Financial Report 2013

Kuiken Groep B.V.

Emmeloord

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Report of the Board of Management

Positive results in 2013, further strengthening financial position

The Kuiken Group ended the year 2013 with positive results. Group revenue amounted to € 163 million, the operating result was € 2.8 million and the positive cash flow € 4.2 million. This achievement contributed to the further strengthening of the organization's financial position: bank debt was reduced by € 6.7 million, guarantee capital increased to € 20.8 million and solvability (including subordinate loan) improved to 31%.

In the first months of 2013, economic difficulties increased and fitting measures were taken to maintain the company's profitability. Furthermore, a lot of effort was put into the further professionalization of the Group throughout the year. This included the rapid preparation for obtaining ISO certification, further implementation of the use of information systems by the service organisation and the introduction of a new Customer Relations Management system. For our customers, we launched a Total Care concept for long-term service and support and modernised the working hours of the service organisation to meet our customers' demand for flexibility.

The current economic climate still poses problems for many of our customers. They need creative solutions to enhance the flexibility of their capacity and operating costs. Kuiken addresses this need by offering full service; our broad market positioning enables us to offer appropriate solutions for customers in a variety of market segments.

We aim to distinguish ourselves by being creative in assisting customers to come up with possibilities that enable them to increase the profitability of their machine park, despite higher fuel prices. More and more customers are connected to our CareTrack system. This allows us to advise them specifically on how they can achieve optimisation and reduce operating costs. Improvement of our mobile service has resulted in higher productivity of machine operators and machines. In a period in which decisions to purchase a new machine are made less easily, we offer the desired flexibility and continuity in the form of our young, sustainable rental fleet.

We are grateful to our customers, finance providers and shareholders for the trust they put in Kuiken over the past year and, together with our motivated team of employees, will strive to continue to earn that trust in 2014.

Risk management

The operational risks and the manners in which these risks are controlled are described in the paragraph 'Financial instruments and risk management' in this Financial Report.

Diversity

In view of the required expertise and experience, the ratio of men and women in charge of the management and supervision of the company is not in line with the composition requirements as set out in sections 2: 166 and 2: 276 of the Dutch Civil Code as laid down in the Management and Supervision Act. The Board of Management will take the requirements of this act into consideration for new appointments.

Outlook 2014

Despite the continued uncertainty, we are confident that 2014 will again result in a healthy profit and we expect a positive cash flow and a reduction of our bank debt. We have drawn up a realistic, moderately positive plan for 2014, which was adopted by our banks and shareholders. Developments in the first few months of 2014 were in line with this plan. For the year as a whole, we anticipate a slight increase in the number of employees.

Emmeloord, 6 May 2014

R.F.M. (Rob) van Hove B Ec, CEO
R.T. (Roel) Berends RA, CFO
H.C. (Heino) Westdijk BSc, COO

Report of the Supervisory Board to the shareholders

Report of the Supervisory Board

In the past year, the impact of the economic crisis was already reflected in business operations at an early stage. Without hesitation and not losing any time, the Board of Management implemented appropriate measures to turn the tide. As a result of these measures, the year was ended with a positive result and the financial position of the Group was further strengthened.

In 2013, the Board of Management continued the implementation of the company strategy initiated at an earlier stage. The Supervisory Board supports the applied policy in view of Kuiken Group's long-term development. To this end, the members of the Supervisory Board and the Board of Management also collaborated during the course of the financial year on the development of a vision for Kuiken Group for a period of four years.

In the context of the Group's long-term development and the planned expansion of activities, it was decided in 2012 to recruit a third member of the Board of Management who would be responsible for the Group's operational development and efficiency. On 1 March 2013, Mr H.C. Westdijk joined the Board in the position of Chief Operating Officer of Kuiken Groep B.V.

During the financial year, the Supervisory Board convened six times to consult with the Board of Management. During these meetings, the developments, results, objectives, strategy, organisational development and risk management were discussed. Particular attention was paid to the Group's long-term strategy and the composition of the shareholder base. In this context, the confirmation of the continued financial commitment of the Group's main shareholder ABN AMRO Participaties was much-welcomed. Extensive attention was also given to the measures aimed at maintaining the company's profitability.

The Supervisory Board has discussed the annual report with the auditor as well as the auditor's findings, and approves the financial statements. The Board recommends that the shareholders adopt the annual financial statements.

Composition of the Supervisory Board

As of 1 December 2013, Mr De Vries stepped down as member of the Supervisory Board. The Supervisory Board is grateful for his substantial contribution over the past in an important phase for the company. As per the same date, Mr B. Kramer was appointed as member of the Supervisory Board.

The Supervisory Board expresses its appreciation to the Board of Management, management and staff for their commitment and involvement. Kuiken has a clear strategy and has the necessary resources to implement this strategy. Kuiken now reaps the fruits of its investments in the past years and has put new initiatives for further growth on the agenda, building on stable market position and the strong underlying values of the company.

Emmeloord, 6 May 2014

Supervisory Board
L. (Louwrens) Dijkstra
B. (Bob) Kramer
S.W.A. (Steven) Lak

Financial statements

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Consolidated financial statements

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Consolidated balance sheet at 31 December 2013

(before appropriation of the profit)

Assets		***31 December 2013***		***31 December 2012***	
(in thousands of euros)	Note	€	€	€	€
Non-current assets					
Property, plant and equipment	5.				
Land and buildings		21,108		20,759	
Plant and equipment		3,600		13,273	
Vehicles		218		151	
			24,926		34,183
Financial fixed assets					
Deferred tax assets	6.	6,548		6,824	
Other financial fixed assets	7.	785		1,047	
			7,333		7,871
Current assets					
Inventories	8.		16,906		15,559
Receivables	9.				
Trade debtors	10.	14,904		15,258	
Tax and social security contributions	11.	0		321	
Other receivables and prepayments		2,797		2,906	
			17,701		18,485
Cash and cash equivalents	12.		15		17
			66,881		76,115

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(in thousands of euros)	Note	31 December 2013 €	€	31 December 2012 €	€
Group equity	13.		18,272		16,709
Provisions					
Other provisions	14.		3,769		4,822
Non-current liabilities	15.				
Subordinated loans	16.	2,500		2,500	
Amounts owed to credit institutions		5,625		8,125	
Finance lease obligations		511		7,033	
			8,636		17,658
Current liabilities	17.				
Amounts owed to credit institutions		8,101		12,272	
Finance lease obligations		460		3,066	
Amounts owed to suppliers and trade creditors		18,358		13,562	
Tax and social security contributions	18.	5,196		3,195	
Pension contributions		244		635	
Other liabilities and accruals		3,845		4,196	
			36,204		36,926
			66,881		76,115

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Consolidated income statement for 2013

(in thousands of euros)	Note	2013 €	2013 €	2012 €	2012 €
Net revenues	21.	162,985		181,239	
Cost of sales		(124,476)		(137,160)	
Other operating income	22.	633		530	
Gross profit			39,142		44,609
Employee benefits	23.	22,376		25,985	
Depreciation		2,948		4,438	
Other operating expenses	24.	11,002		9,256	
Total operating expenses			36,326		39,679
Operating profit			2,816		4,930
Interest and similar income			31		5
Interest and similar expense			(1,266)		(1,752)
Profit on ordinary activities before tax			1,581		3,183
Tax	27.		(678)		(140)
Group profit after tax			903		3,043

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Consolidated cash flow statement for 2013

(in thousands of euros)	Note	2013 €	2013 €	2012 €	2012 €
Cash flow from operating activities					
Operating profit			2.816		4.930
Adjustments for:					
Amortisation, depreciation and impairment		2.948		4.438	
Movement in provisions	14	(1.053)		(1.988)	
			1.895		2.450
Movement in working capital:					
Inventories	8.	(1.347)		10.827	
Receivables	9.	784		744	
Current liabilities (excluding bank credit)	17.	3.449		(17.821)	
			2.886		(6.250)
Cash flow from operating activities			7.597		1.130
Interest		(1.235)		(1.747)	
Income tax	27.	(678)		(140)	
			(1.913)		(1.887)
Cash flow from operating activities			5.684		(757)
Cash flow from investing activities					
Investment in property, plant and equipment	5.	(2.450)		(5.741)	
Disposals of property, plant and equipment	5.	4.784		1.553	
Movements in financial fixed assets	6/7.	101		266	
Cash flow from investing activities			2.435		(3.922)
Cash flow from financing activities					
Movements in revaluations	13.	(418)		0	
Non-current liabilities	15.	0		3.221	
Repayment of non-current liabilities	15.	(3.532)		(1.005)	
Cash flow from financing activities			(3.950)		2.216
Increase/(decrease) in cash items	12.		4.169		(2.463)

Movements in the cash items were as follows:

	2013 €	2012 €
Balance at 1 January	(12.255)	(9.792)
Movement in financial year	4.169	(2.463)
Balance at 31 December	(8.086)	(12.255)

Note on non-cash movements:
The conversion of a finance lease of € 5,490,000 into an operating lease has not been included in the above cash flow statement. The revaluation of buildings by € 1,515,000 has also not been recognised in the cash flow statement. Deferred tax of € 437,000 has been recognised for this item.

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 2013 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:
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%)

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 order to apply the accounting policies and standards for preparing the financial statements, the management of Kuiken Groep B.V. has to form an assessment on certain matters and make 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. *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.

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. 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.

The realisable value is determined using an active market. A discount rate is applied for the present value of cash flows to determine the value in use. Impairment losses are recognised through the income statement.

If an impairment loss recognised in prior periods may no longer exist or may have 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.

2.7. *Inventories*

2.7.1. *General*

Inventories of trading goods are measured at the lower of cost of manufacture and realisable value. Cost of manufacture includes all costs related to acquisition or manufacture plus costs of bringing the inventories to their present location and condition. 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.

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2.10. *Equity*

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.

2.11. *Provisions*

2.11.1. *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.

2.11.2. *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.

2.11.3. *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.

2.11.4. *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.

2.12. *Non-current liabilities*

Non-current liabilities are measured on initial recognition at fair value. Liabilities are subsequently recognised at amortised cost, being the amount received after premiums or discounts.

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

2.13. *Leasing*

2.13.1. *Finance leases*

Kuiken Groep B.V. leases part of its machine fleet for rental to third parties. The company holds 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 fair value of the minimum lease payments. The lease payments are based on an agreed payment schedule and a variable interest rate. The lease obligations excluding the interest component are recognised under non-current liabilities. The interest component is recognised in the income statement. The assets concerned are depreciated over their remaining economic life, with the depreciation period being equal to the lease period.

2.13.2. *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. Obligations under operating leases 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. The obligation remaining at the end of the reporting period is recognised as liabilities not shown in the balance sheet.

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3. Accounting policies for determining the result t

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 intangible assets were as follows:

(in thousands of euros)	*Land and buildings*	*Plant and equipment*	*Vehicles*	*Total*
	€	€	€	€
Balance at 1 January 2013				
Cost	26,290	23,389	1,563	51,242
Revaluations	7,144	0	0	7,144
Release of revaluations	418	0	0	418
Accumulated depreciation	(12,521)	(10,116)	(1,412)	(24,049)
Accumulated depreciation on revaluations	(572)	0	0	(572)
Carrying amount	20,759	13,273	151	34,183
Movements				
Additions	45	2,249	156	2,450
Revaluations	1,515	0	0	1,515
Cost of disposals	0	(13,833)	(472)	(14,305)
Depreciation of property, plant and equipment	(925)	(1,864)	(82)	(2,871)
Release of revaluations	208	0	0	208
Depreciation on revaluations	(285)	0	0	(285)
Depreciation on disposals	(209)	3,775	465	4,031
Net amount	349	(9,673)	67	(9,257)
Balance at 31 December 2013				
Cost	26,335	11,805	1,247	39,387
Revaluations	8,659	0	0	8,659
Release of revaluations	626	0	0	626
Accumulated depreciation	(13,655)	(8,205)	(1,029)	(22,889)
Accumulated depreciation on revaluations	(857)	0	0	(857)
Carrying amount	21,108	3,600	218	24,926
Depreciation percentages	0 - 10	10 - 33	20	

Based on a reassessment carried out by a third party in March 2014, a positive revaluation of buildings was recognised to the amount of €1.5 million.

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)	*31-12-2013*	*31-12-2012*
	€	€
Machinery and fixtures and fittings	1,396	5,161

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6. *Deferred tax assets*

(in thousands of euros)	31-12-2013 €	31-12-2012 €
Deferred tax assets	6,548	6,824

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)	31-12-2013 €	31-12-2012 €
Property, plant and equipment	(2,176)	(1,838)
Unused tax losses	8,086	7,814
Pension provisions	638	848
	6,548	6,824

Unused tax losses relate to losses carried forward in the Netherlands (€ 25.2 million) and Belgium (€ 5.2 million). The expected term for relief is 1 to 7 years.

Property, plant and equipment relates primarily to the difference in the measurement of property.

Deferred tax assets are predominantly long term.

7. *Other financial fixed assets*

(in thousands of euros)	31-12-2013 €	31-12-2012 €
Balance at 1 January	1,047	1,267
Withdrawn	0	41
Amortisation	(262)	(261)
Balance at 31 December	785	1,047

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

8. *Inventories*

(in thousands of euros)	31-12-2013 €	31-12-2012 €
Trading goods	15,343	14,353
Work to be billed	1,563	1,206
	16,906	15,559

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.

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10. Trade debtors

(in thousands of euros)	31-12-2013 €	31-12-2012 €
Trade debtors	17,308	16,690
Revenues billed in advance less amounts received	(2,404)	(1,432)
	14,904	15,258

11. Tax and social security contributions

(in thousands of euros)	31-12-2013 €	31-12-2012 €
Income tax	0	321

12. Cash and cash equivalents

Cash and cash equivalents are unrestricted.

13. Group equity

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

14. Provisions

14.1. Service and warranty

(in thousands of euros)	2013 €
Balance at 1 January	1,039
Additions	2,060
Withdrawn	(2,165)
Balance at 31 December	934

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)	2013 €
Balance at 1 January	3,507
Withdrawn	(929)
Balance at 31 December	2,578

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 5.5%.

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)	2013
	€
Balance at 1 January	56
Withdrawn	(2)
Balance at 31 December	54

14.4. *Other provisions*

(in thousands of euros)	2013
	€
Balance at 1 January	220
Additions	2,264
Withdrawn	(2,281)
Balance at 31 December	203

This provision relates chiefly to severance costs.

15. *Non-current liabilities*

(in thousands of euros)	Remaining term 1 - 5 years	31-12-2013 Total	31-12-2012 Total
	€	€	€
Subordinated loans	2,500	2,500	2,500
Amounts owed to credit institutions	5,625	5,625	8,125
Finance lease obligations	511	511	7,033
	8,636	8,636	17,658

Average interest rate on:	
• Amounts owed to credit institutions	3.0%
• Amounts owed to lease companies	2.3 – 4.8%
Total non-current liabilities	4.8%

The average term of the non-current liabilities is 2.7 years.

The repayments due in 2014 for amounts owed to credit institutions of € 2.5 million are recognised under current liabilities to credit institutions. The repayments due in 2014 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)	31-12-2013	31-12-2012
	€	€
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)	31-12-2013 €	31-12-2012 €
VAT	3,969	1,239
Payroll tax, national insurance and social security contributions	726	1,202
Income tax	501	754
	5,196	3,195

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 € 5.6 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 € 19.15 million (2012: € 15.28 million). The current portion was € 6.366 million and the long-term portion was € 12.784 million.

20.2. *Bank guarantees*

Guarantees have been issued for liabilities to banks and customers up to € 0.768 million (2012: € 0.375 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:

(in thousands of euros)	2013 €	2012 €
The Netherlands	85,456	99,095
Other EU countries	75,490	78,923
Countries outside EU	2,039	3,221
	162,985	181,239

All net revenues are from trading activities.

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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*

(in thousands of euros)	2013 €	2012 €
Wages and salaries	16,270	17,626
Social security charges	3,105	3,607
Pension contributions	1,243	1,490
Other employee benefits	1,758	3,262
	22,376	25,985

24. *Other operating expenses*

Of the total other operating expenses (additions other provisions), and amount of € 2.224 million was used for personnel cuts.

25. *Auditor's fees*

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

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

2012 (in thousands of euros)	***Auditor*** €
Audit of the financial statements	150
Tax advice	89
Other non-audit services	5
	244

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 2013, the company had 329 employees (2012: 373). Of these, 116 employees worked outside the Netherlands (2012: 129).

27. Tax

The total tax charge in the financial year was € 678,000 on a profit before tax of € 1,581,000. This gives the following effective tax rate.

	2013	***2012***
Effective tax rate	42.9%	4.4%
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 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.

The difference between the effective tax rate and the applicable tax rate in 2012 arose mainly as a result of a release of a tax liability in Germany and a combination of amortisation of goodwill not deductible for tax purposes, separate taxation in Germany and higher tax rates in Germany and Belgium.

Company financial statements

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Balance sheet per 31 December 2013

(before appropriation of the profit)

Assets		*31 December 2013*		*31 December 2012*	
(in thousands of euros)	Note	€	€	€	€
Non-current assets					
Financial fixed assets	30.				
Participating interests in group companies		18,976		17,465	
Deferred tax assets	31.	3,402		2,440	
			22,378		19,905
Current assets					
Receivables					
Receivables from group companies		341		218	
Tax and social security contributions		28		-	
			369		218
Cash and cash equivalents			92		35
			22,839		20,158

Equity and liabilities					
(in thousands of euros)					
Equity	32.				
Paid-up and called-up share capital	33.	19		19	
Share premium		20,498		20,498	
Statutory and articles of association reserves		6,330		5,461	
Other reserves		(9,478)		(12,312)	
Retained profit		903		3,043	
			18,272		16,709
Current liabilities	34.				
Amounts owed to suppliers and trade creditors		15		-	
Amounts owed to group companies		4,525		3,449	
Tax and social security contributions		27		-	
			4,567		3,449
			22,839		20,158

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Income statement for 2013

(in thousands of euros)	Ref.	2013 €	2013 €	2012 €	2012 €
Share in the results of associates	36.		850		3,258
Company result after tax			53		(215)
Profit after tax			903		3,043

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Notes to the balance sheet and income statement

28. General

28.1. General

The accounting policies for the company financial statements are the same as those for the consolidated financial statements. Consolidated companies are measured at net asset value.

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

29. Accounting policies

29.1. 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.

Associates over which no significant influence can be exercised are measured at the lower of acquisition price and, if there is reason to do so, fair value.

30. *Financial fixed assets*

Movements in financial fixed assets were as follows:

(in thousands of euros)	Participating interests in group companies	Deferred tax assets	Total
	€	€	€
Balance at 1 January 2013	17,465	2,440	19,905
Investments/additions	0	962	962
Share in the results of associates	850	0	850
Revaluation buildings	1,078	0	1,078
Disposals/withdrawals	(417)	0	(417)
Balance at 31 December 2013	18,976	3,402	22,378

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

31. *Deferred tax assets*

(in thousands of euros)	31-12-2013	31-12-2012
	€	€
Deferred tax assets	3,402	2,440

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

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32. 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 2013	19	20,498	5,461	(12,312)	3,043	16,709
Movements						
Treatment of the result	0	0	0	3,043	(3,043)	0
Result for the financial year	0	0	0	0	903	903
Revaluation buildings	0	0	1,078	0	0	1,078
Revaluation reserve	0	0	(209)	(209)	0	(418)
Balance at 31 December 2013	19	20,498	6,330	(9,478)	903	18,272

The authorised share capital is € 90,000, of which € 0,019 million (18,947 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. The share premium is freely distributable.

Share premium on the ordinary shares was € 7.5 million. There is a deferred liability to pay a preference dividend of € 0.165 million (2012: € 0.128 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.

The revaluation reserve of € 209,000 is realised through the share in the result of associates in the income statement.

33. Paid-up and called-up share capital

The authorised share capital is € 90,000, of which € 0,019 million (18,947 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.

34. 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.

35. Liabilities not shown in the balance sheet

35.1. 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.

36. Share in the results of associates

(in thousands of euros)	2013 €	2012 €
Result of associates	850	3,258

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

37. Remuneration of directors and supervisory directors

Expense for remuneration and pensions etc. of:

(in thousands of euros)	2013 €	2012 €
Directors and former directors	787	602
Supervisory directors and former supervisory directors	90	73
	877	675

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.

Kuiken Groep B.V. had 3 supervisory directors at the end of 2013: 3 (2012: 3).

Emmeloord, 6 May 2014
Kuiken Groep B.V.

The Board of Management

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

R.T. Berends RA, CFO

H.C. Westdijk BSc, COO

Kuiken Groep B.V.
Dukaat 1
Emmeloord

Other information

Articles of association provisions on the appropriation of profit

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 profit

The board proposes that the profit be added to the other reserves.

Independent auditor's report

To: the general meeting of Kuiken Groep B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Kuiken Groep B.V., Emmeloord, which comprise the consolidated and company balance sheet as at 31 December 2013, the consolidated and company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management's responsibility

The Board of Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the Board of Management, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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

In our opinion, the financial statements give a true and fair view of the financial position of Kuiken Groep B.V. as at 31 December 2013, and of its result for the year then ended in accordance 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 report of the Board of Management, 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 report of the Board of Management, 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.

Zwolle, 6 May 2014
PricewaterhouseCoopers Accountants N.V.

drs. M.E. Zeephat RA