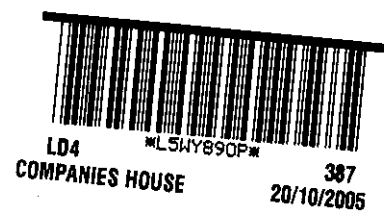


**ING RED UK (Bo'ness) Limited**

**Directors' report and financial  
statements**

**Registered number 5076494**

**31 December 2004**



## **Directors' report and financial statements**

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## **Directors and advisers**

### **Directors**

S Hoeksma (appointed 18 March 2004)  
B Rainford (appointed 18 March 2004)

### **Secretary**

R Coetzee (appointed 15 December 2004)

### **Registered office**

33 Cavendish Square  
London  
W1G 0BQ

### **Bankers**

Coutts & Co  
St Martin's Office  
440 Strand  
London  
WC2R 0QS

### **Solicitors**

Macfarlanes  
10 Norwich Street  
London  
EC4A 1BD

### **Auditors**

KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

## Directors' report

The directors present their annual report and the audited financial statements for the period 17 March 2004 to 31 December 2004.

### Principal activities

The principal activity of the company is that of property development. During the period, ING RED UK (Bo'ness) Limited was selected as the preferred developer for the regeneration of the Bo'ness town centre in Scotland.

### Review of business and future developments

The company was incorporated on 17 March 2004.

### Results for the period and dividends

The loss for the period, after taxation, amounted to £34. The directors do not recommend the payment of a dividend.

### Directors and their interests

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

S Hoeksma	Appointed 18 March 2004
B Rainford	Appointed 18 March 2004
B Ally	Appointed 17 March and resigned 18 March 2004

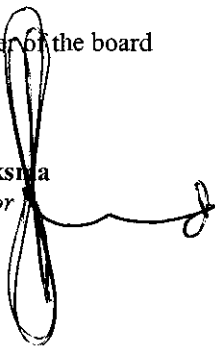
The directors held no interest in the share capital of the company during the period.

### Auditors

KPMG LLP were appointed as auditors during the period. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

S Hoeksma  
Director



33 Cavendish Square  
London  
W1G 0BQ

22 August 2005

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. 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;
- 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.



8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

## **Report of the independent auditors to the members of ING RED UK (Bo'ness) Limited**

We have audited the financial statements on pages 5 to 10.

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 are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.


### **Basis of audit opinion**

We conducted our audit in accordance with 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 the company's affairs as at 31 December 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**KPMG LLP**  
Chartered Accountants  
Registered Auditor

22/8/ 2005

**Profit and loss account**  
*for the period ended 31 December 2004*

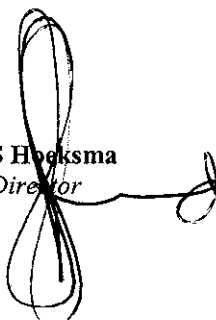
	<i>Note</i>	<b>17 March 2004 to 31 December 2004</b> £
Administrative expenses		(34)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	<b>(34)</b>
Tax on loss on ordinary activities	4	-
<b>Retained loss for the financial period</b>	<b>9</b>	<b>(34)</b>

All of the company's operations are classed as continuing. There is no difference between the results as stated and those on an historical cost basis. There were no gains or losses in the period other than those included in the above profit and loss account.

**Balance sheet**  
*at 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£</b>
<b>Current assets</b>		
Stock	5	243,384
Debtors	6	40,401
Cash at bank and in hand		244,995
		<hr/>
<b>Creditors:</b> amounts falling due within one year	7	528,780 (528,714)
		<hr/>
<b>Net assets</b>		<b>66</b>
		<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital	8	100
Profit and loss account	9	(34)
		<hr/>
<b>Equity shareholders' funds</b>	10	<b>66</b>
		<hr/> <hr/>

These financial statements were approved by the board of directors on ~~29 August~~ 2005 and were signed on its behalf by:

  
**S Hoeksma**  
*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 applicable UK Accounting Standards.

#### ***Stock: Work in progress***

Work in progress is valued at the lower of cost and net realisable value and represents direct costs and attributable overheads of projects being undertaken. Work in progress includes acquisition and development fees associated with the projects, together with interest on specific debt.

Interest incurred on loans specific to developments is capitalised. Interest is capitalised only during the development phase and ceases to be capitalised once the development is completed.

#### ***Cash flow statement***

Under FRS1 the company is exempt from the requirements to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of ING Groep NV, and its cash flows are incorporated in the consolidated accounts of that company.

#### ***Related party transactions***

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other group companies.

#### ***Taxation***

##### ***Current***

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

##### ***Deferred***

Deferred tax is provided in accordance with Financial Reporting Standard No. 19 (FRS 19). Under FRS 19 full provision is made in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future, except that deferred tax assets are recognised to the extent that they are considered recoverable.

Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date.

**Notes (continued)**

**2 Remuneration of directors**

The directors did not receive any emoluments from the company during the period. Apart from the directors there were no other employees of the company during the period.

**3 Loss on ordinary activities before taxation**

Auditors remuneration including audit fees of £100 and other fees of £200 have been capitalised during the period.

**4 Tax on loss on ordinary activities**

Analysis of charge in period

	17 March 2004 to 31 December 2004 £
UK corporation tax on loss for the period	-
Total current tax	-
<i>Factors affecting tax charge for the year</i>	
Loss on ordinary activities before tax	(34)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 30%	(10)
<i>Effects of:</i>	
Loss carried forward for which no deferred tax asset has been recognised	10
Current tax charge for the period	-

The company has tax losses available to carry forward of £34. No deferred tax has been recognised in respect of these losses due to the uncertainty of future profits.

**Notes (continued)**

**5 Stock**

	2004 £
Development work in progress	243,384

Development work in progress includes capitalised interest of £12,764.

**6 Debtors**

	2004 £
Amounts receivable from related party	100
Other taxation and social security	40,301
	40,401

**7 Creditors: amounts falling due within one year**

	2004 £
Trade creditors	15,651
Amounts owed to parent undertaking	512,763
Accruals	300
	528,714

Amounts owed to parent undertakings are repayable 30 June 2005 and incur interest at 6.13% per annum.

**8 Called up share capital**

	2004 £
<i>Authorised</i>	
100 ordinary shares of £1 each	100
<i>Allotted, called up and fully paid</i>	
100 ordinary shares of £1 each	100

## Notes (continued)

### 9 Profit and loss account

	17 March 2004 to 31 December 2004 £
Loss for the period	(34)
At end of period	(34)

### 10 Reconciliation of movements in shareholders' funds

	17 March 2004 to 31 December 2004 £
Opening shareholders' funds	-
Issue of share capital	100
Loss for the period	(34)
Closing shareholders' funds	66

### 11 Ultimate parent undertaking

At the 31 December 2004, the immediate parent undertaking was ING RED UK Support Limited, a company incorporated in England and Wales, and the ultimate controlling party was ING Group NV, a company incorporated in the Netherlands.

The largest group in which the company is consolidated is that headed by ING Groep NV and the smallest is headed by ING Real Estate B.B.V. Copies of these consolidated financial statements are available from Schenkkade 65, PO Box 90463, 2509 LL The Hague, The Netherlands.

**Unaudited detailed profit and loss account**  
*for the period ended 31 December 2004*

17 March 2004 to  
31 December 2004  
£

Bank charges	(34)
	<hr/>
<b>Loss on ordinary activities before taxation</b>	<b>(34)</b>
Tax on loss on ordinary activities	-
	<hr/>
<b>Loss for the financial period</b>	<b>(34)</b>
	<hr/>

This page does not form part of the audited financial statements.