

Company Registration Number: 5616128 (England & Wales)



ING (UK) LISTED REAL ESTATE ISSUER PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

ING (UK) LISTED REAL ESTATE ISSUER PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

CONTENTS	PAGE
Directors and Company Information	1
Directors' report	2
Statement of directors' responsibilities	6
Independent auditors report	7
Income statement	8
Statement of changes in equity	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11 to 24

ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS AND COMPANY INFORMATION

Directors	Robin Baker Mark Filer Jean-Christophe Schroeder Wilmington Trust SP Services (London) Limited	(resigned 28 February 2008) (appointed 28 February 2008)
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Company secretary	Wilmington Trust SP Services (London) Limited
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Registered office	c/o Wilmington Trust SP Services (London) Limited Fifth Floor, 6 Broad Street Place, London EC2M 7JH
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Auditor	Deloitte LLP Regency Court Glatigny Esplanade St Peter Port Guernsey GY1 3HW
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ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008. The comparative figures are for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

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

On 20 December 2005 the company issued a primary tranche of notes (the "Primary Tranche") amounting to £200m at the Irish Stock Exchange 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 on 20 December 2005 at the Irish Stock Exchange 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-issued 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 year was as follows:

	2008	2007
Net loan interest margin	11bps	2 bps
Net interest margin	18bps	7 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 year and the company's financial position at the end of the year are shown in the attached financial statements. The profit on ordinary activities before taxation for the year was £27,243 (2007: £16,560). The directors have not recommended a dividend.

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

ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

PRINCIPAL RISKS

Business risks – These are the risks caused from the occurrence of external events.

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 – This is the risk of the rate of interest payable becoming more than the interest receivable.

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 to the company under the IBLA, while the company is required to pay floating rates of interest on the notes.

Liquidity risk – This is the risk that insufficient funds are available to meet the ongoing obligations of the Company. 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 principal credit risk to the company is that the borrower will not be able to meet their obligations as they fall due. 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.

ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL INSTRUMENTS

The company's financial instruments, other than derivatives, comprise of a loan to the Borrower, cash and liquid resources, interest-bearing borrowings i.e. the loan notes 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.

RESULTS

The results for the year are set out on page 8.

THE DIRECTORS OF THE COMPANY

The directors who served the company during the year are set out on page 1.

The directors do not have any service contracts nor material contracts with the Company.

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.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2008 (2007: £nil)

GOING CONCERN

The financial statements have been prepared on a going concern basis as, in the opinion of the directors, the loans provided to the Group will remain available for the foreseeable future and interest received from the Term Loan and interest rate swaps will be sufficient to meet future operating expenses.

ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

DISCLOSURE OF INFORMATION TO THE AUDITOR

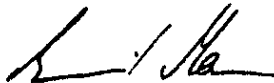
Each of the person who is a director at the date of approval of this report confirm that there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's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

This confirmation is given and should be interpreted in accordance with the provisions of s2342A of the Companies Act 1985.

AUDITOR

On 1 December 2008, Deloitte & Touche LLP changed their name to Deloitte LLP and accordingly the audit report is signed under the new name. A resolution to re-appoint Deloitte LLP as auditor 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 June 2009

ING (UK) LISTED REAL ESTATE 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 as adopted by the European Union (IFRSs). The financial statements are required by law to be properly prepared in accordance with IFRSs, the Companies Act 1985 and Article 4 of IAS Regulation.

International Accounting Standards 1 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF ING (UK) LISTED REAL ESTATE ISSUER PLC

We have audited the financial statements of ING (UK) Listed Real Estate Issuer Plc for the year ended 31 December 2008 which comprise the Income Statement, Balance Sheet, Cash Flow Statement and the related notes 1 to 18. 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 AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") are set out in the Statement of Directors' Responsibilities.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is 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 or material inconsistencies within the Financial Statements.

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 2008 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.


Deloitte LLP
Chartered Accountants and
Registered Auditors
Guernsey, Channel Islands

10 Dec 2009

ING (UK) LISTED REAL ESTATE ISSUER PLC

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

Continuing activities	Note	31 Dec 2008 £	31 Dec 2007 £
Interest receivable and similar income	3	13,936,571	13,919,483
Interest payable and similar charges	4	<u>(13,909,328)</u>	<u>(13,902,923)</u>
Net interest income		27,243	16,560
Other income		223,225	204,256
Operating expenses	5	<u>(223,225)</u>	<u>(204,256)</u>
Profit before tax for the year	6	27,243	16,560
Income tax expense	7	<u>5,449</u>	<u>5,608</u>
Retained profit for the year		<u>21,794</u>	<u>10,952</u>

All activities are derived from continuing operations.

There are no recognised income or expenses for the current year or preceding period other than as stated in the income statement. Accordingly no statement of recognised income and expense has been prepared.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Share Capital £	Hedge Reserve £	Retained Earnings £	Total £
Balance at 31 December 2006	12,501	8,166,951	153,981	8,333,433
Shares issued	-	-	-	-
Fair value adjustment	-	(2,777,786)	-	(2,777,786)
Profit for the year	-	-	10,952	10,952
Balance at 31 December 2007	<u>12,501</u>	<u>5,389,165</u>	<u>164,933</u>	<u>5,566,599</u>
Balance at 31 December 2007	12,501	5,389,165	164,933	5,566,599
Shares issued	-	-	-	-
Fair value adjustment	-	(19,417,554)	-	(19,417,554)
Profit for the year	-	-	21,794	21,794
Balance at 31 December 2008	<u>12,501</u>	<u>(14,028,389)</u>	<u>186,727</u>	<u>(13,829,161)</u>

The notes on pages 11 to 24 form part of these financial statements.

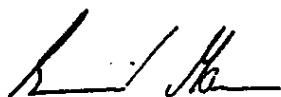
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BALANCE SHEET

AS AT 31 DECEMBER 2008

	Note	2008 £	2007 £
Assets			
Loans receivable	8	<u>225,000,000</u>	<u>225,000,000</u>
Total non-current assets			
Assets			
Other receivables	9	2,653,402	2,782,655
Derivative asset	11	-	5,389,165
Cash and cash equivalents	10	<u>72,277</u>	<u>53,514</u>
Total current assets		<u>2,725,679</u>	<u>8,225,334</u>
Total assets		<u>227,725,679</u>	<u>233,225,334</u>
Equity			
Issued capital	11	12,501	12,501
Hedge reserve	11	(14,028,389)	5,389,165
Retained earnings	11	<u>186,727</u>	<u>164,933</u>
Total equity	11	<u>(13,829,161)</u>	<u>5,566,599</u>
Non-current liabilities			
Interest bearing loans and borrowings	12	<u>224,001,392</u>	<u>223,756,261</u>
Total non-current liabilities		<u>224,001,392</u>	<u>223,756,261</u>
Current liabilities			
Other payables	13	1,172,681	1,405,552
Current tax liability	7(c)	8,596	3,147
Derivative liability	11	14,028,389	-
Interest payable	12	<u>2,343,782</u>	<u>2,493,775</u>
Total current liabilities		<u>17,553,448</u>	<u>3,902,474</u>
Total liabilities		<u>241,554,840</u>	<u>227,658,735</u>
Total equity and liabilities		<u>227,725,679</u>	<u>233,225,334</u>

These financial statements were approved by the board of directors on 10 June 2009 and are signed on their behalf by:



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

The notes on pages 11 to 24 form part of these financial statements.

ING (UK) LISTED REAL ESTATE ISSUER PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008 £	2007 £
Cash flows from operating activities			
Profit before tax for the year		27,243	16,560
<i>Adjustments for:</i>			
Amortisation of issue costs	4	245,131	244,461
Amortisation of facility fees	3	(204,795)	(204,235)
Amortisation of premium	3	(41,430)	(41,317)
Interest income	3	(10,972,189)	(10,948,468)
Interest expense	4	<u>13,664,197</u>	<u>13,658,462</u>
Cash generated from operations		<u>2,718,157</u>	<u>2,725,463</u>
Interest received		10,972,472	10,948,186
Interest paid		(13,814,190)	(13,242,600)
Decrease/(increase) in other receivables	9	128,971	(399,127)
Increase in other payables	13	<u>13,353</u>	<u>32,101</u>
Net cash from operating activities		<u>18,763</u>	<u>64,023</u>
Tax paid for the year		-	(38,581)
Net cash from operating activities after tax		<u>18,763</u>	<u>25,442</u>
Net increase in cash		18,763	25,442
Cash and cash equivalents at start of the year	10	<u>53,514</u>	<u>28,072</u>
Cash and cash equivalent at end of the year	10	<u><u>72,277</u></u>	<u><u>53,514</u></u>

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

The notes on pages 11 to 24 form part of these financial statements.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. COMPANY INFORMATION

ING (UK) Listed Real Estate Issuer Plc was incorporated under the United Kingdom laws with registered number 5616128 on 8 November 2005. The Company has issued loan notes amounting to £225,000,000 at the Irish Stock Exchange (the "ISE"). The proceeds were used to make an advance to Northern Trust Fiduciary Services (Guernsey) Limited as trustee of ING (UK) Listed Real Estate, a Guernsey property unit trust set up to hold properties, on behalf of ING UK Real Estate Income Trust Limited, a Guernsey investment company listed on the London Stock Exchange.

These financial statements are presented in Pounds Sterling being the currency of the primary economic environment in which the entity operates.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies set out below have been applied for the year ended 31 December 2008:

Statement of compliance

The financial statements for the year ended 31 December 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as endorsed by the European Union ("EU") and effective at 31 December 2008 and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC"), that remain in effect, together with applicable legal and regulatory requirements.

Standards issued but not adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IFRS 8 'Operating Segments' effective for years beginning on or after 1 January 2009

IAS 23 'Borrowing Costs' effective for years beginning on or after 1 January 2009

The directors do not anticipate the adoption of these Standards and Interpretations will have a material impact on the Company's financial statements in the period of initial application.

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.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2008.

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 presentation currency is Pounds Sterling.

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.

The most significantly affected components of the financial statements and associated critical judgements are as follows:

Critical accounting judgements and key sources of estimation uncertainty

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.

Impairment and going concern

The financial statements have been prepared on a going concern basis as, in the opinion of the directors, the loans provided to the Group will remain available for the foreseeable future and interest received from the Term Loan and interest rate swaps will be sufficient to meet future operating expenses.

Valuation of derivatives

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments. Valuation techniques commonly used by market practitioners are applied. For derivative instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Derivatives are valued in these financial statements based on the valuation received from the issuer of the swap.

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 the borrower is calculated with reference to the interest earned on the loans.

The loans are subject to impairment reviews in accordance with International Accounting Standard 36: 'Impairment of Assets'. A charge for impairment would be recognised where there is a risk that the income on the loan will be significantly reduced.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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 income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability using the effective interest rate, and allocating the resulting interest income or interest expense over the relevant duration of the financial instrument.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Income tax

Income tax on the profit or loss for the year 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 2008 is based on the taxable profits calculated on an un-modified United Kingdom Generally Accepted Accounting Practice ("UK GAAP") basis but disclosed in accordance with International Accounting Standard 12 'Income Taxes'.

Principles for cash flow statement

The Cash Flow Statement has been drawn up according to the indirect method, separating the cash flows from operating activities, investing activities and financing activities. The net result has been adjusted for amounts in the Income Statement and movements in the Balance Sheet which have not resulted in cash income or expenditure in the year.

The cash amounts in the Cash Flow Statement include those assets that can be converted into cash without any restrictions and without any material risk of decreases in value as a result of the transaction. Dividends that have been proposed and declared are included in the cash flow from financing activities.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

2. 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.

International Accounting Standard 39: 'Financial Instruments Recognition and Measurements' 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.

3. 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.

	31 Dec 2008	31 Dec 2007
	£	£
Interest receivable on loans receivable	10,972,189	10,948,468
Swap income	2,706,873	2,713,180
Bank interest receivable	11,284	12,283
Amortisation of facility fees	204,795	204,235
Amortisation of premium	41,430	41,317
	<u>13,936,571</u>	<u>13,919,483</u>
Geographic		
United Kingdom	<u>13,936,571</u>	<u>13,919,483</u>

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31 Dec 2008	31 Dec 2007
	£	£
Interest payable on floating rate notes	13,664,197	13,658,462
Amortisation of issue costs	<u>245,131</u>	<u>244,461</u>
	<u>13,909,328</u>	<u>13,902,923</u>

5. OPERATING EXPENSES

The profit on ordinary activities before taxation is stated after charging:

	31 Dec 2008	31 Dec 2007
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	16,500	15,000
Fees payable to the company's tax agent		
- tax services	-	10,450
ISE fees	1,513	4
Rating agency fees	77,594	60,016
Liquidity fees	35,082	28,051
Management fees (Note 13)	18,826	18,870
Servicing fees	56,250	55,596
Cash manager fees	8,000	8,022
Trustee fees	8,196	8,247
Other professional fees	<u>1,264</u>	<u>-</u>
	<u>223,225</u>	<u>204,256</u>

Under the term of Corporate Services Agreement, Wilmington Trust SP Services (London) Limited receives remuneration for administration and accounting services. The management fee is payable on the following note payment date of the preceding quarter and is equal to the aggregate of the initial fee, annual administration fee and a fee for preparing the annual accounts. These fees are hence broken down as follows:

	31 Dec 2008	31 Dec 2007
	£	£
Administration fee	12,951	12,995
Accountancy fee	<u>5,875</u>	<u>5,875</u>
	<u>18,826</u>	<u>18,870</u>

6. PROFIT BEFORE TAX FOR THE YEAR

The profit before tax for the year is stated after charging:

	31 Dec 2008	31 Dec 2007
	£	£
Auditors' remuneration for audit work	16,500	15,000
Auditors' remuneration for taxation services	<u>-</u>	<u>10,450</u>

The company has no employees. Other than the fees paid to Wilmington Trust SP Services (London) Limited for management services of £18,826 (2007: £18,870), the directors received no remuneration during the year (2007: Nil).

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

7. INCOME TAX EXPENSE

(a) Analysis of charge in the year

	31 Dec 2008	31 Dec 2007
	£	£
Current tax:		
Under provision for the previous year	-	2,461
Corporation tax charge for the year	<u>5,449</u>	<u>3,147</u>
Total current tax	<u>5,449</u>	<u>5,608</u>

(b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK for small companies of 20%.

	31 Dec 2008	31 Dec 2007
	£	£
Profit before tax	<u>27,243</u>	<u>16,560</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK for small companies of 20% (2007: 19%)	5,449	3,147
Under provision for the previous year	-	2,461
Total tax in income statement	<u>5,449</u>	<u>5,608</u>

(c) Current tax liability

	2008	2007
	£	£
Current tax liability	<u>8,596</u>	<u>3,147</u>

8. LOAN RECEIVABLE

	2008	2007
	£	£
Loan granted	<u>225,000,000</u>	<u>225,000,000</u>
At 31 December 2008	<u>225,000,000</u>	<u>225,000,000</u>

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.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

9. OTHER RECEIVABLES

	2008	2007
	£	£
Interest receivable on the loans	2,038,621	2,038,903
Accrued fees receivable	131,036	117,683
Swap income accrued	483,745	626,069
	<u>2,653,402</u>	<u>2,782,655</u>

The Directors consider that the carrying amount of accounts receivables approximates their fair value.

10. CASH AND CASH EQUIVALENTS

All withdrawals from the subsidiaries bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements.

	2008	2007
	€	€
Cash and bank current accounts	4,520	4,334
Bank deposit accounts	<u>67,757</u>	<u>49,180</u>
	<u>72,277</u>	<u>53,514</u>

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The carrying amounts of these assets approximate their fair value.

11. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share Capital	Hedge Reserve	Retained Earnings	Total
	£	£	£	£
Balance at 31 December 2006	12,501	8,166,951	153,981	8,333,433
Shares issued	-	-	-	-
Fair value adjustment	-	(2,777,786)	-	(2,777,786)
Profit for the year	-	-	10,952	10,952
Balance at 31 December 2007	<u>12,501</u>	<u>5,389,165</u>	<u>164,933</u>	<u>5,566,599</u>
Balance at 31 December 2007	12,501	5,389,165	164,933	5,566,599
Shares issued	-	-	-	-
Fair value adjustment	-	(19,417,554)	-	(19,417,554)
Profit for the year	-	-	21,794	21,794
Balance at 31 December 2008	<u>12,501</u>	<u>(14,028,389)</u>	<u>186,727</u>	<u>(13,829,161)</u>

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.

The hedge reserve is the fair value of the interest rate swap. Interest payable on the loan notes has been fixed using interest rate swaps, as described in note 12.

The interest rate swaps mature on the same dates as the associated borrowings.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

12. INTEREST BEARING LOANS AND BORROWINGS

The floating rate notes fall due for repayment in full on 30 January 2013 and comprised, at issue, £200m AAA rated seven year loan notes issued on 20 December 2005. The interest payable on these notes is fixed at 4.795% by means of an interest rate swap. On 6 July 2006 a further £25m of loan notes were issued on the same terms, with the interest payable fixed at 5.3804% by means of a further swap. 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.

	2008	2007
	£	£
Non-current liabilities		
Floating rate notes	225,000,000	225,000,000
Unamortised issue costs	<u>(998,608)</u>	<u>(1,243,739)</u>
	<u>224,001,392</u>	<u>223,756,261</u>
Current liabilities		
Interest payable	<u>2,343,782</u>	<u>2,493,775</u>
Total	<u>226,345,174</u>	<u>226,250,036</u>

The loan agreement for the floating rate notes states that for the securitised pool of assets the Loan to Value ratio should not exceed 50% and the Interest Cover Ratio should be a minimum of 1.50.

The Group has not breached any of the loan covenants either in the current year or in the previous accounting year.

13. OTHER PAYABLES

	2008	2007
	£	£
Current liabilities		
Accruals	131,036	117,683
Other creditors	38,581	38,581
Deferred income	<u>1,003,064</u>	<u>1,249,288</u>
	<u>1,172,681</u>	<u>1,405,552</u>

The Directors consider that the carrying amount of accounts payable and accruals approximates their fair value.

14. FINANCIAL RISK MANAGEMENT

The principal risks and uncertainties are set out in the Directors' Report on page 3. The Board reviews and agrees policies for managing each of these risks.

The loans and financial instruments comprise a loan receivable, cash and liquid resources, derivatives, interest-bearing loans and 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.

Credit risk

Credit risk is the risk that a counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed regularly.

The carrying amount of the financial assets, best represent the maximum credit risk exposure at the balance sheet date.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2008, the Company's financial assets exposed to credit risk amounted to the following:

31 December 2008	Note	Derivative investments in designated hedge accounting relationships £	Financial assets and liabilities at amortised cost £	Total £
Financial assets				
Loan receivables	8	-	225,000,000	225,000,000
Other receivables	9	-	2,653,402	2,653,402
Derivative assets	11	-	-	-
Cash and cash equivalents	10	-	72,277	72,277
Total		<u>-</u>	<u>227,725,679</u>	<u>227,725,679</u>
Financial liabilities				
Loans and borrowings	12	-	226,345,174	226,345,174
Accruals	7(c), 13	-	1,181,277	1,181,277
Derivative liabilities	11	14,028,389	-	14,028,389
Total		<u>14,028,389</u>	<u>227,526,451</u>	<u>241,554,840</u>

31 December 2007	Note	Derivative investments in designated hedge accounting relationships £	Financial assets and liabilities at amortised cost £	Total £
Financial assets				
Loan receivables	8	-	225,000,000	225,000,000
Other receivables	9	-	2,782,655	2,782,655
Derivative assets	11	5,389,165	-	5,389,165
Cash and cash equivalents	10	-	53,514	53,514
Total		<u>5,389,165</u>	<u>227,836,169</u>	<u>233,225,334</u>
Financial liabilities				
Loans and borrowings	12	-	226,250,036	226,250,036
Accruals	7(c), 13	-	1,408,699	1,408,699
Total		<u>-</u>	<u>227,658,735</u>	<u>227,658,735</u>

Loan receivables comprise amounts due from ING (UK) Listed Real Estate (the "GPUT"), a Guernsey property unit trust which is part of the ING UK Real Estate Income Trust Ltd Group (ING REIT). Bankruptcy or insolvency of the GPUT and / or ING REIT, on whose behalf the properties are held, may result in non-recovery of the loan. ING REIT has entered into a securitisation agreement with JP Morgan Chase Bank. JP Morgan Chase Bank has a Fitch credit rating of AA-.

There have been no loan defaults or breaches during the current year or prior year.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. The Directors continues to monitor the Company's exposure to credit risk.

The Company's main cash balances are held with the Bank of New York. Bankruptcy or insolvency of the bank holding cash balances may cause the Company's rights with respect to the cash held by them to be delayed or limited. The Company manages its risk by monitoring the credit quality of its bankers on an ongoing basis. The Bank of New York is also rated by all major rating agencies. If the credit quality of the bank deteriorates, the Company would look to move the short term deposits or cash to another bank.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. FINANCIAL RISK MANAGEMENT (continued)

The Company is exposed to credit risk from counterparties used to value the interest rate swaps which are financial assets as at 31 December 2008. The risk is mitigated by the Company only engaging with creditworthy counterparties. The counterparty for the interest rate swap is JP Morgan Chase Bank, who have a credit rating of AA- as noted above.

Capital risk management

The Company's overall strategy remains unchanged since 2007.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 12, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings. The Directors continue to monitor the balance of the overall capital structure by ensuring that the borrowing restrictions are adhered to and that the debt is serviced promptly to ensure that it continues to be available for the foreseeable future.

The Company is not subject to any external capital requirements.

Interest rate risk

All of the company's financial liabilities are floating rate and carry interest rates based on the relevant three-month LIBOR rate. At the year end, the three month LIBOR rate was 2.83% (2007: 4.678%).

Interest rate risk management

Interest risk arises on interest payable on the floating rate loans and borrowings. The Directors manage this risk by use of interest rate swaps. The risk arises as a result of the GPUT paying a fixed rate of interest, while the Company is required to pay floating rates of interest on the notes issued. The Company's exposure to interest rate risk with respect to the interest rate swap is monitored and reviewed by the Directors on a regular basis.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities, including interest that will accrue to those liabilities except where the Company is entitled and intends to repay the liability before its maturity.

31 December 2008	Weighted average effective interest rate (%)	Less than 1 year	1 to 5 years	More than 5 years	Total
Loans receivable	4.805	-	-	225,000,000	225,000,000
Cash and cash equivalents	4.272	72,276	-	-	72,276
Loans and borrowings	5.437	<u>2,343,782</u>	<u>223,963,589</u>	-	<u>226,307,371</u>
Total		<u>2,416,058</u>	<u>223,963,589</u>	<u>225,000,000</u>	<u>451,379,647</u>

31 December 2007	Weighted average effective interest rate (%)	Less than 1 year	1 to 5 years	More than 5 years	Total
Loans receivable	4.805	-	-	225,000,000	225,000,000
Cash and cash equivalents	4.272	53,514	-	-	53,514
Loans and borrowings	5.437	<u>2,493,775</u>	-	<u>223,756,261</u>	<u>226,250,036</u>
Total		<u>2,547,289</u>	-	<u>448,756,261</u>	<u>451,303,550</u>

The above interest rates take into account the impact of the interest rate swaps.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. FINANCIAL RISK MANAGEMENT (continued)

Interest rate swap contracts

Interest rate swap contracts enable the Company to mitigate the risk of changing interest rates and cashflow exposures on the floating rate debt held. The fair values of interest rate swaps at the year end are the marked to market values supplied by the issuer of the swap. This value is based on the future cashflows relating to the outstanding balances at the start of the financial year at the relevant interest rate.

The following table detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	31 Dec 2008 %	31 Dec 2007 %	31 Dec 2008 £'000	31 Dec 2007 £'000	31 Dec 2008 £'000	31 Dec 2007 £'000
Outstanding						
Less than 1 year	-	-	-	-	-	-
1 to 2 years	-	-	-	-	-	-
2 to 5 years	-	-	-	-	-	-
More than 5 years	4.805	4.805	<u>225,000,000</u>	<u>225,000,000</u>	<u>225,000,000</u>	<u>225,000,000</u>
			<u>225,000,000</u>	<u>225,000,000</u>	<u>225,000,000</u>	<u>225,000,000</u>

The actual movement in the valuation of the swaps and the actual impact on the hedge reserve is shown below;

	£
Market value of swaps as at 31 December 2007	5,389,165
Movement in valuation through the hedge reserve to 31 December 2008	<u>(19,417,554)</u>
Market value of swaps as at 31 December 2008	<u>(14,028,389)</u>

Currency risk

The Company has no exposure to foreign currency risk.

Concentration risk

The Company has provided financing to the ING REIT Group whose property investments are in the UK and Isle of Man. ING REIT Group is exposed to macroeconomic changes in the UK and Isle of Man economies.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. FINANCIAL RISK MANAGEMENT (continued)

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 2008 and the periods in which floating rate assets and liabilities re-price.

2008	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	-	2,653,402	-	-	-	2,653,402
Derivative assets	-	-	-	-	-	-
Cash at bank	4.272	72,277	-	72,277	-	-
		<u>227,725,679</u>	<u>225,000,000</u>	<u>72,277</u>	<u>-</u>	<u>2,653,402</u>
Liabilities						
Floating rate notes	5.437	225,000,000	-	-	225,000,000	-
Unamortised issue costs	-	(998,608)	-	-	-	(998,608)
Interest payable	-	2,343,782	-	-	-	2,343,782
Derivative liabilities	-	14,028,389	-	-	-	14,028,389
Other payables	-	1,181,277	-	-	-	1,181,277
		<u>241,554,840</u>	<u>-</u>	<u>-</u>	<u>225,000,000</u>	<u>16,554,840</u>

2007	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	-	2,782,655	-	-	-	2,782,655
Derivative assets	-	5,389,165	-	-	-	5,389,165
Cash at bank	4.272	53,514	-	53,514	-	-
		<u>233,225,334</u>	<u>225,000,000</u>	<u>53,514</u>	<u>-</u>	<u>8,171,820</u>
Liabilities						
Floating rate notes	5.437	225,000,000	-	-	225,000,000	-
Unamortised issue costs	-	(1,243,739)	-	-	-	(1,243,739)
Interest payable	-	2,493,775	-	-	-	2,493,775
Other payables	-	1,408,699	-	-	-	1,408,699
		<u>227,658,735</u>	<u>-</u>	<u>-</u>	<u>225,000,000</u>	<u>2,658,735</u>

Fair values

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

Liquidity risk

The Company's policy is to manage liquidity risk through its use of its start-up loan and excess spread, a reserve fund and an over-collateralisation of mortgage loans underlying the loan to ING (UK) Listed Real Estate. As the length of the loan notes is designed to match the length of the mortgage loans underlying the loan to ING (UK) Listed Real Estate, there are deemed to be limited liquidity risks facing the Company.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. FINANCIAL RISK MANAGEMENT (continued)

2008	Less than 1 year	1 – 5 years	More than 5 years	Total
	£	£	£	£
Liabilities				
Floating rate loan notes	-	225,000,000	-	225,000,000
Unamortised issue costs	-	(998,608)	-	(998,608)
Interest payable	2,343,782	-	-	2,343,782
Accruals	131,036	-	-	131,036
Derivative liabilities	14,028,389	-	-	14,028,389
Tax payable	8,596	-	-	8,596
Total liabilities	<u>16,511,803</u>	<u>224,001,392</u>	<u>-</u>	<u>240,513,195</u>

2007	Less than 1 year	1 – 5 years	More than 5 years	Total
	£	£	£	£
Liabilities				
Floating rate loan notes	-	-	225,000,000	225,000,000
Unamortised issue costs	-	-	(1,243,739)	(1,243,739)
Interest payable	2,493,775	-	-	2,493,775
Accruals	117,682	-	-	117,682
Tax payable	3,146	-	-	3,146
Total liabilities	<u>2,614,603</u>	<u>-</u>	<u>223,756,261</u>	<u>226,370,864</u>

Interest rate sensitivity

No sensitivity analysis was performed because it was considered immaterial.

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

15. 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 year administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which they received a fee of £18,869 (2007: £18,870). At 31 December 2008 £8,021 (2007: £8,063) of these fees were outstanding.

Mr Mark Filer and Mr Jean-Christophe Schroeder who are directors of the company are also directors of Wilmington Trust SP Services (London) Limited.

16. 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.

The results of the company have been consolidated into the Financial Statements of ING (UK) Real Estate Parent Ltd.

17. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 31 December 2008 the Company did not enter into any capital commitments. The Company did not have any contingent liabilities or legal claims outstanding or made against it. (2007: nil).

18. POST BALANCE SHEET EVENTS

The valuation of the interest rate swaps has decreased since the balance sheet date and at 31 January 2009 the valuation provided from J.P. Morgan was (£17,417,834.50), which represents a greater liability to the company.

The covenants attached to the loan to the GPUT have also been relaxing since the balance sheet date.

The Issuer Borrower Loan Agreement (IBLA) was amended to allow a 30 day grace period in the event that the financial covenants are breached.