

Nationale - Nederlanden (UK General) Limited

Annual report and financial statements

31 December 2001

Registered no: 2514365



Nationale - Nederlanden (UK General) Limited

Annual report 31 December 2001 Contents

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Nationale - Nederlanden (UK General) Limited

Directors and advisors

Directors

Albert L van Koert *Chairman & Managing Director*
Petrus H.M. Kuys

Auditors

Ernst & Young LLP
Rolls House,
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

Secretary and registered office

Kenneth H Davies ACA
120 Middlesex Street
London E1 7HY

Solicitors

Linklaters & Alliance
One Silk Street
London EC2Y 8HQ

Registered Number
2514365

Bankers

HSBC Bank Plc
27-32 Poultry
London EC2V 7JA

Nationale - Nederlanden (UK General) Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activity and review of the business

The company's principal activity during the year continued to be that of an intermediate holding company for a number of non-life insurance and reinsurance companies.

All of the group's insurance activities have been run-off.

On 21 October 1994, two of the company's principal subsidiary undertakings, OIC Run-Off Limited (formerly The Orion Insurance Company PLC) and The London and Overseas Insurance Company Limited (formerly The London and Overseas Insurance Company PLC) were placed under the control of joint provisional liquidators and are outside the control of group management.

On 9 November 1998, a scheme of arrangement pursuant to Section 425 of the Companies Act 1985 came into effect in respect of one of the company's subsidiaries, Osiris Insurance Limited. The scheme enabled final determination of that company's position with each insurance creditor and for full and final settlement to be made with that creditor and with satisfactory completion of the scheme the company may be wound up. The scheme achieved its objectives in full and was concluded on 8 March 2000, all insurance creditors having been paid in full. Osiris Insurance Company Limited was placed under Members Voluntary Liquidation on 11 December 2001 and was wound up on 28 March 2002. OIM Limited was also placed under Members Voluntary Liquidation on 22 January 2002 and was wound up on 28 March 2002.

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2000: Nil).

Investments in subsidiary undertakings

Details of investments in subsidiary undertakings are disclosed in note 6.

Directors and directors' interests in the shares of the company

The names of the current directors are shown on page 2. Mr P H M Kuys was appointed on 1st January 2001. Mr S.E. Bruna was a director until his resignation on 31 January 2001. None of the directors (or their families) has any interest in the shares of the company or the company's subsidiary undertakings.

Nationale - Nederlanden (UK General) Limited

Directors' report - *continued*

Employees

The only employees of the company are the directors.

Close company provisions

In the opinion of the directors, the close company provisions of the Income and Corporation Taxes Act 1988, as amended, do not apply to the company.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

In preparing those 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

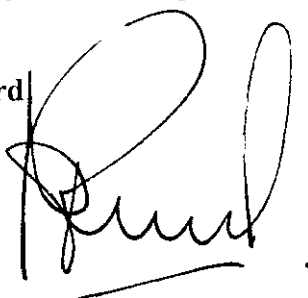
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and those subsidiaries not in provisional liquidation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers have resigned as auditors and Ernst & Young LLP have been appointed in their place. A resolution to re-appoint the auditors, Ernst & Young LLP, will be proposed at the annual general meeting.

By order of the board

P H M Kuys
29 October 2002



Nationale - Nederlanden (UK General) Limited

Independent Auditors' Report

to the members of Nationale-Nederlanden (UK General) Limited

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 if information specified by law regarding directors' remuneration and transactions with the company 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.

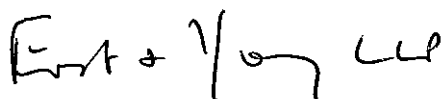
Basis of audit opinion

We conducted our audit in accordance with 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 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 of the state of affairs of the company as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London
30 October 2002

Nationale - Nederlanden (UK General) Limited

Profit and loss account for the year ended 31 December 2001

	<i>Notes</i>	2001 £'000	2000 £'000
Administrative expenses		(27)	(3)
Other income	2	1,328	-
Amounts written off investments		(16,074)	-
Loss on ordinary activities before taxation		(14,773)	(3)
Tax on loss on ordinary activities		-	-
Loss for the financial year	10	(14,773)	(3)
Accumulated losses brought forward	10	(79,640)	(79,637)
Accumulated losses carried forward	10	(94,413)	(79,640)

Although the company continues to trade, all of the activities of the company are now in run-off, and therefore the results arise from discontinued operations.

The company has no recognised gains and losses other than those shown above and therefore no separate statement of recognised gains and losses has been presented. There is no difference between the net loss from ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

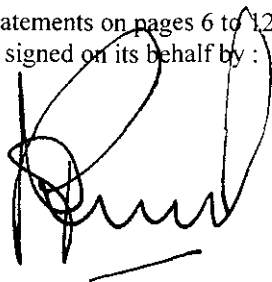
Nationale - Nederlanden (UK General) Limited

Balance sheet at 31 December 2001

	<i>Notes</i>	2001 £'000	2000 £'000
Fixed assets			
Investments			
Investments in subsidiary undertakings	6	-	16,074
Current assets			
Debtors	7	5,093	4,684
Cash at bank		3	4
		<u>5,096</u>	<u>4,568</u>
Creditors: amounts falling due within one year	8	<u>5</u>	<u>778</u>
Net current assets		<u>5,091</u>	<u>3,790</u>
Total assets less current liabilities		<u>5,091</u>	<u>19,864</u>
Capital and reserves			
Called up share capital	9	78,997	78,997
Share premium account	10	20,507	20,507
Profit and loss account	10	(94,413)	(79,640)
Equity shareholders' funds		<u>5,091</u>	<u>19,864</u>

The financial statements on pages 6 to 12 were approved by the board of directors on 2002 and were signed on its behalf by :

P H M Kuys



Nationale - Nederlanden (UK General) Limited

Notes to the financial statements

31 December 2001

1 Principal accounting policies

The principal accounting policies observed by the Company are set out below.

(a) Disclosure requirements

The Company's balance sheet has been prepared in compliance with Schedule 4 of the Companies Act 1985.

(b) Consolidated accounts

The Company has taken advantage of the exemption given by Section 228 of the Companies Act 1985 not to prepare consolidated financial statements on the grounds that consolidated financial statements are prepared by the ultimate parent company, ING Groep N.V., a company incorporated in the Netherlands. (see note 13).

(c) Taxation

Deferred taxation is provided for on the liability method on all material timing differences to the extent that the liability to, or relief from, tax is expected to arise in the foreseeable future.

(d) Investments in subsidiary undertakings

Investments in subsidiary undertakings represent shares in subsidiaries at cost (including associated acquisition costs) less provisions for impairment and amounts written off.

2 Other income

	2001 £'000	2000 £'000
Write back of intercompany loan	773	-
Liquidation proceeds	555	-
	<u>1,328</u>	<u>-</u>

3 Operating loss

The loss on ordinary activities before taxation is stated after charging:

	2001 £'000	2000 £'000
Auditors' remuneration for audit services	<u>5</u>	<u>3</u>

4 Employees

On 1 December 1994 substantially all the employees of the company were transferred to another group. The only remaining employees of the Company are the two directors.

Nationale - Nederlanden (UK General) Limited

Notes to the financial statements

31 December 2001 - *continued*

5 Directors' emoluments

No director received or waived any emoluments from the Company in respect of the year ended 31 December 2001 (2000: £nil). The emoluments of the directors are paid by a parent undertaking. Their services are deemed to be wholly attributable to other group companies.

6 Investments

(a) Investments in subsidiaries

The investments in wholly owned subsidiary undertakings are as follows:-

	2001 £'000	2000 £'000
OIC Run - Off Limited (formerly The Orion Insurance Company PLC)	92,718	92,718
Less: Amounts written off	(92,718)	(92,718)
	-----	-----
	-	-
Osiris Insurance Limited (formerly Orion Insurance (General) Limited)	16,074	16,074
Less: Amounts written off	(16,074)	-
OIM Limited	-	-
	-----	-----
	-	16,074
	=====	=====

Osiris Insurance Limited was placed under Members Voluntary Liquidation on 11 December 2001 and was wound up on 28 March 2002 with dissolution on 27 June 2002.

OIM Limited was also placed under Members Voluntary Liquidation on 22 January 2002 and was wound up on 28 March 2002 with dissolution on 27 June 2002.

Nationale - Nederlanden (UK General) Limited

Notes to the financial statements for the year ended 31 December 2001 - *continued*

6 Investments - *continued*

(b) Details of significant subsidiary undertakings

Name of Company	Country of Registration	Description of shares held	Proportion of nominal value of issued shares held by	
			Company %	Subsidiary %
Osiris Insurance Limited (Dissolved 27 June 2002)	England	16,074,000 ordinary £1 shares fully paid	100	
OIM Limited (Dissolved 27 June 2002)	England	100 ordinary £1 shares fully paid	100	
OIC Run - Off Limited (in provisional liquidation)	England	110,000,000 ordinary 50p shares fully paid	100	
The London and Overseas Insurance Company Limited (in provisional liquidation)	England	28,000,000 ordinary 25p shares fully paid		100
OMIUAL Limited (in creditors' voluntary liquidation)	England	100 ordinary £1 shares fully paid		100
North Star Management Services Limited	England	100 ordinary £1 shares fully paid		100

Nationale - Nederlanden (UK General) Limited

Notes to the financial statements

31 December 2001 - *continued*

6 Investments – *continued*

(c) Details of the principal activities of subsidiary undertakings

- (i) Osiris Insurance Limited, OIC Run - Off Limited and The London and Overseas Insurance Company Limited carried on non-life insurance and reinsurance business predominantly written in the UK market. Osiris Insurance Limited was placed under Members Voluntary Liquidation on 11 December 2001 and was wound up on 28 March 2002. OIC Run - Off Limited and The London and Overseas Insurance Company Limited were placed into provisional liquidation on 21 October 1994.
- (ii) OIM Limited's principal activity was the provision of management services to the Nationale - Nederlanden (UK General) Limited group's non-life insurance companies. OIM Limited was also placed under Members Voluntary Liquidation on 22 January 2002 and was wound up on 28 March 2002. Final dissolution occurred on 27 June 2002.
- (iii) OMIUAL Limited operated as an agency providing services on behalf of various non-life insurance companies, and was placed into creditors' voluntary liquidation on 25 September 1995.
- (iv) North Star Management Services Limited formerly provided management services to OIC Run - Off Limited and the London and Overseas Insurance Company Limited (both in provisional liquidation).

7 Debtors

	2001 £'000	2000 £'000
Due from parent company	4,538	4,538
Due from liquidators	555	26
	-----	-----
	5,093	4,564
	=====	=====

The amount owed to the Company by its parent company represents an interest free loan and is repayable on demand.

8 Creditors

Amounts owed to subsidiary undertakings	-	773
Accruals	5	5
	-----	-----
	5	778
	=====	=====

Nationale - Nederlanden (UK General) Limited

Notes to the financial statements

31 December 2001 - *continued*

9 Called up share capital

	2001	2000
	£'000	£'000
Ordinary shares of £1 each		
Authorised 150,000,000 shares, (2000: 150,000,000)	150,000	150,000
	=====	=====
Alloted, called up and fully paid 78,996,642 shares, (2000: 78,996,642)	78,997	78,997
	=====	=====

10 Statement of movements in shareholders' funds

	Share Capital	Profit and loss account	Share premium account	Total
	£000's	£000's	£000's	£000's
Balance at 1 January 2000	78,997	(79,637)	20,507	19,867
Retained loss for the year	-	(3)	-	(3)
	-----	-----	-----	-----
Balance at 1 January 2001	78,997	(79,640)	20,507	19,864
Retained loss for the year	-	(14,773)	-	(14,773)
	-----	-----	-----	-----
Balance at 31 December 2001	78,997	(94,413)	20,507	5,091
	=====	=====	=====	=====

11 Related party transactions

The Company has taken advantage of exemptions under the provisions of FRS 8 from disclosing related party transactions with entities that are part of ING Groep N.V. (see note 13).

12 Cash flow statement

The company has taken the exemption available under Financial Reporting Standard No. 1 (Revised 1996) and has not published a cash flow statement since its cash flows are included in the consolidated financial statements of its ultimate holding company.

13 Ultimate parent company

The company is a wholly owned subsidiary of Nationale-Nederlanden (UK) Limited, a company registered in England and Wales.
ING Groep N.V., a company incorporated in the Netherlands, is the ultimate holding company and controlling party. A copy of the consolidated accounts of ING Groep N.V. may be obtained from P O Box 810, 1000 AV Amsterdam, The Netherlands.