit fees on a consolidated basis

## 4. Dividends

	2007	2006
	£'000	£'000
Equity - Ordinary		
Final paid £50.04 per £1 share (2006 £Nil)	137,597	-



## Notes to the Financial Statements (continued)

Year ended 31 December 2007

## 5. Debtors

	2007	2006
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	10,970	229,819

## 6. Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Amounts owed to group undertakings	8,220	89,472

## 7. Called up share capital

	2007	2006
	£'000	£'000
Authorised		
2,750,000 Ordinary shares of £1 each	2,750	2,750
Allotted, issued and fully paid		
2,750,000 Ordinary shares of £1 each	2,750	2,750

## 8. Reserves

Profit and loss account	2007	2006
	£'000	£'000
At 1 January	137,597	137,597
Profit for the year	-	-
Dividends paid (Note 4)	(137,597)	-
At 31 December	-	137,597

## Notes to the Financial Statements (continued)

Year ended 31 December 2007

## 9. Reconciliation of movements in shareholder's funds

	2007	2006
	£'000	£'000
Profit for the financial year	-	-
Dividends paid (Note 4)	(137,597)	-
Retained loss	(137,597)	-
Opening shareholder's funds	140,347	140,347
Closing shareholder's funds	2,750	140,347

## 10. Capital and financial commitments

The Company had no capital or financial commitments at 31 December 2007 or 31 December 2006

## 11. Ultimate parent Company and parent undertaking of larger group

The directors consider First National Group Limited, a company registered in England and Wales, as the immediate parent undertaking

The largest group in which the results of the Company are consolidated is that headed by the ultimate parent Company, General Electric Company, incorporated in the United States of America. The consolidated financial statements of General Electric Company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06828, USA or [www.ge.com](http://www.ge.com)

The smallest group in which the results of the Company are consolidated is that of GE Money Home Lending Holdings Limited, incorporated in Great Britain. The consolidated financial statements of GE Money Home Lending Holdings Limited are available to the public and may be obtained from Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire WD18 8YF