IRE GERMAN PROPERTY HOLDING B.V.

Annual Report 2007

FOR IDENTIFICATION PURPOSES ONLY
BDO CampsObers
Audit & Assurance B.V.

date 25 APR 2008

Belonging to letter nr. 05.12.08 date 25.4.08
initials

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DIRECTORS AND ADVISERS

Directors	Daniel Akselson
Registered Office	Brediusweg 42, 1401 AH Bussum
Registration Number	32108902 – Chamber of Commerce Gooi- en Eemland
Auditors	BDO CampsObers Chartered Accountants Laan van Westenenk 735 7334 DL Apeldoorn The Netherlands

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REPORT OF THE DIRECTORS

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2007.

Principal Group Activities

The Group's principal activity during the year was property investment and property trading. Details of the principal subsidiary undertakings are set out in note 3 of the notes to the Company financial statements.

Property Portfolio

IRE has an extensive low risk property portfolio in Germany, amounting to circa 114,724 sq m. The main part (80.2%) is residential, offices (12.1%) and retail and others (7.7%). Whilst this market has showed signs of a slowdown with decreasing transaction volumes, the Board still sees Germany as central to its strategy, primarily focussing on the development and investment in residential properties.

Strategy

The Group's primary strategy is to purchase properties in need of refurbishment, which are subsequently refurbished and re-let at a higher rate as well as purchase vacant properties with a view to reorganize and extending them.

This strategy naturally leads to a relatively low initial cash-flow requirement. However, a healthy increase in cash-flow and enhancement of the underlying property values from the various projects are later achieved as the schemes are finalised and re-let. Once the cycle has been completed, we evaluate the future retention policy for each individual property.

An example of this strategy in action was our investment in a portfolio of properties in Duren, purchased in 2005 for circa €1.8 million. We carried out a careful refurbishment programme whereby we reinvested the existing cash-flow generated by the properties together with some additional funds. The total purchase and investment programme came to circa €2.2 million. Following this, we sold the properties for €5.6 million to a German investor. However, the majority of the results from this investment have been released to the income statement in previous periods as a consequence of the Group's IFRS accounting policies.

Results

Results for the year ended 31 December 2007 show revenue of €6.2 million (2006 – €4.1 million), pre-tax loss of € 2.6 million (2006 – profit €16.2 million) and loss after taxation of €0.2 million (2006 – profit € 10.4 million). The Group's cash position as at 31 December 2007 was €5.1 million (2006 – €4.4 million). Total net assets amounted to € 16.0 million (2006 – €9.9 million). The Group accounts show a tax credit of € 2.3 million which was mainly in relation to a reduction in the deferred tax provision following the lower tax rates from 2008 in Germany.

Review of Business and Future Developments

The principal business risks identified by the Group are considered to be exposure to the German property market, upward movements in interest rates, which the Group has countered by securing long term fixed rates, and availability of financing and re-financing facilities.

Directors

The name of the current Director appear on page 3.

Daniel Akselson, aged 46, Director since the incorporation of the company, has been involved in property investment in Europe since the late 1980s.

Financial Instruments

Details of financial instruments and their associated risks are given in note 9.

REPORT OF THE DIRECTORS

CONTINUED

Outlook

Naturally, the turbulence in the world-wide financial markets will affect the Group's business to a degree. However, we remain confident that we will be able to progress the development of the Group. Our property portfolio in Germany has a low risk profile and is generating an increasing cash-flow following completion of the various projects.

Supplier Payment Policy

The Company's current policy concerning the payment of all its trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment; and
- pay in accordance with its contracted and other legal obligations.

At the end of the current and prior year the Company had no trade creditors.

Going Concern

Taking into account resources and borrowing facilities and making such further enquiries as they consider appropriate, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

Daniel Akselson
Bussum, 25 April 2008

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PROPERTY PORTFOLIO

AS AT 31 DECEMBER 2007

Berlin		Lettable Area m2	Tenure	Ownership
Uhlandstraßsse 175	Berlin	6,095	Freehold	100%
Landsberger Allee 88-102	Berlin	10,738	Freehold	100%
Bersarinplatz 1-4ff	Berlin	25,096*	Freehold	90%
Friedrichstraße 56	Berlin	2,124	Freehold	100%
Holzmarktstraße 69, 73, 75	Berlin	8,026	Freehold	100%
Andreasstraße 20	Berlin	7,684	Freehold	100%
Schinkestraße 4-5	Berlin	1,047	Freehold	100%
Wriezener Karree 1-11	Berlin	13,041	Freehold	100%
Sub-Total Berlin		**73,851**		

Magdeburg		Lettable Area m2	Tenure	Ownership
Hegelstraße 26	Magdeburg	2,710	Freehold	100%
Hegelstraße 36	Magdeburg	1,686	Freehold	100%
Hegelstraße/Q 12	Magdeburg	7,510	Freehold	100%
Liebigstraße 9	Magdeburg	1,437	Freehold	100%
Liebigstraße 9a	Magdeburg	956	Freehold	100%
Liebigstraße 10	Magdeburg	1,349	Freehold	100%
Einsteinstraße 2	Magdeburg	1,167	Freehold	100%
Breiter Weg 224	Magdeburg	1,914	Freehold	100%
Breiter Weg 229a	Magdeburg	1,018	Freehold	100%
Harnackstraße 3	Magdeburg	2,164	Freehold	100%
Südstadthöfe	Magdeburg	8,687	Freehold	100%
Südstadthöfe, Phase II	Magdeburg	3,545	Freehold	100%
Arndtstraße I7	Magdeburg	2,281	Freehold	100%
Herderstraße 13	Magdeburg	999	Freehold	100%
St-Michael Straße 57	Magdeburg	641	Freehold	100%
Zollstraße 11	Magdeburg	1,371	Freehold	100%
Sub-Total Magdeburg		**39,435**		

Germany – Other		Lettable Area m2	Tenure	Ownership
Gutenbergstraße 58	Potsdam	1,438	Freehold	100%
Sub-Total Germany – Other		**1,438**		
Total		**114,724**		

* IRE share of Lettable Area.

AUDITOR'S REPORT

TO THE GENERAL MEETING OF SHAREHOLDERS AND DIRECTORS OF IRE GERMAN PROPERTY HOLDING B.V.

Report on the financial statements

We have audited the accompanying financial statements 2007 of IRE German Property Holding B.V., Amsterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the profit and loss account, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2007, the company profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

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Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of IRE German Property Holding B.V. as at 31 December 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of IRE German Property Holding B.V. as at 31 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Apeldoorn, 25 April 2008

BDO CampsObers Audit & Assurance B.V.

on its behalf,

G. van Roekel RA

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	**Year ended 31 December 2007**	Year ended 31 December 2006
		€'000	€'000
Continuing Operations			
Revenue	3	**6,193**	4,120
Cost of sales		**(1,797)**	(2,480)
Gross Profit		**4,396**	1,640
Other operating (expense)/income	3	**(940)**	20,560
Administration expenses	4	**(328)**	(926)
Depreciation		**(27)**	(2)
Operating Profit		**3,101**	21,272
Finance income	5	**136**	26
Finance costs	6	**(5,812)**	(5,062)
Result Before Tax		**(2,575)**	16,236
Tax credit/(charge)	7	**2,318**	(5,429)
Result third parties		**(22)**	(410)
Result participation		**–**	(32)
Result for the Year	18	**(279)**	10,365
Earnings per Share			
Basic	8	**(€4.10)**	€575.84

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2007

There is no difference between the profit for the periods shown and the total recognised income and expense for the respective periods. Reconciliations of movements in total equity are given in note 16 and further to the consolidated financial statements.

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CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	31 December 2007	31 December 2006
		€'000	€'000
Non-Current Assets			
Investment properties	10	**117,610**	99,858
Financial fixed assets	11	**278**	194
		117.888	100,052
Current Assets			
Trade and other receivables	12	**3,575**	1,176
Cash and cash equivalents		**5,054**	4,434
		8,629	5,610
Total Assets		**126,517**	105,662
Current Liabilities			
Trade and other payables	15	**(9,996)**	(28,552)
Bank loans	13	**(1,551)**	(7,698)
Finance leases	20	–	(37)
		(11,547)	(36,287)
Non-Current Liabilities			
Bank loans	13	**(64,970)**	(53,461)
Bond	9	**(30,941)**	–
Deferred tax liabilities	14	**(3,095)**	(5,422)
Finance leases	20	–	(561)
		(99,006)	(59,444)
Total Liabilities		**(110,553)**	(95,731)
Net Assets		**15,964**	9,931
Equity			
Share capital	16	**68**	18
Share premium account	17	**6,240**	–
Retained earnings	18	**9,247**	9,526
Equity Attributable to Equity Holders of the Parent		**15,555**	9,544
Minority interest	19	**409**	387
Total Equity		**15,964**	9,931

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2008. They were signed on its behalf by:

Daniel Akselson Director

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CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Year ended 31 December 2007		Year ended 31 December 2006	
	€'000	€'000	€'000	€'000
Operating result (exclusive result sale Investment Property)		3,271		21,272
Adjustments for:				
Loss/(gains) on revaluation of investment property		1,002		(20,560)
Depreciation		27		2
Operating cash flows before movements in working capital		4,300		714
(Increase) in receivables		(2,399)		129
(Decrease)/increase in payables		(18,556)		11,246
Cash generated from operations		(16,655)		12,089
Income taxes paid		(9)		(7)
Net Cash Inflow/(Outflow) from Operating Activities		(16,664)		12,082
Investing Activities				
Interest received	58		7	
Investment in financial fixed assets	(51)		(70)	
Disposal of financial fixed assets	25		–	
Investments in tangible fixed assets	(24,780)		(33,800)	
Disposal of tangible fixed assets	6,018		–	
Loss on sale of investment property (note 3)	(170)		–	
Net Cash Used in Investing Activities		(18,900)		(33,863)
Financing Activities				
Equity contribution	6,290		–	
Interest paid	(5,601)		(5,011)	
Loan costs paid	(115)		(156)	
Repayments of borrowings	(9,893)		(108)	
Proceeds of bank borrowings	15,283		31,146	
Proceeds of bond issue (net of issue costs)	30,818		–	
Finance lease payments	(598)		–	
Net Cash Generated by Financing Activities		36,184		25,871
Net Decrease in Cash and Cash Equivalents		620		4,090
Cash and Cash Equivalents at Beginning of Year		4,434		344
Cash and Cash Equivalents at End of Year		5,054		4,434

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1 Accounting Policies

(a) Basis of preparation

The financial statements of the Group have been prepared in accordance with those International Financial Reporting Standards (IFRS's) as endorsed by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The registered office of I.R.E. German Property Holding B.V. is Brediusweg 42, 1401 AH Bussum, The Netherlands. The Group's principal activity during the year was property investment.

The parent company is Touquet Europe B.V., a company registered in Bussum, The Netherlands. The ultimate parent company is International Real Estate Plc., a company registered in London, England.

These consolidated financial statements are presented in euros which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand unless stated otherwise.

The consolidated financial statements have been prepared under the cost basis except for derivative financial instruments and the investment properties.

The principal accounting policies of the Group are set out below. For the accounting policies of the Company which are not mentioned below we refer to note 1 of the notes to the Company financial statements.

(b) Basis of consolidation

The consolidated financial statements of the Company and subsidiaries (together referred to as the "Group" and individually as "Group entities").

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December each year. Control exists where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the original combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(c) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of cash and/or equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets that are classified as held for resale in accordance with IFRS 5 'Non Current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

1 Accounting Policies (continued)

(d) Revenue recognition

Revenue comprises rental income and income received from the sale of trading properties net of VAT and other sales related taxes.

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Interest income is accrued on a time basis, by reference to the balance on deposit and the interest rate applicable.

(e) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Separate regard is given to the land and building elements of leases, where relevant.

The Group as lessor

All arrangements in the current and prior year have been classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

Rentals payable under operating leases are recognised on a straight-line basis over the term of the relevant lease.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability.

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

The land an buildings elements of property leases are considered separately for the purposes of lease classification.

(f) Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

(g) Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1 Accounting Policies (continued)

(g) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(h) Personnel

No employees were engaged by the Group.

(i) Investment property

Investment property, which is property held to earn rentals and/or capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss as part of other operating income for the period in which they arise.

Additions and disposals are recognised on completion. Profits and losses arising on disposal are recognised through the income statement and are determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions during the period.

Where an investment property is held under a headlease it is initially recognised as an asset as the sum of the premium paid on acquisition and the present value of the minimum ground rent payments. The corresponding rent liability to the head leaseholder is included in the Balance Sheet as a finance lease obligation.

(j) Financial fixed assets

Derivate financial instruments

See accounting policy below (financial assets)

Other

The other financial fixed assets have been stated at amortised cost using effective interest method.

(k) Financial instruments

Financial assets and financial liabilities are recognised on the Group and Company balance sheet when the Group or Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Financial assets classified as loans and receivables

Trade and other receivables – are measured initially at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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Financial assets

In the Company accounts, investments in subsidiary undertakings are stated at cost less any provision for impairment.

Financial assets classified as fair value through profit or loss
In-the-money derivatives – derivative instruments utilised by the Group include, from time to time, interest rate cap and collar arrangements. Changes in fair value of derivative financial instruments are recognised in the income statement as they arise. The Group uses hedging instruments to manage risk but does not apply hedge accounting.

Financial Liabilities

Financial liabilities classified as fair value through profit and loss
Out-of-the-money derivatives – derivative instruments utilised by the Group include, from time to time, interest rate cap and collar arrangements. Changes in fair value of derivative financial instruments are recognised in the income statement as they arise. The Group uses hedging instruments to manage risk but does not apply hedge accounting.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Other financial liabilities
Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share capital
The Company's ordinary shares are classified as equity instruments and are recorded at the proceeds received, net of direct issue costs.

(l) New accounting standards adopted during the year

During the year the Group adopted IFRS 7 'Financial Instruments: Disclosures'. IFRS 7 revises and enhances the previous disclosures required by IAS 32 and IAS 30. The impact of the adoption of IFRS 7 has been to expand the disclosures provided in these financial statements (see note 9). There has been no affect on the Group's reported results or financial position.

(m) Accounting standards issued not yet adopted

The following new standards and interpretations, which have been issued by the IASB and the IFRIC, are effective for future periods and have not been adopted early in these financial statements. A description of these standards and interpretations, together with (where applicable) an indication of the effect of adopting them, is set out below.

Standards and interpretations that may affect the Group's reported results or financial position
Amendment to IAS 23 'Borrowing Costs' was issued in May 2007 and is effective for accounting periods beginning on or after 1 January 2009. The amendment requires borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to be added to the cost of that asset.

The Group currently adopts a policy of expensing all borrowing costs in the period in which they are incurred. It is not currently possible to quantify the financial effect of adopting this amendment.

Standards and interpretations that are not expected to affect the Group's reported results or financial position
IFRIC 11 ' IFRS 2 – Group and Treasury Share Transactions' was issued in November 2006 and is effective for annual periods beginning on or after 1 March 2007. IFRIC 11 clarifies the accounting for share based transactions which fall within the scope of IFRS 2.

IFRIC 12 'Service Concession Arrangements' was issued in November 2006 and is effective for annual periods beginning on or after 1 January 2008. IFRIC 12 prohibits private sector operators from recognising as their own those infrastructure assets which are owned by the grantor.

IFRIC 13 'Customer Loyalty Programmes' was issued in June 2007 and is effective for annual periods beginning on or after 1 July 2008. IFRIC 13 requires the fair value of revenue relating to customer loyalty rewards to be deferred until all related obligations to the customer have been fulfilled.

IFRIC 14 'IAS 19 the limit on a defined benefit asset, minimum funding requirements and their interaction', was issued in June 2007 and is effective for annual periods beginning on or after 1 January 2008. IFRIC 14 clarifies how any asset to be recognised should be determined, in particular where a minimum funding requirement exists.

IFRS 8 'Operating Segments' was issued in November 2006 and is effective for annual periods beginning on or after 1 January 2009. It requires portable operating segments to be based on the entity's own internal reporting structure. It also extends the scope and disclosure requirements of IAS 14 Segmental Reporting. The adoption of IFRS 8 will not affect the results or net assets of the Group.

Status of EU-endorsement

Entities in EU Member States which report in accordance with EU-endorsed IFRS can only apply IFRSs and IFRICs where the endorsement process has been completed at the date of approval of their financial statements. Of the standards and interpretations listed above, the following had not yet been endorsed by the European Union at the date these financial statements were authorised for issue:

- IFRIC 12 Service Concession Arrangements;
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 14 IAS 19 the limit on a defined benefit asset;
- Amendment to IAS 23 Borrowing Costs; and
- IFRS 3 Business Combinations (revised).

2 Critical Accounting Judgements and Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies, which are described in note 1, management has made judgements in relation to property valuations, rates of deferred tax thereon and provisions which have a significant effect on the amounts recognised in the financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors; including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Further details are given in notes 10 and 14. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Revenue and Other Income

An analysis of the Group's revenue is as follows:

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Investment property rental income	**6,193**	4,120
Other operating (expense)/income		
– (Loss)/gains on revaluation of investment property (note 10)	**(1,002)**	20,560
– Loss on sale of investment property	**(170)**	–
– Income from litigation settlement	**232**	–
	(940)	20,560
Finance income (note 5)	**136**	26
	5,567	19,284

All investment properties are located in Germany therefore no segment information has been reported.

4 Administration expenses

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Consultancy fees	–	(551)
Valuation costs	–	(27)
Office costs	–	(21)
Legal & professional	–	(98)
Audit and administration fees	–	(184)
Management fees (charged by related parties)	**(328)**	(45)
	(328)	(926)

The management fees do not include any remunerations for the Director.

5 Finance Income

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Interest on bank deposits	**58**	7
Gain on revaluation of interest rate collars	**78**	19
	136	26

6 Finance Costs

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Bank loans and overdrafts	**(3,155)**	(2,214)
Bond interest	**(2,133)**	–
Bond costs	**–**	(1,845)
Interest parent company	**(313)**	(952)
Amortisation of loan issue costs	**(211)**	(51)
	(5,812)	(5,062)

7 Tax

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Current tax charge	**(9)**	(7)
Deferred tax credit	**2,327**	(5,422)
	2,318	(5,429)

Corporation tax is calculated at 25,4% (2006 – 29,6%) of the estimated assessable profit for the year.

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Profit on ordinary activities before tax	**(2,575)**	16,236
Tax on profit on ordinary activities at standard rate	**654**	(4,806)
Differences between German tax rates	**(90)**	665
Losses no deferred tax calculated for	**(414)**	(1,288)
Decrease in German tax rate	**2,168**	–
Tax credit/(charge) for the year	**2,318**	(5,429)

8 Earnings and Net Assets per Share

The calculation of the basic earnings per share is based on the following data:

Earnings	Year ended 31 December 2007	Year ended 31 December 2006
Earnings for the purpose of basic and diluted earnings per share being net profit attributable to equity holders of the parent	**(€ 278,823)**	€10,365,165

Number of shares

	Year ended 31 December 2007	Year ended 31 December 2006
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**68,000**	18,000
Basic earnings per share	**(€4.10)**	€575.84
Net asset value per share	**€234.76**	€551.72

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9 Financial Instruments

The Group is exposed to various types of financial instrument risk. These risks, and the Group's policies for managing them which have been applied consistently throughout the year, are set out below.

Market Risk

Interest rate risk

The policy of the Group is to ensure that all cash balances earn a market rate of interest and that interest rate exposures are regularly reviewed and managed using fixed rate debt and hedging instruments where appropriate.

Non-market Risk

Liquidity Risk

Bank relationships are maintained to ensure that sufficient cash and unutilised facilities are available to the Group. Additionally during the year the Group issued commercial bonds and maintains a relationship with its corporate finance advisor regarding these.

The Group's cash is managed through electronic cash management systems with the Group's clearing bank to maximise interest earned on its balances. Similarly the Group's liquidity is managed through regularly updated twelve month cash flow forecasts.

All use of hedging instruments is pre-agreed by the Board prior to implementation.

During the year the Group held two interest rate swaps.

Credit risk

Credit risk arises principally from the Group's trade receivables which comprise rents due from tenants. Prior to accepting new tenants a credit check is obtained.

The Group has no significant concentration of credit risk, with exposure spread over a large number of leases.

Interest Rate Sensitivity Analysis

Interest rate sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate assets and liabilities, the analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole year.

Based on the above assumptions if interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2007 would decrease/increase by €0.070 million (2006 – decrease/ increase by €0.055 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings and cash deposits.

The Group's financial instruments are categorised as follows:

Financial assets	**Loans and receivables**		**Available-for-sale**	
	Year ended 31 December 2007	Year ended 31 December 2006	**Year ended 31 December 2007**	Year ended 31 December 2006
	€'000	€'000	**€'000**	€'000
Trade receivables	**1,072**	319	–	–
Cash	**5,054**	4,434	–	–
Amounts owed by related parties	**804**	–	–	–
	6,930	4,753	–	–

The Group's exposure to credit risk from trade receivables arises wholly in Germany.

The carrying value of the Group's financial assets represents its maximum credit risk exposure at the balance sheet date.

Financial liabilities	**Measured at amortised cost**		**Measured at fair value**	
	Year ended 31 December 2007	Year ended 31 December 2006	**Year ended 31 December 2007**	Year ended 31 December 2006
	€'000	€'000	**€'000**	€'000
Loans and borrowings	**66,521**	61,159	–	–
Bonds	**30,941**	–	–	–
Other financial liabilities	**9,996**	28,552	–	–
	107,458	89,711	–	–

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9 Financial Instruments (continued)

The year end position in relation to financial instruments as shown above was materially representative of the position during the year.

During the year IRE German Property Holding BV, a subsidiary company, in a private placement issued bonds, in the amount of €32 million with the purpose of refinancing shareholder loans from IRE plc and a bridge loan from a bank.

The bonds are secured on the related properties and the bondholders do not have legal recourse against IRE plc.

On 23 May 2007 the bonds were dual listed on the OMX Nordic Exchange Stockholm and on the OMX Nordic Exchange Copenhagen.

The senior bond carries a fixed interest rate of 7.7326% and the junior bond carries a fixed interest rate of 8.5%. Interest on both tranches is payable annually in arrears.

The bonds are scheduled to be repaid in full at maturity on 1 March 2015, subject to the Company not exercising its right to early repayment.

9 Financial Instruments (continued)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair value of non-derivative financial liabilities are determined with reference to quoted market prices. Financial liabilities in this category include the Group's listed bonds.
- The fair value of other non-derivative financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Except as detailed in the following table, the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

Financial liabilities	**Carrying amount**		**Fair value**	
	Year ended 31 December 2007	Year ended 31 December 2006	**Year ended 31 December 2007**	Year ended 31 December 2006
	€'000	€'000	**€'000**	€'000
Borrowings:				
Bank loans at fixed interest rates	**66,521**	54,159	**63,190**	55,467
Bonds at fixed interest rates	**30,941**	–	**30,112**	–
	97,462	54,159	**93,302**	55,467

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period:

	Weighted average effective interest rate	Less than 1 month
	%	€'000
2007		
Fixed interest rate cash deposits	**3.15**	7
2006		
Fixed interest rate cash deposits	**2.40**	–

The following table details the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 year	1-5 years	5+ years	**Total**
	%	€'000	€'000	€'000	**€'000**
2007					
Fixed interest rate instruments	5.87	12,809	64,043	88,005	**164,857**
		12,809	64,043	88,005	**164,857**
2006					
Fixed interest rate instruments	5.07	15,454	41,702	32,500	**89,656**
		15,454	41,702	32,500	**89,656**

9 Financial Instruments (continued)

In addition to cash deposits of €5.054 million (2006 – €4.434million) the Group has access to financing facilities, the total unused amount is €2.799 million (2006 – €2.127 million) at the balance sheet date.

Further details regarding the Group's bank loans are given in note 13.

10 Investment Property – Group

Fair value	**Year ended 31 December 2007**	Year ended 31 December 2006
	€'000	€'000
At 1 January	**99,858**	40,099
First adoption IFRS (fair value adjustment acquired subsidiary)	–	4,091
First adoption IFRS (write back depreciation 2005)	–	710
First adoption IFRS (adoption finance lease)	–	598
At 1 January (after adoption IFRS)	**99,858**	45,498
Additions during the year – property acquisitions	**18,083**	28,812
Additions during the year – refurbishment expenditure	**6,613**	4,988
Additions other tangible fixed assets	**76**	–
Disposals during the year	**(6,018)**	–
(Decrease)/increase in fair value during the year	**(1,002)**	20,560
At 31 December	**117,610**	99,858

The fair value of the Group's investment property portfolio at 31 December 2007 has been assessed by the Directors using independent professional valuations.

All investment properties represent freehold interests.

The Group has pledged all of its investment property to secure bank borrowings and listed bonds.

At 31 December 2007 the Group had outstanding capital commitments in relation to ongoing refurbishment programmes of €2,334,131 (31 December 2006 – €43,000) and property acquisitions due to complete after the year end of €2,995,068 (31 December 2006 – Nil).

11 Financial fixed assets

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
At 31 December	**278**	194

The fair value as per 31 December 2007 of derivative financial instruments amounts to € 205,000 (31 December 2006 - € 127,000).

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12 Trade and Other Receivables

	31 December 2007	31 December 2006
	€'000	€'000
Amounts falling due within one year	**1,072**	339
Amounts owed by related parties	**804**	–
Prepayments	**1,699**	837
	3,575	1,176

13 Bank Overdrafts and Loans – Group

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Bank loans	**66,521**	61,159
	66,521	61,159

The borrowings are repayable as follows:		
On demand or within one year	**1,551**	7,698
In the second year	**1,605**	2,677
In the third to fifth years inclusive	**5,125**	3,048
After five years	**58,240**	47,736
	66,521	61,159
Less: Amount due for settlement within 12 months	**1,551**	7,698
Amount due for settlement after 12 months	**64,970**	53,461

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13 Bank Overdrafts and Loans – Group (continued)

The weighted average interest rates paid were as follows:

	Year ended 31 December 2007	Year ended 31 December 2006
	%	%
Bank loans	**4.82**	4.93

Bank loans at 31 December 2007 and 2006 are arranged at both variable and fixed rates.

The weighted average period for which interest rates are fixed is 10.0 years (2006 – 7.8 years).

All loans are secured over the properties to which they relate.

At 31 December 2007 the Group had 17 principal bank loans (2006 – 16). The principal features of these borrowings are disclosed below.

31 December 2007				31 December 2006		
Principal €'000		**Term Years**	**Interest Rate %**	Principal €'000	Term Years	Interest Rate %
3,536		**7**	**4.244**	7,000	1	7.000
3,983		**7**	**4.450**	4,061	7	4.096
16,490		**10**	**4.360**	15,497	7	4.360
1,086		**10**	**4.808**	3,658	7	4.244
6,170	*	**10**	**4.926**	10,438	10	4.950
12,572	*	**10**	**4.950**	1,764	10	4.690
1,638		**10**	**5.160**	850	10	4.820
5,840	*	**10**	**5.207**	1,400	10	4.350
12,930	*	**10**	**5.270**	4,667	10	5.207
689		**10**	**4.808**	1,366	10	5.207
712	*	**26**	**4.720**	894	10	4.850
875		**30**	**5.050**	5,366	10	4.930
				236	10	4.720
				500	10	4.720
				1,113	10	4.918
				2,349	10	4.950
66,521				61,159		

* Loans with identical features have been aggregated for the purposes of this disclosure.

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14 Deferred Tax

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Revaluation
	€'000
At 1 January 2006	–
Credit to income	5,422
At 1 January 2007	5,422
Credit due to reduction in German tax rate	(2,168)
Charge to income on revaluations in year	(159)
At 31 December 2007	3,095

No deferred tax asset has been recognised in relation to tax losses due to uncertainty over the timing of any future reversal.

15 Current Liabilities

	31 December 2007	31 December 2006
	€'000	€'000
Bank loans and overdrafts (note 13)	**1,551**	7,698
Finance lease creditor (note 20)	**–**	37
Amounts owed to parent company	**5,238**	23,392
Corporation tax and VAT	**70**	(107)
Other creditors	**1,697**	1,240
Accruals and deferred income	**2,991**	4,027
	11,547	36,287

The amount owed to the parent company is not secured. The amount carries interest rate at 8% (2006 – 5.7%).

16 Share Capital

	31 December 2007	31 December 2006
Authorised:		
90,000 Ordinary Shares at € 1 each (2006 – 90,000)	**€ 90,000**	€ 90,000
Issued and fully paid:		
68,000 Ordinary Shares at € 1 each (2006 – 18,000)	**€ 68,000**	€ 18,000

17 Share premium account

Changes in share premium account is shown below:

	Share premium account €'000
Balance at 1 January 2007	–
Addition	6,240
Balance at 31 December 2007	**6,240**

18 Retained Earnings

Changes in retained earnings is shown below:

	Retained Earnings €'000
Balance at 1 January 2006	(1,532)
First adoption IFRS (write back depreciation 2005)	710
First adoption IFRS (change in minority interest)	(17)
Balance at 1 January 2006 (after adoption IFRS)	(839)
Net profit for the year (*)	10,365
Balance at 1 January 2007	9,526
Net loss for the year	(279)
Balance at 31 December 2007	**9,247**

* Due to the first adoption IFRS the result for 2006 has been improved with € 0,147 million. The adoption of IFRS does not have any influence on the cash flow of the company.

19 Minority interest

Changes in minority interest is shown below:

	Minority €'000
Balance at 1 January 2006	(40)
Adjustment on result 2005	17
Net result for the year	410
Balance at 1 January 2007	387
Net profit for the year	22
Balance at 31 December 2007	**409**

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20 Lease Arrangements

Operating leases

The Group as lessor

Property rental income earned during the year was €6.2 million (2006 – €4.1 million) net of operating expenses of €1.78 million (2006 – €2.48 million).

At the balance sheet date, the Group had contracted with its commercial tenants for the following future minimum lease payments under non-cancellable operating leases:

	31 December 2007	31 December 2006
	€'000	€'000
Within one year	**411**	499
In the second to fifth years inclusive	**295**	722
After five years	**111**	170
	817	1,391

In addition to the future minimum lease payments shown above, at the balance sheet date, the Group had cancellable lease arrangements with its residential tenants. Based on the current level of lettings remaining stable, these arrangements are expected to generate rental income of approximately €0.81 million in the year ended 31 December 2007 (2006 – €5.56 million).

The Group as lessee

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for a term of one year and rentals are fixed for a term of one year.

Finance Leases

One of the Group's investment properties was held under a head lease. In accordance with IAS 40, this was accounted for as a finance lease with the sum of the present value of the minimum ground rent payments being included in the Balance Sheet as a finance lease obligation.

Future lease payments are due as follows:

	Minimum Lease Payments 2007	**Interest 2007**	**Present Value 2007**	Minimum Lease Payments 2006	Interest 2006	Present Value 2006
	€'000	**€'000**	**€'000**	€'000	€'000	€'000
Not later than one year	–	–	–	39	2	37
Later than one year and not later than five years	–	–	–	156	29	127
Later than five years	–	–	–	1,521	1,087	434
	–	–	–	1,716	1,118	598

The present value of the future lease payments which, in the opinion of the Directors represents fair value at the balance sheet date is analysed as:

	2007	2006
	€'000	€'000
Current liabilities	–	37
Non-current liabilities	–	561
	–	598

The net book value of the property held under the above finance lease arrangement at 31 December 2007 is nil (2006 – €6.1 million).

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COMPANY INCOME STATEMENT

AS AT 31 DECEMBER 2007

	31 December 2007	31 December 2006
	€'000	€'000
Result on ordinary activities	**(41)**	(1,987)
Result participation	**(238)**	12,352
Result for the year	**(279)**	10,365

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COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	31 December 2007	31 December 2006
		€'000	€'000
Non-Current Assets			
Investments in subsidiaries	3	**11,458**	11,696
		11,458	11,696
Current Assets			
Trade and other receivables	4	**39,850**	30,085
Cash and cash equivalents		**2,572**	–
		42,422	30,085
Total Assets		**53,880**	41,781
Current Liabilities	5	**(7,384)**	(25,237)
Non-Current Liabilities			
Bank loans	6	–	(7,000)
Bond	2	**(30,941)**	–
		(30,941)	(7,000)
Total Liabilities		**(38,325)**	(32,237)
Net Assets		**15,555**	9,544
Equity			
Share capital	7	**68**	18
Share premium account	8	**6,240**	–
Retained earnings	9	**9,247**	9,526
Total Equity		**15,555**	9,544

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2008. They were signed on its behalf by:

Daniel Akselson Director

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COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Year ended 31 December 2007		Year ended 31 December 2006	
	€'000	**€'000**	€'000	€'000
Operating result		**(65)**		(1,852)
(Increase)/decrease in receivables		**(9,765)**		(1,892)
Increase/(decrease) in payables		**(17,853)**		(3,121)
Net Cash (Outflow)/Inflow from Operating Activities		**(27,683)**		(6,865)
Investing Activities				
Interest received	**2,396**		268	
Net Cash Generated by Investing Activities		**2,396**		268
Financing Activities				
Interest paid	**(2,249)**		(403)	
Repayments of borrowings	**(7,000)**		–	
Proceeds of bank borrowings	**–**		7,000	
Proceeds of bond issue (net of issue costs)	**30,818**		–	
Equity contribution	**6,290**		–	
Net Cash Used in Financing Activities		**27,859**		6,597
Net (Decrease)/Increase in Cash and Cash Equivalents		**2,572**		–
Cash and Cash Equivalents at Beginning of Year		**–**		–
Cash and Cash Equivalents at End of Year		**2,572**		–

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1 Accounting Policies

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. In accordance with article 362.8, Part 9, Book 2, the Company applies the same accounting standards as those applied in the consolidated financial statements, with the exception of the accounting standards regarding investments in subsidiaries.

(b) Result of participating interest

The result of the participating interest is taken to the profit and loss account.

(c) Investment in subsidiaries

The investments in subsidiaries are valued at their net asset value. If the net asset value less than € nil a provision has been formed.

2 Financial Instruments

The Companies financial instruments are categorised as follows:

Financial assets

	Loans and receivables		Available-for-sale	
	Year ended 31 December 2007	Year ended 31 December 2006	**Year ended 31 December 2007**	Year ended 31 December 2006
	€'000	€'000	**€'000**	€'000
Amounts owed by subsidiaries	**39,842**	30,085	–	–
	39,842	30,085	–	–

Financial liabilities

	Measured at amortised cost		Measured at fair value	
	Year ended 31 December 2007	Year ended 31 December 2006	**Year ended 31 December 2007**	Year ended 31 December 2006
	€'000	€'000	**€000**	€'000
Loans and borrowings	–	7,000	–	–
Bonds	**30,941**	–	–	–
Amount owed to parent company	**5,238**	23,392	–	–
Other financial liabilities	**2,146**	1,845	–	–
	38,325	32,237	–	–

The year end position in relation to financial instruments as shown above was materially representative of the position during the year.

During the year IRE German Property Holding BV, a subsidiary company, in a private placement issued bonds, in the amount of €32 million with the purpose of refinancing shareholder loans from IRE plc and a bridge loan from a bank.

The bonds are secured on the related properties and the bondholders do not have legal recourse against IRE plc.

On 23 May 2007 the bonds were dual listed on the OMX Nordic Exchange Stockholm and on the OMX Nordic Exchange Copenhagen.

The senior bond carries a fixed interest rate of 7.7326% and the junior bond carries a fixed interest rate of 8.5%. Interest on both tranches is payable annually in arrears.

The bonds are scheduled to be repaid in full at maturity on 1 March 2015, subject to the Company not exercising its right to early repayment.

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3 Investment in subsidiaries

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
At 1 January	**11,696**	(1,349)
First adoption IFRS	–	693
At 1 January (after adoption IFRS)	**11,696**	(656)
Sale of subsidiaries	–	(32)
Result subsidiaries	**(238)**	12,384
At 31 December	**11,458**	11,696

The Company's principal subsidiaries at 31 December 2007 were as follows:

	Country of Business	Nature of of Ordinary Shares	Percentage Shareholding Incorporation/Operation
German Property I BV	Property Investment	100	Netherlands
German Property II BV	Property Investment	100	Netherlands
IRE 2 Immobilien GmbH	Property Investment	100	Germany
IRE 6 Immobilien GmbH	Property Investment	100	Germany
IRE 7 Immobilien GmbH	Property Investment	100	Germany
Bersarinplatz GmbH	Property Investment	90	Germany

The 10% minority interest in Bersarinplatz is held by a private investor, Mr. Christopher Nordström, acting independently.
All other investments are held indirectly through subsidiaries.

4 Trade and Other Receivables

	31 December 2007	31 December 2006
	€'000	€'000
Amounts owed by subsidiaries	**39,842**	30,085
Prepayments	**8**	–
	39,850	30,085

Amounts owed by Subsidiaries bear interest at 8.0% (2006 – 5.7%). No securities were agreed.

5 Current Liabilities

	31 December 2007	31 December 2006
	€'000	€'000
Amounts owed to parent company	**5,238**	23,392
Accruals and deferred income	**2,146**	1,845
	7,384	25,237

The amount owed to the parent company is not secured. The amount carries interest rate at 8% (2006 – 5.7%).

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6 Bank Overdrafts and Loans

	Year ended 31 December 2007	Year ended 31 December 2006
	€'000	€'000
Bank loans (interest % 7)	–	7,000
	–	7,000

The borrowings are repayable as follows:		
On demand or within one year	–	7,000
	–	7,000

7 Share Capital

	31 December 2007	31 December 2006
Authorised:		
90,000 Ordinary Shares at € 1 each (2006 – 90,000)	€ 90,000	€ 90,000
Issued and fully paid:		
68,000 Ordinary Shares at € 1 each (2006 – 18,000)	€ 68,000	€ 18,000

8 Share premium account

Changes in share premium account is shown below:

	Share premium account €'000
Balance at 1 January 2007	–
Addition	6,240
Balance at 31 December 2007	**6,240**

9 Retained Earnings

Changes in retained earnings is shown below:

	Retained Earnings €'000
Balance at 1 January 2006	(1,532)
First adoption IFRS (write back depreciation 2005)	710
First adoption IFRS (change in minority interest)	(17)
Balance at 1 January 2006 (after adoption IFRS)	(839)
Net profit for the year (*)	10,365
Balance at 1 January 2007	9,526
Net loss for the year	(279)
Balance at 31 December 2007	**9,247**

* Due to the first adoption IFRS the result for 2006 has been improved with € 0,147 million. The adoption of IFRS does not have any influence on the cash flow of the company.

FOR IDENTIFICATION PURPOSES ONLY
BDO CampsObers
Audit & Assurance B.V.

date 25 APR 2008

Belonging to letter nr. CS1200... date 25.4.08
initials ....

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Brediusweg 42, Bussum, The Netherlands, on 25 April 2008.

Ordinary Business

1. To receive and adopt the Company's annual accounts for the period ended 31 December 2007 together with the directors' report and the auditors' report on those accounts.
2. To appropriate the result 2007. The balance sheet as at 31 December 2007 has been drawn up on the assumption that the motion to appropriate the result 2007 to the retained earnings will be adopted.

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BDO CampsObers
Audit & Assurance B.V.

date 25 APR 2008

Belonging to letter nr. 05.1200 date 25.4.08
initials ....