

**Imperial Mobility Finance B.V.  
Druten**

**Financial Statements  
For the year ended June 30, 2011**

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## Director's report

The financial year ending June 30, 2011 has seen very volatile financial markets. On the business of Imperial Mobility Finance B.V. no negative influences have been observed due to the well balanced structure of assets and liabilities. Adjusted for the material positive one-off effect in relation to the cancellation of a part of the bond in the previous year, results have been improved.

In May 2011 the parent and several associates engaged in a cash pool with Imperial Mobility Finance B.V.. Simultaneously with the installation of this cash pool the credit facility with the parent was restructured from short-term to long-term.

The structure of cash flows and deposits in the European operations of the group has been analysed and it has been concluded to place a larger amount of cash with Dutch first class banks. IMF has assisted in organising this process. Together with the cash pool, these measures enhance the available liquidity in the Dutch group.

Due to a pre-mature repayment of an external loan the result of the financial year has been positively influenced since the borrower had to pay the full remaining interest until the scheduled maturity.

### *Prominent risks and uncertainties*

The company is exposed to currency, interest and credit risks. The credit risk for the loans receivable that are granted to related parties is assessed by the management to be limited. No default is expected. A concentration of risks on related parties is prevailing and inevitable due to the nature of the company. Currency risks are hedged unless there are reasons from a group point of view not to do so. The company does not speculate in the trading of derivative instruments. The interest risk is limited as the company aims to match maturity of assets and liabilities including the structure of fixed and variable income and expense. The loans with variable interest rates bear a cash flow interest risk. The company hedges interest rate risks.

Due to the nature of the company an inherent risk is the refinancing of maturing debt in volatile markets. The existing Syndicated loan of 250m EUR which is entirely unused at the balance sheet date will expire in June 2012. As the loan was used as a back-up-line for acquisitions and other financing needs of the Group, but was barely used, no direct refinancing need exist. However, the company has decided to refinance the syndicated loan prematurely with a new Syndicated loan of 340m EUR as described below.

The next direct refinancing requirement will arise in April 2013, when the remainder of the outstanding Euro-Bond will expire. It is envisaged to monitor the financial markets carefully and start the refinancing process well in advance. Given the strong balance sheet of the European operations and the good performance as well as the financial strength of the South African ultimate shareholder, it is expected that the financial markets would allow the refinancing.

To prevent financial risks the management holds regularly meetings to discuss the current situation of the company and reacts accordingly.

#### *Future expectations*

The management expects the future results to increase due to a new syndicated loan facility about 340m EUR, which was agreed upon in September 2011 in order to finance a significant acquisition made by a group company in Germany, which is still subject to approval of the European Commission. Management however expects that approval will be granted as no significant market share concentration follows this acquisition. The company will earn a margin on this loan. Although the unused amount of the new syndicated loan facility is lower than before no liquidity risks are foreseen.

There have been no subsequent events after the balance sheet date that would give reason to alter the annual accounts presented herewith.

#### *Composition of the Audit Committee*

The parent company of Imperial Mobility Finance B.V. has an audit committee which has been charged by the shareholders explicitly to take care also for Imperial Mobility Finance B.V. The Audit Committee has four members, who are all independent from the company. The Chairman of the Audit Committee is a retired director of a large European bank, while the other members hold senior management positions in Imperial Group and have been appointed for their specific knowledge in accounting and legal issues as well as transport and logistics.

#### *Statement of directors to the audited results for the year ended June 30, 2011.*

The directors of Imperial Mobility Finance B.V. state that to the best of their knowledge:

- The annual financial statements for the year ended June 30, 2011 give a true and fair view of the assets, liabilities, financial position and income statement of Imperial Mobility Finance B.V.
- The annual report gives a true and fair view of the company as at June 30, 2011 and the state of affairs during the financial year to which the report relates, and
- The annual report describes the principal risks the company is facing. These are described in detail in the risk analysis of note 17.

October 14, 2011

Thijs Aarten  
(Director)

Thomas Schulz  
(Director)

Eef van Oostrom  
(Director)

# Statement of comprehensive income for the year ended June 30, 2011

	Notes	30 June 2011 1,000 €	30 June 2010 1,000 €
<b>Continuing operations</b>			
Revenue	8	20,230	19,333
Other gains and losses	9	406	-443
Finance cost	10	-17,743	-14,866
Other expenses	11	-572	-541
Profit before taxation		<b>2,321</b>	<b>3,483</b>
Income tax expense	12	-525	-882
Profit for the year from continuing operations		<b>1,796</b>	<b>2,601</b>
<b>PROFIT FOR THE YEAR</b>		<b>1,796</b>	<b>2,601</b>
<b>Other comprehensive income</b>			
Result on hedging instruments entered into for cash flow hedges		-873	88
<b>Total other comprehensive income for the year (net of tax)</b>		<b>-873</b>	<b>88</b>
<b>Total comprehensive income for the year</b>		<b>923</b>	<b>2,689</b>

**Statement of financial position as per June 30, 2011 (after appropriation of income)**

	Notes	30.06.2011 1,000 €	30.06.2010 1,000 €
<b>ASSETS</b>			
Property, plant & equipment	14	3	4
Investments	15	1	1
Loans receivable non-current	16,27	341,796	300,442
<b>Non-current assets</b>		<b>341,800</b>	<b>300,447</b>
Loans receivable current	16,27	34,490	74,494
Other financial assets	17	76	0
Other assets	18	406	646
Cash & cash equivalents	19	4,015	45
<b>Current assets</b>		<b>38,987</b>	<b>75,185</b>
<b>Total assets</b>		<b>380,787</b>	<b>375,632</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	21	20	20
Legal reserves	21	333	1,206
Retained earnings		5,169	3,373
<b>Total shareholders equity</b>		<b>5,522</b>	<b>4,599</b>
Interest bearing borrowings non-current	22,27	235,589	235,272
Other non-current financial liabilities	23,27	3,651	2,421
<b>Non-current liabilities</b>		<b>239,240</b>	<b>237,693</b>
Trade and other payables	24	386	1,066
Other financial liabilities	23,27	37	487
Interest bearing borrowings current	22,27	135,602	131,787
<b>Current liabilities</b>		<b>136,025</b>	<b>133,340</b>
<b>Total equity and liabilities</b>		<b>380,787</b>	<b>375,632</b>

# Statement of changes in equity for the year 2010/2011 ended June 30, 2011

in 1,000 €	Notes	Share capital	Legal reserves	Retained earnings	Total
<b>Balance at 01.07.2009</b>	21	20	1,118	3,572	4,710
Profit for the year		-	-	2,601	2,601
Other comprehensive income for the year net of tax		-	88	-	88
<i>Total comprehensive income for the year</i>	13	-	88	2,601	2,689
<i>Payments of dividends</i>	10	-	-	(2,800)	(2,800)
<b>Balance at 30.06.2010</b>	21	20	1,206	3,373	4,599
Profit for the year		-	-	1,796	1,796
Other comprehensive income for the year net of tax		-	(873)	-	(873)
<i>Total comprehensive income for the year</i>		-	(873)	1,796	
<i>Payments of dividends</i>	13	-	-	-	-
<b>Balance at 30.06.2011</b>	21	20	333	5,169	5,522

## Statement of cash flows for the year ended June 30, 2011

Indirect method	Year ended 30.06.2011 1,000 €	Year ended 30.06.2010 1,000 €
<b>Cash flows from operating activities</b>		
Profit for the year	1,796	2,601
Adjustments for:		
Income tax expense recognised in profit or loss	525	882
Finance costs recognised in profit or loss	17,743	14,866
Result on foreign exchange rate movements	-966	4,049
Net result arising on financial assets / liabilities designated as at fair value through profit or loss	1,354	-4,479
Hedge ineffectiveness on cash flow hedges	-406	443
Depreciation and amortization on non-current assets	1	1
Interest paid	-17,481	-15,395
Operating cash flows before movements in working capital	2,566	2,968
(Increase) / decrease other assets	240	77
(Increase) / decrease accrued interest	687	-394
(Decrease) / Increase trade and other payables	-680	-274
<b>Net cash flow from operating activities</b>	<b>2,813</b>	<b>2,377</b>
<b>Cash flow from investing activities:</b>		
Repayment loan receivables	8,297	23,519
Issued loan receivables	-11,328	-11,295
<b>Net cash (used in) / generated by investing activities</b>	<b>-3,031</b>	<b>12,224</b>
<b>Cash flow from financing activities:</b>		
Repayment on borrowings	-4,983	-51,881
Proceeds from borrowings	9,171	40,048
Dividend paid	0	-2,800
<b>Net cash used in financing activities</b>	<b>4,188</b>	<b>-14,633</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,970</b>	<b>-32</b>
Cash and cash equivalents at the beginning of the year	45	77
Bank balances and cash at the end of the year	<b>4,015</b>	<b>45</b>

The interest received for the year ended June 30, 2011 amounts to 20,741k € (June 30, 2010: 18,893k €).



## **Notes to the financial statements**

### **1. Presentation of the financial statements**

Imperial Mobility Finance B.V. was incorporated 27 February 2006 and is registered at the Chamber of Commerce for Midden-Nederland under the number 11064627. The registered office of the company is Waalbandijk 121, 6651 KB Druten, The Netherlands.

The company is a financing company for several related parties in different countries. The company was incorporated to rationalise the international financial structure of the international activities of Imperial Holdings Ltd. and to approach the European financial markets. These accounts are individual accounts for the company and not consolidated accounts. The financial statements of Imperial Mobility Finance B.V. are included in the consolidated financial statements of the ultimate holding company Imperial Holdings Ltd., Bedfordview, South Africa which is also the ultimate controlling party. The entire share capital of the company is held by the direct holding company Imperial Mobility International B.V., Druten, The Netherlands.

The figures in the financial statements are stated in € 1,000.

### **2. Statement of compliance**

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as adopted by the EU.

### **3. Accounting policies**

#### Measurement base

The financial statements are prepared on historical cost basis except for the financial instruments. These are recognised at fair value, subsequently derivatives are measured at fair value.

#### Foreign currencies

Transactions in currencies other than Euro 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 in foreign currencies are translated into Euro at the rates prevailing on the balance sheet date. Gains and losses arising on translation of these assets and liabilities are recorded in net profit or loss for the period except for exchange differences on transactions (cash flow hedges) entered into in order to hedge certain foreign currency risks.

In order to hedge its exposure to certain foreign exchange risks, the company enters into forward contracts.

### Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue arising from the rendering of services is recognised on the accrual basis in accordance with the substance of the agreement provided that it is probable that the economic benefits will flow to the company and the amount can be measured reliably. Revenue mainly consists of interest income. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### Finance costs

Finance costs that are directly attributable to a qualifying asset are capitalized as part of the cost of that asset. Other finance costs are recognised as an expense in the period in which they occur.

### Pension cost

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The entity participates in a multi-employer defined contribution plan.

### Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease costs are recognised in the statement of comprehensive income over the lease term on a straight-line basis.

### Taxation

The charge of the current tax is based on the results for the year as adjusted for items, which are non-assessable or disallowable. The current tax is calculated using tax rates that have been substantively enacted at the balance sheet date. The company is part of a tax unity with its parent and the parents Dutch subsidiaries. Income tax is calculated on a stand-alone basis and is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The company is part of a tax unity with its parent and the parents Dutch subsidiaries. At balance date the tax liability is accounted for as a liability to parent. The company is part of a fiscal unity for corporate income tax purposes and for that reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

### Property, plant and equipment

Equipment is recorded at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of each component of an asset to its residual value over its estimated useful life as follows:

Office equipment and furniture: 3 – 10 years

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually.

Gains and losses on disposal are determined by reference to their carrying amount and are taken into account in determining operating profit.

#### Investments

Investments are recognised at fair value. If the investments have no quoted market price in an active market and the fair value cannot be reliably measured, the investments are measured at costs. Losses may provide evidence of potential impairment of the investment, in which case an appropriate provision is made for impairment.

#### Impairment of non-current assets

At each balance sheet date the company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately.

#### Financial instruments

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequent initial recognition, these instruments are measured as set out below.

- *Debt security instruments*  
Debt security instruments are initially recognised at cost on trade date. Debt security instruments classified as fair value through profit and loss are measured at subsequent reporting dates at fair value. Where debt securities are held for trading purposes, gains and losses arising from changes in fair value are included in the income statement of the period.
- *Loans receivable*  
Loans are recognised at the date that the amount is advanced. At subsequent reporting dates they are measured at amortised cost, less any impairment losses recognised to reflect irrecoverable amounts.
- *Trade and other receivables*  
Trade and other receivables originated by the company are initially measured at fair value and subsequently at amortised costs. The book value of the receivables is reduced by appropriate allowances for doubtful debts
- *Cash and cash equivalents*  
Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the balance sheet date.
- *Loans payable*  
Interest bearing loans are initially recorded on the day that the loans are advanced at the net proceeds received.  
At subsequent reporting dates, interest bearing borrowings are measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on the accrual basis in the income statement 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.
- *Trade payables*  
Trade payables are initially measured at their fair value and subsequently at amortised costs.

- *Derivative instruments*

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The company designates certain hedging instruments, which include derivatives, in respect of foreign currency risk, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

### Derecognition

#### *Derecognition of financial assets*

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### *Derecognition of financial liabilities*

The company derecognises financial liabilities when, and only when, the companies obligations are discharged, cancelled or they expire.

## 4. Impact of adopted and new issued standards

### 4.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs have also been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 1  
*Presentation of Financial Statements*  
(as part of *Improvements to IFRSs* issued in 2009)

The amendments to IAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or noncurrent.

Amendments to IAS 1  
*Presentation of Financial Statements* (as part of *Improvements to IFRSs* issued in 2010)  
Amendments to IAS 7  
*Statement of Cash Flows* (as part of *Improvements to IFRSs* issued in 2009)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to IAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in IAS 38 *Intangible Assets* for capitalisation as part of an internally generated intangible asset. This change has been applied retrospectively.

Amendments to IAS 17  
*Leases*

The amendments to IAS 7 specify the following issues:

- When a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with IAS 17 general principles.
- Prior to the amendment, IAS 17 generally required a lease of land with an indefinite useful life to be classified as an operating lease, unless title passed at the end of the lease term. However, the IASB has concluded that this is inconsistent with the general principles of lease classification, so the relevant guidance has been deleted.
- A lease newly classified as a finance lease should be recognised retrospectively.

IAS 36 Impairment of assets	For the purpose of impairment testing, the cash-generating unit or groups of cash-generating units to which goodwill is allocated should not be larger than an operating segment (as defined by IFRS 8, 'Operating segments') before aggregation.
IAS 38 Intangible assets	<p>The amendment removes the exceptions from recognising intangible assets on the basis that their fair values cannot be reliably measured, which has the following impact:</p> <ul style="list-style-type: none"> <li>- Intangible assets acquired in a business combination that are separable or arise from contractual or other legal rights should be recognised.</li> <li>- Complementary assets may only be recognised as a single asset if they have similar useful lives.</li> </ul> <p>The amendment specifies different valuation techniques that may be used to value intangible assets where there is no active market.</p>
Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.
Amendments to IFRS 7 Financial Instruments: Disclosures (as part of Improvements to IFRSs issued in 2010)	The amendments to IFRS 7 clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to IFRS 8: Operating segments	The requirement for disclosing a measure of segment assets is only required when the Chief Operating Decision Maker reviews that information.
Improvements to IFRSs issued in 2009	The application of Improvements to IFRSs issued in 2009 has not had any material effect on amounts reported in the financial statements.



#### 4.2 New and revised IFRSs in issue but not yet effective

The company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IAS 19R	<i>Employee Benefits</i> <sup>4</sup>
IAS 24 (revised in 2009)	<i>Related Party Disclosures</i> <sup>2</sup>
Amendments to IAS 32	<i>Classification of Rights Issues</i> <sup>3</sup>
Amendments to IFRIC 14	<i>Prepayments of a Minimum Funding Requirement</i> <sup>5</sup>
IFRS 9 (as amended in 2010)	<i>Financial Instruments</i> <sup>5</sup>
IFRIC 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> <sup>1</sup>

*Improvements to IFRSs* issued in 2010 (except for the amendments to IFRS 3(2008), IFRS 7, IAS 1 and IAS 28 described earlier in section 2.1)<sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2011.

<sup>3</sup> Effective for annual periods beginning on or after 1 February 2010

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>5</sup> Not yet adopted by the EU.

The Revisions to IAS 19 *Employee Benefits* are effective for annual periods beginning on or after January 1, 2013. In general, the amendment no longer allows for deferral of actuarial gains and losses or costs of plan changes, and it introduces significant changes to the recognition and measurement of defined-benefit pension expenses and their presentation in the statement of comprehensive income. Additional disclosure requirements have been added for risk and plan objectives, and the distinction between short-term and other long-term benefits has been revised. The revisions further clarify the classification of various costs involved in benefit plans like expenses and taxes. The directors anticipate that the revisions in IAS 19 will not have any impact on the company's financial statements since the pension plan of the company has been classified as a defined contribution plan.

IAS 24 *Related Party Disclosures* (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in IAS 24 (as revised in 2009) do not affect the Company because the Company is not a government-related entity. However, disclosures regarding related party transactions and balances in these financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

The amendments to IAS 32 titled *Classification of Rights Issues* address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Company has not entered into any arrangements that would fall within the scope of the amendments. However, if the Company does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to IAS 32 will have an impact on the classification of those rights issues.

IFRIC 14 only applies to companies that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. An unintended consequence of the interpretation, prior to this amendment, was that IFRIC 14 could prevent the recognition of an asset for any surplus arising from such voluntary pre-payment of minimum funding contributions in respect of future service. The interpretation has been amended to require an asset to be recognised in these circumstances.

IFRS 9 *Financial Instruments* issued in November 2009 and not yet adopted by the EU. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

IFRS 9 is not yet adopted by the EU.

The directors anticipate that IFRS 9 that will be adopted in the company's financial statements for the annual period beginning 1 July 2015 and that the application of the new Standard will not have a significant impact on amounts reported in respect of the company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

IFRIC 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Company has not entered into transactions of this nature. However, if the Company does enter into any such transactions in the future, IFRIC 19 will affect the required accounting. In particular, under IFRIC 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The company does not expect any material effects on the financial statements of the company from the implementation of the above.

## **5. Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

### Loans receivable

The directors have reviewed the company's loans receivables in the light of its capital maintenance and liquidity requirements and have confirmed the company's positive intention and ability to hold those loans receivable. The carrying amount of the loans receivables is € 376.286 (June 30, 2010: € 374.936). Details of these assets are set out in note 16.

## **6. Key sources of estimation uncertainty**

### Recoverability of loans receivable

Determining whether loans receivable are impaired requires an estimation of the value in use of the cash-generating units to which the loans receivable has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of loans receivable at June 30, 2011 was € 376.286 (June 30, 2010: € 374.936). During the year no impairment loss has been recognised.

### Valuation of financial instruments

As described in note 27, the Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 27 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

## 7. Segment reporting

IFRS 8 Operating Segments is applicable for the company, however one operating segment is identified due to the fact that key management does also identify one operating segment on the basis of internal reports that are regularly reviewed in order to allocate resources of the segments and to their performance.

The following entity wide disclosures have been identified based on IFRS 8:

### *Information about geographical areas*

The company is a financing company for several related parties in different countries over the world. Therefore the entity wide information of interest revenues has been based on geographical areas per continent.

Entity wide disclosure loans receivable	30.06.2011 1,000 €
The Netherlands	103,014
Europe (excl The Netherlands)	96,549
Australia	22,417
Africa	154,306
Other (Swaps)	0
<b>Total loans receivable</b>	<b>376,286</b>

Entity wide disclosure Interest revenue	01.07.2010 - 30.06.2011 1,000 €
The Netherlands	5,630
Europe (excl The Netherlands)	4,212
Australia	1,563
Africa	7,438
Other (Swaps)	1,312
<b>Revenue</b>	<b>20,155</b>

### *Information about major customers*

Since the company is a financing company for related parties and one external party, the customers have been divided in groups. The entity wide disclosures have been based on these groups.

Entity wide disclosure loans receivable	30.06.2011 1,000 €
Parent	95,905
To associated companies	275,011
External companies	5,370
<b>Total loans receivable</b>	<b>376,286</b>

Entity wide disclosure Interest revenue	01.07.2010 - 30.06.2011 1,000 €
Interest income parent	4,563
Interest income from related parties	13,272
Interest income external	2,320
<b>Revenue</b>	<b>20,155</b>

### *Information about products and services*

The company does not provide different sort of services and therefore the entity wide disclosure based on Information about products and services is not applicable.

## 8. Revenue

	01.07.2010 - 30.06.2011 1,000 €	01.07.2009 - 30.06.2010 1,000 €
Interest income external	2,320	1,765
Interest income from related parties	17,835	17,488
Rendering of services	75	80
<b>Revenue</b>	<b>20,230</b>	<b>19,333</b>

The company receives interest income from related parties and one external company. Due to early repayment of a loan by the external company an amount of 716k € has been received as compensation for the remaining interest of the loan. Rendering of services are treasury and accounting services provided to the parent company Imperial Mobility International and associated company Wijnhoff & van Gulpen & Larsen.

## 9. Other gains and losses

In 2010/2011 an amount of 406k € (2009/2010:-443k €) is accounted for the ineffective portion of a cash flow hedge. No other gains and losses have been recognised in respect of loans and receivables or held-to-maturity investments.

## 10. Finance cost

	01.07.2010 - 30.06.2011 1,000 €	01.07.2009 - 30.06.2010 1,000 €
Interest cost external	13,439	13,684
Interest cost to related parties	4,286	3,958
Cancellation bond	0	-2,763
Profits (-)/Losses on fair value of swaps	-948	4,036
Result from foreign exchange rate movements	966	-4,049
<b>Finance cost</b>	<b>17,743</b>	<b>14,866</b>

The profit from the fair value evaluation of fair value hedges (currency swaps) amount to 948k € (2009/2010: -4,036k. €). Finance costs relating to financial liabilities classified as at fair value through profit or loss are included in 'other gains and losses' in note 6.

The foreign exchange rate gain is related to interest receivables, interest payables and cash and cash equivalents held in foreign currency (1k €) and currency swaps (965k €).

## 11. Other expenses

	Notes	01.07.2010 - 30.06.2011 1,000 €	01.07.2009 - 30.06.2010 1,000 €
Employee benefits expense		112	102
Rental expense		12	11
Depreciation and amortisation expense	11	1	1
Auditors remuneration - Audit fees		40	17
Other operating cost		407	410
<b>Total</b>		<b>572</b>	<b>541</b>

### *Auditor's remuneration*

The total auditor's remuneration of FY 2010/2011 is related to Audit fees. The company's auditor has not invoiced any fees with regard to other audit engagements, tax advisory services and other non-audit services during FY 2010/2011.

### *Pension costs*

In the employee benefits expense € 3 (2010/2011: € 3) for pension cost is included.

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of comprehensive income of € 3 (2010/2011: € 3) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at June 30, 2011, contributions of € 0 (June 30, 2010: € 0) due in respect of the 2010 (2009) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

## 12. Income tax

The applicable tax rate for the calculation for the calendar year 2011 is 25% and for 2010 25.5% (2009/2010: 25.5%) and the calculation is done as follows:

	01.07.2010 - 30.06.2011 1,000 €	01.07.2009 - 30.06.2010 1,000 €
Income before tax according to Income statement	2,321	3,483
Taxable income	2,321	3,483
25.5 % tax expense for 184 days (previous year 0 days)	298	888
25 % tax expense for 181 days (Previous year 365 days)	288	0
Withholding tax	156	116
Credit for foreign withholding taxes	-156	-48
Correction credit foreign withholding taxes 2008/2009	-32	-72
Correction credit foreign withholding taxes 2009/2010	-29	
Correction prior years	0	-2
<b>Total income tax</b>	<b>525</b>	<b>882</b>

The taxable income recognised in equity, relates to tax corrections for swap results. Interest income from one of the related parties includes withholding tax. A credit for this withholding tax amounts for 2010/2011 156k € (2009/2010: 48k €).

The company is part of a tax unity with its parent and the parents Dutch subsidiaries. At balance date the tax liability is accounted for as a liability to parent. The company is part of a fiscal unity for corporate income tax purposes and for that reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

## 13. Dividends

No dividend was distributed.

## 14. Property, plant and equipment

1,000 €	30.06.2010				30.06.2011		
	Cost	Accumulated Depreciation	Additions	Depreci- ation	Cost	Accumulated Depreciation	Net Book Value
Furniture	6	-3	0	0	6	-3	3
Office equipment	3	-2	0	-1	3	-3	0
<b>Total</b>	<b>9</b>	<b>-5</b>	<b>0</b>	<b>-1</b>	<b>9</b>	<b>-6</b>	<b>3</b>

Due to the relatively small numbers, the level of rounding was reduced to achieve a meaningful presentation of Property, plant and equipment.

## 15. Investments

Name	Country of residence	Proportion of ownership	Accounting method
Imperial Mobility Belgium BVBA	Belgium	1%	at cost
IM Finance Belgium CV	Belgium	< 0.1%	at cost

## 16. Loans receivable

The loans receivable are loans to related parties and external companies with different maturities and different currency denominations. The majority of the loans are due together with the repayment date of the Bond issued by the company.

	30.06.2011 1,000 €		30.06.2010 1,000 €	
	Due < 1 year	Due > 1 < 5 years	Due < 1 year	Due > 1 < 5 years
Direct parent	14,766	81,140	59,482	36,140
To associated companies	19,720	255,291	13,275	252,586
External companies	4	5,365	1,737	11,716
<b>Total loans receivable</b>	<b>34,490</b>	<b>341,796</b>	<b>74,494</b>	<b>300,442</b>

The interest rates range from 1.7% to 6.4% depending on maturity and currency of the loan. In May 2011 the parent and several associates engaged in a cash pool with Imperial Mobility Finance B.V.. Simultaneously with the installation of this cash pool the credit facility with parent in the amount of 45,000k € is restructured from short-term to long-term due to the expectation that this amount is not needed for on a short-term notice.

## 17. Other financial assets

The positive fair value of swaps has been accounted for in other financial assets. Depending on remaining maturity and expectation of realisation or settlement the asset is presented as non-current or current. At balance sheet date June 30, 2010 these swaps had a negative value of 44k € and were therefore presented as financial liabilities.

## 18. Other assets

Other assets include 213k € cost for engaging in a syndicated credit facility of 250,000k €, 17k € prepaid cost and 176k € interest to receive. Costs for the syndicated credit facility are amortised over a period of 5 years. A portion of 213k € will be amortised within the next 12 months.

## 19. Cash & cash equivalents

Cash & cash equivalents include the balances on current accounts with European banks.



## **20. Risk analysis**

The company is exposed to currency, interest and credit risks.

### *Credit risk*

The credit risk for the loans receivable that are granted to related parties is assessed by the management to be limited. No default is expected. There are also loans in place to a third party. These loans are related to the sale of related parties and no default is expected. A concentration of risks on related parties is prevailing and inevitable due to the nature of the company.

### *Currency risk*

Currency risks are hedged unless there are reasons from a group point of view not to do so. The company does not speculate in the trading of derivative instruments.

### *Interest risk*

The interest risk is limited as the company aims to match maturity of assets and liabilities including the structure of fixed and variable income and expense. The loans with variable interest rates bear a cash flow interest risk. At the balance sheet date there are no material differences between the fair value and carrying amount of the loans. At the end of the reporting period the company has got two interest rate swap contracts. The company agreed to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principle amounts. The fair value of the interest rate swaps is determined by discounting the future cash flows at the end of reporting period and the credit risk inherent in the contract (see note 27 for more details).

## **21. Equity**

### Share capital

The authorised share capital of the company is 100k € (100,000 shares at 1 € each), of which 20,000 (June 30, 2010: € 20,000) shares have been issued and fully paid. The development of the equity is presented in the Statement of changes in equity.

### Legal reserves

As per balance sheet date reserves consist of a hedging reserve including the cumulative profit on a cross currency swap that is determined to be an effective hedge of the interest rate and the currency risk related to a 7 year loan in Australian Dollars to a related party.

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

## 22. Interest bearing borrowings

	30.06.2011 1,000 €		30.06.2010 1,000 €	
	Due < 1 year	Due > 1 < 5 years	Due < 1 year	Due > 1 < 5 years
To associated companies	133,383	0	124,542	0
External companies	6	0	5,032	0
Bond	2,213	235,589	2,213	235,272
<b>Total</b>	<b>135,602</b>	<b>235,589</b>	<b>131,787</b>	<b>235,272</b>

The company had issued a bond with a nominal value of 300,000k €, which is repayable 19 April 2013. The bond is quoted on the London Stock Exchange. The nominal interest rate of the bond is 4.75%, the effective interest rate 4.873%. The bond is guaranteed by Imperial Holdings Ltd. Interest accrued until the balance sheet date amounts to 2,213k €. Cost for the issue of the bond is deducted from the liability value of the bond. Cost are amortised over the lifetime of the bond of 7 years. A portion of 76k € will be amortised within the next 12 months.

During 2010/2011 the company has not redeemed part of the bond.

At balance sheet date the company has interest bearing borrowings due to related parties, which are all denominated in Euro. One of these loans with a principle amount of 81,650k € is considered to be of long term nature. Due to the fact it can be terminated with 3-months notice, the loan is recorded as interest bearing current portion.

## 23. Other financial liabilities

	30.06.2011 1,000 €		30.06.2010 1,000 €	
	Due < 1 year	Due > 1 year	Due < 1 year	Due > 1 year
Fair value swaps	37	3,651	487	2,421
<b>Total</b>	<b>37</b>	<b>3,651</b>	<b>487</b>	<b>2,421</b>

The negative fair value of swaps has been accounted for in other financial liabilities. Depending on remaining maturity and expectation of realisation or settlement the liability is presented as non-current or current.

## 24. Trade and other payables

	30.06.2011 1,000 €	30.06.2010 1,000 €
Trade creditors and costs accruals	27	19
Staff related payables	28	22
VAT payable	0	4
Corporate tax payable to direct parent	74	796
Interest payable SWAPS	257	225
<b>Total</b>	<b>386</b>	<b>1,066</b>

All payables are expected to be paid in less than 12 months.

## **25. Operating lease arrangements**

### 25.1 Leasing arrangements

Operating leases relate to leases of accommodation and vehicles with lease terms of a maximum for 5 years.

### 25.2 Non-cancellable operating lease commitments

	<b>30.06.2011</b> 1,000 €	<b>30.06.2010</b> 1,000 €
Not later than 1 year	14	11
Later than 1 year and not later than 5 years	45	1
Later than 5 years	2	0
<b>Non cancellable operating lease commitments</b>	<b>61</b>	<b>12</b>

## **26. Related party transactions**

100% of the shares of the company are owned by Imperial Mobility International B.V. Druten, The Netherlands. The company is included in the consolidated annual accounts of the ultimate shareholder Imperial Holdings Ltd. These accounts are available at the offices of the company or at 79 Boeing Road East, Bedfordview, Gauteng 1610, South Africa.

During the year, the company entered into the following trading transactions with the related parties:

Rendering services to				Rendering services from		
		Year ended 30.06.11 1,000 €	Year ended 30.06.10 1,000 €		Year ended 30.06.11 1,000 €	Year ended 30.06.10 1,000 €
Direct parent company		31	24		52	58
Related parties		44	56		0	0
Interest received from				Interest paid to		
		Year ended 30.06.11 1,000 €	Year ended 30.06.10 1,000 €		Year ended 30.06.11 1,000 €	Year ended 30.06.10 1,000 €
Direct parent company		4,637	4,860		0	0
Related parties		13,198	12,628		4,286	3,958
Amounts owed by related party				Amounts owed to related party		
		Year ended 30.06.11 1,000 €	Year ended 30.06.10 1,000 €		Year ended 30.06.11 1,000 €	Year ended 30.06.10 1,000 €
Direct parent company		95,905	95,622		74	796
Related parties		275,011	265,861		133,383	124,543

The company charges cost for accounting services to the parent company and an associated company.

The company receives interest for loans to related parties and to the parent. The loans are unsecured. The loans maturity range from a current account with variable rates up to 7 year fixed loans.

One of these loans with a principle amount of 81,650k € is considered to be of long term nature. Due to the fact it can be terminated with 3-months notice, the loan is recorded as interest bearing current portion.

The compensation for the key management personnel, which includes 3 directors has been only short term employee benefits of 106k € and contribution to a defined contribution plan of 5k €.

## 27. Financial instruments

The long term loans receivable, short term loans receivable and the trade and other receivables are classified as financial instruments under the category Loans and receivables.

The interest bearing borrowings non-current, interest bearing borrowings current portion and the trade and other payables are classified as financial instruments under the category financial liabilities measured at amortised costs.

### *27.1 Capital risk management*

The company manages its capital to ensure that entities in the Imperial Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2009/2010.

The capital structure of the company consists of net debt (borrowings as detailed in notes 22 and 19 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings as detailed in notes 21).

In April 2013 the outstanding bond of originally 300m EUR matures and need to be refinanced. After having bought part of the outstanding bond back from the market, taking advantage of the favourable market circumstances, IMF has redeemed prior to the reporting period approx. 64m EUR of the bond, which leaves approx. 236m EUR outstanding. It is envisaged to monitor the financial markets carefully and start the refinancing process well in advance. Due to the financial strength of the European Group and of the ultimate shareholder in South Africa it is expected that refinancing shall be possible at acceptable rates, although the financial markets are volatile at the moment of this report.

After the balance sheet date a new syndicated loan facility of 340m EUR was concluded which includes a 100m EUR revolving credit facility as back-up line for the financing needs of the group, which the remainder is needed to refinance the acquisition of a Group of companies made through a Germany group company.

### 27.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

	30.06.2011 1,000 €	30.06.2010 1,000 €
Debt (i)	371,577	368,125
Cash and cash equivalents	-4,015	-45
Loans receivable	-376,285	-374,936
Net debt	-8,723	-6,856
Equity (ii)	5,522	4,599
Net debt to equity ratio	-158%	-149%

- (i) Debt is defined as long- and short-term borrowings (excluding derivatives), as described in note 22.
- (ii) Equity includes all capital and reserves of the company that are managed as capital.

### 27.2 *Significant accounting policies*

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

### 27.3 *Categories of financial instruments*

	30.06.2011 1,000 €	30.06.2010 1,000 €	30.06.2009 1,000 €
<b>Financial assets</b>			
Loans and receivables	376,286	374,936	383,378
Derivative instruments in designated hedge accounting relationships	76	0	2,035
Other	176	191	0
Cash & cash equivalents	4,015	45	77
<b>Financial liabilities</b>			
Fair value through profit or loss (FVTPL)			
Designated as at FVTPL	37	443	0
Derivative instrument in designated hedge accounting relationships	3,651	2,465	581
Other	386	250	43
Amortised cost (borrowings)	371,191	367,059	379,587

#### *27.4 Financial risk management objectives*

The company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company.

Management holds regularly meetings to discuss internal risk which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The company seeks to minimise the effects of these risks by aiming to match maturity of assets and liabilities including the structure of fixed and variable income and expense and by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies which provide principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal Audit Committee on a regular basis. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### *27.5 Market risk*

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see 27.6) and interest rates (see 27.7). The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the loans receivables;
- interest rate swaps to mitigate the risk of rising interest rates

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

## 27.6 Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved utilising forward foreign exchange contracts.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	<b>Liabilities</b>		<b>Assets</b>	
	<b>30.06.2011</b> 1,000	<b>30.06.2010</b> 1,000	<b>30.06.2011</b> 1,000	<b>30.06.2010</b> 1,000
Currency USD	-	-	11,722	20,338
Currency AUD	-	-	30,000	30,000

The company has entered into several derivatives for the purpose of hedging the foreign currency risks (see note 27.6.1). As all outstanding loans and receivables denominated in foreign currencies have been fully hedged, the company has performed a sensitivity analysis related to this foreign currency risk and has concluded that the risk is immaterial due to the fact that all foreign currencies are hedged.

### 27.6.1 Fair value hedge contracts tables

The following table details the fair value hedge contracts outstanding at the end of the reporting period:

	<b>Exchange rate</b> <b>30.06.11</b>	<b>Foreign currency</b> <b>30.06.11</b> 1,000	<b>Notional Value</b> <b>30.06.11</b> 1,000 €	<b>Fair value</b> <b>30.06.11</b> 1,000 €
<u>Fair value hedge</u>				
<b>Sell currency USD</b>				
less than 1 year	1.448142	13,017	8,988	76
<b>Sell currency AUD</b>				
more than 1 year	1.663801	30,000	22,133	-4,102



	<b>Exchange rate</b> <b>30.06.10</b>	<b>Foreign currency</b> <b>30.06.10</b> 1,000	<b>Notional Value</b> <b>30.06.10</b> 1,000 €	<b>Fair value</b> <b>30.06.10</b> 1,000 €
<u>Fair value hedge</u>				
<b>Sell currency USD</b>				
less than 1 year	1.226603	13,560	11,055	-44
more than 1 year	1.226603	8,000	6,522	-1,134
<b>Sell currency AUD</b>				
more than 1 year	1.432891	30,000	20,937	2,906

### 27.7 Interest rate risk management

The company is exposed to interest rate risk because the company lends funds at both fixed and floating interest rates. The risk is managed by the company by aiming to match maturity of assets and liabilities including the structure of fixed and variable income and expense and by the use of interest rate swap contracts for all material interest risks. These risks are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The company has performed a sensitivity analysis related to this interest risk and concluded no material risk.

Under interest rate swap contracts, the company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by a statement received from the bank, based on the mark- to-market value.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Outstanding receive fixed pay floating contracts	<b>Average contracted fixed interest rate</b>		<b>Notional principle value</b>		<b>Fair value</b>	
	<b>30.06.2011</b> %	<b>30.06.2010</b> %	<b>30.06.2011</b> 1,000 €	<b>30.06.2010</b> 1,000 €	<b>30.06.2011</b> 1,000 €	<b>30.06.2010</b> 1,000 €
2 to 5 years	4.87	4.87	18,031	18,031	451	1,618

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months local interbank rate of Australia (3-M-BBSW).

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposure resulting from variable interest rates on loan receivables. The interest rate swap and the interest receivable on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest receivable on loans receivable affects profit or loss.

In financial year 2010/2011, an amount of 406k € was recorded in profit and loss for an ineffective interest swap.

### *27.8 Other price risks*

The company is not exposed to material equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company does not actively trade these investments.

### *27.9 Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company mainly transacts with related parties and former related parties. The company's exposure is continuously monitored.

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

The carrying amount of financial assets recognised in the financial statements represents the company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

### *27.10 Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 27.10.2 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

### 27.10.1 Liquidity and interest risk tables

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

	30.06.2011			30.06.2010		
	< 1 year 1,000 €	1-5 years 1,000 €	Total 1,000 €	< 1 year 1,000 €	1-5 years 1,000 €	Total 1,000 €
Non-interest bearing	387	-	387	1,066	-	1,066
Variable interest rate instruments	48,307	-	48,307	44,152	-	44,152
Fixed interest rate instruments	97,268	246,807	344,075	97,592	258,626	356,218
	145,962	246,807	392,769	142,810	258,626	401,436

The following table details the company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	30.06.2011			30.06.2010		
	< 1 year 1,000 €	1-5 years 1,000 €	Total 1,000 €	< 1 year 1,000 €	1-5 years 1,000 €	Total 1,000 €
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	30,808	23,637	54,445	6,697	30,026	36,723
Fixed interest rate instruments	103,279	242,566	345,845	158,790	211,101	369,891
	134,087	266,203	400,290	165,487	241,127	406,614

Only for the fixed interest rate instruments an amount of 167k € is to be received after 5 years. The company had at the balance sheet date access to financing facilities as described in note 27.10.2 below, of which 250,000k € were unused at the end of the reporting period (2009/2010: 245,000k €).

The following table details the company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest at the end of the reporting period.

	< 1 year 1,000 €		1- 5 years 1,000 €		Total 1,000 €	
<b>30.06.2011</b>						
Net settled:						
- interest rate swap	-	37		-		37
Gross settled:						
- interest rate swap				451		451
- currency swap		76	-	4,102	-	4,026
		39	-	3,651	-	3,612
<b>30.06.2010</b>						
Net settled:						
- interest rate swap			-	443	-	443
Gross settled:						
- interest rate swap				1,619		1,619
- currency swap	-	44	-	4,040	-	4,084
	-	44	-	2,864	-	2,908

### 27.10.2 Financing facilities

	<b>30.06.2011</b> <b>Total</b> 1,000 €	<b>30.06.2010</b> <b>Total</b> 1,000 €
Unsecured bank overdraft facility		
- amount used	0	0
- amount unused	0	0
	0	0
Secured bank loan facilities and which may be extended by mutual agreement:		
- amount used	0	5,000
- amount unused	250,000	245,000
	250,000	250,000
	<b>250,000</b>	<b>250,000</b>

### 27.11 *Fair value of financial instruments*

#### 27.11.1 Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values, except for the fair value of the bond which is based on quoted market price. The fair value of the bond (interest bearing borrowings non-current) as per June 30, 2011 is € 235.256 and approximates the book value.

#### 27.11.2 Valuation techniques and assumptions applied for the purposes of measuring fair value

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes).
- The fair values of derivative instruments (level 2) are calculated using quoted prices and are derived from underlying exchange rate differences.

### 27.11.3 Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 1,000 €	Level 2 1,000 €	Level 3 1,000 €	30.06.2011 Total 1,000 €
<b>Financial Assets at FVTPL</b>				
Financial assets designated at fair value through profit or loss	-	76	-	76
Total	-	76	-	76

	Level 1 1,000 €	Level 2 1,000 €	Level 3 1,000 €	30.06.2011 Total 1,000 €
<b>Financial liabilities at FVTPL</b>				
Financial liabilities designated at fair value through profit or loss	-	37	-	37
Other derivative financial liabilities	-	3,651	-	3,651
Total	-	3,688	-	3,688

There were no transfers between the Level 1 and 2 in the period.

## **24. Directors and signing of the financial statements**

The directors of the company are:

- Thijs Aarten, Dutch, Gendringen, The Netherlands
- Eef van Oostrom, Dutch, Doesburg, The Netherlands
- Thomas Schulz, German, Essen, Germany

Druten, October 14, 2011

Thijs Aarten

Thomas Schulz

Eef van Oostrom

## **Other information**

### Independent Auditor's Report

Reference is made to the independent auditor's report as included hereafter from page 40.

### Statutory rules concerning appropriation of results

According to article 18 of the articles of association the general meeting has the sole right to determine the appropriation of the results as stated in the annual accounts of the company. Distribution of profits can take place only to the extent that the shareholder's equity exceeds after the distribution the sum of issued share capital and the reserves to be maintained by law.

### Proposed appropriation of result for the financial year ended June 30, 2011

The managing board proposes to the general meeting that the result of the financial year ended June 30, 2011 amounting to 1,796k € should be added to retained earnings without payment of dividend. The financial statements reflect this proposal.

### Subsequent events

There have been no subsequent events after the balance sheet date with any effect on these annual accounts.



## **Independent auditor's report**

To: The general meeting of Shareholders of Imperial Mobility Finance B.V., Druten

### **Report on the financial statements**

We have audited the accompanying financial statements for the year ended June 30, 2011 of Imperial Mobility Finance B.V., Druten, which comprise the statement of financial position as at June 30, 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion with respect to the financial statements**

In our opinion, the financial statements give a true and fair view of the financial position of Imperial Mobility Finance B.V. as at June 30, 2011 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 Dutch Civil Code.

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

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

Arnhem, October 14, 2011  
Deloitte Accountants B.V.  
Already signed: E.H.H. Schelhaas