Financial Report 2014
Kuiken Groep B.V.
Emmeloord

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Report of the Board of Management

The report of the Board of Management of the company is available for inspection at the offices of the company.

Report of the Supervisory Board to the shareholders

The report of the Supervisory Board of the company is available for inspection at the offices of the company.

Financial statements

Consolidated financial statements

Consolidated balance sheet at 31 December 2014

(before appropriation of the result)

Assets		***31 December 2014***		***31 December 2013***	
(in thousands of euros)	Note	€	€	€	€
Non-current assets					
Property, plant and equipment	5.				
Land and buildings		17,603		21,108	
Plant and equipment		2,919		3,600	
Vehicles		188		218	
Property, plant and equipment under construction		6		0	
			20,716		24,926
Financial fixed assets					
Deferred tax assets	6.	7,528		6,548	
Other financial fixed assets	7.	811		785	
			8,339		7,333
Current assets					
Inventories	8.		13,139		16,906
Receivables	9.				
Trade debtors	10.	13,282		14,904	
Other receivables and prepayments		3,039		2,797	
			16,321		17,701
Cash and cash equivalents	11.		5		15
			58,520		66,881

Equity and liabilities		*31 December 2014*		*31 December 2013*	
(in thousands of euros)	Note	€	€	€	€
Group equity	12.		17,484		18,272
Non-controlling interests	13.		(4)		
Provisions					
Provisions	14.		5,332		3,769
Non-current liabilities	15.				
Subordinated loans	16.	2,500		2,500	
Amounts owed to credit institutions		975		5,625	
Finance lease obligations		192		511	
			3,667		8,636
Current liabilities	17.				
Amounts owed to credit institutions		3,503		8,101	
Finance lease obligations		899		460	
Amounts owed to suppliers and trade creditors		15,848		18,358	
Tax and social security contributions	18.	5,846		5,196	
Pension contributions		387		244	
Other liabilities and accruals		5,558		3,845	
			32,041		36,204
			58,520		66,881

Consolidated income statement for 2014

(in thousands of euros)	Note	2014 €	2014 €	2013 €	2013 €
Net revenues	21.	166,356		162,985	
Cost of sales		(130,746)		(124,476)	
Other operating income	22.	85		633	
Gross profit			35,695		39,142
Employee benefits	23.	23,153		22,376	
Depreciation property, plant and equipment		2,221		2,948	
Other operating expenses	24.	11,506		11,002	
Total operating expenses			36,880		36,326
Operating result			(1,185)		2,816
Interest and similar income			33		31
Interest and similar expense			(853)		(1,266)
Result on ordinary activities before tax			(2,005)		1,581
Tax	27.		535		(678)
Non-controlling interests	28.		4		
Group result after tax			(1,466)		903

Consolidated cash flow statement for 2014

(in thousands of euros)	Note	2014 €	2014 €	2013 €	2013 €
Cash flow from operating activities					
Operating profit			(1,185)		2,816
Adjustments for:					
Amortisation, depreciation and impairment		2,221		2,948	
Non-controlling interests		4			
Movement in provisions	14	1,563		(1,053)	
			3,788		1,895
Movement in working capital:					
Inventories	8.	3,767		(1,347)	
Receivables	9.	1,380		784	
Current liabilities (excluding bank credit)	17.	434		3,449	
			5,581		2,886
Cash flow from operating activities			8,184		7,597
Interest		(821)		(1,235)	
Income tax	27.	535		(678)	
			(286)		(1,913)
Cash flow from operating activities			7,898		5,684
Cash flow from investing activities					
Investment in property, plant and equipment	5.	(1,878)		(2,450)	
Disposals of property, plant and equipment	5.	3,866		4,784	
Movements in financial fixed assets	6/7.	(1,006)		101	
Cash flow from investing activities			982		2,435

(in thousands of euros)	Note	2014 €	€	2013 €	€
Cash flow from financing activities					
Movements in revaluations	12.	(510)		(418)	
Movements in other reserves	12.	435			
Movements in share premium	12.	752			
Non-current liabilities	15.	0		0	
Repayment of non-current liabilities	15.	(4,969)		(3,532)	
Cash flow from financing activities			(4,292)		(3,950)
Increase/(decrease) in cash items	11.		4,588		4,169

Movements in the cash items were as follows:

	2014	2013
Balance at 1 January	(8,086)	(12,255)
Movement in financial year	4,588	4,169
Balance at 31 December	(3,4)	(8,086)

Notes to the consolidated balance sheet and income statement

1. General

1.1. Activities

Kuiken Groep B.V. is the holding company of leading distribution companies. The business owns distribution rights for prominent manufacturers including Volvo Construction Equipment and Sennebogen. Kuiken Groep B.V. is the sole shareholder of Kuiken N.V. and is the head of the group. In the Benelux, it sells Volvo Construction Equipment earth-moving machinery and Sennebogen cranes and material handling machines. All Kuiken companies concentrate on full-service distribution. Kuiken Group's customers can count on professional advice when purchasing machinery, training for operators and other employees, help with financing, rentals, turn-key delivery, maintenance, repair and favourable terms for exchanging machinery at the end of its period of use. An extensive network of modern service offices are available to customers.

1.2. Business address

Kuiken Groep B.V. is based at Dukaat 1, 8305 BC Emmeloord.

1.3. Consolidation

The consolidation includes the financial information of Kuiken Groep B.V. and its group companies and other legal entities over which it can exercise control or where it performs the management. Group companies are legal entities over which Kuiken Groep B.V. can directly or indirectly exercise control since it owns the majority of the voting rights or can control the financial and operating activities in some other way. Potential voting rights which can be exercised directly on the reporting date are taken into account when determining whether control exists. Group companies and other legal entities over which it can exercise control or performs unified management are fully consolidated. Non-controlling interests in group equity and the group result are disclosed separately.

Interests in joint ventures are consolidated proportionately. There is a joint venture if control is exercised jointly by the venturers as a result of a contractual arrangement on co-operation.

Intercompany transactions and profits, and receivables and liabilities between group companies and other consolidated legal entities are eliminated. Unrealised losses on intercompany transactions are also eliminated unless there is impairment. The accounting policies of group companies and other consolidated legal entities are amended as necessary to bring them into line with the group accounting policies.

As the income statement for 2014 of Kuiken Groep B.V. is incorporated the consolidated financial statements, an abridged income statement is presented in the separate financial statements pursuant to the provisions of Section 2:402 of the Netherlands Civil Code.

The companies included in the consolidation are:

The Netherlands:

Kuiken N.V., Emmeloord (100%)
Kuiken Cramat Crane & Materialhandling B.V., Emmeloord (100%)
Kuiken Vastgoed B.V., Emmeloord (100%)
Nijhoff Machines Corporation B.V., Nijverdal (100%)
Machines & Parts International B.V., Emmeloord (100%)
Kuiken Rental B.V., Emmeloord (100%)
Lightweight Construction Equipment B.V., Emmeloord (70%)

Belgium:

VCM Belgium N.V., Vilvoorde (100%)
VCM Cramat N.V. (formerly Van Haut Cramat N.V.), Brussels (100%)

Luxembourg:

VCM Luxembourg, Luxembourg (100%)
MTP sarl, Luxembourg (100%)

Germany:

Krane und Umschlag Deutschland Verwaltungs GmbH, Düsseldorf (100%)
Krane und Umschlag Deutschland GmbH & Co. KG, Düsseldorf (100%)

1.4. Related parties

All legal entities over which control, joint control or significant influence can be exercised are regarded as related parties. Legal entities which can exercise control are also regarded as related parties. The members of the board under the articles of association, other key management personnel and the shareholders of Kuiken Groep B.V. and close members of their families are related parties.

Significant transactions with related parties are disclosed if they were not at arm's length. The nature and size of the transaction and other information required for a fair view are disclosed.

1.5. Acquisitions and disposals of group companies

When a company is acquired, its results and identifiable assets and liabilities are included in the consolidated financial statements from the acquisition date. The acquisition date is the date from which control can be exercised over the company concerned.

The acquisition price is the cash sum or equivalent agreed for the purchase of the business acquired plus any directly attributable costs.

If the acquisition price is higher than the net fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under Intangible assets. If the acquisition price is lower than the net fair value of the identifiable assets and liabilities, the difference (negative goodwill) is recognised under Other liabilities, accruals and deferred income (see 3.6).

Consolidated companies remain in the consolidation until they are sold; they are deconsolidated when control is transferred.

1.6. *Notes to the cash flow statement*

The cash flow statement has been prepared using the indirect method. The cash items in the cash flow statement comprise cash and cash equivalents. Receipts and expenditure on interest, dividends received and taxes on profits are recognised in the cash flow from operating activities. Dividends paid are recognised in the cash flow from financing activities. The purchase consideration for acquiring a group company is recognised in the cash flow from investing activities to the extent that payment was in cash. The cash items in the acquired group company are deducted from the purchase price. The portion of instalments paid on finance leases relating to the repayment is recognised as expenditure from financing activities and the interest portion is recognised as expenditure from operating activities.

1.7. *Estimates*

In applying the accounting policies and standards for preparing the financial statements, the management of Kuiken Groep B.V. makes various assessments and estimates that may be essential to amounts presented in the financial statements. If necessary for the fair view required by Section 2:362(1) of the Netherlands Civil Code, the nature of these assessments and estimates, including the associated assumptions, are disclosed in the notes to the relevant item in the financial statements.

2. *Accounting policies*

2.1. *General*

The consolidated financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

Assets and liabilities are generally measured at the cost of acquisition or manufacture or current cost. If no specific measurement policy is stated, measurement is at acquisition price. The balance sheet, income statement and cash flow statement include references to the notes.

2.2. *Comparison with prior year*

The accounting policies applied are unchanged compared with the prior year.

2.3. *Foreign currency*

2.3.1. *Functional currency*

Items in the financial statements of group companies are measured in the currency of the primary economic environment in which the group company operates (the functional currency). The consolidated financial statements are prepared in euros; this is the functional and presentation currency of Kuiken Groep B.V.

2.3.2. *Transactions, receivables and liabilities*

Transactions in foreign currencies during the reporting period are recognised in the financial statements at the exchange rate at the time of the transaction.

Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date. Exchange rate differences resulting from the settlement and conversion are recognised through the income statement, unless hedge accounting is applied.

Non-monetary assets measured at the acquisition price in a foreign currency are translated at the exchange rate on the transaction date.

2.3.3 *Group companies*

The assets and liabilities of consolidated associates with a functional currency other than the presentation currency are translated at the exchange rate at the reporting date; revenues and expenses are translated at the average rate for the financial year. Goodwill and adjustments to the fair value of identifiable assets and liabilities are regarded as part of these associates and also translated at the exchange rate at the reporting date. The resulting translation differences are recognised through equity in the statutory reserve for translation differences.

2.4. *Property, plant and equipment*

Land and buildings are measured at current cost less straight-line depreciation over the estimated future useful life. Land is not depreciated. Impairment expected at the reporting date is recognised. See 2.6 for details of whether an item of property, plant and equipment is impaired.

Other non-current assets are measured at the cost of purchase or manufacture, including directly attributable costs, less straight-line depreciation over the expected future useful life and impairment.

Grants related to assets are deducted from the cost of acquisition or manufacture of the asset to which they relate.

A provision for restoration obligations at the end of an asset's use (dismantling costs) is formed in the amount expected at the date of capitalisation. This amount is recognised as part of the cost of manufacture.

No provision is formed for the future costs of major maintenance to buildings. These costs are recognised directly in the result.

2.5. Financial fixed assets

2.5.1. Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences between the measurement of assets and liabilities for tax purposes and the accounting policies applied in these financial statements, provided that deferred tax assets are only recognised to the extent it is probable that there will be sufficient taxable profit in future against which the temporary differences and losses can be utilised.

Deferred tax assets are calculated using the tax rates in force at the reporting date or rates that will apply in later years under tax laws that have been enacted.

Deferred tax liabilities are recognised for temporary differences in the value of the assets and liabilities for tax purposes and the carrying amount in these financial statements. Deferred tax liabilities are calculated using the tax rate in force at the reporting date or rates that will apply in later years under tax laws that have been enacted.

Deferred tax items are measured at nominal value. Deferred tax assets and liabilities are offset prior to recognition and disclosure.

2.5.2. Other financial fixed assets

Other financial fixed assets are transaction costs for loans received. On initial recognition these receivables are measured at fair value. These loans are subsequently measured at amortised cost. Transaction costs are included in the initial measurement and charged as part of the effective interest through profit and loss. Impairment is deducted from the amortised cost and recognised in the income statement.

2.6. Impairment of fixed assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. If so, the recoverable amount of the assets is determined. If it is not possible to determine the recoverable amount for an individual asset, the recoverable amount is determined from the cash generating unit to which the asset belongs. There is impairment if the carrying amount of an asset is higher than its recoverable amount; the recoverable amount is the higher of the realisable value and the value in use. An impairment loss is recognised directly through the income statement and the carrying amount of the relating asset is reduced simultaneously.

The realisable value is determined on the basis of a binding sales contract. If there is no binding sales contract, the realisable value is determined using the market price on an active market. An estimate of future net cash flows from continuing use of the asset/cash flow generating unit is applied to determine the value in use. Subsequently, a discount rate is applied for the present value of cash flows.

If an impairment loss recognised in prior periods no longer exist or has decreased, the carrying amount of the related asset will not be increased above the carrying amount that would have been recognised had no impairment been recognised for the asset.

Also for financial instruments, the company assesses at each balance sheet date whether there is objective evidence for impairment of a financial asset or group of financial assets. If there is objective evidence for impairment, the company determines the extent of the loss resulting from impairment, which is recognised directly in the income statement.

For financial assets measured at amortised cost, impairment is measured as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective interest rate of the financial asset as determined at initial recognition of the instrument. The previously recognised impairment loss must be reversed if the decrease in impairment loss can be related objectively to an event occurring after the impairment was recognised. The reversal is limited to a maximum of the amount needed to measure the asset at amortised cost at the time of reversal if impairment had not occurred. The reversed loss is recognised in the income statement.

2.7. Inventories

2.7.1. General

Inventories of trading goods are measured at the lower of cost using the FIFO method (first in, first out) and realisable value. Cost includes the acquisition price or cost of manufacture (all costs related to acquisition or manufacture) plus costs of bringing the inventories to their present location and condition. Cost of manufacture includes direct labour and mark-ups for production-related indirect fixed and variable costs, including those relating to the operations office, the maintenance department and in-company logistics.

Realisable value is the estimated selling price less directly attributable selling costs. Obsolescence of inventories is taken into account when determining the realisable value.

2.8. Receivables

Receivables are measured on initial recognition at the fair value of the consideration. Trade debtors are subsequently measured at amortised cost. If receipt of the receivable is deferred under agreed extended payment terms, the fair value is determined from the present value of expected receipts and recognised as interest income in the income statement on the basis of the effective interest. Provisions for uncollectable items are deducted from the carrying amount of receivables.

2.9. Cash and cash equivalents

Cash and cash equivalents are cash, bank balances and time deposits with a maturity of less than twelve months. Bank overdrafts are recognised as amounts owed to credit institutions under current liabilities. Cash and cash equivalents are subsequently measured at face value.

2.10. Equity

If Kuiken Groep B.V. acquires own shares, the acquisition price of the acquired shares is deducted from the other reserves, or alternative reserves provided that this is permitted on the basis of the articles of association, until these shares are cancelled or sold. If the acquired shares are sold, the sales proceeds are added to the reserve from which the earlier acquisition of these shares has been deducted, being the other reserves or alternative equity reserves.

Costs directly related to the acquisition, sale and/or issue of new shares are charged directly to equity, net of relevant income tax effects.

2.11. Revaluation reserve

If revaluations less relevant current and deferred tax liabilities are recognised in the revaluation reserve, the gross realised revaluation is recognised in the income statement. The corresponding release of the current and deferred tax liabilities is recognised through profit or loss as tax on the result on ordinary activities.

2.12. Non-controlling interests in group equity

Non-controlling interests in group equity is measured as the amount of the net interest in the net assets of the group companies concerned.

When a group company has a negative net asset value, the negative value and any further losses are not attributed to non-controlling interests in group equity, unless the third party shareholders have a constructive obligation and are able to bear the losses. As soon as the net asset value of the group company is positive again, results are attributed to non-controlling interests in group equity.

2.13. Provisions

2.13.1. General

Provisions are formed for constructive or legal obligations existing at the reporting date if it is probable that an outflow of resources will be required and the expenditure can be measured reliably.

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are carried at the face value of the expected expenditure required to settle the obligation, unless stated otherwise.

All provisions are of a long term nature (more than one year).

2.13.2. *Service and warranty provision*

The service and warranty provision is recognised for machinery and parts delivered, taking into account an average warranty period. If it is expected that the liability will be reimbursed by a third party and if it is probable that this reimbursement will be received on settlement of the liability, the reimbursement is recognised as an asset on the balance sheet.

2.13.3. *Provision for long-service awards*

The provision for long-service awards is recognised at the present value of the expected expenditure during employment. Calculation takes into account expected pay rises and the probability of employees leaving.

2.13.4. *Other provisions*

The early retirement and pre-pension provision is measured at the present value of the expected expenditure during employment. Calculation takes into account expected pay rises and the probability of employees leaving.

Other provisions are recognised at the face value of the expenditure required to settle the provision.

2.14. *Non-current liabilities*

Non-current liabilities are measured on initial recognition at fair value. Transaction costs directly attributable to the acquisition of the non-current liabilities are included in the measurement at initial recognition. Non-current liabilities are subsequently recognised at amortised cost, being the amount received after premiums or discounts, less transaction costs. The difference between the carrying amount determined and the ultimate redemption value is recognised over the estimated term of the non-current liabilities as an interest expense in the income statement using the effective interest rate.

The difference between the carrying amount and the ultimate redemption value is recognised over the term of the liabilities as an interest expense in the income statement using the effective interest rate.

2.15. *Current liabilities*

Current liabilities are measured on initial recognition at fair value. Current liabilities are subsequently recognised at amortised cost, being the amount received after premiums or discounts, less transaction costs. This is usually the nominal value.

2.16. *Leasing*

2.16.1. *Finance leases*

The company leases part of its machine fleet, holding substantially all the risks and rewards incidental to ownership of these assets. These assets are capitalised and recognised in the balance sheet at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The annual lease payments are broken down into interest and repayment components. The lease obligations excluding the interest component are recognised under non-current liabilities. The interest component is recognised in the income statement for the term of the contract at a fixed interest rate over the remaining repayment component. The assets concerned are depreciated over the shorter of their remaining useful life and the term of the contract.

2.16.2. *Operating leases*

The company may have leases under which it does not hold substantially all the risks and rewards incidental to ownership of these assets. These leases are recognised as operating leases. Lease payments are recognised in the income statement on a straight-line basis over the term of the contract, net of any incentives received from the lessor.

3. *Accounting policies for determining the result*

3.1. *General*

The result is the difference between the realisable value of goods and services provided and the costs and other expenses for the year. Proceeds from transactions are recognised in the year in which they are realised.

3.2. Revenue recognition

3.2.1. Sales of goods

Proceeds from the sale of goods are recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer.

3.2.2. Rendering of services

Proceeds from rendering services are recognised in proportion to the performance provided, based on the services rendered up to the reporting date as a proportion of the total services to be rendered.

3.3. Net revenues

Net revenues are proceeds from the delivery of goods and services and realised proceeds from projects in progress less discounts and suchlike and tax levied on sales and after elimination of transactions within the Group.

3.4. Cost of sales

Cost of sales is the direct and indirect costs attributable to revenue.

3.5. Employee benefits

3.5.1. Regular remuneration

Wages, salaries and social security contributions are recognised in the income statement on the basis of employment conditions insofar as they are due to employees.

3.5.2. Pensions

Kuiken Groep B.V. treats all its pension schemes using the obligation approach. The contribution payable for the reporting period is recognised as an expense. Movements in the pension provision are also recognised through the income statement. The amount recognised as pension provision is the best estimate of the unfunded amounts required to settle the obligations at the reporting date.

3.6. Depreciation

Property, plant and equipment are depreciated from the time they are taken into use over their expected future useful life. Land is not depreciated.

If the estimate of future useful life is changed, future amortisation and depreciation are adjusted.

Book profits and losses on the sale of property, plant and equipment are recognised under depreciation.

3.7. Expenses

Expenses are determined on a historical cost basis and attributed to the year to which they relate.

3.8. Financial income and expense

3.8.1. Interest income and expense

Interest income and expense is recognised proportionately, taking into account the effective interest rate on the assets and liabilities. Recognition of interest expense takes into account the amortisation of capitalised transaction costs for loans received.

3.9. Tax

Income tax is computed on the result before tax in the income statement, taking into account unused tax losses from prior years (to the extent not recognised as deferred tax assets) and tax-exempt items and after adding back disallowable items. Account is also taken of changes in deferred tax assets and liabilities resulting from revisions to tax rates.

4. Financial instruments and risk management

4.1. Market risk

Kuiken Groep B.V. operates mainly in the European Union. Sales and purchases are generally made in the same currency.

4.2. Interest rate and cash flow risk

Kuiken Groep B.V. runs interest rate risk on interest-bearing long-term and current liabilities (including amounts owed to credit institutions). Kuiken Groep B.V. uses interest rate caps to significantly reduce the interest rate risk.

4.3. Credit risk

Kuiken Groep B.V. has no significant concentrations of credit risk. Sales are made to customers who meet credit assessments by Kuiken Groep B.V. Sales are generally paid for on delivery. Kuiken Groep B.V. uses several banks for financing machinery in order to have a number of lines of credit available. Where necessary, additional security is provided to the bank for credit facilities.

5. *Property, plant and equipment*

Movements in property, plant and equipment were as follows:

(in thousands of euros)	*Land and buildings* €	*Plant and equipment* €	*Vehicles* €	*Property, plant and equipment under construction* €	*Total* €
Balance at 1 January 2014					
Cost	26,335	11,805	1,247	0	39,387
Revaluations	8,659	0	0	0	8,659
Release of revaluations	626	0	0	0	626
Accumulated depreciation	(13,655)	(8,205)	(1,029)	0	(22,889)
Accumulated depreciation on revaluations	(857)	0	0	0	(857)
Carrying amount	21,108	3,600	218	0	24,926
Movements					
Additions	100	1,695	77	6	1,878
Revaluations	0	0	0	0	0
Cost of disposals	(4,470)	(2,206)	(131)	0	(6,807)
Depreciation of property, plant and equipment	(861)	(1,161)	(105)	0	(2,127)
Release of revaluations	252	0	0	0	252
Depreciation on revaluations	(346)	0	0	0	(346)
Depreciation on disposals	1,820	992	129	0	2,941
Net amount	(3,505)	(680)	(30)	6	(4,209)
Balance at 31 December 2014					
Cost	21,965	11,294	1,193	6	34,458
Revaluations	8,659	0	0	0	8,659
Release of revaluations	878	0	0	0	878
Accumulated depreciation	(12,696)	(8,374)	(1,005)	0	(22,075)
Accumulated depreciation on revaluations	(1,203)	0	0	0	(1,203)
Carrying amount	17,603	2,920	188	6	20,717
Depreciation percentages	0 - 10	10 - 33	20		

Buildings were assessed by a third party in March 2014.

Plant and equipment is chiefly additions to and disposals from the rental fleet.

The carrying amount of assets on finance leases was as follows:

(x1.000)	*31-12-2014* €	*31-12-2013* €
Machinery and fixtures and fittings	1,344	1,396

6. *Deferred tax assets*

(in thousands of euros)	31-12-2014 €	31-12-2013 €
Deferred tax assets	7,528	6,548

Deferred tax assets and liabilities are recognised for unused tax losses and deductible temporary differences between the measurement of assets and liabilities for tax purposes and the accounting policies applied in these financial statements.

Recognised and unrecognised temporary differences and unused tax losses were as follows:

(in thousands of euros)	31-12-2014 €	31-12-2013 €
Property, plant and equipment	(2,043)	(2,176)
Unused tax losses	8,778	8,086
Pension provisions	793	638
	7,528	6,548

Unused tax losses relate to losses carried forward in the Netherlands (€7.0 million) and Belgium (€1.8 million). The expected term for relief is 1 to 7 years.

Deferral with respect to property, plant and equipment relates primarily to the difference in the measurement of property due to revaluation.

Deferred tax assets are predominantly long term.

7. *Other financial fixed assets*

(in thousands of euros)	31-12-2014 €	31-12-2013 €
Balance at 1 January	785	1,047
Withdrawn	370	0
Repayments	(89)	0
Interest	7	0
Amortisation	(262)	(262)
Balance at 31 December	811	785

Transaction costs for loans received are being amortised over the term of the loan from 2013 to 2016.

8. *Inventories*

(in thousands of euros)	31-12-2014 €	31-12-2013 €
Trading goods	11,633	15,343
Work to be billed	1,506	1,563
	13,139	16,906

9. *Receivables*

All receivables have a remaining term of less than one year. The fair value of the receivables approximates their carrying amount given their current nature and the fact that provisions for uncollectability are formed as necessary.

10. *Trade debtors*

(in thousands of euros)	31-12-2014 €	31-12-2013 €
Trade debtors	14,946	17,308
Revenues billed in advance less amounts received	(1,664)	(2,404)
	13,282	14,904

11. *Cash and cash equivalents*

Cash and cash equivalents are unrestricted.

12. *Group equity*

Further information on equity is given in the notes to the balance sheet in the separate financial statements.

13. *Non-controlling interests*

Non-controlling interests relates to the 70% interest in Lightweight Construction Equipment B.V. in Emmeloord.

14. *Provisions*

14.1. *Service and warranty*

(in thousands of euros)	2014 €
Balance at 1 January	934
Additions	2,068
Withdrawn	(1,743)
Balance at 31 December	1,259

The service and warranty provisions are formed chiefly for warranties on machines delivered in the past financial year.

14.2. *Early retirement and pre-pension*

(in thousands of euros)	2014 €
Balance at 1 January	2,578
Additions	624
Withdrawn	(29)
Balance at 31 December	3,173

The final pay scheme is applicable to members born before 1 January 1950. This group is still eligible for the early retirement, transitional pre-pension and pre-pension schemes. This obligation is recognised as the early retirement and pre-pension provision. The interest rate used for the actuarial computation is 3%.

A provision is also formed for a conditional pension commitment. This provision is formed at present value.

14.3. *Long-service*

(in thousands of euros)	**2014** €
Balance at 1 January	54
Additions	0
Withdrawn	0
Balance at 31 December	54

14.4. *Other provisions*

(in thousands of euros)	**2014** €
Balance at 1 January	202
Additions	954
Withdrawn	(310)
Balance at 31 December	846

This provision relates chiefly to severance costs.

15. *Non-current liabilities*

	Remaining term 1 - 5 years	***31-12-2014 Total***	***31-12-2013 Total***
(in thousands of euros)	€	€	€
Subordinated loans	2,500	2,500	2,500
Amounts owed to credit institutions	975	975	5,625
Finance lease obligations	192	192	511
	3,667	3,667	8,636

Average interest rate on:	
• Amounts owed to credit institutions	2.8%
• Amounts owed to lease companies	1.2 – 4.8%
Total non-current liabilities	5.7%

The average term of the non-current liabilities is 2.3 years.

The repayments due in 2015 for amounts owed to credit institutions of €2.195 million are recognised under current liabilities to credit institutions. The repayments due in 2015 for amounts owed to lease companies are recognised under current liabilities. Non-current liabilities to lease companies have a term of up to five years.

In connection with the term of the loans, certain financial covenants have been agreed with credit institutions with respect to profitability and solvency. At the date of this financial report, these covenants were complied with.

16. *Subordinated loan*

(in thousands of euros)	***31-12-2014*** €	***31-12-2013*** €
Shareholder loan	2,500	2,500

The subordinated loan is subordinated to all current and future debts of the company. The interest rate on this loan is 10%.

17. *Current liabilities*

Current liabilities all have a remaining term of less than one year. The fair value of the current liabilities approximates their carrying amount because of their current nature.

18. *Tax and social security contributions*

(in thousands of euros)	31-12-2014 €	31-12-2013 €
VAT	4,315	3,969
Payroll tax, national insurance and social security contributions	1.045	726
Income tax	486	501
	5,846	5,196

19. *Security provided*

A pledge has been granted on trade debtors and inventories and a mortgage has been granted on the property as security for long-term and current liabilities.

Facilities from credit institutions are an overdraft facility with a 'borrowing base' based on 80% of the receivables with a due date of less than 90 days plus € 4.2 million.

20. *Liabilities not shown in the balance sheet*

20.1. Long-term financial obligations

Conditional obligations relating to leases and commercial agreements with business associates amount to up to € 19,180 million (2013: € 19,150 million). The current portion was € 7,273 million and the long-term portion was € 411,907 million.

20.2. Bank guarantees

Guarantees have been issued for liabilities to banks and customers up to €0.536 million (2013: €0. 768 million).

20.3. Liability within a fiscal unity

Kuiken Groep B.V. and its Dutch subsidiaries are members of a fiscal unity for income tax purposes. Under the Collection of State Taxes Act, the company and its subsidiaries are jointly and severally liable for the tax payable by the fiscal unity

20.4. Other

In 2011, the Authority for Consumers and Markets (ACM) started an investigation into the trade association of importers and manufacturers of construction, warehouse, road construction and transport equipment BMWT with which Kuiken is affiliated. Kuiken is confident about the outcome and has not formed a provision in connection with this investigation.

21. *Net revenues*

Revenue was as follows:

	2014	2013
(in thousands of euros)	€	€
The Netherlands	100,833	85,456
Other EU countries	64,406	75,490
Countries outside EU	1,117	2,039
	166,356	162,985

All net revenues are from trading activities.

22. *Other operating income*

Other operating income is the book profit on assets sold in the Netherlands and the book profit realised on the sale of rental machinery.

23. *Employee benefits*

23.1. *Employee benefits*

	2014	2013
(in thousands of euros)	€	€
Wages and salaries	16,427	16,270
Social security charges	3,284	3,105
Pension contributions	1,116	1,243
Other employee benefits	2,326	1,758
	23,153	22,376

24. *Other operating expenses*

Of the total other operating expenses (additions/withdrawals other provisions), and amount of € 0,644 million was used for personnel cuts.

25. *Auditor's fees*

The following auditor's fees were charged to the result in the financial year:

Auditor	***2014***
(in thousands of euros)	€
Audit of the financial statements	142
Tax advice	36
Other non-audit services	7
	185

Auditor	***2013***
(in thousands of euros)	€
Audit of the financial statements	142
Tax advice	40
Other non-audit services	6
	188

The above fees concern the activities carried out at the company and the consolidated group companies by the audit firm within the meaning of Section 1(1) of the Act on the Supervision of Audit Firms and represent the fees charged by the entire network of which this audit firm is part.

26. *Number of employees*

At year-end 2014, Kuiken Group had 321 employees (2013: 329). Of these, 120 employees worked outside the Netherlands (2013: 116).

27. *Tax*

The total tax gain in the financial year was €535,000 on a loss before tax of €2,005,000. This gives the following effective tax rate.

	2014	***2013***
Effective tax rate	26.7%	42.9%
Applicable tax rate	25%	25%

The applicable tax rate is based on the relative proportions of the contributions of group companies to the result and the tax rates applicable in the countries concerned.

The difference between the effective tax rate and the applicable tax rate in 2013 and 2014 arose mainly as a result of the reduction of unused tax losses in connection with an agreement with the tax authority as well as the higher tax rate in Belgium.

28.1 *Non-controlling interests in group result*

Non-controlling interests in group result relates to the 70% interest in Lightweight Construction Equipment B.V. in Emmeloord.

	2014	***2013***
(in thousands of euros)	€	€
Non-controlling interests in group result	4	0

28.2 *Events after the reporting date*

The ownership structure of Kuiken Group will change in 2015. The new shareholder of Kuiken Group will be

Swedish Machinery & Trucks (SMT Group), which is a subsidiary of the Sociéte Distribution Africaine, a strong and financially healthy family business.

Furthermore, Kuiken Group shall enter into a new financing arrangement with a major Dutch bank that is willing to provide appropriate financing for the Group and its future plans. The arrangement encompasses a € 20.0 million credit facility for an unlimited term, the (main) purpose of which is the provision of working capital. All group companies of Kuiken Group will provide normal security to the bank, equal to the current financing arrangement.

Separate financial statements

Balance sheet per 31 December 2014

(before appropriation of the result)

Assets		*31 December 2014*		*31 December 2013*	
(in thousands of euros)	Note	€	€	€	€
Non-current assets					
Financial fixed assets	31.				
Participating interests in group companies		17,695		18,976	
Deferred tax assets	32.	4,094			
Other receivables		288		3,402	
			22,077		22,378
Current assets					
Receivables					
Receivables from group companies		374		341	
Income tax		0		28	
Tax and social security contributions		17		0	
			391		369
Cash and cash equivalents			0		92
			22,468		22,839

Equity and liabilities		*31 December 2014*		*31 December 2013*	
(in thousands of euros)	Note	€	€	€	€
Equity	33.				
Paid-up and called-up share capital	34.	20		19	
Share premium		21,250		20,498	
Statutory and articles of association reserves		5,820		6,330	
Other reserves		(8,140)		(9,478)	
Retained profit		(1,466)		903	
			17,484		18,272
Current liabilities	35.				
Amounts owed to suppliers and trade creditors		144		15	
Amounts owed to group companies		4,840		4,525	
Tax and social security contributions		0		27	
			4,984		4,567
			22,468		22,839

Income statement for 2014

(in thousands of euros)	Ref.	2014		2013	
		€	€	€	€
Share in the results of associates	37.		(1,206)		850
Company result after tax			(260)		53
Result after tax			(1,466)		903

Notes to the balance sheet and income statement

29. General

29.1. General

The separate financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The accounting policies for the separate financial statements are the same as those for the consolidated financial statements. Interests in group companies are measured at net asset value in accordance with the corresponding paragraph in the consolidated financial statements.

See the notes to the consolidated balance sheet and income statement for the accounting policies.

30. Accounting policies

30.1. Financial fixed assets

Financial fixed assets are measured at net asset value determined using the group's accounting policies.

Majority-held associates and other associates over which significant influence can be exercised are measured using the equity method based on net asset value. Significant influence is in any event assumed if there is a shareholding of 20%.

Net asset value is calculated according to the accounting policies used for these financial statements; if insufficient information is available to apply these accounting policies to an associate, that associate's accounting policies are used.

If an associate has an equity deficit, it is recognised at nil. In this situation, a provision is formed if and to the extent that Kuiken Groep B.V. has guaranteed all or part of the liabilities of the associate or has a firm intention to pay the debts of the associate.

The initial valuation of a purchased associate is based on the fair value of the identifiable assets and liabilities at the moment of acquisition, in accordance with the accounting policies. Subsequent recognition is based on the net asset value determined in this way.

The result recognised is the change since the previous annual financial statements in the carrying amount of the associate in connection with associate's result.

Associates over which no significant influence can be exercised are measured at the acquisition price. The result is considered to be the dividends declared by the associate in the financial year. Non-cash dividends are measured at fair value.

In case of impairment, measurement takes place at realisable value (see paragraph 'Impairment of fixed assets'); impairment is recognised through the income statement.

31. *Financial fixed assets*

Movements in financial fixed assets were as follows:

(in thousands of euros)	*Partici-pating interests in group companies*	*Deferred tax assets*	*Other receivables*	*Total*
	€	€	€	€
Balance at 1 January 2014	18,976	3,402	0	22,378
Investments/additions	(75)	0	0	(75)
Withdrawal	0	0	370	370
Share in the results of associates	(1,206)	0	0	(1,206)
Revaluation buildings	0	0	0	0
Principal payments	0	0	(89)	(89)
Interest	0	0	7	7
Disposals/withdrawals	0	692	0	692
Balance at 31 December 2014	17,695	4,094	288	22,077

The company's holdings in other companies were as follows:

Name, registered office	*Share in issued capital (%)*
Kuiken N.V., Emmeloord	100.00
Kuiken Rental B.V., Emmeloord	100.00
Lightweight Construction Equipment B.V., Emmeloord	70.00

32. *Deferred tax assets*

(in thousands of euros)	*31-12-2014*	*31-12-2013*
	€	€
Deferred tax assets	4,094	3,402

The deferred tax assets relate in part to unused tax losses and are of a long-term nature.

33. Equity

(in thousands of euros)	Paid-up and called-up share capital	Share premium	Statutory and articles of association reserves	Other reserves	Retained profit	Total
	€	€	€	€	€	€
Balance at 1 January 2014	19	20,498	6,330	(9,478)	903	18,272
Movements						
Treatment of the result	0	0	0	903	(903)	0
Result for the financial year	0	0	0	0	(1,466)	(1,466)
Share issuance	1	752	0	0	0	753
Revaluation buildings	0	0	(510)	510	0	0
Revaluation reserve	0	0	0	(75)	0	(75)
Balance at 31 December 2014	20	21,250	5,820	(8,140)	(1,466)	17,484

The authorised share capital is €90,000 divided into 90,000 ordinary shares with a nominal value of €1 each, of which 19,786 ordinary shares and 10 cumulative preference shares with a nominal value of €1 each have been issued and fully paid. The share premium is freely distributable.

The aim of the share issuance to the Board of Management in 2014 was to underline the board's confidence in the formulated development programme.

Share premium on the ordinary shares was €8.2 million. There is a deferred liability to pay a preference dividend of €0.238 million (2013: €0.187 million) on the cumulative preference shares and share premium of €0.5 million on them.

Statutory reserves are formed for the non-distributable reserves of the associates and the revaluation of assets.

34. Paid-up and called-up share capital

The authorised share capital is €90,000, of which €0.019 million (19,786 ordinary shares with a nominal value of €1 each and 10 cumulative preference shares with a nominal value of €1 each) has been issued and fully paid.

35. Current liabilities

Current liabilities all have a remaining term of less than one year. The fair value of the current liabilities approximates their carrying amount because of their current nature.

36. Liabilities not shown in the balance sheet

36.1. Liability within a fiscal unity

The company is a member of the Kuiken Groep B.V. fiscal unity for income tax purposes. Under the Collection of State Taxes Act, the company and its member subsidiaries are jointly and severally liable for the tax payable by the fiscal unity.

37. *Share in the results of associates*

(in thousands of euros)	2013 €	2012 €
Result of associates	(1,206)	850

This is the share in the results of associates measured at net asset value.

38. *Number of employees*

Kuiken Groep B.V. did not employ any staff in 2013 and 2014.

39. *Remuneration of directors and supervisory directors*

Expense for remuneration and pensions etc. of:

(in thousands of euros)	2014 €	2013 €
Directors and former directors	1,052	787
Supervisory directors and former supervisory directors	78	90
	1,130	877

The remuneration of directors (in employment and acting directors) is recurring remuneration such as salaries, holiday pay and social security charges, deferred remuneration such as pension charges, compensation on termination of employment and profit shares.

The recurring remuneration in 2014 includes a total amount of € 40,862 (2013: € 44,326) for members of the Board of Management and € 0 (2013: € 0) for supervisory directors for the payment of crisis levy. The full amount of this levy was charged to Kuiken Groep B.V.

Kuiken Groep B.V. had 2 supervisory directors at the end of 2014: (2013: 3).

Emmeloord, 5 June 2015
Kuiken Groep B.V.

The Board of Management

R.F.M. van Hove B Ec, CEO

H.C. Westdijk BSc, COO

Kuiken Groep B.V.
Dukaat 1
Emmeloord

Other information

Articles of association provisions on the appropriation of the result after income tax

Article 28(1) to (6) of the articles of association states that:

1. As far as possible, a preference dividend shall first be paid from the profit made in a financial year on each preference share amounting to seven and a half per cent (7.5%) annually computed on the sum of the nominal value of the preference share plus the amount of share premium paid on taking the share and less the amount of share premium repaid after the share was paid up. If no profit is made in any financial year or the profit is insufficient to make the distribution referred to in the previous sentence, the shortfall shall be charged to the profit in subsequent financial years.

2. The profit remaining after application of Article 28.1 shall be at the disposal of the general meeting provided that no further distributions shall be made on the preference shares.

3. Profit shall be distributed after the adoption of the financial statements showing such a distribution to be allowed.

4. The general meeting may resolve to make an interim distribution on the ordinary shares and/or to make a distribution charged to a reserve of the company.

5. Distributions on shares may only be made up to an amount of the distributable capital and reserves.

6. A shareholder's claim to a distribution on shares shall lapse after five years.

Proposed appropriation of the result

Based on the proposal by the Board of Management and in accordance with the articles of association, no dividend shall be paid to the shareholders. The loss shall be charged to the other reserves.

Independent auditor's report