HANZEVAST CAPITAL N.V.

at Hilversum

Annual report 2012

Table of contents

Report of the Management

The Management of Hanzevast capital NV hereby presents its financial statements for the financial year ended on 31 December 2012.

General information

Hanzevast capital NV, referred to as “the Company”, is a financial services company with a core business of structuring tax-optimised, high-return investment ship and real estate funds for private and institutional investors. A thorough knowledge of and experience with the product and market are prerequisites to offering this type of investment product. Furthermore, the Company is responsible for the management ofthose funds as it has the formal license and therefor responsibility to do so. Also for the non-regulated funds, the Company is ultimately responsible for the management thereof. The management of the shipping funds are performed by Hanzevast Shipping BV and of the real estate funds by Hanzevast Real Estate BV. The administrative fund management has been outsourced to Noord Nederlandse Trustmaatschappij BV.

The Company structures funds for the Dutch, German, Belgian and Austrian markets through its main operations in Hilversum (the Netherlands), through its subsidiary Hanzevast Capital Austria GmbH in Vienna (Austria) and its branch Hanzevast capital (the Netherlands) in Brussels (Belgium).

The Company has its statutory residence at Utrechtseweg 47, Hilversum in the Netherlands and was incorporated in Huizen (the Netherlands) on the 9thJanuary 1998. The shares of the Company are held for 92.5% by its parent company, Hanzevast capital BV.

The Company has a license to operate as management company (clause 2:65) of the Financial Supervision Act (Wet op het financieel toezicht). Consequently, the Company is under the permanent supervision of the Dutch Central Bank (DNB). In 2012, the Company decided to renounce its licence to operate as an investment firm (in accordance with clause 2:96 of the Financial Supervision Act),since the Company does not intend to place funds for third parties.

2012 review

In 2012, the global economic downturn continued to affect the Dutch economy. The market, particularly in the sectors in which the Company is active, i.e. real estate and shipping, remains overwhelmingly downbeat. Investors were correspondingly cautious and reserved and this was reflected in the placed fund volumes in 2012.

In total, the company raised EUR 0.6 million capital in 2012 (2011: EUR 12.9 million). This raised capital was all related to the Junior Secured Bond for Hanze Gendt. In 2012, the Company achieved a net turnover of EUR 3.7 million (2011: EUR 4.4 million), resulting in a net turnover margin of EUR 1.5 million (2011: EUR 0.4 million).

The sustainable income through fees from the funds have been stable compared to 2011 (EUR 2,7 million in 2012 vs EUR 2,6 million in 2011). The lower turn over is a consequence of the fact that no new funds have been placed and therefor almost no structuring fees have been received.

On the other side this has also resulted in significant lower costs regarding the placing of funds (EUR 127K in 2012 vs EUR 1,3 million in 2011). Also the costs regarding fund management which has been sub delegated to the Noord Nederlandse Trustmaatschappij have been reduced (EUR 300K in 2012 vs EUR 1,1 million in 2011).
Anticipating on the downturn in market circumstances, the management already introduced a number of cost-cutting measures in 2011. Implemented in 2012, the main effect of these measures was scaling down the marketing and sales department and the closure of the Belgian and Austrian sales offices. The Company outplaced its remaining personnel to other entities in the Hanzevast Holding group. At this moment there is no personnel left on the payroll of the Company. As a consequence of the reorganization in 2012, the Company has reduced the costs regarding personel (EUR 425K in 2012 vs. EUR 1,1 million in 2011). The management notes that the effect of the reorganization will be completely effective in 2013. Another cost-reduction measurement is housing. The Company is in discussion with the landlord to terminate its current lease with retroactive effect from January 1st 2013.
On top of these results, the property Ventana in Almere, owned by Vastgoedfonds Hanzevast Holland 64 CV, was written off EUR 450K.
All in all 2012 resulted in a net result of EUR 1,6 million negative (2011: EUR 5,0 million negative).
The cost cutting measures have brought the organisation back into the black and 2013 is expected to yield a positive result.

The management does not foresee any recovery in the market to warrant substantial issues in the short to medium term. Consequently, only smaller funds for specific target groups will be issued in the near future.

Real estate

General details

The Dutch office market saw another bad year in 2012. Rising unemployment is causing the demand for office space to decrease. Furthermore, both the public and private sectors are encouraging “the new style of working”, which results in less square metres per FTE, in an effort to reduce office accommodation costs. While this is affecting demand even further, other signals can nevertheless be heard. Concurrent with the retreat of larger tenants, we are observing a growing demand from small to very small enterprises. An abundance of new and creative initiatives can result in new users of office space. This can already be observed in the office market in the relative high number of relocations involving smaller floor areas and in more flexible leases. Lower rents will also trigger increased demand over time. Furthermore, the amount of new office space being marketed is small. Correspondingly, the Construction Industry Economic Institute (Economisch Instituut voor de Bouw) expects vacancy levels of around 7% in 2020. There is an increasing emphasis on the flexible deployment, alternative application and re-designation of existing office buildings (e.g. care related concepts and hotels). Hanzevast has also taken this approach as a way to resolve high vacancy levels.
The supply of office space grew to 7.9 million m2 in 2012, an increase of 4.9% compared to 2011. Vacancy levels have risen to 14.6% of the total office space available. Vacancy levels vary greatly depending on the region, however, with satellite towns in particular facing extremely high levels (at 30% and more). Vacancy levels are rising in a number of areas, while in some cities there is a scarcity of office space in city centre locations. The management expects unemployment levels in the Netherlands to rise over the course of 2013, reflecting increasing vacancy levels.

These developments could also be observed in the Company's office portfolio.In general, the buildings located in strong core regions are performing better than those in satellite towns. The Company was successful in renting out office space in 2012, with approximately 68,000 m2 rented (both new and extended leases). Nevertheless, we note that the average term of leases is shorter and rents are under pressure in some locations. The average price per m2 of office space in the portfolio is around € 137. This level is expected to drop in the upcoming period as a result of falling rents.

<u>Current real estate funds</u>

The Company's current real estate funds have all sufficient cash flow to meet with OPEX and interest. Nevertheless, the dividend payments for all real estate funds have been suspended or will be suspended mainly owing to the desire to increase mortgage repayments. Property values are currently under enormous pressure. Despite the original defensive financing of our real estate funds (loan to value (LTV) approx. 60%), this pressure has resulted in excessive LTV ratios. Apart from the desire of the financiers of some funds that increased mortgage repayments be written into the contracts, the management of the Company itself is of the opinion that any available liquidity should be utilised to repay, or accelerate the repayment of, the outstanding mortgage loans. The challenge of the years ahead will not so much be resolving the issue of vacancy levels, but rather the refinancing of the various loans. The general view is that the banks are prepared to continue extending financing, despite the high LTV ratios. However, this situation means the majority of financiers have tightened repayment obligations, while some others have also increased the margins.

There were few investment transactions in the Netherlands in 2012, and those that were conducted cannot be described as representative. New financing is extremely scarce. Financially powerful private equity parties – especially those from abroad – are taking advantage of the current market sentiment.

The management of the Company believes it is unavoidable that participants will be asked to bring in more capital in order to accelerate mortgage repayments. This is the only way for participants to safeguard their investments and contemplate the future with peace of mind.

In early 2013, the Enterprise was confronted with the bankruptcy of two well-performing real estate funds, Vastgoedfonds Hanzevast Holland 55 CV and Vastgoedfonds Hanzevast Holland 61 CV. The Company deplores this development given the fact that both funds were well in a position to meet their obligations and could even repay the outstanding loans faster than initially agreed. However, the funds could not effect lump-sum repayments of the outstanding loans. Refinancing through another lender proved impossible in the current market conditions, and this was the reason for the owner of the loan (a CMBS) to file for the bankruptcy of both funds. These petitions were granted by the district court on 31 January 2013.

Shipping

Despite continued growth in seaborne trade by some 4.1%, most shipping segments are suffering from an oversupply of shipping tonnage. So many ships were ordered during the economic boom of 2006-2008 that the current growth in trade is insufficient to keep up with the increased tonnage. The worsening market situation has affected the various market segments in different ways. The tankers and gas tankers that Hanzevast Shipping B.V. manages are still sailing on a cost-neutral basis, the two 4800DWT dry bulk carriers are sailing way below break-even point while the two offshore ships have been awarded an attractive bareboat charter and have a good future. Although the bulk carriers of Vlootfonds 3 are starting in a low market, that market will scrap a lot of the older tonnage currently out there. We should see the start of the recovery in H2 2013. The supply of new ships is already falling and the balance between demand and supply should re-establish itself sometime in the future. The fleet utilisation rate of bulk carriers should rise again from 86% to 89% before eventually reaching 100%.

Shipping remains the greenest form of transport with a total carbon footprint of 2.7%. Furthermore, sea-based oil extraction at current prices per barrel will remain profitable and sea-based production is expected to rise from the current 5 million barrels per day to 20 million barrels per day in 2020.

Ship fuel prices have risen to such an extent that they account for the main share of a ship's total journey costs. Previously, fuel prices were a contingency item and it was the rent of the ship that accounted for most of the total journey costs. Today's ideal ship is a ship with the lowest possible fuel consumption and this realisation in the market will push fleet renewal.

Current shipping funds

The Gastanker CV came through 2012 pretty well and its current account facility with the ships manager Anthony Veder has been phased out. Discussions have been held with the financier Commerzbank regarding the repayments. An interest-rate increase will be implemented in 2013. Disinvestments are planned for 2014 and 2017 with a view to restoring as much of the equity value as possible.

The tankers Emocean and Devocean sailed successfully to West Africa. Although the costs – transport and insurance – are higher, the higher revenues still vindicate the policy of operating specifically in that region.

Following a turbulent 2011 marked by restructuring, the offshore ships OSV and DSV have operated successfully for their bareboat charterers, namely N-Sea and URS/Smit/Boskalis. Interest and repayment commitments could be honoured adequately, although the bank will only allow a very small dividend of no more than 2%.

The Carisbrooke funds Hanzevast Carisbrooke 1 and Vlootfonds 2 present a diffirent picture, with the smaller 4800DWT ships performing poorly and a redemption-free period has been granted by the bank until June 2013. The future for the HVCS1 ships does not look bright unless market conditions improve considerably or the tonnage purchasing policy is adjusted. The Vlootfonds 2 ships of 12200DWT perform on average around their break-even points of USD 8,600 per day.

The Vlootfonds 3 ships are all bulk carriers of the same type and size. The first ship of this series (Hanze Groningen) was delivered in December 2011, with the Hanze Goslar following in February 2012 and the Hanze Gendt in September 2012. Another three ships are under construction. The continued delays at the shipyards have allowed a considerable discount on the ships to be negotiated. The market for these ships worsened in 2012 and is only expected to recover slightly in late 2013. The bank will grant redemption-free periods in order to allow the ships to weather this difficult period without the need to call on the collateral provided.

Risks
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.

Going concern

Due to the financial relationships with the group and the adverse conditions of the market, the management noted several conditions which indicate the existence of a uncertainty which may cast doubt about the Company's ability to continue as a going concern.

First, management has identified uncertainties regarding the recoverability of (part of) the receivables from group companies and the funds under management as a result of the aforementioned market conditions. In some cases, receivables might be transferred into subordinated loans or equity. Recoverability can be increased by an increase of recurring income as a result of an improvement of the occupancy rates in the real estate funds and recurring revenue in the shipping funds. Management expects to be able to keep the current assets under management (excluding the real estate funds 55 and 61 which have gone bankrupt in January 2013) and to continue to receive associated management fee. The management does however not expect the occupancy rates in the real estate funds will improve materially in 2013.

Second, rolling over the outstanding loans and collecting the receivables from the group companies. Due to the group's exposure on real estate development activities and the resulting liquidity requirements, management is not certain whether the group will be able to roll-over the current funding on its renewal date. The signals that the funding will be extended are positive though.

Third, current external market conditions are adverse and the near forecasts do not show any recovery on the short term of the 'structuring and placing' activity. Substantial profits from this activity are therefore not foreseen even though it is difficult to predict the success of the issuance of new funds in current market conditions. This implies significant dependency from income of the fund management activity. Margins and profits are lower compared to the structuring business, but more or less sustainable. In 2012, the Company successfully finalized its reorganisation and business model in order to realize a financial situation in which the fixed costs are covered by fixed income.

In the first quarter of 2013, the Company has cleaned up its balance sheet and eliminated intercompany balances. Guarantees (for Vastgoedmaatschap MPC Holland 45 and Vastgoedfonds Hanzevast Holland 64) are no longer obligations of the Company and have been transferred to another entity within the group. Assets and liabilities have also been transferred to other entities within the Hanzevast Group. As a result, Vastgoedfonds Hanzevast Holland 64 (as of the first quarter 2013) and the assets and liabilities transferred will no longer be included in the (consolidated) financial statements of Hanzevast capital N.V.

During the financial crisis, the Company has funded its losses with capital calls from its shareholders, short term loans from other group companies and payables owed to group companies. In order to realize a financial situation, in which fixed cost will be covered by recurring income from fund management, the Company reorganized and downsized in 2011 and 2012. By the measures taken the Company is expected to yield a positive result in 2013. Also for the group to which the Company belongs, 2013 is expected to yield a positive result again.

Based on the aforementioned, management is of the opinion that the going concern assumption in justified.

Future developments

- The Company will continue to grow in 2013 with the placement of the remaining EUR 550K of the JSB Hanze Gendt. Furthermore, the mezzanine financing of USD 5.7 million for the Hanze Genua will be placed under the commercial manager and the participants.
  Depending on government policy in 2013, other tax driven shipping fund may be structured and placed. Consequently, the Company has prepared plans for three ships.
- The Company intends to introduce two real estate development funds in 2013. One fund will be the development of housing for young people in the centre of Groningen and will provide good opportunities for renting and sales, as well as the placement of a fund. The Company will probably focus on a limited number of financially powerful investors to acquire the equity for this fund. The fund will also utilise bank financing to a limited leverage. The other fund is for the development of single-family dwellings on the edge of Groningen in the new neighbourhood Meerstad. The structure of this fund will be similar to the fund being established for housing for young people.
- In 2013, the Company expects to successfully conclude the real estate development fund Hanzevast Terherne CV. The participants are expected to receive an IIR on their investment of approximately 13%.
- The Company has no plans on making major investments in the near future.

Hilversum, the Netherlands, October 18, 2013

The management,

J.H. Wolters M.S. Mobach J. Westra

Consolidated financial statements

Consolidated balance sheet as at 31 December 2012

in euro's, before profit appropriation

ASSETS		2012	2011
Fixed assets			
Tangible fixed assets			
Real Estate	1	**5.959.953**	6.616.673
Inventory	1	**1.122**	9.450
Computers	1	**5.633**	58.088
Vehicles	1	**27.819**	57.564
		5.994.527	6.741.775
Financial fixed assets			
Participating interests		**13.719**	13.719
Other receivables	2	**2.635.001**	2.604.668
		2.648.720	2.618.387
Current assets			
Receivables			
Accounts receivables	3	**1.062.109**	3.877.632
Accounts receivables to associated companies	3	**659.287**	-
Taxes and social security premiums	3	**133.006**	108.494
		1.854.402	3.986.126
Securities	4	**2.316.087**	2.352.187
Cash and banks	5	**107.393**	144.766
Total assets		**12.921.129**	15.843.241

Consolidated balance sheet as at 31 December 2012

in euro's, before profit appropriation

EQUITY AND LIABILITIES		**2012**	2011
Group equity			
Equity	6	**68.013-**	1.548.213
Third party share	6	**14.147**	16.926
		53.866-	1.565.139
Provisions			
Other provisions	7	**-**	90.000
Long term liabilities			
Debts to related companies	8	**-**	6.168.267
		-	6.168.267
Current liabilities			
Trade creditors	9	**218.519**	209.119
Debt payable to credit institutions	9	**5.626.549**	6.132.013
Debts to related companies	9	**6.168.267**	-
Liabilities from derivatives	9	**322.731**	-
Accounts payable to associated companies	9	**-**	946.583
Taxes and social security premiums	9	**229.928**	149.671
Accruals and deferred income	9	**409.001**	549.229
Other liabilities	9	**-**	33.220
		12.974.995	8.019.835
Total equity and liabilities		**12.921.129**	15.843.241

Consolidated profit and loss accounts for the year ended 31 December 2012

in euro's

		2012	2011
Net turnover	13	**3.728.433**	4.416.911
Cost of Sales	14	**2.211.934**	4.030.395
Net turnover margin		**1.516.499**	386.516
General and administrative expenses			
Wages and salaries	15	**343.556**	923.262
Social security charges	15	**83.370**	217.314
Depreciation fixed assets	15	**284.623**	323.357
Impairment fixed assets	15	**449.000**	1.400.000
Other operating expenses	15	**902.333**	1.229.198
		2.062.882	4.093.131
Net result on turnover		**546.383-**	3.706.615-
Net financial results	16	**1.101.370-**	650.235-
Result before taxation		**1.647.753-**	4.356.850-
Taxation	17	**34.306**	677.111-
Result after taxes		**1.613.447-**	5.033.961-
Third party share		**2.779-**	521-
Net result		**1.616.226-**	5.034.482-

Consolidated cash flow statement for the year ended 31 December 2012

in euro's

	2012	2011
Group result	**1.616.226-**	5.034.482-
Adjusted for:		
Third party share	**2.779**	521
Depreciation	**284.623**	323.357
Impairment	**449.000**	1.400.000
Writeoff securities and receivables	**-**	1.305.438
Writeoff liability	**-**	1.600.000-
Changes in provisions	**90.000-**	90.000
Changes in working capital	**199.851**	1.558.962-
Cash flow from operating activities	**769.973-**	5.074.128-
Investments/divestment in:		
Tangible fixed assets	**22.727-**	95-
Financial fixed assets	**30.333-**	1.653.518-
Securities	**-**	-
Cash flow from investment activities	**53.060-**	1.653.613-
Repayment of debt to related companies	**505.464-**	1.940.000-
Receipt on debt to related companies	**1.365.870**	4.232.403
Repayment of long term debt	**-**	165.844-
Share premium injection	**-**	2.000.000
Cash flow from financing activities	**860.406**	4.126.559
Changes in cash and cash equivalents	**37.373**	2.601.182-

Notes to the 2012 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 9th of January 1998. The Company has a license to operate as management company (clause 2:65) of the Financial Supervision Act (Wet op het financieel toezicht). During 2012 the license of the investment firm (clause 2:96) has been renounced, as placements for third parties is not intended.

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 German 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.

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.

Comparative figures

The 2011 figures are, where necessary, reclassified for comparability with the 2012 figures.

Going concern

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Accounting policies

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

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 Holland 64 C.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Duitsland 1 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Duitsland 2 B.V., Hilversum (100%)
- Vastgoedfonds Hanzevast Duitsland 3 B.V., Hilversum (100%)
- Vastgoedontwikkelingsfonds Hanzevast Terherne B.V., Hilversum (100%)
- MPC Private Equityfonds Global 8 B.V., Hilversum (100%)
- Hanzevast Capital Austria GmbH, Wenen, Oostenrijk (85%)
- Hanzevast 12 B.V., Hilversum (100%)
- Hanzevast 18 B.V., Hilversum (100%)
- Hanzevast 19 B.V., Hilversum (100%)
- Hanzevast 21 B.V., Hilversum (100%)
- Hanzevast 25 B.V., Hilversum (100%)
- Hanzevast 27 B.V., Hilversum (100%)
- Hanzevast 33 B.V., Hilversum (100%)
- Hanzevast 34 B.V., Hilversum (100%)
- Hanzevast 39 B.V., Hilversum (100%)
- Vastgoed Fusiefonds Hanzevast B.V., Hilversum (100%)
- Hanzevast Fondsmanagement GmbH, Hamburg, Germany (100%)
- Verwaltung Hanzevast Holland 65 GmbH, Hamburg, Germany (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.

Tangible fixed assets

Tangible fixed assets are stated at cost of purchase, less accumulated depreciation, less any accumulated impairment losses. Depreciation is recognized 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 real estate is 3%, all other tangible fixed assets (inventory, computers and vehicles is 20%). Impairment losses are presented in the line impairment fixed assets in the profit and loss account.

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.

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 amortized cost.

Investments in equity instruments and derivatives

The Company’s investments in shares, provided these are listed, and derivatives (when hedge accounting is not applied) 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.

Minority interests

Minority interests are measured at net fair value of the acquired identifiable assets, liabilities and contingent liabilities.

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.

The Company has accounted for provisions regarding and the share in negative equity of group companies and loss making contracts. For details we refer to the notes of the balance sheet.

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 place with third parties
- Fees received for managing the funds and other revenue – this revenue is realized over the period to which it relates.
- Fees for rental of real estate – this revenue is realized over the period to which it relates.

Expenses

- Expenses are recognized in the period to which it relates.
- Obligations for contributions to pension schemes based on defined contributions are included as an expense in the profit and loss account in the period in which the contributions are due.

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.

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. Deferred tax liabilities, if applicable, are always recognized. Deferred tax assets and liabilities are accorded for using the nominal present or nearly enacted tax rate.

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 2012

1. Tangible fixed assets

The movements in the tangible fixed assets are as follows:

	2012					*2011*
	Real Estate	**Inventory**	**Computers**	**Vehicles**	**Total**	*Total*
Balance as at 1 January:						
Cost	8.859.026	250.751	453.845	180.057	**9.743.679**	*10.116.045*
Accumulated depreciation	2.242.353-	241.301-	395.757-	122.493-	**3.001.904-**	*1.651.008-*
Book value	6.616.673	9.450	58.088	57.564	**6.741.775**	*8.465.037*
Movements during the year:						
Acquisitions	-	-	-	22.727	**22.727**	*95*
Depreciation	207.720-	8.328-	52.455-	10.138-	**278.641-**	*323.357-*
Impairment	449.000-	-	-	-	**449.000-**	*1.400.000-*
Disposals cost price	-	-	-	136.146-	**136.146-**	*372.461-*
Disposals depreciation	-	-	-	93.812	**93.812**	*372.461*
	656.720-	8.328-	52.455-	29.745-	**747.248-**	*1.723.262-*
Balance as at 31 December:						
Cost	8.859.026	250.751	453.845	66.638	**9.630.260**	*9.743.679*
Accumulated depreciation	2.899.073-	249.629-	448.212-	38.819-	**3.635.733-**	*3.001.904-*
Book value	5.959.953	1.122	5.633	27.819	**5.994.527**	*6.741.775*
Depreciation rate	3%	20%	20%	20%		

The property shown under “Real Estate” is the office building "Ventana" in Almere and is owned by property fund Hanzevast 64 Holland CV. Based on an external valuation report, this office building was impaired in 2012 for an amount of EUR 0,5 million. The impaired value is mainly based on the cash flows estimated based on contractual and market rent, discounted at gross/net starting returns or an estimation of discount rates of comparable transactions, corrected for starting vacancy, differences between contractual and market rent, back maintenance and other factors.

An external, independent valuation was performed by DTZ Zadelhoff on the real estate held by Hanzevast Vastgoedfonds Hanzevast Holland 64 C.V. The combined valuation per 31 December 2012 was determined at € 5,960,000.

The most important assumptions used in the valuation are:

- The real estate has been valued using a BAR (‘Bruto AanvangsRendement’) of 14%;
- On the valuation a discount for exploitation costs has been made for an average of 10,2%;
- The average actual rent per m2 amounts to € 148;
- The vacancy at balance sheet date was approximately 18%. In the valuation an assumption was made that structural vacancy is 0%; Any clauses that can be exercised by the tenants

The investments in property is mortgage loan. The total amount in revaluations amounts to € 2.249.000 (loss) as per December 31, 2012. The external valuation is based on market value in a rented condition.

In the first quarter of 2013, the guarantees for the loan of Vastgoedfonds Hanzevast Holland 64 have been transferred to another Hanzevast Group company. As a result, Vastgoedfonds Hanzevast Holland 64 will no longer be consolidated as of the first quarter of 2013.

2. Financial fixed assets

Participating interests

The participating interests can be specified as follows:

	2012	2011
Stone Hedge LLC	**13.719**	13.719
	13.719	13.719

Other receivables

The other receivables can be specified as follows:

	2012	2011
Depositories	**350.950**	350.950
Deferred Corporate Income Tax	**649.599**	559.116
Long term receivables on related parties	**1.634.452**	1.694.602
	2.635.001	2.604.668

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 MPC Omnifund, Stichting Bewaarder Hanzevast Vastgoedfondsen Duitsland and Stichting Bewaarder Hanzevast Scheepsfondsen, which have their registered offices in Groningen.

The deferred corporate income tax relates to tax losses carried forward. Given the nature of these receivables and the uncertain prospects of taxable profits in the near future, it has been decided to impair approximately half of these receivables in 2011. Besides not accounting for additional deferred tax losses carried forward regarding fiscal year 2012, no further impairments have been necessary in 2012. The remaining receivable is expected to have a long term, as the asset has to be compensated with future taxable profits.

The long term receivables concern for EUR 1.1 million fees charged to shipping funds. It has been agreed to transfer these receivables into a long term loan agreement. The term for these loans to the shipping funds is up to 3 and 5 years, carrying an interest of 6.5 and 6.0% respectively. For EUR 0.4 million the receivable is on the real estate fund Duitsland 1 to which a loan has been given for financing reconstructions of the real estate. The agreed term for this loan is one year with options to extend this term. The interest on this loan is 7%.

3. Receivables

Accounts receivables

The accounts receivables can be specified as follows:

	2012	2011
Accounts receivables from related funds	**995.695**	1.607.526
Current accounts with related funds	**-**	211.259
Accounts receivables from Hanzevast group	**-**	1.769.925
Other accounts receivables	**166.414**	288.922
	1.162.109	3.877.632
Provision for doubtful debts	**100.000-**	-
	1.062.109	**3.877.632**

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

Accounts receivables to associated companies

The accountants receivable to other related companies concern receivables for services provided for those companies and short term receivables to the shareholder Hanzevast capital B.V.

Taxes and social security premiums

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

	2012	2011
German V.A.T.	**227**	71.446
Belgium Income Tax and social sec. premiums	**132.779**	37.048
	133.006	108.494

4. Securities

The securities can be broken down as follows:

	2012	2011
Equity participations in real estate funds	**2.306.112**	2.306.112
Equity securities participations in ship funds	**9.975**	46.075
	2.316.087	2.352.187

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 February 2009 the Company bought EUR 5,138,500 participations resulting from a placing guarantee regarding Hanzevast Duitsland 2 CV. The value of the participations Hanzevast Duitsland 2 CV was ultimate 2011 EUR 2,306,112. In 2011, these participations have decreased in value with EUR 657,000 because of write offs. In 2012 the participations are not decreased in value.

The equity securities participations in shipping 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. The non-listed equity participations are impaired to the lower realizable value.

5. Cash and banks

This amount is freely available for the company.

6. Group equity

Equity

The equity is further specified in the notes to the company financial statements.

Third party share

The movements in the third party share can be specified as follows:

	2012	2011
Opening balance 1 January	**16.926**	1.405
Share in results	**2.779-**	521
Payment on participations in Vastgoedfonds Hanzevast Holland 64 CV	**-**	15.000
Closing balance 31 December	**14.147**	16.926

7. Provisions

The Company has provided in 2011 for excess housing costs. Due to the reorganization the Company has given notice to the owner of the office building in Hilversum. Furthermore, the lease will be terminated with retroactive effect as from 1 January 2013. Therefore the provision taken for excess housing costs is no longer relevant.

8. Long term liabilities

Debt to related companies

The debt payable to related companies concerns debt to the following companies:

	2012	2011
Hanzevast capital B.V.	-	4.352.776
Hanzevast Real Estate B.V.	-	1.067.898
Noord Nederlandse Trustmaatschapppij B.V.	-	747.593
	-	6.168.267

The purpose of the debt is the funding of the initiation of partnerships. The remaining term for this debt is a half year and therefore presented under the current liabilities. The applicable interest rate is 7%.

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 credit institutions

Of the total of current payables to credit institutions of EUR 0.4 million, EUR 1.0 million concerns the current accounts at banks and EUR 0.8 million is set in deposit at the ABN AMRO Bank N.V. for the due and punctual fulfillment by Vastgoedmaatschap MPC Holland 45 of its obligations.

Vastgoedfonds Hanzevast Holland 64 CV has a credit arrangement with ABN AMRO Bank amounting to EUR 5,719,159. It has been agreed that this credit arrangement will be reduced with EUR 870,000 within a period of 24 months. Interest rate is fixed at EURIBOR + 2.25 per year and the remaining term is less than one year. Due to the fact that the LTV condition has been breached, this loan is presented as a short term payable. The terms and conditions of this credit arrangement will be renegotiated with ABN AMRO. In the first quarter of 2013, the guarantees for the loan of Vastgoedfonds Hanzevast Holland 64 have been transferred to another Hanzevast Group company. As a result, Vastgoedfonds Hanzevast Holland 64 will no longer be consolidated as of the first quarter of 2013.

Liabilities from derivatives

Vastgoedfonds Hanzevast Holland 64 CV has an interest rate swap with the ABN AMRO Bank. This interest rate swap will end 1 Jan 2016 while the credit arrangement end oncoming 1 Jan 2014. The trading value € 322,731 is presented under the liabilities.

Debt to related companies

The debt payable to related companies concerns debt to the following companies:

	2012	2011
Hanzevast capital B.V.	**4.352.776**	-
Hanzevast Real Estate B.V.	**1.067.898**	-
Noord Nederlandse Trustmaatschapppij B.V.	**747.593**	-
	6.168.267	-

The purpose of the debt is the funding of the initiation of partnerships. The remaining term for this debt is a half year and therefore presented under the current liabilities. The applicable interest rate is 7%.

Accounts payable to associated companies

The accounts payable to other related companies concern payables for services provided by those companies and short term payables to the shareholder Hanzevast capital B.V..

Taxes and social security premiums

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

	2012	2011
Belgian V.A.T.	**178.137**	2.059
Dutch V.A.T.	**-**	63.275
Dutch Income Tax and soc. Sec. premiums	**51.791**	84.337
	229.928	149.671

Accruals and deferred income

The accruals and deferred income can be specified as follows:

	2012	2011
Intermediaries fees	**-**	90.863
Deferred income in relation to fee earned for placement guarantees	**-**	214.764
Accrued expenses for initiation of partnerships	**-**	10.000
Other accrued expenses	**409.001**	233.602
	409.001	549.229

Other liabilities

The other liabilities can be specified as follows:

	2012	2011
Reservation holiday payment	-	33.220
	-	33.220

10. Off balance sheet commitments

Rent agreement

The lease regarding the housing in Hilversum will be terminated with retroactive effect as from 1 January 2013.

Bank guarantee

The Company has a credit agreement of EUR 2,000,000 with the ABN AMRO Bank N.V. to support for a maximum of EUR 2,000,000 the guarantee to Münchener Hypothekenbank AG for the due and punctual fulfillment by Vastgoedmaatschap MPC Holland 45 of its obligations. In the first quarter of 2013 this guarantee has been transferred to Hanzevast capital B.V.

Corporate guarantees

The Company has given a guarantee for the amount of EUR 5,476,548 to ABN AMRO Bank N.V. for the due and punctual fulfillment by Vastgoedfonds Hanzevast Holland 64 C.V. of its obligations. In the first quarter of 2013 this guarantee has been transferred to Hanzevast capital B.V. As a result, Vastgoedfonds Hanzevast Holland 64 C.V. will no longer be consolidated by Hanzevast capital N.V. as of the first quarter of 2013.

The Company has given a cashflow guarantee to Münchener Hypothekenbank AG for the due and punctual fulfillment by Vastgoedmaatschap MPC Holland 41 of its cash flow obligations, with a quarterly maximum of EUR 203,388. The guarantee expired on March 12, 2012.

The Company has given a corporate guarantee to Vastgoedmaatschap MPC 41 to pay the difference between the rent stated in the placing memorandum and actual rent received under the lease with a third party. This only counts for the lease with KPMG in the property of Enschede.

Placement guarantees towards funds

At 31 December 2012 the Company has outstanding placement guarantees for the following funds. The amounts shown are the gross amounts guaranteed:

	2012	2011
St. Financiering Vlootfonds HV 3		
- FGR MS Hanze Gdansk CV	-	5.107.500
- FGR MS Hanze Genua CV	-	260.000
	-	5.367.500

Fiscal unity

Hanzevast capital N.V. and its subsidiaries Hanzevast Financial Services B.V. and 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.

Other commitments

Due to the reorganization effected in 2011 and 2012, the Company has a conditional obligation to pay out dismissal compensation in December 2012. The condition for this obligation is that the Hanzevast group has a positive cash flow for the whole year 2012.

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, securities and participating interests. 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.

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. Further reference is made to the going concern paragraph.

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 and Belgium 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 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.

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 2012 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. Specific reference is made to note 16. Amounts receivable or payable to related parties and income and expenses regarding related parties are disclosed in the notes to the financial statements.

Notes to the consolidated profit and loss account

13. Net turnover

The net turnover can be specified as follows:

	2012	2011
Fees received for structuring funds	**34.300**	580.710
Fees received for placement guarantees	**214.764**	204.205
Fees received in relation to the issuance of participations	**-**	350.597
Rent on real estate	**571.334**	700.340
Fees received for managing funds and other revenue	**2.908.035**	2.581.059
	3.728.433	4.416.911

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, managing funds and rental is invoiced to related parties.

14. Cost of sales

The cost of sales can be specified as follows:

	2012	2011
Costs in relation to the initiation of funds	**126.669**	1.298.369
Costs in relation to managing funds	**1.690.765**	1.602.320
Costs related to rental of real estate	**94.296**	36.546
Direct costs in relation to registration of funds	**300.204**	1.093.160
	2.211.934	4.030.395

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:

	2012	2011
Salaries including holiday payment	**332.238**	822.566
Bonuses personnel	**4.605**	5.138
Temporary employees	**6.713**	95.558
	343.556	923.262

Social security premiums

Social security premiums include EUR 24,878 (2011: EUR 74,706) for pension premiums. The pension obligations are insured by a third party.

Impairment fixed assets

In this year, an impairment of EUR 449,000 has been made on the “Ventana” office building in Almere.

Other operating expenses

The other operating expenses can be specified as follows:

	2012	2011
Other staff expenses	**28.591**	79.852
Housing expenses	**256.232**	280.753
Selling expenses	**51.880**	60.500
General expenses	**565.630**	808.093
	902.333	1.229.198

The other staff expenses consist of training, travel and recruitment expenses.

Housing expenses include rent invoiced by a related party for an amount of EUR 253,221 (2011: EUR 275,109).

Selling expenses include sponsorships costs amounting to EUR 21,900 (2011: EUR 21,502) and advertising and promotions costs totaling to EUR 3,806 (2011: EUR 33,603).

The general expenses can be further specified as follows:

	2012	2011
Communication	**16.241**	26.728
Office supplies and stationery	**24.136**	9.251
IT costs	**15.829**	20.144
Professional services fees	**42.848**	150.842
Regulatory costs	**69.742**	40.025
Head office charges (including shared service center)	**286.056**	611.111
Hanzevast Austria	**-**	11.236
Allowance Ocean Warrior	**-**	-
V.A.T. not deductible	**-**	-
Write off securities	**-**	1.190.232
Write off receivables	**100.000**	90.834
Write off payables	**-**	1.600.000-
Provisions	**90.000-**	90.000
Other general expenses	**100.778**	167.690
	565.630	808.093

16. Net financial results

The net financial results can be specified as follows:

	2012	2011
Interest income	**63.181**	57.208
Interest expense	**784.410-**	706.607-
Derivatives	**322.731-**	-
Foreign exchange results	**-**	836-
Other	**57.410-**	-
	1.101.370-	650.235-

17. Taxation

The tax burden in this year is 0%, which deviates from the normal percentage because there is no corporate income tax accounted for over the result of this year.

18. Average number of employees

During the year under review, the Company employed on average 5 employees (FTE) (2011: 11).

Company financial statements

Company balance sheet as at 31 December 2012

in euro's, before result appropriation

ASSETS		2012	2011
Fixed assets			
Tangible fixed assets			
Inventory		**1.122**	8.470
Computers		**5.633**	58.088
Vehicles		**27.819**	57.564
		34.574	124.122
Financial fixed assets			
Participating interests in group companies	19	**1.118.963**	920.468
Other financial fixed assets	19	**2.687.395**	2.747.544
		3.806.358	3.668.012
Current assets			
Receivables			
Accounts receivables	20	**980.410**	3.425.280
Taxes and social security premiums	20	**61.776**	108.326
Prepaid expenses and accrued income		**514.385**	470.414
		1.556.571	4.004.020
Securities	21	**2.316.087**	2.352.187
Cash and banks		-	-
Total assets		**7.713.590**	**10.148.341**

Company balance sheet as at 31 December 2012

in euro's, before result appropriation

EQUITY AND LIABILITIES		2012	2011
Shareholders' equity			
Share capital	22	**1.312.500**	1.312.500
Share premium	22	**4.687.500**	4.687.500
General reserve	22	**4.451.787-**	582.695
Result for the year	22	**1.616.226-**	5.034.482-
		68.013-	1.548.213
Provisions			
Other provisions	23	**1.115.285**	549.182
Long term liabilities			
Debt to related companies	24	**-**	6.008.612
Current liabilities			
Trade creditors		**146.637**	189.214
Debt to credit institutions		**764**	335.750
Accounts payable to subsidiaries and associated companies	25	**45.703**	1.134.915
Debt to related companies	25	**6.008.612**	
Taxes and social security premiums	25	**75.368**	113.049
Accruals and deferred income	25	**389.234**	236.186
Other liabilities		**-**	33.220
		6.666.318	2.042.334
Total equity and liabilities		**7.713.590**	10.148.341

Company profit and loss accounts for the year ended 31 December 2012

in euro's

	2012	2011
Share in results from participating interests, after taxation	**457.608-**	208.465-
Other results after taxation	**1.158.618-**	4.826.017-
Net result	**1.616.226-**	5.034.482-

Notes to the 2012 company financial statements

General

The consolidated financial statements are part of the 2012 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.

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 financial statements.

19. Financial fixed assets

Participating interests in group companies

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

	2012	2011
Hanzevast Financial Services B.V.	**56.450**	56.573
Hanzevast Financial Services C.V.	**621.727**	319.029
Stone Hedge B.V.*	**-**	310-
Vastgoedfonds Hanzevast Holland 52 B.V.	**29.836**	27.981
Vastgoedfonds Hanzevast Holland 55 B.V.	**-**	26.956
Vastgoedfonds Hanzevast Holland 58 B.V.	**29.709**	27.854
Vastgoedfonds Hanzevast Holland 61 B.V.	**-**	25.430
Vastgoedfonds Hanzevast Holland 62 B.V.	**26.449**	24.156
Vastgoedfonds Hanzevast Holland 63 B.V.	**24.820**	22.973
Vastgoedfonds Hanzevast Holland 64 B.V.	**23.572**	15.289
Vastgoedfonds Hanzevast Holland 64 C.V.*	**-**	17.990
Vastgoedfonds Hanzevast Duitsland 1 B.V.	**24.713**	23.480
Vastgoedfonds Hanzevast Duitsland 2 B.V.	**24.099**	22.889
Vastgoedfonds Hanzevast Duitsland 3 B.V.	**15.190**	15.472
MPC Private Equityfonds Global 8 B.V.	**14.141**	15.222
Vastgoedontwikkelingsfonds Hanzevast Terherne B.V.	**15.452**	15.554
Hanzevast Capital Austria GmbH	**4.837-**	10.918
Hanzevast 12 B.V.	**22.195**	20.622
Hanzevast 18 B.V.	**22.268**	20.695
Hanzevast 19 B.V.	**22.268**	20.695
Hanzevast 21 B.V.	**22.263**	20.689
Hanzevast 25 B.V.	**22.264**	20.695
Hanzevast 27 B.V.	**22.269**	20.695
Hanzevast 33 B.V.	**22.267**	20.695
Hanzevast 34 B.V.	**22.269**	20.696
Hanzevast 39 B.V.	**22.268**	20.695
Vastgoed Fusiefonds Hanzevast B.V.	**17.311**	17.747
Hanzevast Fondsmanagement GmbH	**-**	24.626
Verwaltung Hanzevast Holland 65 GmbH	**-**	24.462
	1.118.963	920.468

* The negative equity is presented under the provisions

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

	2012	2011
Opening balance 1 January	**920.468**	1.178.933
Investments	**-**	-
Share in results	**457.608-**	208.465-
Dividends	**-**	50.000-
Provision	**656.103**	-
Closing balance 31 December	**1.118.963**	920.468

Other financial fixed assets

The other receivables can be specified as follows:

	2012	2011
Depositories	**350.950**	350.950
Deferred Corporate Income Tax	**701.993**	701.993
Long term receivables on related parties	**1.634.452**	1.694.601
	2.687.395	2.747.544

20. Receivables

Accounts receivables

The accounts receivables 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 accounts receivables from Hanzevast group has increased from last year because of charged fees and financing deposits to group companies.

The provision for doubtful debtors is € 100.000 (2011: € 0).

Taxes and social security premiums

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

	2012	2011
Belgium Income Tax and social sec. premiums	**61.776**	108.326
	61.776	108.326

21. Securities

The company securities can be specified as follows:

	2012	2011
Equity participations in real estate funds valued at cost	**2.306.112**	2.306.112
Equity securities participations in ship funds at market value	**9.975**	46.075
	2.316.087	2.352.187

22. Shareholders' equity

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

	Share capital	Share premium	General Reserve	Result for the year	*Total*
Opening balance 1 January 2012	**1.312.500**	**4.687.500**	**582.695**	**5.034.482-**	***1.548.213***
Issue of share premium	-	-	-	-	-
Result prior year	-	-	5.034.482-	5.034.482	-
Result for the year	-	-	-	-	-
Closing balance 31 December 2012	**1.312.500**	**4.687.500**	**4.451.787-**	**-**	***1.548.213***
Issue of share premium	-	-	-	-	-
Result prior year	-	-	-	-	-
Result for the year	-	-	-	1.616.226-	*1.616.226-*
Closing balance 31 December 2012	**1.312.500**	**4.687.500**	**4.451.787-**	**1.616.226-**	***68.013-***

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.

23. Provisions

Provision for rental liabilities

The Company has provided in 2011 for excess housing costs. Due to the reorganization the Company has given notice to the owner of the office building in Hilversum. Furthermore, the lease will be terminated with retroactive effect as from 1 January 2013. Therefore the provision taken for excess housing costs is no longer relevant.

Provision for participations

The provision for participations is specified as follows:

	2012	2011
Stone Hedge B.V.	**436.673**	459.182
Vastgoedfonds Hanzevast Holland 64 C.V.	**678.612**	-
	1.115.285	459.182

24. Long term liabilities

The long term liabilities can be specified as follows:

	2012	2011
Hanzevast capital BV	**-**	3.563.759
Hanzevast Real Estate BV	**-**	1.067.898
Noord Nederlandse Trustmaatschappij BV	**-**	747.593
Hanzevast Financial Services CV	**-**	629.362
	-	6.008.612

The purpose of the debt is the funding of the initiation of partnerships. The applicable interest rate is 7%. (2011: 7%). In 2012 the liabilities are presented under de current liabilities because of maturity date at 30 June 2013.

25. Current liabilities

For the accounts payables subsidiaries and associated companies no interest is charged.

The long term liabilities can be specified as follows:

	2012	2011
Hanzevast capital BV	**3.563.759**	-
Hanzevast Real Estate BV	**1.067.898**	-
Noord Nederlandse Trustmaatschappij BV	**747.593**	-
Hanzevast Financial Services CV	**629.362**	-
	6.008.612	-

The purpose of the debt is the funding of the initiation of partnerships. The applicable interest rate is 7%. (2011: 7%). In 2012 the liabilities are presented under de current liabilities because of maturity date at 30 June 2013.

Taxes and social security premiums

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

	2012	2011
Belgian V.A.T.	**68.851**	32.712
Dutch V.A.T.	**-**	33.049
Dutch Income Tax and soc. Sec. premiums	**6.517**	47.288
	75.368	113.049

26. Off balance sheet commitments

Rent agreement

The lease regarding the housing in Hilversum will be terminated with retroactive effect as from 1 January 2013.

Bank guarantee

The Company has a credit agreement of EUR 2,000,000 with the ABN AMRO Bank N.V. to support for a maximum of EUR 2,000,000 the guarantee to Münchener Hypothekenbank AG for the due and punctual fulfillment by Vastgoedmaatschap MPC Holland 45 of its obligations. In the first quarter of 2013 this guarantee has been transferred to Hanzevast capital B.V.

Corporate guarantees

The Company has given a guarantee for the amount of EUR 5,476,548 to ABN AMRO Bank N.V. for the due and punctual fulfillment by Vastgoedfonds Hanzevast Holland 64 C.V. of its obligations. In the first quarter of 2013 this guarantee has been transferred to Hanzevast capital B.V.

The Company has given a cashflow guarantee to Münchener Hypothekenbank AG for the due and punctual fulfillment by Vastgoedmaatschap MPC Holland 41 of its cash flow obligations, with a quarterly maximum of EUR 203,388. The guarantee expired on March 12, 2012.

The Company has given a corporate guarantee to Vastgoedmaatschap MPC 41 to pay the difference between the rent stated in the placing memorandum and actual rent received under the lease with a third party. This only counts for the lease with KPMG in the property of Enschede.

Fiscal unity

Hanzevast capital N.V. and its subsidiaries Hanzevast Financial Services B.V. and 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.

Other commitments

Due to the reorganization effected in 2011 and 2012, the Company has a conditional obligation to pay out dismissal compensation in December 2012. The condition for this obligation is that the Hanzevast group has a positive cash flow for the whole year 2012.

27. Remuneration of managing and supervising directors

Remuneration of the management in this year, including the charges for pensions as intended in section 2:383 of the Dutch Civil Code, which were charged in the financial year to the company and group companies, amounted to EUR 345,000.

Hilversum, October 18, 2013

The management

J.H. Wolters M.S. Mobach J. Westra

Other information

Provisions of articles of association in respect of result appropriation

The result, 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 result 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 result in the form of one or more general or specific reserves.

Proposed result appropriation 2012

It is proposed that the General Meeting of Shareholders will added the result as follows:

- the company loss and the income from associated companies will be taken 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.

Events after balance sheet date

In the first quarter of 2013, the Company has cleaned up its balance sheet and eliminated intercompany balances. Guarantees (for Vastgoedmaatschap MPC Holland 45 and Vastgoedfonds Hanzevast Holland 64) are no longer obligations of the Company and have been transferred to another entity within the group. Assets and liabilities have also been transferred to other entities within the Hanzevast Group. As a result, Vastgoedfonds Hanzevast Holland 64 (as of the first quarter 2013) and the assets and liabilities transferred will no longer be included in the (consolidated) financial statements of Hanzevast capital N.V.

Further, no material events after balance sheet date occurred that would present a material other view on the financial statements.

Independent auditor's report

To: the general meeting and management of Hanzevast capital N.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of Hanzevast capital N.V., Hilversum, which comprise the consolidated and company balance sheet as at December 31, 2012, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Hanzevast capital N.V. as at December 31, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of uncertainty with respect to the going concern assumption
We draw attention to note ‘Going concern’ on page 15 of the financial statements in which management describes the following issues related to Hanzevast capital N.V. and the financial relationships with the group to which Hanzevast capital N.V. belongs and the adverse conditions of the market:

- uncertainties regarding the recoverability of (part of) the receivables from group companies and the funds under management;
- uncertainties regarding rolling over the outstanding loans and collecting the receivables from the group companies;
- current external market conditions are adverse and the near forecasts do not show any recovery on the short term of the ‘structuring and placing’ activity.

These conditions, along with other matters as set forth in note Going concern indicate the existence of a material uncertainty which may cast significant doubt about Hanzevast capital N.V.’s ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Emphasis of events after balance sheet date
We draw attention to note ‘Events after balance sheet date’ to the financial statements which describes significant changes in the balance sheet 2013. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Groningen, October 21, 2013

For and on behalf of BDO Audit & Assurance B.V.,

w.s. drs. K.J. Doevendans RA