

FalcInvest Fund Management B.V.
Ede

Semi-annual report 2009

August 31, 2009

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Directors' report

In accordance with Article 396.6, Part 9, Book 2 of the Netherlands Civil Code, the Board of Directors of FalcInvest Fund Management B.V. applies the exemption from drawing up and publishing the Directors' report.

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Financial statements

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Consolidated balance sheet as per June 30, 2009

(after result appropriation)

	Notes	06.30.2009		12.31.2008		06.30.2009		12.31.2008	
		EUR		EUR		EUR		EUR	
Assets									
Fixed assets									
Tangible fixed assets:									
Other operating assets	1		3,220		6,654				
Financial fixed assets:									
Investments			10,582		10,582				
Current assets									
Receivables:									
Trade accounts receivable	2		85,929		(5,641)				
Other receivables			<u>246,860</u>		<u>230,037</u>				
			332,789		224,432				
Cash	3		<u>320,736</u>		<u>251,694</u>				
			<u><u>667,327</u></u>		<u><u>493,362</u></u>				
							<u><u>667,327</u></u>		<u><u>493,362</u></u>
Shareholders' equity and liabilities									
Group equity	4						290,913		381,953
Short-term liabilities	5								
Accounts payable							96,657		24,734
Group companies							169,218		6,846
Taxes and social security charges							71,947		18,343
Accrued liabilities							<u>38,592</u>		<u>61,486</u>
							376,414		111,409

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Consolidated profit and loss account for the period January 1 – June 30, 2009

	Notes	January 1– June 30,2009	2008
		EUR	EUR
Net turnover		196,386	542,806
Cost		<u>22,492</u>	<u>39,292</u>
Total operating income		173,894	503,514
Salaries and wages	6	142,240	315,000
Social security charges	6	49,644	97,847
Depreciation of tangible fixed assets	7	14,395	39,873
Other operational expenses	8	<u>84,174</u>	<u>162,821</u>
Total operating expenses		<u>98,569</u>	<u>615,541</u>
Operating result		(116,559)	(112,027)
Financial income and expense	9	<u>2,756</u>	<u>12,408</u>
Result on ordinary activities before taxation		(113,803)	(99,619)
Tax on result from ordinary activities		<u>22,763</u>	<u>19,924</u>
Result after taxation		<u>(91,040)</u>	<u>(79,695)</u>

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Notes to the consolidated financial statements

General

The registered office of FalcInvest Fund Management B.V. is in Ede. The company operates from offices at Plesmanstraat 62, Veenendaal.

The main activity of the company and its group companies consists of fund management and related administrative services.

During 2009 the company was licensed by regulators in the Netherlands to act as fund manager.

Group structure

FalcInvest Fund Management B.V. is the holding company of a subsidiary company. An overview of the information required under Articles 379 and 414, Book 2 of the Netherlands Civil Code is given on page 16 of this Annual report.

The company is a part of the FalcInvest Group. The financial information of FalcInvest Fund Management B.V. and its subsidiary company is included in the consolidated financial statements of FalcInvest B.V.

Besides FalcInvest B.V. and in addition to the companies as stated under the financial fixed assets, the following parties are related to the legal entity:

- FalcInvest Asset Management B.V.
- FalcInvest Financial Services B.V.

The transactions with related parties concern charges by and to related parties in respect of wages, salaries, social security charges, depreciation and other operational expenses. Furthermore, there is an investment management agreement with FalcInvest Asset Management B.V. in respect of the sharing of management fees charged to unit trusts and a marketing agreement with FalcInvest Financial Services B.V.

Consolidation principles

Financial information relating to subsidiaries within the Group is included in the consolidated financial statements of FalcInvest Fund Management B.V. The consolidated financial statements have been prepared in accordance with the accounting principles regarding valuation and profit recognition of FalcInvest Fund Management B.V.

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Financial information relating to the group companies is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions.

The results of subsidiaries acquired during the year are consolidated from the acquisition date. At that date the assets, provisions and liabilities are valued at fair values. Goodwill paid is capitalized and amortized on the basis of the estimated economic lifetime. The results of subsidiaries sold during the year are consolidated up to the moment of sale.

The financial information relating to FalcInvest Fund Management B.V. is included in the consolidated financial statements. Accordingly, in accordance with Article 402, Book 2 of the Netherlands Civil Code, the company profit and loss account has been presented in abbreviated format.

General accounting principles

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless stated otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are stated at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses and risks originating before the end of the financial year are taken into account if they became known prior to the preparation of the financial statements.

Revenues from services are taken into account in proportion to the services rendered. The cost price of these services is allocated to the same period.

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

Conversion of foreign currencies

Receivables, liabilities and obligations denominated in foreign currencies are converted at the exchange rates prevailing at the balance sheet date.

Transactions in foreign currencies during the financial year are included in the financial statements at the exchange rates prevailing on the transaction dates. Resulting exchange differences are absorbed into the profit and loss account taking into account any results from hedge transactions.

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Principles of valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated economic lifetime and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is activated from the date an asset is deployed.

Financial fixed assets

Where significant influence is exercised on business and operating policies, shareholdings in group companies are valued under the net asset value method, whereby the same accounting principles are applied as those applied by FalcInvest Fund Management B.V.

Shareholdings in group companies that have a negative equity are valued at nil. If the company fully or partly guarantees the liabilities of a group company, the company's share in the losses or payment of obligations of the group company has been provided for, primarily by means of a deduction from the receivables from the group company with the balance under 'Provisions'.

Investments are valued at market value.

Receivables

Receivables are included at face value, less any provision for non-collectability. Such provisions are determined by individual assessment of the receivables.

Provisions

The company has a defined benefit plan as well as a defined contribution plan for the pensions. In accordance with Dutch GAAP for small companies, the defined benefit plan has been treated as a defined contribution plan. Commitments are recognised in the profit and loss account in the period to which they relate.

Principles for the valuation of the result

Net turnover

Net turnover represents the fees charged in respect of fund management services.

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Taxation

Corporation tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the profit and loss account and profit calculated for taxation purposes and taking into account that deferred tax assets are not valued if and insofar as their realization is not probable. The company forms part of the fiscal unity for corporation tax purposes. Corporation tax is calculated as if the company is separately liable for tax. Any deferred tax is accounted for in the accounts of the holding company of the fiscal unity.

Notes to the specific items of the consolidated balance sheet

1) Tangible fixed assets

The movements in the tangible fixed assets are as follows:

	<u>EUR</u>
Book value as per January 1, 2009	6,654
Depreciation	<u>(3,434)</u>
Book value as per June 30, 2009	<u>3,220</u>
Accumulated depreciation as per June 30, 2009	<u>92,804</u>
Depreciation percentages	<u>20-33 1/3</u>

2) Receivables

All receivables are presented under current assets and mature within one year.

3) Cash

Cash balances are freely disposable.

4) Group equity

Reference is made to the note to Shareholders' equity in the company financial statements.

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5) Liabilities

All short-term liabilities mature within one year.

Contingent assets and liabilities

FalcInvest Fund Management B.V. is part of the fiscal unity FalcInvest B.V. and for that reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

FalcInvest Fund Management B.V. takes part in a credit arrangement for FalcInvest B.V. and for that reason it is jointly and severally liable for the liabilities of the FalcInvest Group to the bank. Under this arrangement any receivables from the bank are pledged to the bank.

Notes to the specific items of the consolidated profit and loss account

6) Wages, salaries and social security charges

Wages, salaries and social security charges also include amounts charged by and to other group companies.

Social security charges include an amount of EUR 21,239 in respect of pension costs (2008: EUR 40,665).

The average number of employees during 2009 covering fund management activities including investor registration was 3 (2008: 6).

7) Depreciation

Depreciation includes an amount of EUR 10,961 charged by other group companies.

8) Other operational expenses

	January – June 2009	2008
	EUR	EUR
Other personnel expenses	3,711	16,904
Office rent, rates and taxes	24,041	48,958
Sales expenses	214	510
Car and traveling expenses	8,755	19,650
General expenses	47,453	76,799
	<u>84,174</u>	<u>162,821</u>

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9) Financial income and expense

	January – June 2009	2008
	EUR	EUR
Financial income	2,923	16,563
Financial expense	(167)	(4,155)
	<u>2,756</u>	<u>12,408</u>

Financial expense do not include interest related to group companies.

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Company balance sheet as per June 30, 2009

(after result appropriation)

	Notes	06.30.2009	12.31.2008	
		EUR	EUR	
Assets				
Fixed assets				
Tangible fixed assets:				
Other operating assets		3,220	6,654	
Financial fixed assets:	1			
Shareholdings in group companies		p.m.	p.m.	
Investments		<u>10,582</u>	<u>10,582</u>	10,582
Current assets				
Receivables:				
Trade accounts receivable		85,929	(5,641)	
Other receivables		<u>246,860</u>	<u>230,073</u>	224,432
Cash		<u>320,736</u>	<u>251,694</u>	
		<u>667,327</u>	<u>493,362</u>	

	Notes	06.30.2009	12.31.2008	
		EUR	EUR	EUR
Shareholders' equity and liabilities				
Shareholders' equity	2			
Issued and paid-up capital		342,000	342,000	
Other reserves		<u>(51,087)</u>	<u>39,953</u>	381,953
Short-term liabilities				
Accounts payable		96,657	24,734	
Group companies		169,218	6,846	
Taxes and social security charges		71,947	18,343	
Accrued liabilities		<u>38,592</u>	<u>61,486</u>	111,409
			<u>667,327</u>	<u>493,362</u>

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Company profit and loss account January 1 – June 30, 2009

	<u>January – June 2009</u>	<u>2008</u>
	EUR	EUR
Share in result of shareholdings after taxation	-	-
Other income and expense after taxation	<u>(91,040)</u>	<u>(79,695)</u>
Result after taxation	<u><u>(91,040)</u></u>	<u><u>(79,695)</u></u>

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Notes to the company financial statements

General accounting principles

Where appropriate, reference should be made to the notes to the consolidated financial statements, which give details about the applicable accounting principles.

In accordance with article 402 Book 2 of the Netherlands Civil Code the company profit and loss account is presented in abbreviated format.

Notes to the specific items of the balance sheet

1) Financial fixed assets

Participations in group companies:

	<u>EUR</u>
Book value as per January 1, 2009	(99,121)
Result participations	-
Book value as per June 30, 2009	<u><u>(99,121)</u></u>

The negative amount of the participations is deducted from the receivables on participation of the participation concerned.

The shareholding in group companies concerns the following participation, which has been consolidated:

	<u>Proportion in issued share capital</u> %	<u>Registered office</u>
NIV Trust B.V.	100	Breda

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2) Shareholders' equity

Issued and paid-up capital:

The paid-up capital of the company amounts to EUR 500,000 divided up into 50,000 ordinary shares of EUR 10 each.

The total of issued and paid-up capital of EUR 342,000 did not change during the year.

Other reserves:

	January – June 2009	2008
	EUR	EUR
Balance as per January 1	39,953	119,648
Dividend	-	-
Proposed appropriation of the result	(91,040)	(33,051)
Balance as per December 31	<u>(51,087)</u>	<u>86,597</u>

Signing of the financial statements

Ede, August 31, 2009

Board of Directors:

M.I.J. van Doorn RA

drs. M.H.M. Janssen

Ing. L.P.M.T. Strijbos

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Additional information

Statutory rules concerning result appropriation

The board of directors will determine what portion of the result for a financial year will be added to the other reserves. The balance is at the disposal of the general meeting of shareholders.

Appropriation of result for the financial year 2008

The annual report 2008 is not adopted yet by the general meeting of shareholders. The board of directors proposes to deduct the negative result for the financial year 2008, amounting to EUR 79,695 from the 'Other reserves'. In anticipation of the decision by the general meeting of shareholders, the financial statements reflect this proposal.