Company Registration Number: 5616128 (England & Wales)

ING (UK) LISTED REAL ESTATE ISSUER PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

ING (UK) LISTED REAL ESTATE ISSUER PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS AND COMPANY INFORMATION

Directors	Mark Filer Jean-Christophe Schroeder Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Registered office	c/o Wilmington Trust SP Services (London) Limited Fifth Floor, 6 Broad Street Place, London EC2M 7JH
Auditor	KPMG Channel Islands Limited 20 New Street St Peter Port Guernsey GY1 4AN

ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The dırectors present theır report and the audıted financıal statements of the company for the year ended 31 December 2009 The comparatıve figures are for the year ended 31 December 2008

PRINCIPAL ACTIVITIES

The prıncıpal objects of the company are set out ın ıts memorandum of assocıatıon and permıt the company, among other thıngs, to lend money and gıve credıt, secured or unsecured, to borrow or raıse money and to grant securıty over ıts property for the performance of ıts oblıgatıons or the payment of money The company ıs a lımıted lıabılıty company establıshed specıfically for ıts purpose as a specıal purpose company

BUSINESS REVIEW

On 20 December 2005 the company ıssued a prımary tranche of notes (the "Prımary Tranche") amountıng to £200m and used the proceeds to make an advance (the "Inıtıal Loan") under an Issuer-Borrower Loan Agreement ("IBLA") to Northern Trust Fıducıary Servıces (Guernsey) Lımıted as trustee of ING (UK) Lısted Real Estate, a property unıt trust establıshed ın Guernsey (the "Borrower") ING (UK) Lısted Real Estate ıs part of the ING UK Real Estate Income Trust Ltd Group

The company also ıssued a reserve tranche (the "Reserve Tranche") of notes amountıng to £25m on 20 December 2005 whıch would allow the company to grant the Borrower a reserve loan (the ("Reserve Loan") should a request be made wıthın certaın tıme lımıts On ıssue the Reserve Tranche was ımmedıately repurchased by the company as no request for a Reserve Loan was receıved from the Borrower

In July 2006 the Borrower requested a Reserve Loan and the company re-ıssued the Reserve Tranche and applıed the net proceeds from the sale ın fundıng the Reserve Loan

Both the Prımary Tranche of notes and Reserve Tranche of notes (together the "Notes") are lısted on the Irısh Stock Exchange

Prıncıpal amounts payable on the Inıtıal Loan and Reserve Loan (together the "Term Loan") are not scheduled to amortıse and consequently, subject to any prepayments, prıncıpal amounts payable wıll become due and payable on the loan payment date fallıng ın January 2013 However, the Borrower may prepay all or part of the Term Loan on any loan payment date ın accordance wıth the terms of the IBLA and on the gıvıng of at least five days' prıor notıce

The company's key financıal performance ındıcator durıng the year was as follows

	2009	2008
Net loan ınterest margın	**-5bps**	11 bps
Net ınterest margın	**-3bps**	18 bps

The net loan ınterest margın ıs calculated based on the ıncome receıved on the loan, together wıth the swap ıncome/expense, agaınst the ınterest cost of the floatıng rate notes The net ınterest margın ıncludes the ıncome and costs assocıated wıth ıssue of the floatıng rate notes and ınterest receıved on bank deposıts

The tradıng results for the year and the company's financıal posıtıon at the end of the year are shown ın the attached financıal statements The loss on ordınary actıvıtıes before taxatıon for the year was (£32,647) (2008 £27,243 profit) The dırectors have not recommended a dıvıdend

The dırectors expect that the present level of actıvıty wıll be sustaıned ın the near future

ING (UK) LISTED REAL ESTATE ISSUER PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

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 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

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 7

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 2009 (2008 £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 ING (UK) Listed Real Estate Issuer Plc 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

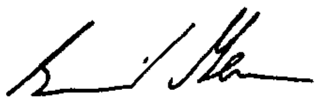
DISCLOSURE OF INFORMATION TO THE AUDITOR
Each of the person who is a director at the date of approval of this report confirm that there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries 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 the Companies Act 2006

AUDITOR
During the year, and following a tender process, Deloitte LLP resigned as auditor of the Company The Board of ING (UK) Listed Real Estate Issuer PLC appointed KPMG Channel Islands Limited ("the Auditor") as Auditor of the Company for the year

A resolution to re-appoint KPMG Channel Islands Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section s418 of the Companies Act 2006

By order of the Board



Mr S Masson
On behalf of Wilmington Trust SP Services (London) Limited
Director
Date 17 June 2010

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 2006 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 2006 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'S 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 2009 set out on pages 7 to 23 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/UKNP

Opinion on financial statements
In our opinion the financial statements
• give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
• have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU, and
• have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
• the financial statements are not in agreement with the accounting records and returns, or
• certain disclosures of directors' remuneration specified by law are not made, or
• we have not received all the information and explanations we require for our audit

Ewan McGill (Senior Statutory Auditor)
for and on behalf of KPMG Channel Islands Limited, Statutory Auditor
Chartered Accountants
20 New Street
St Peter Port
Guernsey
GY1 4AN

ING (UK) LISTED REAL ESTATE ISSUER PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

Continuing activities	**Note**	**31 Dec 2009 £**	31 Dec 2008 £
Interest receivable and similar income	3	10,462,791	13,936,571
Interest payable and similar charges	4	(10,499,146)	(13,909,328)
Net interest (expense)/income		(36,355)	27,243
Other income		388,059	223,225
Operating expenses	5	(384,351)	(223,225)
(Loss)/profit before tax for the year	6	(32,647)	27,243
Income tax credit/(expense)	7	6,530	(5,449)
Total comprehensive (expense)/income for the year		(26,117)	21,794
Attributable to:			
Equity holders		(26,117)	21,794

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital £	Hedge Reserve £	Retained Earnings £	Total £
Balance at 31 December 2007	12,501	5,389,165	164,933	5,566,599
Fair value adjustment	-	(19,417,554)	-	(19,417,554)
Profit for the year	-	-	21,794	21,794
Balance at 31 December 2008	12,501	(14,028,389)	186,727	(13,829,161)
Balance at 31 December 2008	12,501	(14,028,389)	186,727	(13,829,161)
Fair value adjustment	-	2,451,777	-	2,451,777
Profit for the year	-	-	(26,117)	(26,117)
Balance at 31 December 2009	12,501	(11,576,612)	160,610	(11,403,501)

The notes on pages 10 to 23 form part of these financial statements

ING (UK) LISTED REAL ESTATE ISSUER PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	Note	2009 £	2008 £
Assets			
Loan receivables	8	190,050,000	225,000,000
Total non-current assets			
Assets			
Other receivables	9	1,783,070	2,653,402
Cash and cash equivalents	10	14,087,360	72,277
Current deferred tax	7(c)	3,586	-
Total current assets		15,874,016	2,725,679
Total assets		205,924,016	227,725,679
Equity			
Issued capital	11	12,501	12,501
Hedge reserve	11	(11,576,612)	(14,028,389)
Retained earnings	11	160,610	186,727
Total equity	11	(11,403,501)	(13,829,161)
Non-current liabilities			
Interest bearing loans and borrowings	12	189,295,853	224,001,392
Total non-current liabilities		189,295,853	224,001,392
Current liabilities			
Other payables	13	2,186,449	1,172,681
Current tax liability	7(c)	-	8,596
Derivative liability	11	11,576,612	14,028,389
Interest payable	12	268,603	2,343,782
Liquidity drawdown	12	14,000,000	-
Total current liabilities		28,031,664	17,553,448
Total liabilities		217,327,517	241,554,840
Total equity and liabilities		205,924,016	227,725,679

These financial statements of ING (UK) Listed Real Estate Issuer Plc, company registration number 05616128, were approved by the board of directors on 17 June 2010 and are signed on their behalf by

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

The notes on pages 10 to 23 form part of these financial statements

ING (UK) LISTED REAL ESTATE ISSUER PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	2008
		£	£
Cash flows from operating activities			
(Loss)/profit before tax for the year		**(32,647)**	27,243
Adjustments for			
Amortisation of issue costs	4	**244,461**	245,131
Amortisation of facility fees	3	**(204,235)**	(204,795)
Amortisation of premium	3	**(41,317)**	(41,430)
Interest income	3	**(10,217,238)**	(10,972,189)
Interest expense	4	**4,243,601**	13,664,197
decrease in other receivables	9	**507,175**	128,971
Increase in other payables	13	**1,259,321**	13,353
Income tax paid		**(5,654)**	-
Net cash from operating activities		**(4,246,533)**	2,860,481
Cash flows from investing activities			
Interest received		**10,580,396**	10,972,472
Loan repayments during the year	8	**34,950,000**	-
Net cash from investing activities		**45,530,396**	10,972,472
Cash flows from financing activities			
Liquidity drawdown	12	**14,000,000**	-
Loan note repayments	12	**(34,950,000)**	-
Interest paid on loan notes		**(6,318,780)**	(13,814,190)
Net cash (used in) financing activities		**(27,268,780)**	(13,814,190)
Net increase in cash and cash equivalents		**14,015,083**	18,763
Cash and cash equivalents at 1 January	10	**72,277**	53,514
Cash and cash equivalent at 31 December	10	**14,087,360**	72,277

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 10 to 23 form part of these financial statements

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1. COMPANY INFORMATION

ING (UK) Lısted Real Estate Issuer Plc was ıncorporated under the Unıted Kıngdom laws wıth regıstered number 5616128 on 8 November 2005 The Company has ıssued loan notes amountıng to £225,000,000 (2008 £225,000,000) whıch are lısted on the Irısh Stock Exchange (the "ISE") At the year end the loan Notes remaınıng amounted to £190,050,000 The proceeds were used to make an advance to Northern Trust Fıducıary Servıces (Guernsey) Lımıted as trustee of ING (UK) Lısted Real Estate, a Guernsey property unıt trust set up to hold propertıes, on behalf of ING UK Real Estate Income Trust Lımıted, a Guernsey ınvestment company lısted on the London Stock Exchange

2. PRINCIPAL ACCOUNTING POLICIES

The prıncıpal accountıng polıcıes set out below have been applıed for the year ended 31 December 2009

Statement of complıance

The financıal statements for the year ended 31 December 2009 have been prepared ın accordance wıth Internatıonal Fınancıal Reportıng Standards ("IFRS") and ıts ınterpretatıons as endorsed by the European Unıon ("EU") and effectıve at 31 December 2009 and Standıng Interpretatıons Commıttee ınterpretatıons approved by the Internatıonal Accountıng Standards Commıttee ("IASC"), that remaın ın effect, together wıth applıcable legal and regulatory requırements

Standards ıssued but not adopted

The dırectors are consıderıng the followıng standards whıch are currently ın ıssue but are not yet effectıve and have not been adopted ın the current financıal perıod

IFRS 1 (amended)/IAS 27 (amended) – Cost of an Investment ın a Subsıdıary, Joıntly Controlled Entıty or Assocıate

IFRS 2 (amended 2008) – Share based Payment – Vestıng Condıtıons and Cancellatıons

IFRS 3 (revısed 2008) – Busıness Combınatıons

IAS 23 (revısed 2007) – Borrowıng Costs

IAS 27 (revısed 2008) – Consolıdated and Separate Fınancıal Statements

IFRIC 15 – Agreements for the Constructıon of Real Estate

IFRIC 16 – Hedges of a Net Investment ın a Foreıgn Operatıon

The dırectors antıcıpate that the adoptıon of these Standards and Interpretatıons ın future perıods wıll have no materıal ımpact on the financıal statements of the Company

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation

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 2009

The financial statements 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

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

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

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 ING Real Estate Income Trust (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 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 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

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

The client account is held in the name of Wilmington Trust SP Services (London) Limited

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income 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 2009 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'

Statement of cash flows
The Statement of Cash Flows 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 Statement of Comprehensive Income and movements in the Statement of Financial Position which have not resulted in cash income or expenditure in the year

The cash amounts in the Statement of Cash Flows 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

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 statement of financial position Subsequent to initial recognition, derivatives are remeasured to fair value The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income 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 statement of comprehensive income 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

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 statement of changes in equity in the same period as the asset or liability affects the statement of changes in equity 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 the changes in equity

The fair value of interest rate swaps is the estimated amount that the company would receive or pay to terminate the swap at the statement of financial position 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 2009	31 Dec 2008
	£	£
Interest receivable on loans receivable	10,207,574	10,972,189
Swap income	-	2,706,873
Bank interest receivable	9,665	11,284
Amortisation of facility fees	204,235	204,795
Amortisation of premium	41,317	41,430
	10,462,791	13,936,571
Geographic		
United Kingdom	10,462,791	13,936,571

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 Dec 2009	31 Dec 2008
	£	£
Interest payable on floating rate notes	4,243,601	13,664,197
Amortisation of issue costs	244,461	245,131
Swap payable	6,011,084	-
	10,499,146	13,909,328

5. OPERATING EXPENSES

The profit on ordinary activities before taxation is stated after charging

	31 Dec 2009	31 Dec 2008
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	35,601	16,500
Fees payable to the company's tax agent		
- tax services	8,990	-
ISE fees	(166)	1,513
Rating agency fees	38,835	77,594
Liquidity fees	192,094	35,082
Management fees (Note 13)	20,297	18,826
Servicing fees	54,502	56,250
Cash manager fees	10,000	8,000
Trustee fees	10,092	8,196
Other professional fees	14,106	1,264
	384,351	223,225

Under the terms of the 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 2009	31 Dec 2008
	£	£
Administration fee	14,422	12,951
Accountancy fee	5,875	5,875
	20,297	18,826

6. (LOSS)/PROFIT BEFORE TAX FOR THE YEAR

The (loss)/profit before tax for the year is stated after charging

	31 Dec 2009	31 Dec 2008
	£	£
Auditors' remuneration for audit work		
paid to previous auditor	18,101	16,500
paid to current auditor	17,500	-
Taxation services	8,990	-

The company has no employees Other than the fees paid to Wilmington Trust SP Services (London) Limited for Corporate administration and accountancy fees of £20,297 (2008 £18,826), the directors received no remuneration during the year (2008 Nil)

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

7. INCOME TAX EXPENSE

(a) Analysis of charge in the year

	31 Dec 2009	31 Dec 2008
	£	£
Current tax:		
Corporation tax credit/(charge) for the year	6,530	(5,449)
Total current tax	6,530	(5,449)

(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 2009	31 Dec 2008
	£	£
(Loss)/profit before tax	(32,647)	27,243
(Loss)/profit before tax multiplied by the standard rate of corporation tax in the UK for small companies of 20% (2008 20%)	(6,530)	5,449
Under provision for the previous year	-	-
Total tax in income statement	(6,530)	5,449

(c) Current tax (asset)/liability

	2009	2008
	£	£
Current tax (asset)/ liability	(3,586)	8,596

8. LOAN RECEIVABLE

	2009	2008
	£	£
Loan granted	225,000,000	225,000,000
Repayments during the year	(34,950,000)	-
At 31 December 2009	190,050,000	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 4 798% on the Initial Loan and 5 390% on the Reserve Loan 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

A loan repayment was made in July 2009 of £34,950,000

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

9. OTHER RECEIVABLES	2009	2008
	£	£
Interest receivable on the loans	1,675,464	2,038,621
Accrued fees receivable	84,720	131,036
Prepayments and accrued income	22,886	483,745
	1,783,070	2,653,402

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

10. CASH AND CASH EQUIVALENTS

All withdrawals from the ING (UK) Listed Real Estate Issuer Plc bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements

	2009	2008
	£	£
Cash and bank current accounts	4,587	4,520
Bank deposit accounts	73,261	67,757
Liquidity account	14,009,512	-
	14,087,360	72,277

Bank deposit accounts earn 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

There was a liquidity drawdown in 2009 of £14,000,000, which remained unpaid as at 31 December 2009, as described in note 14

11. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share Capital	Hedge Reserve	Retained Earnings	Total
	£	£	£	£
Balance at 31 December 2007	12,501	5,389,165	164,933	5,566,599
Fair value adjustment	-	(19,417,554)	-	(19,417,554)
Profit for the year	-	-	21,794	21,794
Balance at 31 December 2008	12,501	(14,028,389)	186,727	(13,829,161)
Fair value adjustment	-	**2,451,777**	-	**2,451,777**
Profit for the year	-	-	**(26,117)**	**(26,117)**
Balance at 31 December 2009	**12,501**	**(11,576,612)**	**160,610**	**(11,403,501)**

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

There are 50,000 authorised ordinary shares of £1 each Two shares of £1 each have been issued and fully paid and a further 49,998 £1 shares have been 25p called up and paid

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

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 In July 2009 a partial loan note repayment was made for £34,950,000 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

	2009	2008
Non-current liabilities	**£**	£
Floating rate notes	**190,050,000**	225,000,000
Unamortised issue costs	**(754,147)**	(998,608)
	189,295,853	224,001,392
Current liabilities		
Interest payable	**268,603**	2,343,782
Liquidity facility	**14,000,000**	-
Total	**203,564,456**	226,345,174

The loan agreement for the floating rate notes states that for the securitised pool of assets owned by ING Real Estate Income Trust the Loan to Value ratio should not exceed 60% and the Interest Cover Ratio should be a minimum of 1 75

On 17 April 2009 the ING Real Estate Income Trust announced it had breached the 50% loan to value ("LTV") covenant on its securitised loan facility with the LTV amounting to 53 4% The loan documents allow for a 30 day remedy period from the date of breach of a covenant and a meeting of Noteholders on 15 May 2009, agreed,

• increase the LTV covenant from 50 per cent to 60 per cent until January 2012, when it will reduce to 55 per cent, falling back to 50 per cent in July 2012,
• Increase the interest cover ratio from 1 5 times to 1 75 times until the maturity of the loan Notes in January 2013,
• Prepay £35 million of the principal amount outstanding on the £225 million loan Notes This payment should be made by January 2010 through one or more tender offers, with the first tender offer being held in July 2009 for a minimum of £15 million principal amount of Notes The tender offers will be at par

ING Real Estate Income Trust is currently in compliance with all loan covenants at the date of these financial statements

Liquidity facility

On 27 February 2009 the Company drew down the full amount on the liquidity facility agreement as the liquidity facility provider had breached the required rating requirement This is further explained under liquidity risk in note 14

13. OTHER PAYABLES

	2009	2008
Current liabilities	**£**	£
Accruals	**1,390,357**	131,036
Other creditors	**38,581**	38,581
Deferred income	**757,511**	1,003,064
	2,186,449	1,172,681

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

ING (UK) LIST ED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

14. FINANCIAL RISK MANAGEMENT

The pnncıpal nsks and uncertaıntıes are set out ın the Dırectors' Report on page 3 The Board revıews and agrees polıcıes for managıng each of these nsks

The loans and financıal ınstruments compnse a loan receıvable, cash and lıquıd resources, derıvatıves, interest-bearıng loans and borrowıngs and varıous receıvables and payables that anse dırectly from ıts operatıons The maın nsk arısıng from the company's financıal ınstruments are ınterest rate nsk, lıquıdıty nsk and credıt nsk

Credıt nsk
Credıt nsk ıs the nsk that a counterparty wıll be unable or unwıllıng to meet a commıtment that ıt has entered ınto wıth the company The company has adopted a polıcy of only dealıng wıth credıtworthy counterpartıes and obtaınıng suffıcıent collateral where appropnate, as a means of mıtıgatıng the nsk of financıal loss from defaults The company's exposure and credıt ratıngs of ıts counterpartıes are contınuously monıtored and the aggregate value of transactıons concluded ıs spread amongst approved counterpartıes Credıt exposure ıs controlled by counterparty lımıts that are revıewed regularly

The carryıng amount of the financıal assets, best represent the maxımum credıt nsk exposure at the statement of financıal posıtıon date As at 31 December 2009, the Company's financıal assets and lıabılıtıes exposed to credıt nsk amounted to the followıng

31 December 2009	**Note**	**Derıvatıve ınvestments ın desıgnated hedge accountıng relatıonshıps**	**Fınancıal assets and lıabılıtıes at amortısed cost**	**Total**
		£	**£**	**£**
Fınancıal assets				
Loan receıvables	**8**	-	**190,050,000**	**190,050,000**
Other receıvables	**9**	-	**1,783,070**	**1,783,070**
Lıquıdıty account		-	**14,009,512**	**14,009,512**
Cash at bank	**10**	-	**77,848**	**77,848**
Deferred tax	**7(c)**	-	**3,586**	**3,586**
Total		-	**205,924,016**	**205,924,016**
Fınancıal lıabılıtıes				
Loans and borrowıngs	**12**	-	**203,564,456**	**203,564,456**
Other payables and taxatıon	**7(c), 13**	-	**2,186,449**	**2,186,449**
Derıvatıve lıabılıtıes	**11**	**11,576,612**	-	**11,576,612**
Total		**11,576,612**	**205,750,905**	**217,327,517**

31 December 2008	Note	Derıvatıve ınvestments ın desıgnated hedge accountıng relatıonshıps	Fınancıal assets and lıabılıtıes at amortısed cost	Total
		£	£	£
Fınancıal assets				
Loan receıvables	8	-	225,000,000	225,000,000
Other receıvables	9	-	2,653,402	2,653,402
Cash at bank	10	-	72,277	72,277
Total		-	227,725,679	227,725,679
Fınancıal lıabılıtıes				
Loans and borrowıngs	12	-	226,345,174	226,345,174
Other payables and taxatıon	7(c), 13	-	1,181,277	1,181,277
Derıvatıve lıabılıtıes	11	14,028,389	-	14,028,389
Total		14,028,389	227,526,451	241,554,840

14. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)
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

There have been no loan defaults or breaches during the current 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

The Company is exposed to credit risk from counterparties used to value the interest rate swaps which are financial assets as at 31 December 2009 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 the prior year

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 0 65% (2008 2 83%)

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

14. FINANCIAL RISK MANAGEMENT (continued)

31 December 2009	Weighted average effective interest rate (%)	Less than 1 year	1 to 5 years	More than 5 years	Total
Loans receivable	4.798	-	190,050,000	-	190,050,000
Cash and cash equivalents	0.01	14,087,360	-	-	14,087,360
Loans and borrowings	4.795	(268,603)	(189,295,853)	-	(189,564,456)
Liquidity drawdown	0.8	(14,000,000)	-	-	(14,000,000)
Total		(181,243)	754,147	-	572,904

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	(2,343,782)	(223,963,589)	-	(226,307,371)
Liquidity drawdown		-	-	-	-
Total		(2,271,506)	1,036,411	-	(1,235,095)

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

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 details 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 2009 %	31 Dec 2008 %	31 Dec 2009 £'000	31 Dec 2008 £'000	31 Dec 2009 £'000	31 Dec 2008 £'000
Outstanding						
Less than 1 year	-	-	-	-	-	-
1 to 2 years	-	-	-	-	-	-
2 to 5 years	-	-	-	-	-	-
More than 4 years	4.798	4 805	190,050,000	225,000,000	190,050,000	225,000,000
			190,050,000	225,000,000	190,050,000	225,000,000

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 2008	(14,028,389)
Movement in valuation through the hedge reserve to 31 December 2009	2,451,777
Market value of swaps as at 31 December 2009	(11,576,612)

Currency risk
The Company has no exposure to foreign currency risk

ING (UK) LISTED REAL ESTATE ISSUER PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

14. FINANCIAL RISK MANAGEMENT (continued)

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

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 2009 and the periods in which floating rate assets and liabilities re-price

2009	Effective interest rate (%)	Total £	Fixed rate £	Floating rate < 1 month £	Floating rate 1-3 months £	Non interest bearing £
Assets						
Loans receivable	4.798	190,050,000	190,050,000	-	-	-
Other receivables	-	1,783,070	-	-	-	1,783,070
Cash at bank	0.1	77,848	-	77,848	-	-
Liquidity account	-	14,009,512	-	14,009,512	-	-
		205,920,430	190,050,000	14,087,360	-	1,783,070
Liabilities						
Floating rate notes	4.795	190,050,000	-	-	190,050,000	-
Unamortised issue costs	-	(754,147)	-	-	-	(754,147)
Interest payable	-	268,603	-	-	-	268,603
Derivative liabilities	-	11,576,612	-	-	-	11,576,612
Other payables	-	2,186,449	-	-	-	2,186,449
Liquidity drawdown	0.8	14,000,000	-	14,000,000	-	-
		217,327,517	-	14,000,000	190,050,000	13,277,517

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
Cash at bank	4 272	72,277	-	72,277	-	-
Liquidity account		-	-	-	-	-
		227,725,679	225,000,000	72,277	-	2,653,402
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
Liquidity drawdown	-	-	-	-	-	-
		241,554,840	-	-	225,000,000	16,554,840

Fair values
The fair values of assets and liabilities are considered to equal their carrying amounts shown in the statement of financial position

14. FINANCIAL RISK MANAGEMENT (continued)

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

A liquidity facility provided by Barclays Bank, has been established which will be available, subject to certain criteria and circumstances, in the event of the Company being unable, on a temporary basis, to meet its financial commitments The purpose of the liquidity facility is to provide liquidity, not credit support, and the liquidity facility provider is entitled to receive interest on drawings made which may reduce the amount available for distribution to noteholders

On 20 December 2005 an agreement was entered into with Barclays Bank for the provision of an amortising liquidity facility of up to £14,000,000 for the Company The facility is in place to allow the Company to meet its obligations should there be a shortfall in the revenue or principal received from the commercial mortgage loans A fee is charged on the undrawn balance, currently set out at 0 2% per annum This fee would increase on any drawn balance The facility agreement was renewed with Barclays Bank on 10 December 2009 for up to £14,000,000 This facility is renewed annually and is due to expire on 09 December 2010

During the year the credit rating (short term) of Barclays Bank has been downgraded by the Rating Agencies, and is no longer equal to or better than the credit ratings specified in the Liquidity Facility Agreement As per the terms of the Liquidity Facility Agreement and as a result of this downgrade the company drew down this facility in full on 27 February 2009 and deposited the funds in a separate bank account, the Liquidity Account These reserve drawings will remain in this account until the Liquidity Facility Provider is ascribed a better credit rating from all of the relevant rating agencies

Liquidity risk 2009	Less than 1 year	1 – 5 years	More than 5 years	Total
	£	£	£	£
Liabilities				
Floating rate loan notes	-	190,050,000	-	190,050,000
Unamortised issue costs	-	(754,147)	-	(754,147)
Interest payable	268,603	-	-	268,603
Accruals	1,390,357	-	-	1,390,357
Derivative liabilities	11,576,612	-	-	11,576,612
Liquidity drawdown	14,000,000	-	-	14,000,000
Other creditors	38,581	-	-	38,581
Deferred income	757,511	-	-	757,511
Total liabilities	28,031,664	189,295,853	-	217,327,517

14. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk 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
Liquidity drawdown	-	-	-	-
Other creditors	38,581			38,581
Tax payable	8,596	-	-	8,596
Deferred income	1,003,064	-	-	1,003,064
Total liabilities	17,553,448	224,001,392	-	241,554,840

Interest rate sensitivity
No sensitivity analysis was performed because it was considered immaterial

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, as per the Corporate Services Agreement, for which they received a fee of £20,297 (2008 £18,869) At 31 December 2009 £8,175 (2008 £8,021) of these fees were outstanding Wilmington Trust SP Services (London) Limited are also a director of the company

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 and ING (UK) Real Estate Income Trust Ltd, in accordance with SIC 12

17. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 31 December 2009 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 (2008 nil)

18. POST BALANCE SHEET EVENTS

In 2010 £15,050,000 of the Loans were repurchased and £15,050,000 was repaid on the loan receivable £3,108,000 of the drawn liquidity facility was also repaid in 2010