Codeland Limited

Directors' report and financial statements

Year ended 31 December 2011
Registered number 4058217

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activities

The company is an investment holding company

Business review

The profit and loss account is shown on page 5

In accordance with section 417 of the Companies Act 2006 (special provisions for small companies) the company is exempt from preparing a detailed business review

Future developments

The directors do not anticipate any changes in principal activities in the forthcoming year

Going concern

On the basis of current financial projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements

Results and dividends

Profit after taxation amounted to £87,426 (2010 £45,092) and has been transferred to reserves No dividend is proposed (2010 £nil)

Principal risks and uncertainties

The main risk of the company is that it is dependent on its subsidiary undertaking's ability to collect out its portfolio However in the opinion of the directors, these risks are well covered bearing in mind the administrative support of the parent company and the credit quality of the customer base of its subsidiary

Directors

The directors who held office during the year were as follows

O Francis	
R Harris	
W Lewis	(resigned 31 March 2011)
C Stamper	
A Tapson	(appointed 28 February 2011)

W Lewis acted as Company Secretary until his resignation on 31 March 2011 and was succeeded by A Tapson

Directors' report (continued)

Disclosure of information to auditors

The Companies Act 2006 requires directors to provide the company's auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report. The directors, having made appropriate enquiries, confirm that

- as far as each director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report of which the auditors are unaware, and

- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Ernst & Young LLP will be proposed for reappointment as auditors of the company

On behalf of the board

A Tapson
Director

60 High Street
Redhill
Surrey
RH1 1NY
27 June 2012

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 year 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
- State whether applicable 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 are sufficient to show and explain the Company's transactions and 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 2006 They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CODELAND LIMITED

We have audited the financial statements of Codeland Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Kenneth Eglinton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP Statutory Auditor
London
28 *June 2012*

Profit and loss account

for the year ended 31 December 2011

	Note	2011	2010
		£	£
Interest receivable from group undertaking		137,488	156,899
Interest payable to group undertaking		(15,482)	(91,439)
Profit on ordinary activities before taxation		122,006	65,460
Tax charge for the year	5	(34,580)	(20,368)
Profit for the financial year		87,426	45,092

The notes on pages 7 to 9 form part of these financial statements

There are no recognised gains or losses other than the result for the year

The results stated above are all derived from continuing operations

Balance sheet

at 31 December 2011

	Note	2011	2010
		£	£
Fixed asset investments	*6*	6 109 216	6 109 216
Current assets			
Amounts owed from group undertakings		4 398 546	4 261 057
Deferred tax asset	*7*	20,482	55,062
		4 419 028	4 316 119
Creditors Amounts falling due within one year			
Amount owed to group undertakings		(495 325)	(479 842)
Net assets		10,032 919	9,945 493
Capital and reserves			
Called up share capital	*8*	9,000,000	9,000,000
Profit and loss reserve	*10*	1,032,919	945 493
Equity shareholders' funds	*10*	10,032 919	9,945,493

The notes on pages 7 to 9 form part of these financial statements

These financial statements were approved and authorised by the board of directors on 27 June 2012 and were signed on its behalf by

A Lapson
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 company s financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Section 396 to the Companies Act 2006 and applicable Accounting Standards

Under Section 400 of the Companies Act 2006, the Company is exempt from the requirements to prepare and deliver consolidated financial statements on the grounds that it is a wholly owned subsidiary undertaking of ING Lease (UK) Limited which is consolidated into ING Lease Holding NV a company incorporated in The Netherlands

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for accounting and taxation purposes, which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19

Where a deferred tax asset arises this is recognised where considered recoverable Losses are surrendered within the ING Lease (UK) Limited group for no payment For losses surrendered outside this group, payment will be made where appropriate

Cash flow statement

Under Financial Reporting Standard 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 of ING Lease (UK) Limited which is consolidated into ING Lease Holding NV a company incorporated in The Netherlands

Fixed asset investments

Fixed asset investments are stated in the balance sheet of the company at cost less amounts written off

2 Remuneration of directors

The directors were employed and remunerated as directors or executives of ING Lease (UK) Limited and its subsidiaries ("the Group") in respect of their services to the Group as a whole and their remuneration has been paid by other Group companies It is estimated that the remuneration for their services to the company in the current year was less than £500

3 Remuneration of auditors

Fees payable for the audit for the year were £9,000 (2010 £9,000) These fees were paid by ING Lease (UK) Limited

4 Staff number and costs

The company employed no direct staff and incurred no staff costs during the year (2010 £nil)

Notes (continued)

5 Taxation

	2011	2010
Tax charge on profit on ordinary activities	£	£
Deferred tax charge (note 7)	34,580	20,368

There is no current tax charge in the year as explained below

	2011	2010
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	122,006	65,460
Current tax at 26 5% (2010 28%)	32,332	18,329
Effects of		
Utilisation of losses brought forward	(32,332)	(18,329)
	-	-

6 Fixed asset investments

Shares in group undertakings

	2011	2010
	£	£
Cost		
At the beginning and end of the year	6,109,216	6,109,216

At 31 December 2011, the company owned the beneficial interest in 100% of the issued ordinary share capital of ING Lease (UK) Three Limited, being a limited company incorporated in England and Wales ING Lease (UK) Three Limited is engaged in leasing transactions

7 Deferred taxation

	2010	2010
	£	£
Deferred tax asset		
Asset at beginning of year	55,062	75,430
Charge to the profit and loss for the year (see note 5)	(32,942)	(18,329)
Change in tax rate – impact on deferred tax asset (note 5)	(1,638)	(2,039)
Asset at end of year	20,482	55 062

The above deferred tax asset arises on the recognition of taxable losses

Legislation was introduced in Finance Act 2011 to reduce the main rate of corporation tax from 26% to 25% with effect from 1 April 2012 On 21 March 2012 as part of the 2012 Budget, the UK government also announced its intention to legislate to reduce the rate to 24% with effect from 1 April 2012 – this was subsequently enacted under the provisions of the Provisional Collection of Taxes Act 1968 - with additional annual reductions of 1% per annum falling to 22% with effect from 1 April 2014

The effect of the rate change to 25% has been included in the accounts The directors consider that the proposed future rate changes will not have a significant impact on the deferred tax balance, the maximum effect being to reduce the company's deferred tax asset by £2,458

Notes (continued)

8 Called up share capital

	2011	2010
	£	£
Authorised		
Equity Ordinary shares of £1 each	10,000 000	10,000,000
Allotted called up and fully paid		
Equity Ordinary shares of £1 each	9,000,000	9,000,000

9 Related party transactions

The company is controlled by ING Lease (UK) Limited The ultimate controlling party is ING Groep N V

Under Financial Reporting Standard 8, companies which are wholly owned subsidiaries of a parent whose consolidated financial statements in which the subsidiaries' results are included are publicly available, are granted exemption from disclosing inter-group transactions The Company is such a subsidiary undertaking and accordingly has not disclosed such transactions

10 Reconciliation of shareholders' funds and movement of reserves

	Share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 January 2011	9,000,000	945,493	9 945 493
Profit for the financial year	-	87,426	87 426
At 31 December 2011	9,000,000	1,032 919	10,032 919

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

The ultimate parent company of the company is ING Groep NV which is incorporated in The Netherlands

The largest group in which the results of the company are consolidated is ING Groep NV which is incorporated in The Netherlands The smallest group in which they are consolidated is ING Lease Holding NV which is also incorporated in The Netherlands The consolidated financial statements of both these companies are available to the public and may be obtained from Haaksbergweg 4, 1101 BX Amsterdam Zuidoost, Amsterdam The Netherlands