

**HANZEVAST CAPITAL N.V.**

**at Hilversum**

**Annual report 2008**

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## **Report of the Management**

The Management of Hanzevast capital N.V. hereby presents its financial statements for the financial year ended on 31 December 2008.

### ***General information***

Hanzevast capital N.V., referred to as “the Company” is a financial services company with a core business of structuring ship and real estate funds and placing the fund equity with third party investors. These third parties constitute primarily wealthy individuals. Furthermore the Company is responsible for the management of those funds as it has the formal license and therefore responsibility to do so. Also for the non-regulated funds, the Company is ultimately responsible for the management thereof.

The Company structures funds for the Dutch, Belgian and Austrian market through its main operations in Hilversum, the Netherlands and its subsidiary Hanzevast Capital Austria GmbH in Vienna and its branch Hanzevast Capital (Nederland) in Belgium. The Austrian subsidiary was founded on 25 June 2008. The total number of employees of the Company grew from 18 to 22 during 2008.

The Company has its statutory residence at Utrechtseweg 47, Hilversum in the Netherlands and was incorporated in Huizen, The Netherlands, on the 9<sup>th</sup> of January 1998. The Company has both a license to operate as management company (clause 2:65) and investment firm (clause 2:96) of the Financial Supervision Act (Wet op het financieel toezicht).

The shares of the Company are held for 92.5% by the direct parent company Hanzevast Capital B.V. and for 7.5% by a related party of the ultimate parent company.

Central to the strategy of the Company is its conviction that it should only structure funds in industries of which it has gained a thorough knowledge. After placement of the funds it usually continues to remain involved in the day to day management of the funds through its sister property and shipping companies. The remuneration for the management of the funds is closely tied to the financial success of the funds involved. Through aligning the interests of the Company with those of the third party investors, the company becomes a trustworthy counterparty to the investors.

### ***Financial information***

The year 2008 was marked by sharp contrasts. During the first 6 months the Company almost equalled the sales volume of the entire preceding year. The placement of Vlootfonds Hanzevast II CV, the largest Dutch shipping fund ever, was brought to a successful closing. In addition, the Company closed two property funds that were initiated in 2007. (Vastgoedfonds Hanzevast Holland 63 CV and Vastgoedfonds Hanzevast Duitsland 1 CV). At the same time we closed the first Euronext listed shipping fund in Belgium (Hanzevast Carisbrooke Shipping 1 NV). The outlook for the remainder of the year was rosy and the Company introduced just before the Summer break a Eur 18.6 million equity offshore shipping fund, Scheepsfonds Hanzevast Diving Support Vessel CV. This fund was sold out within four weeks. The appetite for shipping funds let us to introduce a new Fleetfund that ultimately will include four handy size bulk carriers. The first ship, the MS Hanze Groningen, was introduced in The Netherlands whereas the second ship, the MS Hanze Goslar, was introduced in Vienna

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with our newly opened subsidiary. Also in May, we introduced a follow-up German property fund, Vastgoedfonds Hanzevast Duitsland 2 CV. Finally, we introduced in August a small innovative property development fund, Vastgoedontwikkelingsfonds Hanzevast Terherne CV. The initial sales successes of these funds were remarkable. Unfortunately did the world change dramatically after the demise of Lehman Brothers in September 2008, and of Fortis Bank in October 2008. Sales almost came to a complete standstill. Due to the overwhelming sales successes of Scheepsfonds Hanzevast Diving Support Vessel CV in June 2008, we introduced a follow up ship, the Scheepsfonds Hanzevast Offshore Support Vessel CV just before year end. The interest for this ship was good and we closed the sales in Q-1 2009.

Alarmed by the rapidly deteriorating economic outlook, the Company decided to reduce the sales targets for 2009 and, already in October 2008, decided to strongly reduce its cost base. All costs not directly related to the sales efforts were slashed. These reductions included amongst others personnel, salaries, subscriptions, cars. Even though these cost reductions were initiated in 2008, the Company expects the measures only to become fully “visible” in the second half of 2009.

Mainly based on the strong performance of the first half year, Hanzevast capital N.V. raised EUR 62.1 million of equity from the market in 2008 (2007: EUR 44.5 million) for a total investment volume of real estate and shipping funds of EUR 163.7 million (2007: EUR 90.9 million).

In 2008 Hanzevast capital N.V. realised a net turnover of EUR 11.9 million (2007: EUR 9.6 million) and a net turnover margin of EUR 4.8 million (2007: EUR 2.9 million).

The general and administrative expenses have raised from EUR 4.3 million in 2007 to EUR 4.9 million in 2008. This increase was mainly caused by an increase in the cost of personnel resulting mainly from an increase in the number of employees (EUR 0.4 million) and an increase in operating expenses (EUR 0.2 million).

The result after taxes over the year 2008 was EUR 0.06 million negative (2007: EUR 1.1 million negative) and has therefore strongly increased.

The group equity decreased to EUR 4.76 million (2007: EUR 4.82 million). The solvability of the group increased to 32.3% (2007: 32.2%).

At 31 December 2008 the company has outstanding placement guarantees for the raising of equity for several real estate and shipping funds in a total amount of EUR 42 million (2007: EUR 52.9 million). Because of the fact that certain parts of fees invoiced to before mentioned funds are taken into account in the year of initiation and introduction of the fund, it is very important for the Company that the raising of equity finds place within the various timelines of introduction and closing of the fund.

With respect to the funding requirement of the company, Hanzevast capital N.V. received a guarantee from its parent company, Hanzevast Capital B.V., for a maximum amount of EUR 2,500,000 to provide the company with the necessary liquidity and solvency support if and when necessary.

***Information regarding financial instruments***

Exposures endeavoured by the company and group companies for price-, credit-, liquidity- and cash flow risks are quantified wherever possible. Necessary actions to mitigate these exposures are taken whenever possible and useful. This applies in particular to the influence of the US dollar.

We make further reference to the note 11 of notes to the consolidated balance sheet for a further description of the risks the Company incurs.

***Other information***

- During 2008 time and effort was invested in the group wide implementation of a new web based IT system. The system is built around two elements; An administrative system “Yardi”, specifically designed for property management companies and a Customer Relationship Management en Human Resources Management System “E-Synergy”. The conversion to Yardi was more complex than anticipated and was only effectuated in January 2009. The conversion to E-Synergy was effectuated in June 2008 in relation to the Human Resources Module. The Company will migrate to Customer Relationship Management Module of E-Synergy in the second half of 2009. Implementation of the new IT system will improve the efficiency and accuracy of the administration. In addition, the Company will directly benefit through a cost reduction. The investors will, upon full implementation, directly have access to the relevant information regarding their investments using a web portal. The distribution of information to our investors over the Internet will result in a more intimate relationship with our investors while at the same time reducing the cost related to traditional paper mailings. The Company expects the web portal to become operational in the second half of 2009.
- In addition to its traditional products of closed end property and shipping funds, the Company has been very active in developing new products and markets
  - Property development fund Vastgoedontwikkelingsfonds Hanzevast Terherne CV (“Terherne”), was developed in close cooperation with Hanzevast Ontwikkeling B.V. Terherne is a Eur 2,250,000 fund that provides capital to develop 36 recreational cottages on the banks of the Terhernster Poelen/Sneekerveer in the province Friesland.
  - In Belgium, the Initial Public Offering of Hanzevast Carisbrooke Shipping 1 NV (ticker: “HZV1”) raised Eur 6,700,000 of equity. Through its listing on the Fixing Market of Euronext Brussels, the fund opened up shipping funds for the first time both to Belgian investors as well as to deep retail investors throughout the Benelux. The ticket size of of Eur 1,000,- and the stable performance of the shares through last year’s financial turmoil proves the concept of this fund.
  - Thirdly, the Company decided to open a subsidiary in Vienna to cater for the increased appetite of Austrian investors for good quality shipping funds. The Company swiftly established itself as a leading Equity House and opinion leader in the Austrian press.
- The Company places strong emphasis on internal control of processes and procedures. It received ISO 9002 certification in 2002 and obtained a second 3 year

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extension in the fall of 2009. An important step in the professionalisation of the Company has been the appointment of a Compliance Officer in November 2008. The Compliance Officer has developed a Compliance Control Schedule successively analyzing the compliance of our processes with legislation, corporate rules and with prospectus.

- The Company has access to financing for investments and working capital purposes through its parent company Hanzevast Capital B.V. Hanzevast Capital B.V. itself has a term loan and a credit facility from a highly rated Dutch bank.

### ***Future developments***

- As part of its business model, the Hanzevast Group (“Group”), representing Hanzevast holding b.v. and its group companies, is required to make investments in, and commitments related to its new funds.
  - The Group makes as standard 2.5% equity investment in each of the funds its structures.
  - In addition, placement guarantees might be given ensuring the completion of the fund even if insufficient equity has been raised from the market.
  - During the structuring phase, assets might need to be purchased by the Company and temporarily might be held on its balance sheet.
- Because the structuring and sales process of a new fund can take an extended period of time, the investments in its funds are an important balance sheet item. On 31 December 2008, the investments in funds by Hanzevast capital N.V. included EUR 1.1 million. With the exception of its investment in Vastgoedmaatschap 27, all investments exceeding 2.5% of fund equity are expected to be divested through the sales of participations over time.
- It is of great importance to have a continuing dialogue with the banks financing the Company and the banks financing the funds under management. The Company has been in compliance with its bank facilities all throughout 2008. Seven expiring loans supporting the early property funds of the Company have been extended and one expiring loan has been refinanced with another bank.
- As a result of the implementation of the new administrative IT system in combination with the lower level of activities both on the income as the cost side, we expect to be able to further reduce the headcount in 2009.
- The low level of the shipping economic cycle provide the Company and its investors with excellent opportunities to purchase new ships at low market prices. A temporary fiscal economic stimulation law will add to the attractiveness of the shipping funds in our market segments (bulkers & off-shore). The Company will continue to invest resources in developing innovative fund solutions for the property markets. Particularly the innovative Hanzevast Rent Stabilisation Program will bring stability in the markets, reopening the property markets for closed-end funds.
- The profitability of the Company for 2009 will depend on completing the sales of the 2008 funds, the introduction of new funds and the effectiveness of cost reduction

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measures to be taken. During the first difficult months of 2009, the Company did continue to sell equity in the markets and therefore expects to realize a manageable loss for FYE 2009. Also important will be the continued availability of bank financing, both for working capital purposes as for the purpose of leveraging our investment funds. If and when the markets resume to more normal situations, the Company expects to be in an excellent starting position to restore to profitability.

Hilversum, 30 June 2009,

The management

Drs. J.H. Wolters

mr. N.A.J. Broeijer

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### Consolidated balance sheet as at 31 December 2008

*in euro's, before profit appropriation*

ASSETS	2008	2007
<b>Fixed assets</b>		
<i>Tangible fixed assets</i>		
Inventory	1 <b>123,986</b>	140,476
Computers	1 <b>264,037</b>	105,320
Vehicles	1 <b>236,276</b>	120,778
	<b>624,299</b>	366,574
 <i>Financial fixed assets</i>		
Other financial fixed assets	2 <b>350,950</b>	673,883
 <b>Current assets</b>		
<i>Work in progress</i>		
	3 <b>488,649</b>	123,335
 <i>Receivables</i>		
Accounts receivable	4 <b>8,178,762</b>	7,845,560
Accounts receivable from shareholders	<b>0</b>	70,290
Taxes and social security premiums	4 <b>1,523,639</b>	1,503,590
Prepaid expenses and accrued income	4 <b>57,812</b>	2,389,758
	<b>9,760,213</b>	11,809,198
 <i>Securities</i>		
	5 <b>1,070,730</b>	639,214
 <i>Cash and banks</i>		
	6 <b>2,176,832</b>	1,368,775
	<b>14,471,673</b>	14,980,979
<b>Total assets</b>	<b>14,471,673</b>	14,980,979

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### Consolidated balance sheet as at 31 December 2008

*in euro's, before profit appropriation*

<b>EQUITY AND LIABILITIES</b>		<b>2008</b>	2007
<b>Group equity</b>	7	<b>4,758,813</b>	4,817,038
<b>Provisions</b>	8	<b>100,000</b>	0
<b>Current liabilities</b>			
Trade creditors	9	<b>915,809</b>	409,899
Debt to shareholders	9	<b>3,761,846</b>	5,960,831
Accounts payable to associated companies	9	<b>1,027,199</b>	914,568
Taxes and social security premiums		<b>100,256</b>	107,823
Accruals and deferred income	9	<b>3,570,010</b>	2,704,536
Other liabilities	9	<b>237,740</b>	66,284
		<hr/> <b>9,612,860</b> <hr/>	<hr/> 10,163,941 <hr/>
<b>Total equity and liabilities</b>		<hr/> <b>14,471,673</b> <hr/>	<hr/> 14,980,979 <hr/>

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### Consolidated profit and loss accounts for the year ended 31 December 2008

*in euro's*

		2008	2007
<b>Net turnover</b>	10	<b>11,869,028</b>	9,639,714
<b>Cost of sales</b>	11	<b>7,076,819</b>	6,689,945
		<hr/>	<hr/>
<b>Net turnover margin</b>		<b>4,792,209</b>	2,949,769
 <b>General &amp; administrative expenses</b>			
Wages and salaries	12	<b>1,616,148</b>	1,349,930
Social security premiums	12	<b>285,419</b>	193,277
Depreciation fixed assets	12	<b>121,401</b>	61,318
Other operating expenses	12	<b>2,874,873</b>	2,670,502
		<hr/>	<hr/>
		<b>4,897,841</b>	4,275,027
		<hr/>	<hr/>
<b>Net result on turnover</b>		<b>-105,632</b>	-1,325,258
 <b>Net financial results</b>	 13	 <b>12,129</b>	 -225,117
		<hr/>	<hr/>
<b>Result before taxation</b>		<b>-93,503</b>	-1,550,375
Taxation		<b>35,278</b>	88,267
Income from associated companies		<b>0</b>	411,515
		<hr/>	<hr/>
<b>Result after taxes</b>		<b>-58,225</b>	-1,050,593
		<hr/> <hr/>	<hr/> <hr/>

**Consolidated cash flow statement for the year ended 31 December 2008**

*in euro's*

	2008	2007
<b>Results after taxes</b>	<b>-58,225</b>	-1,050,593
Adjusted for:		
Depreciation	<b>121,401</b>	61,318
Changes in provisions	<b>100,000</b>	0
Changes in working capital	<b>3,331,575</b>	-6,867,441
<b>Cash flow from operating activities</b>	<b>3,494,751</b>	-7,856,716
Investments/divestments in:		
Tangible fixed assets	<b>-379,126</b>	-348,939
Financial fixed assets	<b>322,933</b>	-447,933
Securities	<b>-431,516</b>	-86,287
<b>Cash flow from investment activities</b>	<b>-487,709</b>	-883,159
Receipt debt to shareholders	<b>0</b>	5,960,831
Repayment of debt to shareholders	<b>-2,198,985</b>	0
<b>Cash flow from financing activities</b>	<b>-2,198,985</b>	5,960,831
<b>Changes in cash and cash equivalents</b>	<b>808,057</b>	-2,779,044

## Notes to the 2008 consolidated financial statements

### *Activities*

Hanzevast capital N.V., referred to as “the Company”, with its statutory residence at Utrechtseweg 47, Hilversum in the Netherlands, was incorporated in Huizen, The Netherlands, on the 9<sup>th</sup> of January 1998. The Company has both a license to operate as management company (clause 2:65) and investment firm (clause 2:96) of the Financial Supervision Act (Wet op het financieel toezicht).

Its core business activities are structuring ship and real estate funds and placing them with third parties. These third parties constitute primarily wealthy individuals. Furthermore the Company is responsible for the management of the property funds as it has the formal license and therefore responsibility to do so. Also for the non-regulated property funds, the Company is ultimately responsible for the management thereof.

The Company structures funds for the Dutch, Belgian and Austrian market and has a branch in Belgium.

### *Ultimate parent company*

The shares are held for 92,5% by the direct parent company Hanzevast Capital B.V. and for 7,5% by a related party of the ultimate parent company.

The ultimate parent company is Hanzevast Holding B.V., having its registered office in Groningen. The annual accounts of Hanzevast Holding B.V. are filed with the Chamber of Commerce of Groningen.

### *Basis of preparation*

The financial statements have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention.

The amounts in this annual report are presented in EUR, unless stated otherwise.

### *Application of Section 402, book 2 of the Netherlands Civil Code (BW)*

The financial information of the company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the single profit and loss account of the company exclusively states the share in the result after taxation of companies in which participating interests are held and the general result after taxation.

### *Accounting policies*

Certain comparative amounts have been reclassified to conform with current year's presentation.

If not stated otherwise, assets and liabilities are shown at nominal value.

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The income and expenses are accounted for in the period to which they relate. Revenue is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods or when the services have been provided.

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

### *Consolidation principles*

The consolidated financial statements include the financial data of the Company and its group companies and other companies controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Group companies are participating interests in which the company has a direct and indirect controlling interest.

In assessing whether controlling interest exists, potential voting rights that presently are exercisable are taken into account. Group companies exclusively acquired with the view to resale are exempted from consolidation.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances, and any other unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The consolidated accounts comprise the financial statements of:

- Hanzevast capital N.V.
- Hanzevast Financial Services B.V., Hilversum (100%)
- Hanzevast Financial Services C.V., Hilversum (100%)
- Stone Hedge B.V., Hilversum (100 %)
- Vastgoedfonds Hanzevast Holland 52 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Holland 55 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Holland 58 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Holland 61 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Holland 62 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Holland 63 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Holland 64 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Duitsland 1 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Duitsland 2 B.V., Hilversum (100%)

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- Vastgoedfonds Hanzevast Duitsland 3 B.V., Hilversum (100%)
- Vastgoedontwikkelingsfonds Hanzevast Terherne B.V., Hilversum (100%)
- Scheepsfonds Hanzevast Diving Support Vessel B.V. Hilversum (100%)
- MPC Private Equityfonds Global 8 B.V., Hilversum (100%)
- Hanzevast Capital Austria GmbH Wenen, Oostenrijk (100%)

### ***Principles for the translation of foreign currencies***

#### ***Foreign currency transactions***

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

#### ***Business operations abroad***

The assets and liabilities of foreign operations, are translated into euros at exchange rates applying on the reporting date. Income and expenses of foreign operations are translated into euros at the exchange rate on the transaction date.

Translation gains and losses are taken to the reserve for translation differences. If a foreign operation is totally or partially sold, the amount in question is transferred from the reserve for translation differences to the profit and loss account.

#### ***Adjustment of error in previous year's financial statements***

The Company identified that the method it had applied in relation to the recognition of income regarding the placement guarantees given to funds was not correct in the 2007 financial statements. The error has been adjusted in the comparatives figures as included in these financial statements. The impact of the adjustment on the equity as per 31 December 2007 amounts to EUR 943,361. The negative effect on the result for the year 2007 is also EUR 943,361. Furthermore, in relation to the foregoing adjustment also revenue was transferred from a subsidiary of the Company to the statutory accounts of the Company itself. This adjustment did not have an effect on equity or results, but resulted in a reclassification from deferred tax assets to current tax receivable amounting to EUR 696,377.

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost of purchase, less accumulated depreciation.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. The applicable depreciation rate for all tangible fixed assets is 20%.

***Financial fixed assets***

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value. The net asset value is calculated on the basis of the accounting principles of the Company. Participating interests with a negative net asset value are valued at nil. In the case that the company guarantees for the debts of the respective participating interest, a provision is recognized. This provision is primarily recognized to the debit of the receivables on the respective participating interest and for the remainder presented under provisions for the part of the share of the losses incurred by the participating interest, or for the estimated payments by the company on behalf of these participating interests.

Participating interests where no significant influence is exercised are stated at cost less any accumulated impairment losses.

Dividends are recognized in the period in which they are declared. Any profit or loss is recognized in the profit or loss as accounted for under financial income or expenses.

***Work in progress***

Work in progress represents the gross unbilled amount expected to be collected from the funds which are in the process of being set up. It is measured at cost recognized to date less progress billings and provisions, if any. Cost includes all expenditure related directly to specific funds. A provision is recognized for expected losses on contracts, which occurs when total contract costs exceed total contract revenue.

***Impairment or disposal of fixed assets***

The Company states intangible, tangible and financial fixed assets in accordance with accounting principles generally accepted for financial reporting in the Netherlands. Pursuant to these principles, assets with a long life should be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets' recoverable amount is estimated. The recoverable amount is calculated as the present value of estimated future cash flows, discounted at the effective interest rate.

If the book value of an asset exceeds the recoverable amount, an impairment is charged to the result equal to the difference between the carrying amount and the recoverable amount. Assets for sale are stated at the carrying amount or lower market value, less selling costs.

***Financial instruments***

The financial instruments held by the Company comprise loans and receivables, debt and payables and equity securities

The Company applies the trade date convention for recognition of transactions in financial instruments.

Loans and receivables and debt and payables are valued at amortised cost.

*Investments in equity instruments*

The Company's investments in shares, provided these are listed, are carried at fair value following their initial recognition. Until derecognition, changes in the fair value are recognized directly in profit and loss.

The Company's investments in unlisted shares are carried at cost or lower market value.

*Fair value of financial instruments*

The Company has assessed the fair values of all financial instruments and is of the opinion that on total level the fair value of these financial instruments does not materially differ from the carrying value of those instruments given the financial statements as a whole. This is the result of the relative short remaining period of financial instruments.

***Provisions***

A provision is recognized if

- The Company has a legal or constructive obligation, arising from a past event; and
- If there is a probable outflow of resources; and
- The amount can be estimated reliably.

***Revenue recognition***

The Company has the following main types of revenue

- Fees received for structuring funds – this revenue is realized at the moment the funds are put in the market and are open for subscription of external parties. The revenue is adjusted for further expenses to be made for the fund (e.g. further marketing expenses)
- Fees received for placement guarantees – this revenue is realized in accordance with the number of fund participations placed with third parties
- Fees received in relation to the issuance of participations – this revenue is realized in relation to fund participations placed with third parties
- Fees received for managing the funds and other revenue – this revenue is realized over the period to which it relates.

Expenses are recognized in the period to which it relates.

***Financial income and expenses***

Financial income and expenses relate to interest received or due from and paid or due to third parties and group companies. Furthermore financial income and expenses also include foreign exchange results.

***Share in the result from investments in participating interests***

The share in the result of participating interests consists of the share of the group in the result of these participating interests.

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The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

### ***Corporate income tax***

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The cash flow statement has been prepared using the indirect method. Cash flows in foreign currency are translated into euros at the average weighted exchange rates at the dates of the transactions.

Notes to the consolidated balance sheet as at 31 December 2008

1. *Tangible fixed assets*

The movements in the tangible fixed assets are as follows:

	2008			Total	2007
	Inventory	Computers	Vehicles		Total
Balance as at 1 January:					
Cost	428,928	448,305	150,025	1,027,258	697,314
Accumulated depreciation	-288,452	-342,985	-29,247	-660,684	-618,361
Book value	140,476	105,320	120,778	366,574	78,953
Movements during the year:					
Acquisitions	20,721	207,718	150,687	379,126	348,939
Depreciation	-37,211	-49,001	-35,189	-121,401	-61,318
Disposals	0	0	-17,307	-17,307	-18,995
Depreciation on disposals	0	0	17,307	17,307	18,995
	-16,490	158,717	115,498	257,725	287,621
Balance as at 31 December:					
Cost	449,649	656,023	283,405	1,389,077	1,027,258
Accumulated depreciation	-325,663	-391,986	-47,129	-764,778	-660,684
Book value	123,986	264,037	236,276	624,299	366,574
Depreciation rate	20%	20%	20%		

2. *Financial fixed assets*

*Investments in associated companies*

In 2007 the Company held an investment in Hanzevast Shipping B.V. On 28 December 2007 the Company sold its entire share in Hanzevast Shipping B.V. to its parent company, Hanzevast Capital B.V.

*Other financial fixed assets*

The other financial fixed assets can be specified as follows:

	2008	2007
Depositories	350,950	338,450
Loans	0	335,433
	350,950	673,883

The depositories concern capital contributed in the related depositories, which are the legal owners of the assets of the funds managed by the Company or its subsidiaries. The depositories are Stichting Bewaring Hanzevast Omnifund, Stichting Bewaarder Hanzevast Vastgoedfondsen, Stichting Bewaarder Hanzevast Vastgoedfondsen Duitsland and Stichting Bewaarder Hanzevast Scheepsfondsen, which have their registered offices in Groningen.

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The loans concern receivables from related parties, which were originally to be repaid in 5 years; starting the first term of repayment in 2008. The loans were early redeemed in October 2008. The applicable interest was 3-Months Euribor plus 1.5%.

### 3. Work in progress

Work in progress concerns capitalized costs related to funds to be set up. Costs are only capitalized after the economical feasibility of the fund is established and the decision is made by management to set up the fund.

### 4. Receivables

#### Accounts receivables

The accounts receivables can be specified as follows:

	2008	2007
Accounts receivables from related funds	<b>5,782,140</b>	1,314,488
Current accounts with related funds	<b>1,908,599</b>	6,037,421
Accounts receivables from group companies Hanzevast Holding B.V.	<b>21,676</b>	20,560
Other accounts receivables	<b>496,829</b>	503,573
Allowance for doubtful debts	<b>-30.482</b>	-30.482
	<b>8,178,762</b>	7,845,560

The accounts receivable from related funds concern fees invoiced in relation to placement risk guarantees, structuring fees for setting up funds, management fees and other related fees.

The other accounts receivables relate to receivable issue fees EUR 208,822 (2007: EUR 331,372) and other receivable amounts, of which EUR 167,088 (2007: EUR 133,116) is with related companies and persons outside the group of ultimate parent Hanzevast Holding B.V.

There was no movement in allowance for doubtful debt in 2008.

#### Taxes and social security premiums

The taxes and social security premiums can be specified as follows:

	2008	2007
Dutch V.A.T.	<b>63,742</b>	103,234
Belgium V.A.T.	<b>110,884</b>	16,867
German V.A.T.	<b>1,536</b>	0
Current Corporate Income Tax	<b>417,125</b>	838,879
Deferred Corporate Income Tax	<b>930,352</b>	544,610
	<b>1,523,639</b>	1,503,590

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The deferred corporate income tax relates to tax losses carried forward. These can be realized up to the following fiscal years:

Year	Amount
2015	111,736
2016	432,874
2017	385,742
	<hr/>
	930,352
	<hr/> <hr/>

### *Prepaid expenses and accrued income*

The prepaid expenses and accrued income can be specified as follows:

	2008	2007
Accrued income from related funds	<b>625</b>	2,382,411
Prepaid expenses	<b>57,187</b>	7,347
	<hr/>	<hr/>
	<b>57,812</b>	2,389,758
	<hr/> <hr/>	<hr/> <hr/>

### **5. Securities**

The securities can be broken down as follows:

	2008	2007
Equity participations in real estate funds	<b>520,365</b>	520,365
Equity participations in ship funds	<b>118,849</b>	118,849
Equity securities participations in ship funds	<b>431,516</b>	0
	<hr/>	<hr/>
	<b>1,070,730</b>	639,214
	<hr/> <hr/>	<hr/> <hr/>

These securities primarily relate to funds not completely placed with third parties and are therefore principally held for sale and as a consequence classified as current assets. In 2008 the Company has not sold these participations to third parties.

The equity securities participations in ship funds are carried at market value and these are listed on the Brussels stock exchange. The other equity participations are not listed on a stock exchange. Management of the Company is of the opinion that the market value of the non-listed equity participations does not materially deviate from the cost price.

### **6. Cash and banks**

The cash and banks are at free disposal of the Company except for the fact that the company has given a security agreement to Hypo Real Estate Bank AG of EUR 1,200,000 (2007: EUR 1,200,000). The amount of EUR 1,200,000 is deposited on the bank account which the company has with Hypo Real Estate Bank AG. The security agreement is given in relation to the loan extension agreements and the due and

## Hanzevast capital N.V. – Annual report 2008

punctual fulfillment of their obligations of the real estate funds Vastgoedmaatschap MPC Holland 12, 18, 19, 21, 24, 25, 27, 33, 34, 39 and 52.

All cash and banks, with the exception of Hypo Real Estate Bank deposit, have a maturity of less than 3 months.

### **7. Group equity**

The group equity is further specified in the notes to the company balance sheet.

### **8. Provision**

The provision relates to a claim on a non-successful fund set up.

### **9. Current liabilities**

#### *Trade creditors*

Trade creditors relate to invoices received for services provided to the Company to operate the Company and setting up funds.

#### *Debt payable to shareholders*

The debt payable to shareholders relates to amounts owed to Hanzevast Capital B.V. The debt consists of a current account and several short term loans. The purpose of the short term loans is the funding of the initiation of partnerships. The applicable interest rate is 7%. (2007: 7%).

#### *Accounts payable to associated companies*

The accounts payable to associated companies can be broken down as follows:

	2008	2007
Accounts payable to related funds	97,692	77,870
Accounts payable to other related companies	929,507	836,698
	<u>1,027,199</u>	<u>914,568</u>

The accounts payable to other related companies concern payables for services provided by those companies.

#### *Accruals and deferred income*

The accruals and deferred income can be specified as follows:

	2008	2007
Consultation fees	80,052	48,433
Provision intermediaries	19,342	22,173
Deferred income in relation to fee earned for placement guarantees	1,867,727	1,266,256
Accrued expenses for initiation of partnerships	1,550,600	1,287,833
Other accrued expenses	52,289	79,841
	<u>3,570,010</u>	<u>2,704,536</u>

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Deferred income in relation to fee earned for placement guarantees concerns invoiced fees for placement guarantees, which can not yet be recognized as income as the funds are not completely placed with third parties.

The accrued expenses for initiation of partnerships relate to expenses made for the structuring of funds and include reservations for remaining expenses to be made.

### *Other accruals*

The accruals and deferred income can be specified as follows:

	2008	2007
Reservation holiday payment	92,160	66,284
Reservation premiums personnel	145,580	0
	<hr/>	<hr/>
	237,740	66,284
	<hr/>	<hr/>

## **10. Off balance sheet commitments**

### *Rent agreement*

The company has on account of running rental agreements in Hilversum a yearly liability of EUR 277,000, in Belgium of EUR 20,000 and in Austria of EUR 10,000.

### *Bank guarantee*

The Company has a guarantee facility of EUR 2,000,000 with the ABN AMRO Bank N.V. to support a guarantee to Münchener Hypothekenbank AG for the due and punctual fulfilment by Vastgoedmaatschap MPC Holland 45 C.V. of its obligations.

### *Corporate guarantees*

The parent company Hanzevast Capital B.V. and its subsidiaries have a loan at the Rabobank of EUR 6,500,000 (2007: EUR 8,500,000) and a credit facility of EUR 8,750,000 (2007: EUR 10,000,000). The Company's shares are pledged as guarantee for the loan and the credit facility.

The Company has given an interest guarantee to Friesland Bank N.V. for the due and punctual fulfilment by Hanzevast Projectrealisatie 8 B.V. of its interest obligations under the credit facility of EUR 3,750,000 that Hanzevast Projectrealisatie 8 B.V. has regarding the real estate project in Terherne.

The Company has given a guarantee for the amount of EUR 8,033,000 to ABN AMRO Bank N.V. for the due and punctual fulfilment by Vastgoedfonds Hanzevast Holland 64 C.V. of its obligations.

The Company has given a cashflow guarantee to Münchener Hypothekenbank AG for the due and punctual fulfilment by Vastgoedmaatschap MPC Holland 41 C.V. of its interest obligations, with a quarterly maximum of EUR 203,388.

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### *Placement guarantees towards funds*

At 31 December 2008 the Company has outstanding placement guarantees for the following funds. The amounts shown are the gross amounts guaranteed:

	2008	2007
Vastgoedfonds Hanzevast Duitsland 2 C.V.	<b>10,860,000</b>	0
Scheepsfonds Hanzevast Offshore Support Vessel C.V.	<b>8,750,000</b>	0
Scheepsfonds MS Hanze Groningen C.V.	<b>10,854,738</b>	0
Scheepsfonds MS Hanze Goslar C.V.	<b>11,528,725</b>	0
Vastgoedfonds Hanzevast Duitsland 1 C.V.	<b>0</b>	10,185,000
Vastgoedfonds Hanzevast Holland 63 C.V.	<b>0</b>	14,400,000
Vlootfonds Hanzevast II C.V.	<b>0</b>	28,313,539
	<b>41,993,463</b>	52,898,539

As at 31 December the following percentage of the equity participations in the funds were placed with third party investors:

Percentage	2008	2007
Vastgoedfonds Hanzevast Duitsland 2 C.V.	<b>53%</b>	0%
Scheepsfonds Hanzevast Offshore Support Vessel C.V.	<b>1%</b>	0%
Scheepsfonds MS Hanze Groningen C.V.	<b>56%</b>	0%
Scheepsfonds MS Hanze Goslar C.V.	<b>57%</b>	0%
Vastgoedfonds Hanzevast Duitsland 1 C.V.	<b>100%</b>	92%
Vastgoedfonds Hanzevast Holland 63 C.V.	<b>100%</b>	59%
Vlootfonds Hanzevast II C.V.	<b>100%</b>	64%

### *Placement guarantees towards financial institutes*

The company has given placement guarantees towards Commerzbank AG for the timely placement of equity in the following shipping funds that are to be placed by Hanzevast capital N.V.: Scheepsfonds MS Hanze Groningen C.V. (EUR 6,289,881), Scheepsfonds MS Hanze Goslar C.V. (EUR 4,019,091), Scheepsfonds MS Hanze Gdansk C.V. (EUR 4,019,091), Scheepsfonds MS Hanze Gendt C.V. (EUR 4,019,091). In total this amounts to EUR 18,347,154 (2007: EUR 0)

### *Fiscal unity*

Hanzevast capital N.V. and its subsidiary Stone Hedge B.V. form one entity for tax purposes and therefore are jointly and separately responsible for corporation tax obligations.

### *Operating expenses Stone Hedge LP*

Stone Hedge B.V. has to cover for operating expenses of Stone Hedge LP through an asset management agreement.

### *Fiscal transparency*

Stone Hedge LP is transparent for Dutch corporate income tax purposes. This means that Stone Hedge B.V. has to account for her interest in the assets and liabilities and the profit and loss of Stone Hedge LP in its fiscal annual accounts. The share of Stone

Hedge B.V. in the result of Stone Hedge LP will be taxable as part of the total result of Stone Hedge B.V. in the Netherlands. Under the United States/the Netherlands tax treaty Stone Hedge B.V. may claim double taxation tax relief for the amount of Dutch corporate income tax attributable to its share in Stone Hedge LP's result.

## ***11. Risk management***

### *General*

During the normal course of business, the Company uses various financial instruments that expose the company to market and/or credit risks. These relate to financial instruments that are included on the balance sheet. The Company does not actively trade in these financial instruments.

### *Credit risk*

In principle the maximum credit risk the Company incurs is the total amount of all assets, with the exception of the tangible fixed assets. The most notable credit risk is the credit risk related to receivables on the funds, which are in the process of being set up and or marketing phase. The Company has invoiced fees for structuring and placement guarantees to these funds. To be able to pay these invoices, the funds are very dependent on their success, meaning that these are placed in full with external parties. Under current market conditions it has become increasingly difficult to successfully launch new funds and place them in a short period with external parties. Hence the credit risk on the related receivables has increased.

The credit risk on receivables is relatively concentrated as is demonstrated in the following table, which shows the 4 largest exposures for which payment is depending on the success of a separate fund (every exposure is related to a different fund).

	<b>Amount</b>
Receivable fees from initiation Vastgoedfonds Hanzevast Duitsland 2 C.V.	2,589,729
Receivable fees from initiation Scheepsfonds MS Hanze Goslar C.V.	1,579,262
Receivable fees from initiation Scheepsfonds Hanzevast Offshore Support Vessel C.V.	1,185,184
Receivable fees from initiation Vastgoedontwikkelingsfonds Hanzevast Terherne C.V.	268,400

### *Liquidity risk*

Obtaining funding is a critical success factor for successfully launching new funds. To achieve healthy positive financial results, the Company is reliant on being able to structure and establish new funds. This makes the availability of ample funding an important factor for the Company. The funding for the funds is often received from third party banks. As a result of unstable conditions in the financial markets, the availability of funding has decreased and therefore the liquidity risk in this respect has increased.

In addition, the Company has investments in assets which are not easily to dispose off (illiquid assets). As a consequence the Company is dependent on funding for itself for its daily operations. Currently the funding is received from the parent company. Hence the Company is exposed to the results and liquidity risk of the parent company. As at 31 December 2008 the Company obtained a liquidity guarantee from Hanzevast Capital B.V. for a maximum amount of EUR 2,500,000.

*Market risk*

The market risk the Company incurs is primarily related to its investment in equity participations of real estate and ship funds and then the risk that upon disposal of the securities the consideration received will be less than the carrying value of those securities. As the markets for real estate and ships have become more difficult in the past period, the market risk has increased.

*Foreign exchange risk*

The Company is exposed to foreign exchange risk as a considerable part of the fees earned and off balance sheet commitments is in foreign currencies; mainly US dollar.

*Interest rate risk*

As also included in the notes to the (consolidated) financial statements, the period to the (interest) maturity dates of the applicable financial instruments is relatively short. This means that interest rates and expenses could fluctuate with in line with changes in the market interest rates.

*Geographic risk*

The Company's clients are based in The Netherlands, Belgium and Austria and the Company is consequently exposed to the economic environment in those countries. The real estate investments managed by the Company are located in The Netherlands and Germany, so the Company is exposed to developments in the real estate markets in those countries.

*Other*

The Company has recorded deferred tax assets on its balance sheet in relation to tax losses carried forward. The realization of those assets is dependent on future profits.

**12. Related party transactions**

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

For the 2008 financial statements, the Company defines and interprets related parties as associated companies, shareholders, Management, Management of shareholders, close family members and enterprises which are controlled by these individuals (Management) through their majority shareholding or their role as chairman and/or CEO in those companies.

Transactions are at arm's length basis and are based on contractual arrangements and relate mainly to loans, (operational) management of funds, selection of investment properties.

Amounts receivable or payable to related parties and income and expenses regarding related parties are disclosed in the notes to the financial statements.

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In addition to these transactions above, the Company received a guarantee from Hanzevast Capital B.V. for a maximum amount of EUR 2,500,000. to provide the Company with the necessary liquidity and solvency support if and when necessary for the Company to remain existent.

**Notes to the consolidated profit and loss account**

**13. Net turnover**

The net turnover can be specified as follows:

	<b>2008</b>	2007
Fees received for structuring funds	<b>4,773,320</b>	3,329,854
Fees received for placement guarantees	<b>3,820,969</b>	3,140,918
Fees received in relation to the issuance of participations	<b>1,220,524</b>	1,067,216
Fees received for managing funds and other revenue	<b>2,054,215</b>	2,101,726
	<b>11,869,028</b>	9,639,714

The fees received for structuring funds, placement guarantees and issuance of participations relates to the process of initiation of funds. The fees received from managing funds concerns revenue earned for managing existing funds.

The fees for structuring funds, placement guarantees and managing funds is invoiced to related parties.

**14. Cost of sales**

The cost of sales can be specified as follows:

	<b>2008</b>	2007
Costs in relation to the initiation of funds	<b>5,114,894</b>	4,604,537
Costs in relation to managing funds	<b>1,261,066</b>	1,296,227
Direct costs in relation to registration of funds	<b>700,859</b>	789,181
	<b>7,076,819</b>	6,689,945

The Company defines cost of sales as external costs which are directly incurred in relation to net turnover. The cost for managing and registration of funds are charged by related parties.

**15. General and administrative expenses**

*Wages and salaries*

The wages and salaries can be specified as follows:

	<b>2008</b>	2007
Salaries including holiday payment	<b>1,311,640</b>	1,193,990
Bonuses personnel	<b>256,955</b>	65,510
Other	<b>47,553</b>	90,430
	<b>1,616,148</b>	1,349,930

## Hanzevast capital N.V. – Annual report 2008

### *Social security premiums*

Social security premiums include EUR 87,017 (2007: EUR 76,527) for pension premiums. The pension obligations are insured by a third party.

### *Other operating expenses*

The other operating expenses can be specified as follows:

	<b>2008</b>	2007
Other staff expenses	<b>291,753</b>	457,040
Housing expenses	<b>333,161</b>	330,161
Selling expenses	<b>741,807</b>	492,598
General expenses	<b>1,508,152</b>	1,390,703
	<hr/> <b>2,874,873</b> <hr/>	<hr/> 1,390,703 <hr/>

The other staff expenses can be further specified as follows:

	<b>2008</b>	2007
Travel expenses	<b>28,975</b>	26,807
Temporary employees	<b>84,640</b>	298,751
Training	<b>13,690</b>	22,787
Recruitment employees	<b>164,448</b>	108,695
	<hr/> <b>291,753</b> <hr/>	<hr/> 457,040 <hr/>

Housing expenses include rent invoiced by a related party for an amount of EUR 282,700 (2007: EUR 278,696).

Selling expenses include sponsorships costs amounting to EUR 405,405 (2007: EUR 111,190) and advertising and promotions costs totaling to EUR 174,026 (2007: EUR 273,973)

The general expenses can be further specified as follows:

	<b>2008</b>	2007
Communication	<b>72,161</b>	38,746
Office supplies and stationery	<b>70,080</b>	194,734
IT costs	<b>112,924</b>	58,908
Professional services fees	<b>135,856</b>	134,845
Regulatory costs	<b>50,956</b>	59,987
Head office charges	<b>785,000</b>	811,850
V.A.T. not deductible	<b>104,612</b>	50,099
Other general expenses	<b>176,563</b>	41,534
	<hr/> <b>1,508,152</b> <hr/>	<hr/> 1,390,703 <hr/>

**16. Net financial results**

The net financial results can be specified as follows:

	<b>2008</b>	2007
Interest income	<b>471,435</b>	162,530
Interest expense	<b>-520,467</b>	-188,337
Foreign exchange results	<b>61,161</b>	-199,310
	<u><b>12,129</b></u>	<u>-225,117</u>

**17. Average number of employees**

During the year under review, the Company employed on average 22 employees (2007: 18).

**Company balance sheet as at 31 December 2008**

*in euro's, before profit appropriation*

<b>ASSETS</b>	<b>2008</b>	2007
<b>Fixed assets</b>		
<i>Tangible fixed assets</i>		
Inventory	<b>117,963</b>	140,408
Computers	<b>264,037</b>	105,320
Vehicles	<b>236,276</b>	120,778
	<hr/> <b>618,276</b>	<hr/> 366,506
<i>Financial fixed assets</i>		
Participating interests in group companies	18 <b>2,261,712</b>	1,039,082
Other financial fixed assets	<b>350,950</b>	673,883
	<hr/> <b>2,612,662</b>	<hr/> 1,712,965
<b>Current assets</b>		
<i>Work in progress</i>		
	<b>488,649</b>	123,335
<i>Receivables</i>		
Accounts receivable	<b>8,149,650</b>	7,843,678
Accounts receivable from shareholders	<b>0</b>	70,290
Taxes and social security premiums	<b>1,108,829</b>	1,283,564
Prepaid expenses and accrued income	<b>57,187</b>	2,389,758
	<hr/> <b>9,315,666</b>	<hr/> 11,587,290
<i>Securities</i>	19 <b>583,230</b>	151,714
<i>Cash and banks</i>	<b>1,953,442</b>	1,269,773
	<hr/> <b>15,571,925</b>	<hr/> 15,211,583
<b>Total assets</b>	<hr/> <b>15,571,925</b>	<hr/> 15,211,583

## Hanzevast capital N.V. – Annual report 2008

### Company balance sheet as at 31 December 2008

*in euro's, before profit appropriation*

<b>EQUITY AND LIABILITIES</b>	<b>2008</b>	2007
<b>Shareholders' equity</b>		
Share capital	20 <b>1,312,500</b>	1,312,500
Share premium	20 <b>1,687,500</b>	1,687,500
General reserve	20 <b>1,817,038</b>	2,867,631
Profit for the year	20 <b>-58,225</b>	-1,050,593
	<b>4,758,813</b>	4,817,038
 <b>Provisions</b>	 <b>100,000</b>	 0
 <b>Current liabilities</b>		
Trade creditors	<b>911,678</b>	405,345
Debt to shareholders	<b>3,761,846</b>	5,960,831
Accounts payable to subsidiaries and associated companies	21 <b>3,698,229</b>	1,624,735
Taxes and social security premiums	<b>92,897</b>	107,823
Accruals and deferred income	<b>2,010,722</b>	2,229,527
Other liabilities	<b>237,740</b>	66,284
	<b>10,713,112</b>	10,394,545
 <b>Total equity and liabilities</b>	 <b>15,571,925</b>	 15,211,583
	<b>15,571,925</b>	15,211,583

## Hanzevast capital N.V. – Annual report 2008

### Company profit and loss accounts for the year ended 31 December 2008

*in euro's*

		2008	2007
Share in results from participating interests, after taxation	18	<b>1,028,772</b>	1,392,411
Other results after taxation		<b>-1,086,997</b>	-2,443,004
		<hr/>	<hr/>
Net result		<b>-58,225</b>	-1,050,593
		<hr/>	<hr/>

**Notes to the 2008 company financial statements**

***General***

The consolidated financial statements are part of the 2008 financial statements of the Company. With regard to the company profit and loss account, the company applies the exemption of article 2:402 BW.

If there is no further explanation provided to the items in the balance sheet and the profit and loss account, please refer to the notes in the consolidated balance sheet and profit and loss account.

Where necessary, the figures for 2007 have been reclassified in order to permit comparability with 2008.

***Principles for the valuation of assets and liabilities and the determination of the result***

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account.

***18. Financial fixed assets***

***Participating interests in group companies***

The participating interests in group companies can be specified as follows:

	2008	2007
Hanzevast Financial Services B.V.	57,492	49,146
Hanzevast Financial Services C.V.	1,935,019	871,493
Stone Hedge B.V.	1	1
Vastgoedfonds Hanzevast Holland 52 B.V.	23,759	21,830
Vastgoedfonds Hanzevast Holland 55 B.V.	23,408	21,462
Vastgoedfonds Hanzevast Holland 58 B.V.	23,547	21,792
Vastgoedfonds Hanzevast Holland 61 B.V.	23,332	0
Vastgoedfonds Hanzevast Holland 62 B.V.	21,184	0
Vastgoedfonds Hanzevast Holland 63 B.V.	20,177	18,585
Vastgoedfonds Hanzevast Holland 64 B.V.	16,868	0
Vastgoedfonds Hanzevast Duitsland 1 B.V.	19,706	18,158
Vastgoedfonds Hanzevast Duitsland 2 B.V.	18,354	0
Vastgoedfonds Hanzevast Duitsland 3 B.V.	16,689	0
MPC Private Equityfonds Global 8 B.V.	15,727	16,615
Scheepsfonds Hanzevast Diving Support Vessel B.V.	16,406	0
Vastgoedontwikkelingsfonds Hanzevast Terherne B.V.	16,850	0
Hanzevast Capital Austria GmbH	13,193	0
	<hr/>	<hr/>
	<b>2,261,712</b>	<b>1,039,082</b>
	<hr/> <hr/>	<hr/> <hr/>

## Hanzevast capital N.V. – Annual report 2008

The movements in the participating interests can be specified as follows:

	2008	2007
Opening balance 1 January	<b>1,039,082</b>	2,317,366
Investments	<b>161,000</b>	36,000
Divestments	<b>0</b>	-728,018
Share in results	<b>1,028,772</b>	1,392,411
Dividends	<b>0</b>	-2,002,842
Provision	<b>32,858</b>	24,175
	<hr/>	<hr/>
Closing balance 31 December	<b>2,261,712</b>	1,039,092
	<hr/> <hr/>	<hr/> <hr/>

### 19. Securities

The company securities can be specified as follows:

	2008	2007
Equity participations in real estate funds valued at cost	<b>32,865</b>	32,865
Equity participations in ship funds valued at cost	<b>118,849</b>	118,849
Equity securities participations in ship funds at market value	<b>431,516</b>	0
	<hr/>	<hr/>
	<b>583,230</b>	151,714
	<hr/> <hr/>	<hr/> <hr/>

### 20. Shareholders' equity

The movement in shareholders' equity can be specified as follows:

	Share capital	Share premium	Legal reserve	General reserve	Profit for the year	Total
<b>Opening balance 1 January 2007</b>	1,312,500	1,687,500	307,552	1,333,707	1,226,372	5,867,631
Profit appropriation prior year				1,226,372	-1,226,372	0
Release of legal reserve			-307,552	307,552		0
Profit for the year					-1,050,593	-1,050,593
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Closing balance 31 December 2007</b>	<b>1,312,500</b>	<b>1,687,500</b>	<b>0</b>	<b>2,867,631</b>	<b>-1,050,593</b>	<b>4,817,038</b>
Profit appropriation prior year				-1,050,593	1,050,593	0
Profit for the year					-58,225	-58,225
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Closing balance 31 December 2008</b>	<b>1,312,500</b>	<b>1,687,500</b>	<b>0</b>	<b>1,817,038</b>	<b>-58,225</b>	<b>4,758,813</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The authorised capital of the company is divided into 100 priority shares with a par value of EUR 50 and 37,400 ordinary shares with a par value of EUR 50. Six priority shares and 26,244 ordinary shares are issued.

## Hanzevast capital N.V. – Annual report 2008

### *Adjustment of error in previous year's financial statements*

With reference to page 14, it is noted that the 2007 comparatives have been restated for the adjustment of an error. The ending equity as included in the 2007 financial statements amounted to EUR 5,760,399, making the impact of the adjustment on the equity as per 31 December 2007 amounting to EUR 943,361. The negative effect on the result for the year 2007 is also EUR 943,361.

### **21. Current liabilities**

#### *Accounts payable to subsidiaries and associated companies*

The company accounts payable to subsidiaries and associated companies can be specified as follows

	<b>2008</b>	2007
Accounts payables to subsidiaries	<b>2,690.852</b>	710,167
Accounts payable to related funds	<b>77,870</b>	77,870
Accounts payable to other related companies	<b>929,507</b>	836,698
	<hr/> <b>3,698,229</b> <hr/>	<hr/> 1,624,735 <hr/>

For an amount of EUR 2,622,573 (2007: EUR 645,938) of the accounts payable to subsidiaries, the applicable interest rate is 5%. For the other accounts payables subsidiaries and associated companies no interest is charged.

Hilversum, 30 June 2008

The management

Drs. J.H. Wolters

mr. N.A.J. Broeijer

## **Other information**

### *Auditor's report*

To the Management of Hanzevast capital N.V.

## **AUDITOR'S REPORT**

### *Report on the Financial Statements*

We have audited the accompanying Financial Statements 2008 of Hanzevast capital N.V., Hilversum, which comprise the consolidated and corporate balance sheet as at 31 December 2008, the consolidated and corporate profit and loss account for the year then ended and the notes as set out on page 8 up to and including 35.

### *Management's responsibility*

Management is responsible for the preparation and fair presentation of the Financial Statements and for the preparation of the Report of Management both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the Financial Statements give a true and fair view of the financial position of Hanzevast capital N.V. as at 31 December 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

***Report on other legal and regulatory requirements***

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of Management is consistent with the Financial Statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 30 June 2009

KPMG ACCOUNTANTS N.V.

M.A. Huiskers RA

***Provisions of articles of association in respect of profit appropriation***

The profit, as shown in the profit and loss account, is at the disposal of the General Meeting of Shareholders. The priority shareholders cannot get more of the year profit than the legal interest up to a maximum of four percent (4%) – or so much less as the legal interest amount to at the beginning of the financial year – of the nominal capital represented by the priority shareholders. The priority shareholders are not authorized to set aside the profit in the form of one or more general or specific reserves.

***Proposed profit appropriation 2008***

It is proposed that the General Meeting of Shareholders will distribute the profit as follows:

- the company profit and the income from associated companies will be added to the general reserve;

***Provisions of articles of association in respect of voting rights***

The priority shareholders are:

- Hanzevast holding b.v., 5 priority shares, manager: drs. J.H. Wolters;
- Laska Beheer B.V., 1 priority share, manager: drs. W.J. R.J. Punte.

Only the General Meeting of priority shareholders is entitled to decide to transfer purchased shares or to issue shares, as well as to give the right to take up shares.

After authorisation of the Meeting of priority shareholders the corporation is entitled to obtain fully paid shares of her authorised capital for a consideration.

Every transfer of shares has to be approved by the Meeting of priority shareholders.

The Meeting of priority shareholders determines the number of managers and supervisory directors and stipulates the conditions of employment.

Seven control decisions, mentioned in the articles of association, are subject to the approval of the Meeting of priority shareholders.

The decision of amendment of the articles of association has to be approved by the Meeting of priority shareholders.