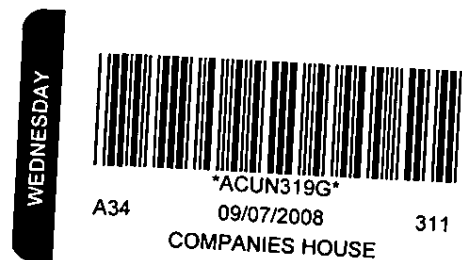


Appleyard Contracts Limited

Directors' report and financial
statements

Registered number 809634

31 December 2007



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Appleyard Contracts Limited	4
Profit and loss account	6
Statement of Total Recognised Gains and Losses	6
Balance sheet	7
Notes	8

Directors' report

The directors present their directors' report and the financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company is the contract hire and maintenance of motor vehicles

Business review

As part of a group reorganisation, on 6 December 2007 the company sold all of its trade, assets and liabilities to a fellow group company, ING Car Lease UK Limited, at carrying value. The company ceased to trade from this date.

As at the point of transfer to ING Car Lease UK Limited, the fleet stood at 27,452 vehicles (2006: 26,984). The total number of vehicles under the company's control during the year grew by 1.7%. Although the market was generally flat during the year the company did attract new business as well as grow with, and further penetrate, the operating lease fleets of its customers.

The business again benefited from a buoyant used vehicle market. The company achieved a profit before taxation for the year of £7,361,000 (2006: £10,739,000).

Performance

Turnover amounts to £83,051,000 which compares closely to £99,655,000 for 2006 after taking into consideration the group reorganisation which took place during the year. Gross margin reduced from 21.2% of turnover in 2006 to 17.6% in 2007.

Dividend

Dividends paid during the year comprise a final dividend of £32,310,000 (2006: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

A S Maude (resigned 1 November 2007)
D Mitcheson (resigned 1 November 2007)
I Tilbrook

According to the register of directors' interests kept by the company under Section 325 of the Companies Act 1985, none of the directors were interested in shares or debentures of the company or any company in the group at the end of the financial year. None of the directors (or relevant connected persons) were granted or exercised any rights to subscribe for shares in, or debentures of, the company or another company in the group during the financial year.

Directors' report *(continued)*

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees

The company places considerable value in the involvement of its employees and keeps them informed on matters affecting them as employees and the various factors affecting the performance of the company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

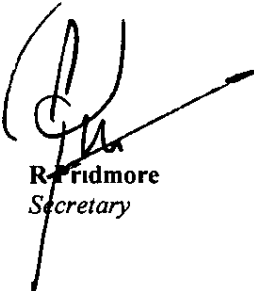
Charitable donations

Donations to UK charities amounted to £nil (2006 £nil)

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.

By order of the board



R. Ridmore
Secretary

10 Manor Street
Leeds
LS7 1PZ

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 judgements 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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



KPMG Audit Plc

Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditors' report to the members of Appleyard Contracts Limited

We have audited the financial statements of Appleyard Contracts Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 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' 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 if, in our opinion, the Directors' Report is not 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.

Independent auditors' report to the members of Appleyard Contracts Limited
(continued)

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 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

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

27/6 2008

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Turnover	2	83,051	99,655
Cost of sales		(68,408)	(78,524)
Gross profit		14,643	21,131
Distribution costs		(1,124)	(1,915)
Administrative expenses		(4,069)	(4,867)
Operating profit	3	9,450	14,349
Profit on disposal of fixed assets		5,527	5,761
Net interest payable	6	(7,616)	(9,371)
Profit on ordinary activities before taxation		7,361	10,739
Tax on profit on ordinary activities	7	(1,948)	(1,686)
Profit for the financial year		5,413	9,053

On 6 December 2007 the Company sold its trade and assets to ING Car Lease Limited, a fellow group Company, at carrying value. The Company ceased to trade from this date. Consequently all activities are discontinued.

A statement of movements on reserves is given in note 16.

Statement of Total Recognised Gains and Losses for the year ended 31 December 2007

	2007 £'000	2006 £'000
Profit for the financial year	5,413	9,053
Transfer of pension liability	-	3,310
Movement on deferred tax relating to pension asset	-	(1,049)
Waiver of amounts owed to group undertaking	4,474	-
Total recognised gains and losses relating to the financial year	9,887	11,314

On 3 July 2006 the defined benefit pension liability was terminated by way of a transfer to Jardine Motors Group UK.

Balance Sheet
at 31 December 2007

	Note	2007	2006
		£'000	£'000
Fixed assets			
Tangible assets	9	-	223,881
Current assets			
Stocks		-	16
Debtors	10	3,800	9,280
		<u>3,800</u>	<u>9,296</u>
Cash at bank		-	-
		<u>3,800</u>	<u>9,296</u>
Creditors amounts falling due within one year			
Other creditors	11	-	(39,257)
Bank borrowings	13	-	(70,200)
		<u>-</u>	<u>(109,457)</u>
Net current assets/(liabilities)		<u>3,800</u>	<u>(100,161)</u>
Total assets less current liabilities		<u>3,800</u>	<u>123,720</u>
Creditors Amounts falling due after more than one year	12	-	(96,152)
Provisions for liabilities			
Deferred taxation	14	-	(1,345)
		<u>-</u>	<u>(1,345)</u>
Net assets		<u>3,800</u>	<u>26,223</u>
Capital and reserves			
Called up share capital	15	3,800	3,800
Profit and loss account	16	-	22,423
		<u>3,800</u>	<u>26,223</u>
Shareholders' funds	17	<u>3,800</u>	<u>26,223</u>

These financial statements were approved by the board of directors on 26 June 2008 and were signed on its behalf

by



I Tilbrook
Director

Notes

(forming part of the financial statements)

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and in accordance with the Finance and Leasing Association's Statement of Recommended Practice (FLA SORP)

Fixed assets and depreciation

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Motor vehicles (leased to customers)	-	over period of the lease
Fixtures, fittings and equipment	-	7 years
Computer software and equipment (included in fixtures, fittings and equipment)	-	up to 5 years
Long leasehold properties and improvements	-	over period of the lease

Leasing activities

Net income from operating leases, after charging interest, maintenance and other costs, is recognised on a straight line basis, crediting the income to the profit and loss account

The amounts attributable to assets held for use in operating leases are included within tangible fixed assets. These assets are depreciated over the term of the lease.

The principal risk arising out of the above operating leases and contract purchase agreement is that the asset may not achieve the expected residual value at the end of the term.

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers during the year, and includes the following

- i) rentals receivable under operating leases,
- ii) sales of fleet management services,
- iii) short term vehicle rentals

Revenue Recognition

Revenue from the rendering of services is recognised when services are performed, provided that the amount can be measured reliably. Vehicle rental income is recognised in equal monthly amounts over the term of each contract.

Maintenance accounting

Maintenance income is credited to the profit and loss account over the life of the maintenance contract to match maintenance expenditure.

Notes (continued)

1 Accounting policies (continued)

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Leases

Where the Company enters into a lease, which does not entail taking substantially all the risks and rewards of ownership of an asset, the lease is accounted for as an operating lease. The rental charges are charged to the profit and loss account on a straight line basis.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Cash flow statement

A cash flow statement in accordance with the requirements of Financial Reporting Standard 1 (Revised) has not been prepared on the grounds that the Company is a wholly owned subsidiary of ING Groep NV, whose consolidated financial statements are publicly available (note 20).

Related party disclosures

The Company is exempt from the requirements of Financial Reporting Standard 8, Related Party Disclosures, insofar as they apply to transactions with group undertakings, as it is a wholly owned subsidiary of ING Groep NV whose consolidated financial statements are publicly available (note 20).

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the period of the lease.

Notes (continued)

2 Turnover

Turnover, which is stated net of discounts and value added tax, represents rentals receivable on hire of vehicles and sales value of other services supplied

In the opinion of the directors, all the activities of the company fall into one class of business, namely the contract hire and maintenance of motor vehicles

All turnover was earned within the United Kingdom

3 Profit on ordinary activities before taxation

	2007 £'000	2006 £'000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	-	35
Other fees paid to the auditors and their associates	-	8
Depreciation and other amounts written off tangible fixed assets (note 9)	56,384	64,075
Amounts payable under operating leases – land and buildings	91	98
	<u> </u>	<u> </u>

In the year ended 31 December 2007, an amount of £8,000 (2006 £nil) was payable to the auditor and their associates in respect of audit services, which was borne by another group Company

4 Remuneration of directors

	2007 £'000	2006 £'000
Directors' emoluments	896	856
Company contributions to money purchase pension scheme	84	32
	<u> </u>	<u> </u>
	<u>980</u>	<u>888</u>

The aggregate of emoluments of the highest paid director was £636,000 (2006 £527,000), and company pension contributions of £62,000 (2006 £23,000) were made to a money purchase scheme on his behalf

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows

	2007	2006
Management and sales	104	119

The aggregate payroll costs of these persons were as follows

	2007 £'000	2006 £'000
Wages and salaries	2,775	4,233
Social security costs	286	468
Other pension costs	128	224
	<u>3,189</u>	<u>4,925</u>

6 Net interest payable

	2007 £'000	2006 £'000
Interest payable on bank loans and overdrafts	7,754	9,418
Interest receivable	(138)	(47)
	<u>7,616</u>	<u>9,371</u>

Notes (continued)

7 Taxation

Analysis of charge in the year

	2007 £'000	2006 £'000
<i>UK corporation tax</i>		
Current tax on income for the year	-	10,360
Adjustments in respect of prior years	169	35
	<hr/>	<hr/>
Total current tax	169	10,395
Deferred tax	1,997	(8,654)
Adjustment in respect of prior years	(218)	(55)
	<hr/>	<hr/>
Tax on profit on ordinary activities	1,948	1,686
	<hr/>	<hr/>

The current tax charge for the year is lower (2006 higher) than the standard rate of corporation tax in the UK 30%, (2006 30%) The differences are explained below

	2007 £'000	2006 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	7,361	10,739
	<hr/>	<hr/>
Current tax at 30% (2006 30%)	2,208	3,222
<i>Effects of</i>		
Expenses not deductible for tax purposes	11	26
Capital allowances for period (in excess of)/less than depreciation	(875)	8,329
Brought forward losses utilised	(1,344)	(1,217)
Adjustments to tax charge in respect of previous years	169	35
	<hr/>	<hr/>
Total current tax charge (see above)	169	10,395
	<hr/>	<hr/>

Notes (continued)

8 Dividend

	2007 £'000	2006 £'000
Ordinary Shares (8 53p on 3,800,000 shares)	32,410	-

9 Tangible fixed assets

	Motor Vehicles £'000	Fixtures and fittings £'000	Long leasehold land and buildings £'000	Total £'000
Cost				
At beginning of year	340,529	2,416	715	343,660
Additions	81,368	314	2	81,684
Disposals	(73,099)	(39)	-	(73,138)
Reclassification	(20)	20	-	-
Transfer to group company	(348,778)	(2,711)	(717)	(352,206)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	117,530	1,846	403	119,779
Charge for year	56,151	175	58	56,384
On disposals	(47,713)	(25)	-	(47,738)
Transfer to group company	(125,968)	(1,996)	(461)	(128,425)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2007	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	222,999	570	312	223,881
	<hr/>	<hr/>	<hr/>	<hr/>

On 6 December 2007, all fleet and associated lease agreements for motor vehicles were transferred to a fellow group company, ING Car Lease UK Limited at carrying value. Subsequently, at the year end the residual value exposure held by the company amounted to £nil (2006 £117,800,000)

Notes *(continued)*

10 Debtors

	2007 £'000	2006 £'000
Trade debtors	-	4,531
Amounts due from parent undertaking	3,800	345
Corporation tax	-	678
Prepayments and accrued income	-	3,726
	<u>3,800</u>	<u>9,280</u>

11 Creditors, amounts falling due within one year

Other creditors payable within one year, excluding obligations under bank borrowings are as follows

	2007 £'000	2006 £'000
Bank overdraft	-	7,264
Rentals received in advance	-	18,166
Trade creditors	-	900
Other taxes and social security	-	1,244
Accruals and deferred income	-	11,683
	<u>-</u>	<u>39,257</u>

12 Creditors: amounts falling due after more than one year

	2007 £'000	2006 £'000
Bank loans wholly repayable within 5 years	-	91,314
Amounts owed to group undertaking	-	4,838
	<u>-</u>	<u>96,152</u>

Notes (continued)

13 Bank borrowings

Bank loans wholly repayable within five years

	Note	2007 £'000	2006 £'000
Amounts falling due			
In one year or less			70,200
Between one and two years	11	-	63,250
Between two and five years	11	-	28,064
		-	91,314
		-	161,514

The bank loans are secured by a fixed charge over the book debts and a floating charge over the assets of the Company and its parent undertaking. The bank loans bear interest at a rate linked to LIBOR.

14 Deferred taxation

	Total £'000
At beginning of year (see below)	1,345
Charge to the profit and loss for the year	1,777
Transfer to ING Car Lease UK Limited	(3,122)
At end of year	-

The amounts provided for deferred taxation and the amounts not provided are set out below. No amounts are unprovided (2006 £nil).

	2007 £'000	2006 £'000
Losses arising due to leasing adjustments	-	(7,573)
Difference between accumulated depreciation and capital allowances	-	8,927
Other timing differences	-	(9)
Total provision for deferred tax	-	1,345

Notes *(continued)*

15 Called up share capital

	2007 £'000	2006 £'000
<i>Authorised</i>		
Ordinary shares of £1 each	3,800	3,800
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	3,800	3,800
	<hr/>	<hr/>

16 Profit and Loss account

	2007 £'000	2006 £'000
At beginning of year	22,423	11,109
Profit for the financial year	5,413	9,053
Waiver of amounts owed to group undertakings	4,474	-
Movement on deferred tax relating to pension asset	-	(1,049)
Transfer of defined benefit pension liability	-	3,310
Dividends paid	(32,310)	-
	<hr/>	<hr/>
At end of year	-	22,423
	<hr/>	<hr/>

During the year, amounts owed to the immediate parent company were waived after agreement between the participating companies. A subsequent adjustment of £4,474,000 (2006: £nil) has been recorded in profit and loss reserves.

Notes *(continued)*

17 Reconciliation of movement in equity shareholders' funds

	2007 £'000	2006 £'000
At beginning of year	26,223	14,909
Profit for the financial year	5,413	8,004
	<hr/>	<hr/>
	31,636	22,913
Other recognised gains and losses		
Transfer of defined benefit pension liability	-	3,310
Waiver of amounts owed to group undertakings	4,474	-
Dividends paid	(32,310)	-
	<hr/>	<hr/>
Closing Shareholders' funds	3,800	26,223
	<hr/>	<hr/>

18 Commitments

(i) Capital commitments at the end of the financial year for which no provision has been made are as follows

	2007 £'000	2006 £'000
Contracted but not provided in the accounts	-	17,592
	<hr/>	<hr/>

(ii) Annual commitments under non-cancellable operating leases are as follows

	2007 Land & buildings £'000	2006 Land & buildings £'000
Operating leases which expire		
Within one year	-	98
2 – 5 years	-	224
After more than five years	-	4,375
	<hr/>	<hr/>

Notes *(continued)*

19 Pension Scheme

The Company operates a defined contribution pension scheme. The pension costs charge for the year represents contributions payable by the Company to the scheme and amounted to £128,000 (2006: £191,000).

20 Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of ING Groep NV, incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by ING Groep NV, incorporated and registered in the Netherlands. The smallest group in which they are consolidated is that headed by ING Lease Holding NV incorporated and registered in the Netherlands. The consolidated accounts of these groups are available to the public and may be obtained from Bijlmerplein 888, Amsterdam Zuid Oost, PO Box 1971, 1000 BZ Amsterdam.