

ING LONDON (NO. 12) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Registered No. 3021535

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ING LONDON (NO.12) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2008

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ING LONDON (NO.12) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A.N. Marsh
S.G. Richards

SECRETARY

A.N. Marsh

REGISTERED OFFICE

60 London Wall
London
EC2M 5TQ

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

ING LONDON (NO.12) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as investment company.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company has performed in line with the directors' expectations. The profit and loss account for the year is set out on page 6.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2007: Nil). The profit for the financial year 2008 of £1,981,954 (2007: £1,098,531) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year ended 31 December 2008 are listed on page 1 of these financial statements.

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares or debentures of the company have been granted to any of the directors and their immediate families, or exercised by them, during the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is mainly exposed to liquidity, foreign exchange and credit risks.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The company mitigates liquidity risk by managing and generating liquidity with group undertakings.

Foreign exchange risk

Foreign exchange risk is the risk that the company's assets and liabilities denominated in foreign currencies are subject to changes in the foreign currency rates. The company manages the foreign exchange risk through transactions with group companies in the same currency as the asset or liability denominated in a foreign currency.

Credit risk

Credit risk is the risk that the company's debtors will cause a financial loss by failing to discharge an obligation. This risk is mitigated as most debtor balances are with group companies.

Market risk

Market risk is the risk that the value of the company's investments may change due to changes in interest rates, economic or market conditions. The company manages this risk through the ING Groep N.V. market risk management framework.

RISK MANAGEMENT

The company monitors principal risks and uncertainties through the ING group risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The framework aims to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risks faced by the company.

ING LONDON (NO.12) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)


CHARITABLE DONATIONS

During the year, the company made charitable donations of £13,191 (2007: nil). There were no political donations.

STATEMENT OF 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.

Approved by the board of directors on 29/10/09 and signed on behalf of the Board.



S.G. Richards
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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.

ING LONDON (NO.12) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ING LONDON (NO.12) LIMITED

We have audited ING London (No.12)'s financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 auditors' 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 are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities in relation to the financial statements.

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 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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.

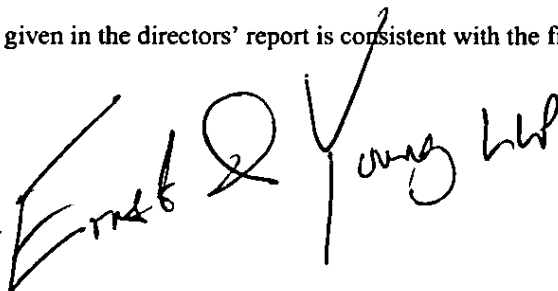
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of the company's profit 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.

Ernst & Young LLP
Registered Auditor
London
30 October 2009



ING LONDON (NO.12) LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Dividend income		1,169,188	359,933
OPERATING PROFIT		<u>1,169,188</u>	<u>359,933</u>
Interest receivable	4	209,135	738,598
Gain on foreign exchange translations		590,994	-
Net change in investments in works of art and historical archive	6	<u>12,637</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,981,954	1,098,531
Tax on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,981,954</u></u>	<u><u>1,098,531</u></u>

All results from the previous and current year are from continuing operations.

There are no recognised gains or losses for the current or previous year other than as stated in the profit and loss account.

The notes on pages 8 to 12 form an integral part of these financial statements.

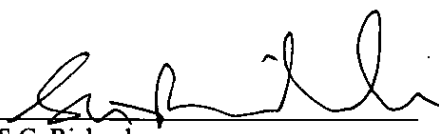
ING LONDON (NO.12) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	6	7,807,361	6,051,297
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	4,948,380	4,722,490
NET CURRENT ASSETS		<u>4,948,380</u>	<u>4,722,490</u>
NET ASSETS		<u>12,755,741</u>	<u>10,773,787</u>
CAPITAL AND RESERVES			
Called up share capital	8	29,962,852	29,952,852
Share premium account		30,000,000	30,000,000
Profit and loss account	9	(47,207,111)	(49,189,065)
EQUITY SHAREHOLDERS' FUNDS		<u>12,755,741</u>	<u>10,773,787</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

The board of directors approved the accounts on 29/10/09
Signed on behalf of the board of directors.


S.G. Richards
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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.

a) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and on a going concern basis.

Under section 228 of the Companies Act 1985, the Company is exempt from the requirement to consolidate its subsidiaries because its ultimate parent company, ING Groep NV, a company incorporated in the Netherlands, will be preparing consolidated accounts which include the results of the company.

Due to the nature of the company's business, it has no equivalent to turnover, cost of sales and gross profit. Such figures are therefore not included in the profit and loss account. The directors believe that this departure from statutory requirements is necessary for the best presentation of company's results.

b) Revenue recognition

Interest income is recognised on an accrual basis at the rate of interest per the terms of agreement with group companies.

Dividend income is recognised on a cash basis.

c) Foreign currencies

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction.

Assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rate of exchange prevailing at that date. All foreign exchange differences are taken to the profit and loss account.

d) Taxation

The charge for corporation tax is based on profit for the year and is provided for at the current rate.

e) Cashflow statement

Under FRS 1 (Revised 1996) the company is exempt from the requirement to prepare a cashflow statement as it is a wholly-owned subsidiary of ING Groep N.V., a company incorporated in the Netherlands, and its cash flows are included in the consolidated cashflow statement within that group's financial statements.

f) Investments

All investments are stated at the lower of cost or net realisable value unless the directors have reason to believe that there has been an impairment of investment in which case the loss would be reflected in the profit and loss account. The directors assess the net realisable value at each balance sheet date by reference to the net assets value of the investments.

Investment in works of art and historical archive is valued at cost unless the directors have reason to believe that such investment has sustained damage in which case the loss from impairment would be reflected in the profit and loss account.

In the opinion of the directors, the aggregate value of the subsidiary undertakings and investment in works of art and historical archive is not less than the aggregate amount at which the assets are included in the company's balance sheet.

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

g) Related party transactions

Under paragraph 3(c) of FRS 8 the company is exempt from making the related party disclosures required by that standard in respect of entities within the ING Groep N.V. This is because more than 90% of the company's voting rights are controlled by that group and consolidated accounts for ING Groep N.V., which include the company, are publicly available.

2. ADMINISTRATIVE EXPENSES

For the current and previous financial year, auditors' remuneration was borne by ING Bank N.V. (London Branch) and are disclosed in the consolidated financial statements of the ultimate parent undertaking.

3. STAFF COSTS AND DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to this company for the current or previous financial year. ING London (No.12) Limited has no employees.

4. INTEREST RECEIVABLE

	2008 £	2007 £
Interest receivable on loan deposit with ING UK Holdings Limited	4,708	746,982
Interest receivable on deposit with other group companies	204,427	46,458
	<u>209,135</u>	<u>793,440</u>

5. TAX

Factors affecting the tax charge for the current period

	2008 £	2007 £
Current tax reconciliation		
Profit on ordinary activities before tax	<u>1,981,954</u>	<u>1,098,531</u>
Profit on ordinary activities multiplied by implied rate of corporation tax in the UK at 28.5% (2007: standard rate at 30%)	564,857	329,559
<i>Effects of</i>		
Non taxable income	(19,610)	(25,138)
Group relief received for nil consideration from group company	(545,247)	(304,421)
Total current tax charge	<u>-</u>	<u>-</u>

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

6. INVESTMENTS

	2008 £	2007 £
Group undertakings (a)	2	259,612
Financial assets (b)	3,376,335	1,373,298
Works of art and historical archive (c)	4,431,024	4,418,387
	<u>7,807,361</u>	<u>6,051,297</u>

(a) Investment in group undertakings

	2008 £	2007 £
At cost		
At 1 January	259,612	259,612
Capital buy back by group undertaking	(259,612)	-
At 31 December	<u>0</u>	<u>259,612</u>

Bishopscourt Asset Finance Limited, a subsidiary undertaking, completed a capital buy back program in 2008 and was liquidated during 2009. Details of the investment in which the Company holds 20% or more of the nominal value of any class of ordinary share capital are as follows:

Name of company	Country of incorporation or registration	Holding	Proportion of voting rights and shares held	Nature of business
<i>Subsidiary undertaking</i>				
ING Services Limited	England & Wales	Ordinary Shares	100%	Employment services
Bishopscourt Asset Finance Limited				

Shares in group undertakings, all of which are unlisted, are stated at cost.

(b) Financial assets

Investment in financial assets represents investment in unlisted equity shares.

	2008 £	2007 £
At cost		
At 1 January	1,373,298	291,254
Additions	2,003,037	1,082,044
At 31 December	<u>3,376,335</u>	<u>1,373,298</u>

(c) Works of art and historical archive

	2008 £	2007 £
At cost		
At 1 January	4,418,387	4,418,387
Adjustment	25,828	-
Donations	(13,191)	-
At 31 December	<u>4,431,024</u>	<u>4,418,387</u>

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

7. DEBTORS: amounts falling due within one year

	2008	2007
	£	£
Amounts owed by group companies	4,948,380	4,722,490
	<u>4,948,380</u>	<u>4,722,490</u>

8. AUTHORISED AND ISSUED SHARE CAPITAL

	2008	2007
	£	£
<i>Authorised</i>		
500,000,000 Ordinary shares of £1 each	<u>500,000,000</u>	<u>500,000,000</u>
<i>Allotted, issued and fully paid</i>		
29,962,852 ordinary shares of £1 each	<u>29,962,852</u>	<u>29,962,852</u>

9. PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Opening balance	(49,189,065)	(50,287,496)
Retained profit for the financial year	1,981,954	1,098,431
Closing balance	<u>(47,207,111)</u>	<u>(49,189,065)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Opening shareholders' funds	10,773,787	32,675,356
Repurchase of own shares	-	(28,000,000)
Issue of ordinary shares	-	5,000,000
Profit for the financial year	1,981,954	1,098,531
Closing shareholders' funds	<u>12,755,741</u>	<u>10,773,887</u>

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments or contingent liabilities as at 31 December 2008 (2007: nil).

12. ULTIMATE HOLDING COMPANY

The ultimate parent undertaking is ING Groep N.V., a company incorporated in the Netherlands. ING Groep N.V. is the only undertaking preparing consolidated financial statements, which include the financial statements of ING UK Holdings Limited, of which the company is a member. Copies of the parent's consolidated financial statements may be obtained from:

The Secretary,
ING Groep N.V.,
Amstelveenseweg 500,
1081 KL, Amsterdam,
The Netherlands