

# Stampflat Limited

## STATUTORY FINANCIAL STATEMENTS

for the year ended

31 October 2008

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# Stampflat Limited

## DIRECTORS AND PROFESSIONAL ADVISERS

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### DIRECTORS

J C Barnsley  
C J Dalzell  
R M Wright  
T M S Wooldridge

### SECRETARY

T M S Wooldridge

### REGISTERED OFFICE

Stampflat Limited  
St Ann's Wharf  
112 Quayside  
Newcastle Upon Tyne  
NE99 1SB

### AUDITORS

Baker Tilly UK Audit LLP  
2 Whitehall Quay  
Leeds  
LS1 4HG

# Stampflat Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Stampflat Limited for the year ended 31 October 2008.

### PRINCIPAL ACTIVITIES

The principal activity of the company is to carry on a property investment business. The property investment has to date been made in Germany.

### RESULTS AND DIVIDENDS

The results of the period are set out on page 6. The directors do not recommend payment of a dividend.

### PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These financial statements are presented in Euros since that is the currency in which the majority of the company's transactions are denominated.

### DIRECTORS

The directors of the company from 1 November 2007 were:

R W Jefferson	(resigned 21 December 2007)
J C Barnsley	
C J Gill	(resigned 16 December 2007)
C J Dalzell	
R M Wright	(appointed 21 December 2007)
T M S Wooldridge	(appointed 21 December 2007)

None of the directors had a beneficial interest in the shares of the company.

### FINANCIAL INSTRUMENTS

The company uses interest risk swaps as a means of managing the interest rate risks on its third party loans. The policies for managing these risks are reviewed on a regular basis by the directors.

Borrowings are made at floating rates that can then be fixed by means of interest rate swaps. The company's policy has been to ensure that most of its borrowings are at fixed rates. At the period end 100% of its borrowings were fixed using interest rate swaps.

### AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

# Stampflat Limited

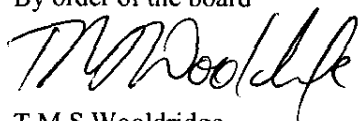
## DIRECTORS' REPORT

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### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



T M S Wooldridge  
Director

19 January 2009

# Stampflat Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The directors have elected to prepare financial statements for the Company in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. Company law requires the directors to prepare such financial statements in accordance with IFRS, the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cashflows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of Financial Statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

Directors are also required to:

- a. properly select and apply accounting policies;
- b. present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- c. provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirement of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAMPFLAT LIMITED

We have audited the financial statements on pages 6 to 21.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the company's affairs at 31 October 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants

*Baker Tilly UK Audit LLP*

24 Feb 2009

**Stampflat Limited**  
**INCOME STATEMENT**  
for the year ended 31 October 2008

	<i>Notes</i>	2008 €	2007 €
Revenue:			
Income from investment property	1	5,242,375	5,154,910
Administration expenses		(1,283,044)	(1,093,056)
OPERATING PROFIT BEFORE NET VALUATION MOVEMENTS		3,959,331	4,061,854
Net valuation movements on investment property		(1,337,798)	-
OPERATING PROFIT	2	2,621,533	4,061,854
Finance costs	3	(2,871,213)	(3,144,234)
Investment income	4	38,343	11,854
(LOSS)/PROFIT BEFORE INCOME TAX		( 211,337)	929,474
Income tax credit	5	36,786	13,675
(LOSS)/PROFIT FOR THE YEAR		( 174,551)	943,149

# Stampflat Limited

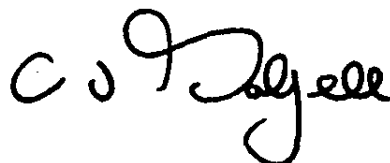
## BALANCE SHEET

31 October 2008

	Notes	2008 €	2007 €
ASSETS			
Non current assets:			
Investment property	6	80,900,000	82,215,000
		<u>80,900,000</u>	<u>82,215,000</u>
Current assets:			
Trade and other receivables	7	2,293,995	4,278,024
Cash and cash equivalents		684,449	1,484,312
		<u>2,978,444</u>	<u>5,762,336</u>
TOTAL ASSETS		<u>83,878,444</u>	<u>87,977,336</u>
EQUITIES AND LIABILITIES			
Current liabilities:			
Trade and other payables	12	3,411,115	4,393,199
Bank loans	9	960,401	874,834
		<u>4,371,516</u>	<u>5,268,033</u>
Non current liabilities:			
Bank loans	9	58,121,305	59,162,766
Deferred income tax liabilities	11	4,585,790	5,168,458
		<u>62,707,095</u>	<u>64,331,224</u>
TOTAL LIABILITIES		<u>67,078,611</u>	<u>69,599,257</u>
EQUITY			
Share capital	8	5,000,001	5,000,001
Other reserves	10	1,356,658	2,760,353
Retained earnings	14	10,443,174	10,617,725
		<u>16,799,833</u>	<u>18,378,079</u>
TOTAL EQUITY		<u>16,799,833</u>	<u>18,378,079</u>
TOTAL EQUITY AND LIABILITIES		<u>83,878,444</u>	<u>87,977,336</u>

The financial statements on pages 6 to 21 were approved by the board of directors and authorised for issue on 19 January 2009 and are signed on its behalf by:

C J Dalzell  
Director





**Stampflat Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**31 October 2008**

	Total Equity 2008 €	Total Equity 2007 €
Balance at 1 November 2007	18,378,079	11,365,262
Issue of share capital	-	4,900,000
(Loss)/profit for the year	( 174,551)	943,149
	<hr/>	<hr/>
	18,203,528	17,208,411
Change in fair value of derivative financial instruments	( 1,949,577)	1,561,424
Deferred tax on fair value adjustments	545,882	( 391,756)
	<hr/>	<hr/>
Balance at 31 October 2008	16,799,833	18,378,079
	<hr/>	<hr/>

**Stampflat Limited**  
**CASH FLOW STATEMENT**  
for the year ended 31 October 2008

	<i>Notes</i>	2008 €	2007 €
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	13	3,410,779	7,743,214
Taxation (paid)/received		( 4,692)	75,339
Financing costs paid		(3,221,495)	(3,155,072)
		<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		184,592	4,663,481
		<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>			
Investment property expenditure		( 22,798)	-
Interest received		38,343	11,854
		<hr/>	<hr/>
<b>NET CASH FROM IN INVESTING ACTIVITIES</b>		15,545	11,854
		<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary shares		-	4,900,000
Bank loan repayments		(1,000,000)	(8,825,000)
		<hr/>	<hr/>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		(1,000,000)	(3,925,000)
		<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		( 799,863)	750,335
		<hr/>	<hr/>

# Stampflat Limited

## ACCOUNTING POLICIES

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### ACCOUNTING CONVENTION

The accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The accounts have been prepared under the historical cost convention except for the revaluation of investment properties, certain financial instruments and deferred tax thereon. The principal accounting policies adopted are set out below:

### BASIS OF PREPARATION

The company is a subsidiary undertaking of Stampflat Nom X Limited which has agreed a declaration of trust to transfer the beneficial ownership to Derandd Investment Partners Limited Partnership.

These financial statements are presented in Euros since that is the currency in which the majority of the company transactions are denominated.

### REVENUE RECOGNITION

The accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

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

### LEASING

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

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

### FOREIGN CURRENCIES

Transactions in currencies other than euros are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the income statement for the period, except for exchange differences on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

### BORROWING COSTS

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

# Stampflat Limited

## ACCOUNTING POLICIES

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### TAXATION

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

The tax currently payable is based on taxable profit for the period. 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 Company's liability for current tax is calculated by 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 amount 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 recognised for all taxable temporary differences and deferred tax assets are recognised 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

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 assets to be recovered.

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

### INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for 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 net profit or loss for the period in which they arise.

Gains or losses arising from the retirement or disposal of investment property being the difference between the net disposal proceeds and carrying value are included in profit or loss for the period of the retirement/disposal except those that relate to sale and leaseback arrangements.

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument.

#### *Trade receivables*

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

#### *Bank borrowings*

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, are accounted for on an accrual basis 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.

#### *Trade payables*

Trade payables are not interest bearing and are stated at their nominal value.

# Stampflat Limited

## ACCOUNTING POLICIES

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### *Equity instruments*

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

### *Derivative financial instruments and hedge accounting*

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The company uses interest rate swap contracts to hedge these exposures. The company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the company's policies approved by the board of directors.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or liability, then, at the same time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts deferred in equity are recognised in the income statements in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

### PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company is subject to income taxes in two jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

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### 1 BUSINESS AND GEOGRAPHICAL SEGMENTS

All of the company's revenue is derived from rent on investment property located in Germany.

2	PROFIT FROM OPERATIONS	2008 €	2007 €
	Operating profit is arrived at after charging:		
	Net foreign exchange (gains)/losses	( 12,023)	5,121
	Auditors' remuneration – statutory audit	4,750	5,000
		<u>          </u>	<u>          </u>

3	FINANCE COSTS	2008 €	2007 €
	Interest charged on bank loans	2,772,107	3,120,342
	Amortisation of issue costs	99,106	23,892
		<u>          </u>	<u>          </u>
		2,871,213	3,144,234
		<u>          </u>	<u>          </u>

4	INVESTMENT INCOME	2008 €	2007 €
	Interest on bank deposits	38,343	11,854
		<u>          </u>	<u>          </u>

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

5	INCOME TAX EXPENSE	2008 €	2007 €
	Analysis of charge in the period		
	Current tax:		
	Domestic tax	-	-
	Foreign tax	-	-
		<u>          </u>	<u>          </u>
	Total current tax	-	-
		<u>          </u>	<u>          </u>
	Deferred taxation:		
	Origination and reversal of timing differences	( 59,168)	260,252
	Effect of change in corporation tax rate to 28%	-	( 273,927)
	Increase in opening deferred taxes	22,382	-
		<u>          </u>	<u>          </u>
	Total deferred tax	( 36,786)	( 13,675)
		<u>          </u>	<u>          </u>
	Tax on profit on ordinary activities	( 36,786)	( 13,675)
		<u>          </u>	<u>          </u>

Domestic income tax is calculated at 28% of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Factors affecting the tax charge for the period:

The charge for the period can be reconciled to the profit per the income statement as follows:

	2008 €	2007 €
(Loss)/Profit before tax	( 211,337)	929,474
	<u>          </u>	<u>          </u>
Tax at the domestic income tax rate of 28% (2007: 30%)	( 59,174)	278,842
Effects of:		
Expenses not deductible	6	-
Accelerated capital allowances	-	260,252
Effect of change in corporation tax rate to 28%	-	( 273,927)
Prior year adjustment	22,382	-
	<u>          </u>	<u>          </u>
Tax credit for the period	( 36,786)	( 13,675)
	<u>          </u>	<u>          </u>

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

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6	INVESTMENT PROPERTY	2008 €	2007 €
	At 1 November 2007	82,215,000	82,215,000
	Additions at cost	22,798	-
	Net movement from fair value adjustments	(1,337,798)	-
		<hr/>	<hr/>
	At 31 October 2008	80,900,000	82,215,000
		<hr/>	<hr/>

The fair value of the Company's investment property was arrived at in the prior year on the basis of a valuation carried out by Jones Lang LaSalle, Chartered Surveyors, on an open market value basis. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The directors consider the fair value of investment properties has not changed materially.

The Company has pledged all of its investment property to secure general banking facilities granted to the Company.

The property rental income earned by the Company from its investment property, all of which is leased out under operating leases, amounted to all of the income shown in the Income Statement. Direct operating expenses arising on the investment property in the period amounted to all of the administrative expenses shown in the Income Statement.

## 7 OTHER FINANCIAL ASSETS

**Trade and other receivables** comprise the following amounts:

	2008 €	2007 €
Trade receivables	9,787	42,563
Amounts due from related undertakings	42,312	-
Prepayments and accrued income	139,388	139,388
Interest rate derivatives	1,883,997	3,833,574
Other receivables	218,511	262,499
	<hr/>	<hr/>
	2,293,995	4,278,024
	<hr/>	<hr/>

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

**Cash and cash equivalents** comprise cash and short term deposits held by the group treasury function. The carrying amount of these assets approximates their fair value.



# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

### 7 OTHER FINANCIAL ASSETS *(continued)*

**Credit risk** – the company's financial assets are bank balances and cash, trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

8 EQUITY SHARE CAPITAL	2008 €	2007 €
Authorised		
5,000,000 'A' Ordinary shares of €1 each	5,000,000	5,000,000
1,000 'B' Ordinary shares of £1 each	1,478	1,478
	<u>5,001,478</u>	<u>5,001,478</u>
	2008 €	2007 €
Issued		
5,000,000 'A' Ordinary shares of €1 each	5,000,000	5,000,000
1 'B' Ordinary shares of £1 each	1	1
	<u>5,000,001</u>	<u>5,000,001</u>

The 'A' Ordinary shares and 'B' Ordinary shares rank pari passu and carry the same rights and privileges in all respects, save as to the respective amounts of nominal capital payable on a winding-up or on a reduction or return of capital.

The shares carry no right to a fixed income.

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

9	BANK LOANS	2008 €	2007 €
	Bank loans	59,675,000	60,675,000
	The bank loans are repayable as follows:		
	Within one year	1,100,000	1,000,000
	In the second year	1,200,000	1,100,000
	In the third to fifth year inclusive	57,375,000	3,967,500
	After five years	-	54,607,500
		59,675,000	60,675,000
	Less unamortised issue costs	( 593,294)	( 637,400)
		59,081,706	60,037,600

All of the bank loans are denominated in Euros. The loans were arranged at a fixed margin and a floating rate linked to EURIBOR. The floating rate exposes the company to interest rate risks.

The company has a loan facility to December 2012 repayable by quarterly instalments commencing in December 2007. The borrowings are secured by a charge over the investment properties.

## 10 DERIVATIVE FINANCIAL INSTRUMENTS

The company uses interest rate swaps to manage its exposure to interest rate movement on the floating rate of its bank borrowings. The weighted average rate and the weighted average period of the company as at 31 October 2008 is as follows:

	2008	2007
Weighted average rate	4.50%	4.41%
Weighted average period of interest rate swaps	6.6 years	6.3 years

The fair value of swaps entered into at 31 October 2008 is estimated at €1,883,997 (2007: €3,833,574). These amounts are based on market values of equivalent instruments at the balance sheet date. All of these interest rate swaps are designated and effective as cash flow hedges and the fair value therefore has been deferred in equity. The deferred taxation on these is calculated as €527,340 (2007: €1,073,221).

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

### 10 DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

	2008 €	2007 €
Balance at 1 November 2007	2,760,353	1,590,685
Effect of rate change to 28% Corporation Tax	-	45,443
(Decrease)/increase in the fair value of hedging instruments	(1,949,577)	1,561,424
Decrease/(increase) in deferred tax on fair value adjustments on interest rate derivatives	545,882	(437,199)
	<u>1,356,658</u>	<u>2,760,353</u>
Balance at 31 October 2008	<u>1,356,658</u>	<u>2,760,353</u>

### 11 DEFERRED TAX

	2008 €	2007 €
Analysis for financial reporting purposes:		
Deferred tax liabilities	4,585,790	5,168,458
	<u>4,585,790</u>	<u>5,168,458</u>
Net position at 31 October 2008	<u>4,585,790</u>	<u>5,168,458</u>
The movement in the period in the Company's deferred tax position was as follows:		
	2008 €	2007 €
Balance at 1 November 2007	5,168,458	4,790,377
Effect of rate change to 28% Corporation Tax	-	( 319,370)
Accelerated tax depreciation	772,486	260,252
Deferred tax on fair value adjustments on interest rate derivatives	( 545,882)	437,199
Deferred tax on fair value adjustment on investment property	( 374,583)	-
Tax losses not utilised	( 457,071)	-
Adjustment in respect of prior years	22,382	-
	<u>4,585,790</u>	<u>5,168,458</u>
Balance at 31 October 2008	<u>4,585,790</u>	<u>5,168,458</u>

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

### 12 OTHER FINANCIAL LIABILITIES

Trade and other payables comprise the following amounts:

	2008 €	2007 €
Trade payables	5,071	24,148
Amounts owed to parent undertaking	3,069,617	3,763,117
Other taxes and social security	83,603	59,169
Accruals and deferred income	252,824	394,388
Payments on account	-	152,377
	<u>3,411,115</u>	<u>4,393,199</u>

The directors consider the carrying amount of trade payables approximates to their fair value.

### 13 RECONCILIATION OF PROFIT FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES

	2008 €	2007 €
Profits from operations	2,621,533	4,061,854
Adjustments for:		
Net gain from fair value on investment properties	1,337,798	-
Decrease/(increase) in receivables	433,532	( 475,357)
(Decrease)/increase in payables	( 982,084)	4,156,717
	<u>3,410,779</u>	<u>7,743,214</u>

### 14 RESERVES

	<i>Retained earnings €</i>
At 1 November 2007	10,617,725
Loss for the year	( 174,551)
	<u>10,443,174</u>

### 15 CAPITAL COMMITMENTS

The company had no capital commitments at 31 October 2008 (2007: none).

# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

### 16 OPERATING LEASES

The Group leases out its investment property under operating leases.

The figure aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2008 €	2007 €
Not later than one year	4,874,387	4,836,885
Later than one year but no later than five years	18,760,331	187,06,926
Later than five years	31,128,214	35,737,712
	<u>54,762,931</u>	<u>59,281,522</u>

Many of the operating leases on investment properties provide for contingent rental increases.

These contingent rents have not been disclosed in the above note.

### 17 RELATED PARTY TRANSACTIONS

During the year ended 31 October 2008, the company undertook the following transactions with its parent undertaking.

	Transactions in		Amounts due from		Amounts due to	
	2008	2007	2008	2007	2008	2007
<b>Derandd Investment Partners LLP</b>	€	€	€	€	€	€
Loans received	-	3,722,352	-	-	3,053,041	3,722,352
Loans repaid	669,311	-	-	-	-	-
Management fees payable	90,020	88,511	-	-	16,576	40,765
	<u>759,331</u>	<u>3,810,863</u>	<u>-</u>	<u>-</u>	<u>3,069,617</u>	<u>3,722,352</u>

During the year ended 31 October 2008, the company undertook the following transactions with the following entities.

#### **Reger Property Limited**

Payments made on account	40,000	-	40,000	-	-	-
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#### **Golftee GP Limited**

Payments made on account	2,312	-	2,312	-	-	-
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# Stampflat Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2008

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### 18 ULTIMATE CONTROLLING PARTY

The directors consider Golftee GP Limited, the General Partner of the company's parent undertaking to be the ultimate controlling party.