Company Registration Number: 5616128

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

FINANCIAL STATEMENTS

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

CONTENTS	PAGE

ING (UK) LISTED REAL ESTATE ISSUER PLC
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DIRECTORS AND COMPANY INFORMATION

Directors	Mark Filer Robin Baker Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Registered office	c/o Wilmington Trust SP Services (London) Limited Tower 42 (Level 11), 25 Old Broad Street, London EC2N 1HQ
Auditors	Deloitte & Touche LLP Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3HW

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

DIRECTORS' REPORT

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

The directors present their report and the financial statements of the company for the period from incorporation on 8 November 2005 to 31 December 2006

PRINCIPAL ACTIVITIES

The company was incorporated on 8 November 2005 as Prize Possession Issuer PLC and changed its name to ING (UK) Listed Real Estate Issuer PLC on 15 November 2005

The principal objects of the company are set out in its memorandum of association and permit the company, among other things, to lend money and give credit, secured or unsecured, to borrow or raise money and to grant security over its property for the performance of its obligations or the payment of money The company is a limited liability company established specifically for its purpose as a special purpose company

BUSINESS REVIEW

In December 2005 the company issued a primary tranche of notes (the "Primary Tranche") amounting to £200m and used the proceeds to make an advance (the 'Initial Loan") under an Issuer-Borrower Loan Agreement ("IBLA") to Northern Trust Fiduciary Services (Guernsey) Limited as trustee of ING (UK) Listed Real Estate, a property unit trust established in Guernsey (the ' Borrower')

The company also issued a reserve tranche (the "Reserve Tranche") of notes amounting to £25m in December 2005 which would allow the company to grant the Borrower a reserve loan (the (Reserve Loan ') should a request be made within certain time limits On issue the Reserve Tranche was immediately repurchased by the company as no request for a Reserve Loan was received from the Borrower

In July 2006 the Borrower requested a Reserve Loan and the company re-sold the Reserve Tranche and applied the net proceeds from the sale in funding the Reserve Loan

Principal amounts payable on the Initial Loan and Reserve Loan (together the "Term Loan") are not scheduled to amortise and consequently, subject to any prepayments, principal amounts payable will become due and payable on the loan payment date falling in January 2013 However, the Borrower may prepay all or part of the Term Loan on any loan payment date in accordance with the terms of the IBLA and on the giving of at least five days' prior notice

The company's key financial performance indicator during the period was as follows

	2006
Net loan interest margin	159 bps
Net interest margin	139 bps

The net loan interest margin is calculated based on the income received on the loan, together with the swap income, against the interest cost of the floating rate notes The net interest margin includes the income and costs associated with issue of the floating rate notes and interest received on bank deposits

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements The profit on ordinary activities before taxation for the period was £190,100 The directors have not recommended a dividend

The directors expect that the present level of activity will be sustained in the near future

PRINCIPAL RISKS

Business risks

The company is a special purpose financing entity with no business operations other than the issue of the Notes, the entering into of certain agreements including the IBLA, the Swap Agreements and the Liquidity Facility Agreement, the making of the loans and the transactions ancillary thereto

The principal business risks of the company are set out in a number of asset and non asset trigger events in the documentation surrounding the issue of the primary and reserve tranches of notes The occurrence of trigger events would lead to the early redemption of the notes in accordance with the established priorities

There have been no such trigger events since the issue of the primary and reserve tranche of notes

Interest rate risk

The company has entered into an interest rate swap transaction in order to protect the company against interest rate risk on the notes The risk arises as a result of the Borrower paying a fixed rate of interest under the IBLA, while the company is required to pay floating rates of interest on the notes

Liquidity risk

The company has entered into a 364-day committed facility (the 'Liquidity Facility') which will allow the company, subject to certain conditions, to make drawings under the Liquidity Facility, to cover shortfalls in the amount of funds available to cover certain expenses which are payable under the terms of the issuance of the notes The Liquidity Facility will be renewable with the consent of the Liquidity Facility provider

Credit risk

The ability of the company to meet its obligations under the notes will be dependent on the receipt by it of principal and interest from the Borrower under the IBLA and the receipt of funds (if due) from the Swap Counterparty under the Swap Agreements The ability of the Borrower to meet its obligations under the IBLA will depend on the receipt by it of (i) rental income (ii) income generated by indirect property investments and (iii) disposal proceeds following the sale of a property Other than the foregoing, prior to the enforcement of the Borrower security, the Borrower is not expected to have any other funds available to it to meet its obligations under the IBLA

Enforcement under the Borrower security may not result in immediate realisation of the properties or indirect property investments which are the subject of the Borrower security There can be no assurance that the Borrower security trustee would recover all amounts secured upon enforcement of the Borrower security and, accordingly, sufficient funds may not be realised or available to make all required payments to the company and, accordingly, the company (or the Issuer Security Trustee if it has taken enforcement action against the company or the Issuer Security) may not have sufficient funds available to make all required payments to the noteholders

FINANCIAL INSTRUMENTS

The company's financial instruments, other than derivatives, comprise of a loan to the Borrower, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations The main purpose of these financial instruments is to raise finance for the Borrower

The company also enters into derivative transactions (interest rate swaps) The purpose of such transactions is to manage the interest rate risks arising from the company's operations and its sources of finance It is, and has been throughout the period under review, the company's policy that no trading in financial instruments is undertaken

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

DIRECTORS' REPORT (continued)

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows

Mark Filer – Appointed 8 November 2005
Robin Baker – Appointed 8 November 2005
Wilmington Trust SP Services (London) Limited – Appointed 8 November 2005

Ordinary shares of £1 in the company	**No. of shares held 31 Dec 2006**
Wilmington Trust SP Services (London) Limited	1

The share held by Wilmington Trust SP Services (London) Limited in the company is held under a Nominee Declaration of Trust for ING (UK) Listed Real Estate Parent Limited Other than the above, the directors do not hold or have the right to subscribe for shares or debentures in any other group companies

CREDITOR PAYMENT POLICY

The company's policy concerning the payment of its creditors is to pay in accordance with its contractual and other legal obligations Payments are made quarterly on the interest payment dates falling due in January, April, July and October The company does not follow any other code or standard on payment practice

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to made himself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITORS

Deloitte & Touche LLP were appointed as the first auditors to the company during the period A resolution to re-appoint Deloitte & Touche LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

By order of the Board

On behalf of Wilmington Trust SP Services (London) Limited
Director
Date 10 April 2007

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

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 laws and regulations

Company law requires the directors to prepare such financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRS"s) as adopted by the European Union The financial statements are required by law to be propertly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985

International Accounting Standards require that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's Framework for the preparation and presentation of financial statements In virtually all circumstances, a fair presentation will be achievable by compliance with all applicable IFRSs However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understanding information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ING (UK) LISTED REAL ESTATE ISSUER PLC (formerly Prize Possession Issuer PLC)

We have audited the financial statements of ING (UK) Listed Real Estate Issuer Plc for the period from 8 November 2005 to 31 December 2006 which comprise the Income Statement, Balance Sheet, Cash Flow Statement and the related notes 1 to 14 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company s member, 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 THE DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities on page 5 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRS") as adopted by the EU

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 in accordance with the relevant financial reporting framework and whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the information given in the Directors' Report is 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 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 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 IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2006 and of its profit for the period 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

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and
Registered Auditors
Guernsey, Channel Islands

10 April 2007

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

INCOME STATEMENT

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

		8 Nov 2005 to 31 Dec 2006
Continuing activities	**Note**	**£**
Interest receivable and similar income	2	11,600,956
Interest payable and similar charges	3	(11,410,856)
Net interest income		190,100
Other fees receivable		226,078
Operating expenses	4	(226,078)
Profit before tax for the period	5	190,100
Income tax expense	6	(36,119)
Retained profit for the period	9	153,981

The company has no recognised gains income or expenses or losses other than the retained profit for the financial period from continuing operations as set out above

The notes on pages 10 to 16 form part of these financial statements

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	2006 £
Assets		
Loans receivable	7	225,000,000
Total non-current assets		
Assets		
Other receivables	8	2,383,245
Derivative asset		8,166,951
Cash at bank		28,072
Total current assets		10,578,268
Total assets		235,578,268
Equity		
Issued capital	9	12,501
Hedge reserve	9	8,166,951
Retained earnings	9	153,981
Total equity	9	8,333,433
Liabilities		
Interest bearing loans and borrowings	10	225,589,713
Total non-current liabilities		
Other payables	12	1,619,003
Current tax liability		36,119
Total current liabilities		1,655,122
Total liabilities		227,244,835
Total equity and liabilities		235,578,268

These financial statements were approved by the board of directors on 10 April 2007 and are signed on their behalf by

On behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 10 to 16 form part of these financial statements

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 £
Cash flows from operating activities	
Profit before tax for the period	190,100
Adjustments for	
Amortisation of issue costs	222,103
Amortisation of facility fees	(202,321)
Amortisation of premium	(20,262)
Interest income	(10,542,789)
Interest expense	11,188,753
Cash generated from operations	835,584
Interest received	8,504,167
Interest paid	(9,110,840)
Increase in debtors	(344,623)
Increase in creditors	124,163
Net cash from operating activities	8,451
Cash flows from investing activities	
Loans granted	(225,000,000)
Facility fee received	1,445,639
Premium received	271,784
Net cash from investing activities	(223,282,577)
Cash flows from financing activities	
Issue of floating rate notes	225,000,000
Issue costs	(1,710,303)
Issue of ordinary share capital	12,501
Net cash from financing activities	223,302,198
Net increase in cash	28,072
Cash at start of period	-
Cash at end of period	28,072

The notes on pages 10 to 16 form part of these financial statements

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies set out below have been applied for the period ended 31 December 2006

Statement of compliance
The financial statements for the period ended 31 December 2006 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations as endorsed by the EU and effective at 31 December 2006

IFRSs not yet applied
The following standards and interpretations have been adopted by the EU but are not effective for the year ended 31 December 2006 and have not been applied in preparing the financial statements

- IFRS 7 'Financial instruments Disclosure' and the Capital disclosure amendment' to IAS 1 'Presentation of financial statements' which are applicable for periods commencing on or after 1 January 2007 The application of these standards in 2006 would not have affected the balance sheet, income statement or cash flow statement as they are only concerned with disclosure

- IFRIC 9 'Reassessment of Embedded Derivatives' which is effective for periods commencing on or after 1 June 2006 The application of this Interpretation in 2006 would not have affected the balance sheet, income statement or cash flow statement because the company's approach to reassessing embedded derivatives already reflects the requirements of the Interpretation

The following standards and interpretations have not yet been adopted by the EU, are not effective for the year ended 31 December 2006 and have not been applied in preparing the financial statements

- IFRS 8 'Operating Segments' which is applicable for periods commencing on or after 1 January 2009 The application of this standard in 2006 would not have affected the balance sheet, income statement or cash flow statements as it is only concerned with disclosure

- IFRIC 10 'Interim Financial Reporting and Impairment' which is effective for periods commencing on or after 1 November 2006 The application of this Interpretation in 2006 would not have affected the balance sheet, income statement or cash flow statement as no reversals to impairment losses within the scope of this Interpretation have been made

The directors believe that other pronouncements which are in issue but not yet operative or adopted by the Company will not have a material impact on the financial statements of the Company

Basis of preparation
The financial statements are presented in pounds Sterling and have been prepared on the historical cost basis (except that derivative financial instruments and the interest rate element of the fixed rate loan are stated at their fair value), and on a going concern basis The company's functional and reporting currency is pounds Sterling

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results may differ from these estimates used in the financial statements

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation (continued)
The most significantly affected components of the financial statements and associated critical judgements are as follows

For the purpose of the effective yield calculation, it has been assumed that the average expected life of the notes in issue will end at the date of the first step-up in interest rates, based on the payment experience to date This may not be the case in practice

The swap which has been purchased to hedge interest rate risks arising on the Notes has been valued by discounting future cash flows The valuation method is consistent with commonly used market techniques All inputs into valuation models adopted by the entity are obtained from observable market data

Loan receivable
Loans receivable are initially measured at fair value with subsequent measurement being at amortised cost using the effective interest method The effective interest on the loan to originator is calculated with reference to the interest earned on the loans

The loans are subject to impairment reviews in accordance with IAS 36 A charge for impairment would be recognised where there is a risk that the income on the loan will be significantly reduced

Cash and cash equivalents
The bank accounts are held in the company's name and meet the definition of cash and cash equivalents but their use is restricted by a detailed priority of payments set out in the securitisation transaction agreements As the cash can only be used to meet certain specific liabilities and is not available to be used with discretion, it is viewed as restricted cash

Interest bearing borrowings
Interest bearing borrowings are recognised initially at fair value less attributable transaction costs Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis

Interest receivable and interest payable
Interest receivable and interest payable is accounted for on an effective interest basis

Income tax
Income tax on the profit or loss for the period comprises current and deferred tax Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Under special rules issued by the HM Revenue & Customs for securitisation companies, the company's charge for taxation for 2006 is based on the taxable profits calculated on a United Kingdom Generally Accepted Accounting Practice ("UK GAAP") basis but disclosed in accordance with IAS 12

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Derivative financial instruments
The company uses derivative financial instruments to hedge its exposure to interest rate risk arising from operational, financing and investment activities In accordance with its policy, the company does not hold or issue derivative financial instruments for trading purposes However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments

IAS 39 requires all derivative financial instruments to be recognised initially at cost on the balance sheet Subsequent to initial recognition, derivatives are remeasured to fair value The gain or loss on remeasurement to fair value is recognised immediately in profit and loss However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged Where a fair value hedge is documented, the fair value movements of the swap may be offset in the income statement against the fair value movements for the risk being hedged on the hedged item

In order to qualify for hedge accounting, the company is required to document in advance the relationship between the item being hedged and the hedging instrument The company is also required to demonstrate that the hedge will be highly effective on an ongoing basis This effectiveness testing is re-performed at each period end to ensure that the hedge remains highly effective

Gains or losses on cash flow hedges that are regarded as highly effective are recognised in equity Where the forecast transaction results in a financial asset or liability, gains or losses previously recognised in equity are reclassified to profit or loss in the same period as the asset or liability affects profit or loss Where the forecasted transaction or commitment results in a non-financial asset or liability, gains or losses previously deferred in equity are included in the carrying amount of the related asset or liability If the forecasted transaction or commitment results in a future income or expenditure, gains or losses deferred in equity are transferred to the income statement in the same period as the underlying income or expenditure The ineffective portions of the gain or loss on the hedging instrument are not recognised in equity, rather they are recognised immediately in profit or loss

The fair value of interest rate swaps is the estimated amount that the company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties

2 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income represents the interest receivable on the loans receivable, other associated income and interest on bank deposits

	8 Nov 2005 to 31 Dec 2006 £
Interest receivable on loans receivable	10,542,789
Swap income	826,584
Bank interest receivable	9,000
Amortisation of facility fees	202,321
Amortisation of premium	20,262
	11,600,956
Geographic	
United Kingdom	11,600,956

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

3 INTEREST PAYABLE AND SIMILAR CHARGES

	8 Nov 2005 to 31 Dec 2006 £
Interest on floating rate notes	11,188,753
Amortisation of issue costs	222,103
	11,410,856

4. OPERATING EXPENSES

The profit on ordinary activities before taxation is stated after charging

	8 Nov 2005 to 31 Dec 2006 £
Audit fees	15,000
Taxation fees	6,000
Professional fees	73,668
Rating agency fees	3,992
Liquidity fees	28,793
Management fees (Note 13)	19,336
Servicing fees	63,256
Cash manager fees	8,501
Trustee fees	7,532
	226,078

5. PROFIT BEFORE TAX FOR THE PERIOD

The profit before tax for the period is stated after charging

	8 Nov 2005 to 31 Dec 2006 £
Auditors' remuneration for audit work	15,000
Auditors' remuneration for taxation services	6,000

The company has no employees and, other than the fees paid to Wilmington Trust SP Services (London) Limited for management services of £19,336, the directors received no remuneration during the period

6. INCOME TAX EXPENSE

(a) Analysis of charge in the period

	8 Nov 2005 to 31 Dec 2006 £
Current tax	
Corporation tax charge for the period	36,119

6 INCOME TAX EXPENSE (continued)

(b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the period is the same as the standard rate of corporation tax in the UK for small companies of 19%

	8 Nov 2005 to 31 Dec 2006 £
Profit before tax	190,100
Profit before tax multiplied by the standard rate of corporation tax in the UK for small companies of 19%	36,119
Total tax in income statement	36,119

7. LOAN RECEIVABLE

	2006 £
Loan granted	225,000,000
At 31 December 2006	225,000,000

Subject to any prepayments, principal amounts payable on the loan will become due and payable on the loan payment date falling due in January 2013 The loan has a fixed interest rate of 4 805% The loan has been made to Northern Trust Fiduciary Services (Guernsey) Limited as trustee of ING (UK) Listed Real Estate, a property unit trust established in Guernsey The loan is secured against the assets of the unit trust

8. OTHER RECEIVABLES

	2006 £
Interest receivable on the loans	2,038,621
Accrued fees receivable	124,162
Swap income accrued	220,462
	2,383,245

9 TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share capital £	Hedge reserve £	Retained earnings £	Total £
At start of the period	-	-	-	-
Shares issued	12,501	-	-	12,501
Fair value adjustment	-	8,166,951	-	8,166,951
Profit for the period	-	-	153,981	153,981
At 31 December 2006	12,501	8,166,951	153,981	8,333,433

There are 50,000 authorised ordinary shares of £1 each During the period 2 shares of £1 each were issued fully paid and a further 49,998 £1 ordinary shares of which 25p was called up and paid

The company only has one class of share The shares have no rights to any fixed dividend and entitle the holder to one vote per share at meetings of the company

ING (UK) LISTED REAL ESTATE ISSUER PLC
(formerly Prize Possession Issuer PLC)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 8 NOVEMBER 2005 TO 31 DECEMBER 2006

10. INTEREST BEARING LOANS AND BORROWINGS

	2006
Non-current liabilities	£
Floating rate notes	225,000,000
Unamortised issue costs	(1,488,200)
	223,511,800
Current liabilities	
Interest payable	2,077,913
Total	225,589,713

The floating rate notes fall due for repayment in full on 30 January 2015 and comprised, at issue, a single class of notes amounting to £225m However, it is anticipated that, based on certain assumptions, the notes will be fully redeemed on or before the note payment date falling due on 30 January 2013 The notes bear interest at a rate equal to LIBOR for three month sterling deposits plus 25 basis points Interest on the notes is paid quarterly in arrears on 30 January, 30 April, 30 July and 30 October The floating rate loan notes are secured by means of a fixed and floating charge over the company's assets

Interest-bearing loans and borrowings are repayable as follows

2006	Total	In 1-3 months	In more than 5 years
	£	£	£
Liabilities			
Floating rate notes	225,000,000	-	225,000,000
Unamortised issue costs	(1,488,200)	-	(1,488,200)
Interest payable	2,077,913	2,077,913	-
	225,589,713	2,077,913	223,511,800

11 FINANCIAL INSTRUMENTS

The company's financial instruments comprise a loan receivable, cash and liquid resources, derivatives, interest-bearing borrowings and various receivables and payables that arise directly from its operations The main risk arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk The Board reviews and agrees policies for managing each of these risks and they are summarised in the Directors Report

Effective interest rates and re-pricing analysis
In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at 31 December 2006 and the periods in which floating rate assets and liabilities re-price

2006	Effective interest rate (%)	Total £	Fixed rate £	Floating rate < 1 month £	Floating rate 1-3 months £	Non interest bearing £
Assets						
Loans receivable	4 805	225,000,000	225,000,000	-	-	-
Other receivables	-	2,383,245	-	-	-	2 383,245
Derivative assets	-	8,166,951	-	-	-	8,166,951
Cash at bank	4 272	28,072	-	28,072	-	-
		235,578,268	225,000,000	28,072	-	10,550,196
Liabilities						
Floating rate notes	5 437	225 000 000	-	-	225 000,000	-
Unamortised issue costs	-	(1 488 200)	-	-	-	(1 488,200)
Interest payable	-	2 077,913	-	-	-	2,077 913
Other payables	-	1,619,003	-	-	-	1,619,003
		227,208,716	-	-	225,000,000	2,508,716

11 FINANCIAL INSTRUMENTS (continued)

Fair values
The fair values of assets and liabilities are considered to equal their carrying amounts shown in the balance sheet

12. OTHER PAYABLES

	2006
Current liabilities	**£**
Accruals	124,162
Deferred income	1,494,841
	1,619,003

13. RELATED PARTY TRANSACTIONS

The company has identified the following transactions which are required to be disclosed under the terms of IAS 24 Related Party Disclosures

During the period administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which Wilmington Trust SP Services (London) Limited earned £19,336 At 31 December 2006 £7,177 of these fees were outstanding Mr M Filer who is a director of the company is also a director of Wilmington Trust SP Services (London) Limited Mr R Baker, who is a director of the company, is an employee of Wilmington Trust SP Services (London) Limited

14. ULTIMATE CONTROLLING PARTY

The directors consider ING (UK) Real Estate Parent Limited to be the ultimate controlling party The shares of ING (UK) Real Estate Parent Limited are held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for charitable purposes Ultimate control of the company rests with the directors and shareholders