

**Selecta Group B.V. and its subsidiaries,  
Amsterdam (The Netherlands)**

***Consolidated financial statements for the year ended 30  
September 2014 and Auditor's Report thereon***

## Table of Contents

---

Operating and financial review	3
Directors and management	10
Consolidated financial statements	14
Consolidated statement of profit or loss	14
Consolidated statement of comprehensive income	15
Consolidated balance sheet	16
Statement of changes in consolidated equity	17
Consolidated cash flow statement	18
Notes to the consolidated financial statements	19
1. General Information	19
2. Basis of preparation	19
3. Summary of significant accounting policies	19
4. Use of estimates and key sources of estimation uncertainties	30
5. Impact of change in accounting policies	31
6. Segmental reporting	33
7. Revenue	35
8. Materials and consumables used	35
9. Employee benefits expense	36
10. Depreciation, amortisation and impairment expense	36
11. Other operating expenses	36
12. Other operating income	37
13. Finance costs	37
14. Income taxes	37
15. Property, plant and equipment	39
16. Goodwill	40
17. Other intangible assets	42
18. Interest in joint venture	43
19. Non-current financial assets	43
20. Inventories	44
21. Trade receivables	44
22. Other current assets	45
23. Cash and cash equivalents	46
24. Borrowings	46
25. Finance lease liabilities	49
26. Post-employment benefits	49
27. Provisions	54
28. Deferred income taxes	55
29. Trade payables	58
30. Other current liabilities	58
31. Equity	58
32. Financial risk management	59
33. Financial instruments	63
34. Share based payments	65
35. Commitments for expenditures	66
36. Contingent liabilities and contingent assets	66
37. Related parties	66
38. Acquisition and disposal of subsidiaries	68
39. Events after the balance sheet date	68
40. Subsidiaries	69
Approval of the consolidated financial statements	70
Report of the Independent Auditor	71

## Operating and financial review

---

### Overview of the business

---

Selecta is the leading independent operator of vending machines in Europe by revenue, with operations in 21 countries across Europe and leading market shares in its key markets of Switzerland, Sweden and France. We operate a network of approximately 144'000 active snack and beverage vending machines on behalf of a broad and diverse client base. We offer a wide range of products in our vending machines, including hot and cold beverages and various snacks and confectionary items. Our clients include a large number of both private and public organizations. Our private vending services, which also include our office coffee services ("OCS"), are directed primarily at office environments but also include clients such as hospitals and universities. Our public vending machines are located in high traffic public locations, such as airports, train and subway stations and gas stations, where our longer term client contracts provide us with a steady stream of revenue. In addition to our public and private vending operations, we also generate revenue from trade sales of machines and products.

Our business model covers the full value chain of the vending services market. Our sales teams originate new contracts for the placement of vending machines on clients' premises, and we also bid for concessions pursuant to public tenders to place vending machines with public entities, such as airports and train and subway stations. We purchase vending machines for our clients, install them at their premises and manage the sourcing and stocking of the food and beverage vending products on behalf of our clients. We also provide cleaning, maintenance and technical support services, which can be customized based on individual client preferences. In addition to our vending and vending services operations, we also sell vending machines, vending machine parts and products separately and independent of vending service arrangements. We therefore generate revenue at each step of the vending services value chain, through a combination of fees from clients for providing, stocking and maintaining vending machines, through the products sold from our vending machines and from the sale of machines, ingredients and spare parts.

We operate our vending machine network primarily under the "Selecta" brand. We are the overall market leader by revenue in the European vending market, with an estimated market share of approximately 7% based on market size data from the European Vending Association for 2012 and our own estimates.

### Presentation of financial information

---

The consolidated financial statements included in this report have been prepared in accordance with the International Financial Reporting Standards, as adopted by the International Accounting Standards Board ("IFRS").

In addition this report contains references to certain non IFRS measures and related ratios, including EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, third party debt, net debt, capital expenditures and free cash flow.

"EBITDA" represents earnings before interest, income tax, depreciation, amortization and impairment expense. "Adjusted EBITDA" represents earnings before interest, income tax, depreciation, amortization and impairment expense and one off items.

"EBITDA margin" is calculated as EBITDA divided by revenue whilst "Adjusted EBITDA margin" is calculated as Adjusted EBITDA divided by revenue.

"Overhead costs" represents as the sum of employee benefits expenses and other operating expenses.

"Net capital expenditure" represents the sum of additions to property, plant and equipment, and other intangible assets, less cash proceeds from disposals of property, plant and equipment and other intangible assets.

"Free cash flow" represents net cash generated from operating activities less net cash used in investing activities.

“Net debt” represents financial debt and finance leases less cash and cash equivalents at the end of period. Note that this is different to the IFRS definition of borrowings where the outstanding liabilities are reduced by the amount of the unamortised refinancing costs incurred.

All comparisons in this Operating and Financial Review are against the equivalent quarter for the prior year unless otherwise stated.

## Operating review

---

Whilst the Group continues to operate in a challenging economic environment in many of its markets in Europe, there have been some initial encouraging developments in the Group’s results in the fourth quarter of 2014.

Revenue in the fourth quarter of 2014 was 3.5% lower than 2013, an improvement against a revenue decline of 6.6% in the first three quarters. In September 2014 sales were 2.1% ahead of September 2013, the first year on year monthly sales increase since February 2012. However the regional picture remains inconsistent:

- North region has delivered year on year sales growth for the second quarter in a row.
- In Central region sales are flat year on year in the fourth quarter excluding the impact of the exit from the Total contract.
- In West region sales remain 4.7% below prior year in the fourth quarter, although this compares to a 12.5% decline in the first three quarters as the impact of the machine de-installations in 2013 no longer impacts revenues.
- In France trading remains difficult, with sales in the fourth quarter at 9.2% below the prior year, although new business gains have been strong in recent months and in the fourth quarter new business worth € 4.9 million per annum has been signed, which will be rolled out in the coming months, including a € 2.4 million contract for the Prefecture de Police in Paris.

Full year revenue was 5.8% below prior year, driven by the exit from the Total contract in Germany, the de-installation of 2’800 unprofitable machines in the UK, and lower same machine sales.

Installations of refurbished machines continue at SNCF sites in France, with approximately 150 machines rolled out to date, whilst installation of the new generation of public vending machines is commencing in the first quarter of financial year 2015. By the end of October 8 new generation machines have been installed in France with a further 33 due to be shipped from the manufacturer in Russia pending final acceptance testing.

At 30 September 2014 the Group has installed 223 Starbucks coffee corners. In September a record 51 machines were installed including 19 machines as part of a trial at 12 Shell petrol stations in Netherlands with initial results being positive. The pipeline continues to grow, in particular for semi-public environments, with trials being undertaken in locations ranging from kiosks to furniture stores as the concept begins to gain momentum.

Rollout of the Group’s other new machines also continues, with nearly 5’000 Ferrara table top machines installed by 30 September 2014. The Mirante free standing hot drink machine, based on the same modular design as the Ferrara and incorporating the same technological advances such as touch screen, has been officially launched in Switzerland in September 2014, with the first 83 installations having already taken place in the month. The market in Switzerland is heavily reliant on free standing machines and the launch of this entirely new state of the art machine will provide our Swiss business with a competitive edge both for new business opportunities as well as retenders and reinvestments in our existing client base.

Adjusted EBITDA in the quarter was € 1.8 million, or 5.0%, higher than last year after excluding the impact of a € 4.6 million gain arising on the curtailment of benefits in the pension plan in Switzerland in Q4 2013. Excluding the impact of this gain, full year adjusted EBITDA was almost in line with last year (€ 0.3 million, or 0.2% lower). In addition, the Group changed from financing leasing to operating leasing of vehicles in France at the beginning of the financial year, resulting in € 3.2 million of additional leasing costs in 2014. Excluding these additional costs adjusted EBITDA was € 2.9 million, or 2.3%, above last year despite the lower sales base, reflecting the results of the various restructuring programmes implemented in the last 24 months.

## Financial review

### Financial summary

	3 months ended			Year ended		
	Sep 14 €m	Sep 13 €m	Change %	Sep 14 €m	Sep 13 €m	Change %
<b>Revenue</b>	<b>173.2</b>	<b>179.5</b>	<b>-3.5%</b>	<b>697.0</b>	<b>740.2</b>	<b>-5.8%</b>
Materials and consumables used	(51.0)	(52.7)	-3.2%	(215.2)	(225.3)	-4.5%
<b>Gross profit</b>	<b>122.2</b>	<b>126.8</b>	<b>-3.6%</b>	<b>481.8</b>	<b>514.9</b>	<b>-6.4%</b>
<i>% margin</i>	<i>70.6%</i>	<i>70.6%</i>	<i>-0.1pts</i>	<i>69.1%</i>	<i>69.6%</i>	<i>-0.4pts</i>
Employee benefits expense	(49.4)	(48.7)	+1.3%	(214.6)	(225.3)	-4.8%
Other operating expenses	(40.2)	(45.9)	-12.3%	(152.9)	(174.9)	-12.6%
<b>EBITDA</b>	<b>32.6</b>	<b>32.1</b>	<b>+1.4%</b>	<b>114.2</b>	<b>114.7</b>	<b>-0.3%</b>
<i>% margin</i>	<i>18.8%</i>	<i>17.9%</i>	<i>+0.9pts</i>	<i>16.4%</i>	<i>15.5%</i>	<i>+0.9pts</i>
Adjustments	3.4	6.7	-49.1%	13.1	17.6	-25.9%
<b>Adjusted EBITDA</b>	<b>36.0</b>	<b>38.8</b>	<b>-7.3%</b>	<b>127.4</b>	<b>132.3</b>	<b>-3.9%</b>
<i>% margin</i>	<i>20.8%</i>	<i>21.6%</i>	<i>-0.9pts</i>	<i>18.3%</i>	<i>17.9%</i>	<i>+0.4pts</i>
Depreciation & amortisation	(21.8)	(23.4)	-6.7%	(85.4)	(95.2)	-10.3%
<i>% revenue</i>	<i>-12.6%</i>	<i>-13.0%</i>	<i>-0.4pts</i>	<i>-12.3%</i>	<i>-12.9%</i>	<i>-0.6pts</i>

### Revenue

Revenue decreased by 3.5% in Q4 2014 to € 173.2 million compared to prior year (2013: € 179.5 million), an improvement compared to a revenue decline of 6.6% in the first three quarters. In September 2014 sales were 2.1% ahead of September 2013, the first year on year monthly sales increase since February 2012. Full year revenue was therefore 5.8% below prior year.

The following table sets out the revenue development by region in the 3 months and the year ended 30 September 2014 and 2013.

	3 months ended			Year ended		
	Sep 14 €m	Sep 13 €m	Change %	Sep 14 €m	Sep 13 €m	Change %
France	50.5	55.6	-9.2%	188.4	203.6	-7.5%
West	23.8	25.0	-4.7%	98.2	110.0	-10.7%
Central	71.1	72.6	-2.1%	285.8	301.6	-5.2%
North	27.9	26.3	+6.4%	124.8	125.2	-0.3%
Inter-company eliminations	(0.2)	-	-	(0.3)	(0.2)	-
<b>Group</b>	<b>173.2</b>	<b>179.5</b>	<b>-3.5%</b>	<b>697.0</b>	<b>740.2</b>	<b>-5.8%</b>

## *France*

Revenue decreased by 9.2% in Q4 2014 to € 50.5 million compared to prior year (2013: € 55.6 million). A significant part of the shortfall against last year is due to the loss of the Avia contract earlier in the year (€ 2.8 million sales in Q4 2013). Excluding this impact, sales were 4.4% below prior year. In private vending sales were 4.3% below last year in the quarter due to the continued impact of the uncertain economic environment driving lower same machine sales, however new business gains have improved the situation over the quarter and at the end of the year the private vending machine park was higher than last year for the first time in 2014 (+87 machines). New installations have continued into the first quarter of 2015. Public vending sales were 2.3% below prior year excluding the impact of Avia driven by sales in the railway segment. 150 refurbished machines have now been installed at SNCF sites in Q4, with the roll out of the new machine generation having commenced in Q1 2015.

## *West*

Revenue of € 23.8 million in Q4 2014 was 4.7% lower than last year (2013: € 25.0 million) due primarily to lower same machine sales. Lower hot drink sales in July and August compared to prior year drove the sales shortfall, although September volumes recovered slightly.

## *Central*

Revenue decreased by 2.1% to € 71.1 million in Q4 2014 compared to prior year (2013: € 72.6 million). The decline was due to the exit of the Total petrol station business in Germany between July and September 2013, which had contributed approximately € 1.5 million sales in Q4 2013. All Total machines had been de-installed by the end of Q4 2013. In Switzerland, our most significant market in Central region, sales continue to show early signs of recovery and in Q4 sales were 0.8% ahead of last year.

## *North*

Sales growth in the North region accelerated in the last quarter of the year. Revenue increased by 6.4% to € 27.9 million in Q4 2014 compared to prior year (2013: € 26.3 million). Most markets in region North showed growth in Q4 2014 compared to prior year. The new Ferrara table top coffee machine continues to be rolled out across the region, with nearly 5'000 machines installed to date, driving both new business gains as well as sales uplift on reinvestments. In Norway new installations have taken place at Statoil and ABB through the Group's partnership with Coor.

## **Gross profit**

Gross profit decreased by € 4.6 million, or 3.6%, to € 122.2 million in Q4 (2013: € 126.8 million) primarily driven by the overall decline in revenue. Gross margin was in line with last year at 70.6%.

## **Employee benefits expense**

Employee benefits expense of € 49.4 million in the quarter was € 0.7 million, or 1.3% higher than prior year (2013: € 48.7 million) due to the impact of a € 4.6 million gain recorded in Q4 2013 in relation to the pension scheme in Switzerland. Excluding this impact employee benefits expense was € 3.9 million, or 7.3%, lower than last year due to a reduction in the number of full time equivalents in the Group. At 30 September 2014 the Group had 4'411 FTE's, 42 less than at 30 September 2013 (2013: 4'483).

## **Other operating expenses**

Other operating expenses decreased by € 5.7 million, or 12.3%, to € 40.2 million in the quarter (2013: € 45.9 million) driven primarily by lower vending rents paid, due to the lower revenue base and in particular to the lower petrol station sales which carry higher associated rents.

## Depreciation, amortisation and impairment expense

Depreciation, amortisation and impairment expense decreased by 6.7% to € 21.8 million in Q4 (2013: € 23.4 million) as a result of lower depreciation charges resulting from the lower capex spend in recent years.

## Adjustments

Adjustments in respect of one off items were € 3.4 million in the quarter, 49.1% lower than in prior year (2013: € 6.7 million) which had been impacted by the restructuring in Germany undertaken as a result of the exit from the Total contract. One off items in Q4 2014 consisted of € 1.8 million in respect of project costs, including the Group's sales force effectiveness programme and IT strategy review, as well € 1.6 million in restructuring costs, primarily due to further headcount reductions in France.

## Adjusted EBITDA

Adjusted EBITDA decreased by 7.3% in Q4 2014 to € 36.0 million compared to prior year (2013: € 38.8 million), however this decrease was due to the impact of a € 4.6 million gain recorded in Q4 2013 on a curtailment of benefits in the pension scheme in Switzerland. Excluding this impact, adjusted EBITDA in Q4 2014 was € 1.8 million, or 5.0%, higher than 2013.

Full year adjusted EBITDA decreased by 3.9% to € 127.4 million compared to prior year (2013: € 132.3 million), however the decrease is also largely a result of the gain on the Swiss pension scheme recorded in Q4 2013. Excluding this gain, adjusted EBITDA was almost in line with last year (€ 0.3 million, or 0.2% lower). In addition, the Group changed from financing leasing to operating leasing of vehicles in France at the beginning of the financial year, resulting in € 3.2 million of additional leasing costs in 2014. Excluding the additional leasing costs adjusted EBITDA was € 2.9 million, or 2.3%, above last year despite the lower sales base, reflecting the results of the various restructuring programmes implemented in the last 24 months.

The following table sets out the adjusted EBITDA by region in the 3 months and the year ended 30 September 2014 and 2013:

	3 months ended			Year ended		
	Sep 14	Sep 13	Change	Sep 14	Sep 13	Change
	€m	€m	%	€m	€m	%
France	8.9	9.0	-1.5%	25.0	29.2	-14.4%
West	3.6	2.8	30.7%	10.1	6.3	+58.6%
Central	18.2	23.6	-22.8%	73.5	78.6	-6.4%
North	7.8	6.4	+20.7%	31.1	32.6	-4.8%
HQ	(2.5)	(3.0)	+18.2%	(12.3)	(14.4)	+13.7%
<b>Group</b>	<b>36.0</b>	<b>38.8</b>	<b>-7.3%</b>	<b>127.4</b>	<b>132.3</b>	<b>-3.9%</b>

### France

Adjusted EBITDA of € 8.9 million in the quarter was almost in line with prior year (2013: € 9.0 million) as the impact of the revenue shortfall and the additional vehicle leasing cost (€ 0.7 million) was offset by overhead savings from the further restructuring plans implemented in 2014 and lower vending rents.

### West

Adjusted EBITDA of € 3.6 million in the quarter was € 0.8 million, or 30.7%, above prior year (2013: € 2.8 million) due primarily to a settlement gain of € 0.7 million due to a change in the pension scheme in Netherlands. Excluding this reclassification, adjusted EBITDA was slightly ahead of prior year despite 4.7% lower sales, reflecting the impact of the cost reduction measures taken.



## Central

Adjusted EBITDA of € 18.2 million in the quarter was € 5.4 million, or 22.8%, below prior year (2013: € 23.6 million), due to pension scheme booking impacts in Q4 2013 and Q4 2014. In Q4 2013 the Group recognised € 4.6 million income due to a curtailment of benefits in the Swiss pension scheme. In Q4 2014 the Group recognised an expense of € 0.5 million resulting from the change in actuarial assumptions on the Group's jubilee plan. Excluding these items adjusted EBITDA in the region was in line with the previous year.

## North

Adjusted EBITDA of € 7.8 million in the quarter was € 1.4 million, or 20.7%, above prior year (2013: € 6.4 million) reflecting the improved trading performance and the return to growth in the region.

## Cash flow

	3 months ended			Year ended		
	Sep 14 €m	Sep 13 €m	Change %	Sep 14 €m	Sep 13 €m	Change %
Net cash generated from operating activities	49.9	33.6	+48.6%	113.7	110.6	+2.7%
Net cash used in investing activities	(19.7)	(9.7)	+103.8%	(53.8)	(35.4)	+51.9%
<b>Free cash flow</b>	<b>30.2</b>	<b>23.9</b>	<b>+26.2%</b>	<b>59.9</b>	<b>75.2</b>	<b>-20.4%</b>
Proceeds from borrowings*	(8.8)	-		742.3	-	
Repayment of borrowings	(21.2)	(8.2)		(819.8)	(18.2)	
Interest paid	(0.6)	(11.8)		(25.3)	(22.3)	
Other	-	(0.2)		(2.2)	0.3	
<b>Net cash used in financing activities</b>	<b>(30.6)</b>	<b>(20.1)</b>		<b>(104.9)</b>	<b>(40.2)</b>	
<b>Net change in cash and cash equivalents</b>	<b>(0.5)</b>	<b>3.8</b>		<b>(45.1)</b>	<b>35.0</b>	

\*Net of refinancing costs paid to date. The amount in Q4 represents refinancing costs settled in cash in the quarter.

Net cash generated from operating activities of € 49.9 million in the quarter was € 16.3 million, or 48.6%, higher than last year (2013: € 33.6 million) due to the lower one off charges incurred in Q4 2014, as well as the reversal of the working capital timing differences from Q3.

Net cash used in investing activities increased by € 10.0 million, or 103.8%, to € 19.7 million in the quarter (2013: € 9.7 million). Net capital expenditure increased by € 9.0 million, or 78.9%, to € 20.4 million (2013: € 11.4 million) reflecting the continued increased investment the Group has been making in 2014. In Q4 the Group installed 79 Starbucks coffee corners, the highest in any single quarter (with 51 in P12 alone). New business capex (i.e. capital expenditure on machines at new locations) was € 9.6 million in the quarter, compared to € 5.4 million in the equivalent period in 2013, reflecting the new business secured in the second half of the year and for which installations are currently taking place.

Therefore free cash flow in the quarter was € 30.2 million, € 6.3 million or 26.2%, above last year (2013: € 23.9 million). Full year free cash flow of € 59.9 million was 20.4% below prior year (2013: € 75.2 million) driven by the increased investment in capital expenditure.

Net cash outflow from financing activities of € 30.6 million in the quarter consists primarily of the repayment of the revolving credit facility which had been drawn down as part of the refinancing in June, as well as the settlement of the remaining outstanding costs related to the refinancing. Full year net cash used in financing activities of € 104.9 million reflects the refinancing of the Group in June, including the repayment of the existing borrowings (excluding finance lease liabilities), the payment of interest on the old borrowings in the quarter, and the proceeds from the new financing net of the refinancing costs paid to date.

Net change in cash and cash equivalents of € 45.1 million in 2014 reflects the utilisation of the excess cash balances in the Group to fund part of the refinancing of the existing borrowings.



## Net debt

The following table sets out the group's net debt at 30 September 2014.

	Sep 14 €m
<b>Cash at bank</b>	<b>45.4</b>
Revolving credit facility	-
Senior notes	553.0
PIK loan	220.7
Accrued interest	16.7
Finance leases	15.8
<b>Total debt</b>	<b>806.2</b>
<b>Net debt</b>	<b>760.8</b>

*Note that the above definition of debt is different to the IFRS definition of borrowings where the outstanding liabilities are reduced by the amount of the unamortised refinancing costs incurred*

During the year the Group refinanced its existing borrowings through the issuance of a € 350 million 6.5% senior secured note and a CHF 245 million 6.5% senior secured note. The notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF market.

In addition the Group's parent undertaking, Selecta Group S.a.r.L. issued a PIK loan for € 220 million, the proceeds of which have been loaned to the Group also in the form of a PIK loan.

As part of the refinancing package the Group entered into a € 50 million super senior revolving credit facility. € 20.5 million of this facility was drawn down at the date of the refinancing. The amount outstanding at 30 September 2014 is nil.

## Other material developments

There have been no other material developments in respect of the Group in the year ended 30 September 2014 or since this date and up to the date of approval of these Consolidated Financial Statements.

## Directors and management

---

### Selecta Group BV

---

Selecta Group BV has a two tier board structure consisting of a management board (raad van bestuur) and a supervisory board (raad van commissarissen). The management board is the executive body and is responsible for the day to day management of Selecta Group BV. The supervisory board supervises and advises the management board.

The members of Selecta Group BV's management board and supervisory board can be contacted at Selecta Group BV's registered business address: Keizersgracht 484, 1017EH Amsterdam, the Netherlands.

#### Supervisory Board

The Supervisory Board of Selecta Group BV was established in February 2013. The table below lists the current members of Selecta Group BV's Supervisory Board:

	Age	Position	Member since
Dr. Rainer Husmann	47	Member	February 2013
Jörg Spanier	41	Member	February 2013

**Dr. Rainer Husmann** has been a member of the supervisory board of Selecta Group BV since February 2013 and Chairman of the board of directors of Selecta AG since October 2012. Dr. Husmann is the Chief Executive Officer of Allianz Capital Partners, having also previously served as Chief Financial Officer of Allianz Capital Partners from September 2009 to June 2011. He continues to hold several other senior management positions with the Allianz Group. Dr. Husmann received an MBA from Friedrich Alexander University Erlangen Nürnberg and a Ph.D. in Business Administration from Friedrich Alexander University Erlangen Nürnberg.

**Jörg Spanier** has been a member of the supervisory board of Selecta Group BV since February 2013 and a member of the Board of Directors of Selecta AG since September 2012. Mr. Spanier is a Managing Director at Allianz Capital Partners. Before joining Allianz Capital Partners in 2007, he worked at HgCapital, a UK based private equity firm and the M&A Advisory Division at Citigroup (formerly Schroder Salomon Smith Barney). Until the divestiture in December 2013, he served as a member of the supervisory board of Scandlines GmbH and the advisory board of Scandlines Holding GmbH, the German Danish ferry operator. Mr. Spanier received his degree in business administration from the University of Cologne and a major in finance from the Stockholm School of Economics.

No other persons have served on Selecta Group BV's Supervisory Board since it was established.

#### Management Board

The table below lists the current members of Selecta Group BV's Management Board:

	Age	Position	Member since
Remigius (Remo) Brunswiler	56	Member	January 2013
Geraint (Gary) Hughes	43	Member	April 2013
Johannes Christian Zarnitz	55	Member	September 2010

**Remo Brunswiler** joined the management board of Selecta Group BV in 2013 and has been Chief Executive Officer of the Group since January 2013. Prior to joining the Group, he served as Chief Executive Officer at Swisslog, a global Swiss based engineering company, from 2003 to 2012. From 2009 to 2012, Mr. Brunswiler served as a member of the board of directors of Papyrus Holding AG and, since April 2012, is a member of the board of directors of gategroup Holding AG. Mr. Brunswiler holds an MBA from INSEAD.

**Gary Hughes** joined the management board of Selecta Group BV in 2013 and has been Chief Financial Officer of the Group since April 2013 (after acting as interim Chief Financial Officer from

January to March 2013). Before becoming Chief Financial Officer, he served as Financial Controller for the Group from 2008 to 2013. Mr. Hughes is a UK Chartered Accountant and holds a law degree from Leeds University.

**Johannes Christian Zarnitz** joined the management board of Selecta Group BV in 2010. He is currently a Managing Director of Allianz Europe B.V. and Allianz Europe Limited as well as a number of other Allianz Group companies. Mr. Zarnitz joined Allianz Versicherungs AG in 1985, where he later served as head of Securities and Trade Control and head of the settlement department. From 2007 to 2009, he was head of the settlement department of Allianz Investment Management SE. Mr. Zarnitz holds a law degree from the University of Augsburg, Germany. No remuneration is paid to any of the Directors by the Group in their capacity as Members of the Board of Directors (2013: nil).

In addition, during the period covered by these Financial Statements, the following served as members of Selecta Group BV's Management Board:

	<b>Position</b>	<b>Member until</b>
Mats Lundgren	Member	March 2013
Jörg Spanier	Member	March 2013

### **Compensation of the Supervisory Board and Management Board of Selecta Group BV**

No remuneration is paid by the Group to any of the Members of the Supervisory Board or the Management Board of Selecta Group BV in their capacity as Members of the Supervisory Board or the Management Board of Selecta Group BV (2013: nil).

### **Selecta AG**

---

Selecta AG is the main operating entity of the Group. Selecta AG is a stock corporation (Aktiengesellschaft) established under the laws of Switzerland. Selecta AG is managed by its board of directors and executive committee.

#### **Board of Directors**

The table below lists the current members of Selecta AG's Board of Directors:

	<b>Age</b>	<b>Position</b>	<b>Member since</b>
Dr. Rainer Husmann	47	Chairman	October 2012
Jörg Spanier	41	Director	September 2012
Mats Lundgren	52	Director	February 2008

For biographical details of **Mr. Husmann** and **Mr. Spanier** see section 2.1 above.

**Mats Lundgren** has been a member of Selecta AG's board of directors since 2008. From 2007 to 2009, he was a Managing Director at Allianz Capital Partners and, prior to that, served as CEO and Chairman of the board of directors of Hansen Transmissions from 2002 to 2007. Mr. Lundgren holds a degree in electrical engineering.

In addition, during the period covered by these Financial Statements, the following served as members of the Board of Directors of Selecta AG:

	<b>Position</b>	<b>Member until</b>
Karl Ralf Jung	Director	June 2014

## Executive Committee

The table below lists the current members of Selecta AG's Executive Committee:

	Age	Position	Member since
Remigius (Remo) Brunschwiler	56	Chief Executive Officer	January 2013
Geraint (Gary) Hughes	43	Chief Financial Officer	January 2013
Thomas Nussbaumer	54	Managing Director Region Central	October 2004
Catherine Sahlgren	52	Managing Director Region North	October 2004
Dylan Jones	54	Managing Director Region West	October 2014
Michel Milcent	57	Managing Director Region France	October 2014
Jan Marck Vrijlandt	49	Sales and Marketing Director	October 2014

For biographical details of **Mr. Brunschwiler** and **Mr. Hughes** see section 2.1 above.

**Thomas Nussbaumer** has been Managing Director of Region Central since 2006. Since joining the Group in 1986, Mr. Nussbaumer has served in various management roles, including as Business Unit Manager of a small Selecta OCS company, Marketing Director of Switzerland, Chief Operating Officer from 1986 to 2006 and Managing Director for Switzerland from 2003 to 2006. From 1993 to 1995, he also served as Managing Director of the packaging division at Mühlebach AG (Antali), a leading paper and packing wholesaler in Switzerland. Thomas Nussbaumer holds a degree in Marketing and Sales from SAWI Switzerland.

**Catherine Sahlgren** has been Managing Director of Region North since 2006. She joined the Selecta Group as Managing Director of Sweden in 2001, subsequently taking on responsibility for additional countries until becoming Managing Director of the whole region in 2006. Prior to joining the Group, she worked as a management consultant for McKinsey & Co. before becoming a managing director of Pressbyrå, a Swedish retail chain, and later Chief Executive Officer of Euroseek Search Engine. She is currently a member of the boards of directors of Arkitektkopia and Bringwell. Ms. Sahlgren received her M.Sc. in business administration and economics from the Stockholm School of Economics.

**Dylan Jones** has been Managing Director of the UK since 1 March 2014 before becoming Managing Director of the newly created Region West and joining the Executive Committee of Selecta AG on 1 October 2014. After receiving his MA degree in Modern History from Oxford University, Mr Jones held a number of senior management appointments for Coats Viyella, Tetley Tea and Bunzl Plc, including 10 years based in Asia Pacific and 5 in Italy/Switzerland. More recently, he has been MD at Staples UK and COO at Northgate Plc.

**Michel Milcent** has been Managing Director of Region France since joining the Selecta Group in February 2014 and was appointed to the Executive Committee of Selecta AG on 1 October 2014. He obtained a Masters degree in Rouen business school before joining Coopers and Lybrand. He subsequently held a number of senior positions in finance, sales and general management in Xerox, where he worked for 22 years in France and in the European Headquarter in the UK. More recently, he was managing director at Office Depot for France and south of Europe.

**Jan Marck Vrijlandt** joined Selecta in 1995 and joined the Executive Committee of Selecta AG on 1 October 2014 in his current role of Group Sales & Marketing Director. Prior to this position he held various roles within the Group, including Finance Director Germany, Manager Mergers & Acquisitions in Central Europe and Country Manager Netherlands and Belgium. He holds a degree as Diplom Kaufmann from the University of Frankfurt, Germany.

In addition, during the period covered by these Financial Statements, the following served as members of the Executive Committee of Selecta AG:

	<b>Position</b>	<b>Member until</b>
Helen Cowing	Chief Financial Officer	January 2013
Philippe Mauguy	Managing Director France and UK	December 2013

### **Compensation of the Board of Directors and Executive Committee of Selecta AG**

No remuneration is paid by the Group to any of the Directors of Selecta AG by the Group in their capacity as Members of the Board of Directors (2013: nil).

The remuneration of the Executive Committee during the period was as follows:

	<i>2014</i>	<i>2013</i>
	<i>€ (000's)</i>	<i>€ (000's)</i>
Short term benefits	2'285	2'076
Post-employment benefits	244	238
Termination benefits	-	173

There were no other material transactions or outstanding balances between the Group and its key management personnel or members of their close family in the year ended 30 September 2014 or 30 September 2013.

## Consolidated financial statements

---

### Consolidated statement of profit or loss

---

		Year ended 30 September 2014 € (000's)	Year ended 30 September 2013 as restated* € (000's)
Revenue	7	696'963	740'189
Materials and consumables used	8	(215'213)	(225'278)
Employee benefits expense	9	(214'580)	(225'314)
Depreciation, amortisation and impairment expense	10	(85'414)	(95'205)
Gain on disposal of subsidiary	38	-	202
Other operating expenses	11	(168'086)	(186'858)
Other operating income	12	15'164	11'751
<b>Profit before interest and income tax</b>		<b>28'834</b>	<b>19'487</b>
Finance costs	13	(51'413)	(28'219)
Finance income		107	288
<b>Loss before income tax</b>		<b>(22'472)</b>	<b>(8'444)</b>
Income taxes	14	(850)	8'712
<b>Net profit/(loss) for the period attributable to equity holders of the parent</b>		<b>(23'322)</b>	<b>268</b>

\*See note 5

## Consolidated statement of comprehensive income

	Year ended 30 September 2014 € (000's)	Year ended 30 September 2013 as restated* € (000's)
<b>Net profit (loss) for the period</b>	<b>(23'322)</b>	<b>268</b>
<b>Items that will not be reclassified to the consolidated statement of profit or loss</b>		
Remeasurement gain on post-employment benefit obligations	4'579	3'125
Income tax relating to remeasurement gain on post-employment benefit obligations	(1'211)	(581)
	<b>3'368</b>	<b>2'544</b>
<b>Items that are or may subsequently be reclassified to the consolidated statement of profit or loss</b>		
Effective portion of changes in fair value of cash flow hedges	(933)	-
Income tax relating to effective portion of changes in fair value of cash flow hedges	247	-
Foreign exchange translation differences for foreign operations	2'354	8'432
	<b>1'668</b>	<b>8'432</b>
<b>Other comprehensive income net of tax</b>	<b>5'036</b>	<b>10'976</b>
<b>Total comprehensive income attributable to equity holders of the parent</b>	<b>(18'286)</b>	<b>11'244</b>

\*See note 5



## Consolidated balance sheet

	Notes	30 September 2014 € (000's)	30 September 2013 as restated* € (000's)	1 October 2012 as restated* € (000's)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	15	168'925	166'780	197'500
Goodwill	16	483'128	483'128	483'128
Trademarks	17	286'301	286'301	286'301
Customer contracts	17	182'655	205'663	228'928
Other intangible assets	17	7'812	6'447	10'894
Deferred income tax assets	28	8'450	12'052	7'661
Non-current financial assets	19	2'563	2'305	2'478
<b>Total non-current assets</b>		<b>1'139'834</b>	<b>1'162'676</b>	<b>1'216'890</b>
<b>Current assets</b>				
Inventories	20	38'960	36'435	36'191
Trade receivables	21	38'522	38'226	43'151
Other current assets	22	35'409	31'184	31'511
Cash and cash equivalents	23	50'758	95'498	61'622
<b>Total current assets</b>		<b>163'649</b>	<b>201'343</b>	<b>172'475</b>
<b>Total assets</b>		<b>1'303'483</b>	<b>1'364'019</b>	<b>1'389'365</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	31	187	187	187
Share premium	31	279'191	278'457	278'457
Additional paid-in capital	31	220'529	220'529	220'529
Currency translation reserve	31	(84'305)	(86'659)	(95'091)
Hedging reserve	31	(686)	-	-
Retained earnings	31	(215'655)	(195'701)	(198'513)
<b>Equity attributable to equity holders of the parent</b>		<b>199'261</b>	<b>216'813</b>	<b>205'569</b>
<b>Non-current liabilities</b>				
Borrowings	24	751'623	800'289	822'490
Derivative financial instruments	33	2'308	-	-
Non-current finance lease liabilities	25	11'116	5'687	4'090
Post-employment benefit obligations	26	10'694	14'221	20'748
Provisions	27	6'639	6'605	8'446
Deferred income tax liabilities	28	132'142	138'878	146'719
<b>Total non-current liabilities</b>		<b>914'522</b>	<b>965'680</b>	<b>1'002'493</b>
<b>Current liabilities</b>				
Borrowings	24	-	18'414	20'720
Derivative financial instruments	33	1'993	-	-
Current finance lease liabilities	25	4'206	2'308	1'444
Trade payables	29	98'112	76'752	86'412
Provisions	27	1'146	1'611	-
Current income tax liabilities		3'967	4'397	4'366
Other current liabilities	30	80'276	78'044	68'361
<b>Total current liabilities</b>		<b>189'700</b>	<b>181'526</b>	<b>181'303</b>
<b>Total liabilities</b>		<b>1'104'222</b>	<b>1'147'206</b>	<b>1'183'796</b>
<b>Total equity and liabilities</b>		<b>1'303'483</b>	<b>1'364'019</b>	<b>1'389'365</b>

\*See note 5

## Statement of changes in consolidated equity

	Share capital € (000's)	Share premium € (000's)	Additional paid-in capital € (000's)	Currency translation reserve € (000's)	Hedging reserve € (000's)	Retained earnings € (000's)	Equity attribut- able to holders of the parent € (000's)
<b>Balance at 1 October 2012 as previously reported</b>	<b>187</b>	<b>278'457</b>	<b>220'529</b>	<b>(95'091)</b>	-	<b>(199'552)</b>	<b>204'530</b>
Impact of change in accounting policies*	-	-	-	-	-	1'039	1'039
<b>Balance at 1 October 2012 as restated*</b>	<b>187</b>	<b>278'457</b>	<b>220'529</b>	<b>(95'091)</b>	-	<b>(198'513)</b>	<b>205'569</b>
Other comprehensive income	-	-	-	8'432	-	2'544	10'976
Net profit/(loss)	-	-	-	-	-	268	268
<i>Total comprehensive income</i>	-	-	-	8'432	-	2'812	11'244
<b>Balance at 30 September 2013 as restated*</b>	<b>187</b>	<b>278'457</b>	<b>220'529</b>	<b>(86'659)</b>	-	<b>(195'701)</b>	<b>216'813</b>
Other comprehensive income	-	-	-	2'354	(686)	3'368	5'036
Net profit/(loss)	-	-	-	-	-	(23'322)	(23'322)
<i>Total comprehensive income</i>	-	-	-	2'354	(686)	(19'954)	(18'286)
<i>Capital contribution</i>	-	734	-	-	-	-	734
<b>Balance at 30 September 2014</b>	<b>187</b>	<b>279'191</b>	<b>220'529</b>	<b>(84'305)</b>	<b>(686)</b>	<b>(215'655)</b>	<b>199'261</b>

\*See note 5

## Consolidated cash flow statement

	Notes	Year ended 30 September 2014 € (000's)	Year ended 30 September 2013 as restated* € (000's)
<b>Cash flows from operating activities</b>			
Net loss before income tax		(22'472)	(8'444)
Depreciation, amortization and impairment expense	10	85'414	95'205
Gain on disposal of property, plant and equipment, net	11, 12	(3'949)	(2'081)
Gain on disposal of subsidiaries	38	-	(202)
Net finance costs		51'306	27'931
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
(Increase)/Decrease in inventories		(2'272)	(795)
(Increase)/Decrease in trade receivables		(433)	2'164
(Increase)/Decrease in other current assets		(4'225)	1'795
Increase/(Decrease) in trade payables		21'228	(8'590)
Increase/(Decrease) in other liabilities		(6'302)	7'872
Income taxes (paid)/received		(4'628)	(4'208)
<b>Net cash generated from operating activities</b>		<b>113'667</b>	<b>110'647</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(58'281)	(40'368)
Proceeds from sale of property, plant and equipment		8'015	6'972
Purchases of intangible assets		(3'680)	(2'338)
Interest received		107	288
<b>Net cash used in investing activities</b>		<b>(53'839)</b>	<b>(35'446)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital increase		734	-
Repayments of borrowings	24	(819'821)	(18'160)
Proceeds from issuance of loans and borrowings	24	742'333	-
Interest paid		(25'256)	(22'352)
Other non-cash items (relating to FX rate differences)		(2'905)	301
<b>Net cash used in financing activities</b>		<b>(104'915)</b>	<b>(40'211)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(45'087)</b>	<b>34'990</b>
Cash and cash equivalents at the beginning of the period	23	95'498	61'622
Exchange gains/(losses) on cash and cash equivalents		347	(1'114)
<b>Cash and cash equivalents at the end of the period</b>	<b>23</b>	<b>50'758</b>	<b>95'498</b>

\*See note 5

## Notes to the consolidated financial statements

---

### 1. General Information

---

Selecta Group BV (“the Company”) is a limited company incorporated and domiciled in Amsterdam, the Netherlands. The Company and its subsidiaries are collectively referred to herein as “the Group” or “the Selecta Group”. The Group is a European provider of food and beverage vending machine solutions. These financial statements do not represent statutory financial statements of the parent entity Selecta Group B.V.

### 2. Basis of preparation

---

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. The principal accounting policies are set out below.

### 3. Summary of significant accounting policies

---

#### 3.1. Accounting policies

---

The Group has adopted all International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (the IASB) as well as Interpretations given by the IFRS Interpretations Committee (the IFRIC) and the former Standing Interpretations Committee (SIC) that are relevant to the Group’s operations and effective for annual reporting periods beginning on 1 October 2013.

#### 3.2. New and revised/amended standards and interpretations

---

The Group has applied the following new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS) as from 1 October 2013.

#### **IFRS 10 – Consolidated Financial Statements**

This standard provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. It was applied retrospectively in compliance with the transitional provisions and did not have a material impact on the Group’s Financial Statements.

#### **IFRS 11 – Joint Arrangements**

This standard establishes principles for the financial reporting by parties to a joint arrangement. As a result of the change the Group has applied equity accounting to its joint ventures. It was applied retrospectively with the transitional provisions and did not have a material impact on the Group’s Financial Statements.

#### **IFRS 12 – Disclosure of Interests in Other Entities**

This standard combines, enhances and replaces disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

#### **IFRS 13 – Fair Value Measurement**

This standard applies to situations where other IFRSs require or permit fair value measurements. It defines fair value, sets out in a single IFRS a framework for measuring fair value and requires certain disclosures about fair value measurements. It was applied prospectively, in accordance with the transitional provisions and did not have a material impact on the Group’s Financial Statements.

## **IAS 19 Revised 2011 – Employee Benefits**

The main changes required by IAS 19 revised (“IAS 19R”) are as follows:

### *Full recognition of deficit or surplus on the balance sheet*

The option to defer the recognition of remeasurement gains and losses, known as the ‘corridor method’ was eliminated. Since Selecta Group already recognised remeasurement gains and losses directly in other comprehensive income before IAS 19 Revised became effective, this amendment had no impact on the Group’s financial statements.

### *Introduction of net interest on the net defined benefit liability or asset*

Under IAS 19, the expected return on plan assets was based on the expected rate of return on the investments in the plan. This method was replaced by the introduction of net interest on the net defined benefit liability or asset.

The expected return under IAS 19 depended on the actual investment portfolio and was typically not equal to the discount rate applied for the determination of the scheme liabilities. The net interest income under IAS 19R is determined based on this discount rate rather than the expected rate of return.

### *Change in the presentation of the defined benefit cost*

Under IAS19R, the defined benefit cost comprises service cost, net interest and remeasurements. Service cost (current and past service cost and gains and losses on curtailments and settlements) and net interest are recognised in profit or loss, while remeasurements (actuarial gains and losses, any changes in the effect of the asset ceiling and the difference between interest income and the actual return on plan assets) are recognised in other comprehensive income for post-employment benefits and in profit or loss for other long-term employee benefits.

### *Introduction of more extensive disclosure requirements in the financial statements*

IAS19R introduced more extensive disclosure requirements relating to the characteristics, risks and amounts in the financial statements regarding defined benefit plans, as well as the effect of defined benefit plans on the amount, timing and uncertainty of the entity’s future cash flows. The additional disclosures are presented in the Group’s Financial Statements accordingly.

### *Recognition of past service costs in the period of a plan amendment*

Past service costs are recognised in the period of a plan amendment and unvested benefits are no longer spread over a future period until the benefits become vested.

IAS 19R has been applied retrospectively in compliance with the transitional provisions of the standard. The impact on the prior period financial statements has been disclosed in note 5.

## **Amendments applied to various standards**

The Group adopted various amendments to the existing International Financial Reporting Standards and Interpretations listed below, which have no material impact on the results or financial position of the Group:

- Amendments to IFRS 7 Financial Instruments Disclosures: Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 27 Separate Financial Statements
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- Improvements to IFRS 2009-2011

## Early Application of International Financial Reporting Standards and Interpretations, whose application is not yet mandatory

The Group has made an early application of the amendments to IAS 36 “Impairment of Assets: Disclosures regarding Recoverable Amount for Non-Financial Assets” as from 1 October 2013 onwards. As a result of the amendment, the obligation to disclose the recoverable amount of each cash-generating unit as part of the goodwill impairment test is dropped.

## International Financial Reporting Standards and Interpretations, whose application is not yet mandatory and that have not been adopted early

The following new or amended Standards and Interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements.

	<i>Effective date</i>	<i>Planned application by Selecta Group B.V.</i>
<b><i>New Standards or Interpretations</i></b>		
<i>IFRIC 21 Levies</i>	1 January 2014	Reporting year 2014/15
<i>IFRS 15 Revenue from Contracts with Customers</i>	1 January 2017	Reporting year 2017/18
<i>IFRS 9 Financial Instruments</i>	1 January 2018	Reporting year 2018/19
<b><i>Revisions and amendments of Standards and Interpretations</i></b>		
<i>Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)</i>	1 January 2014	Reporting year 2014/15
<i>Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)</i>	1 January 2014	Reporting year 2014/15
<i>Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)</i>	1 January 2014	Reporting year 2014/15
<i>Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)</i>	1 July 2014	Reporting year 2014/15
<i>Annual Improvements to IFRSs 2010-2012 Cycle</i>	1 July 2014	Reporting year 2014/15
<i>Annual Improvements to IFRSs 2011-2013 Cycle</i>	1 July 2014	Reporting year 2014/15
<i>Accounting for Acquisitions in Joint Operations</i>	1 January 2016	Reporting year 2016/17
<i>Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)</i>	1 January 2016	Reporting year 2016/2017
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	1 January 2016	Reporting year 2016/2017
<i>Annual Improvements to IFRSs 2012-2014 Cycle</i>	1 January 2016	Reporting year 2016/2017

There are no other new or amended standards or interpretations which have been published and become effective on or after 1 October 2013 that are relevant to the Group’s operations.

The Group will review its financial reporting for the new and amended standards which take effect on or after 1 October 2014 and for which the Group did not make voluntary early application. At present the Group anticipates no material impact on the consolidated financial statements, although the Group’s analysis is ongoing.

### 3.3. Basis of consolidation

---

#### Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) see note 40. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

### **Joint ventures**

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than right to its assets and obligations for its liabilities. The Group's interests in joint ventures are accounted for by the equity method. They are initially recognized at costs, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other joint venture partner. The Group does not recognise its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

### **3.4. Business combinations**

---

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

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

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

### **3.5. Foreign currencies**

---

#### **Foreign currencies in individual financial statements**

The functional currency of each group company is the currency of the primary economic environment in which the entity operates, with certain exceptions. For the purpose of the consolidated financial statements, the results and financial position of each entity are translated in Euros ("EUR" or "€"), which is the presentation currency for the consolidated financial statements. Euro is the currency that management uses when controlling and monitoring the performance and financial position of the Group.

Transactions in currencies other than the group company's functional currency (foreign currency transactions) are recorded at the rates of exchange prevailing at the date on which the transactions were entered into, or a close approximation thereof. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items are maintained at the historical exchange rates and are not retranslated.



Exchange differences are recognised in the statement of profit or loss in the period in which they arise.

### Foreign currencies in consolidated financial statements

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Euros using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as other comprehensive income and transferred to the Group's currency translation reserve. Such exchange differences are recognised in the consolidated statement of profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The foreign currency rates applied against the Euro were as follows:

		30 September 2014		30 September 2013	
		Balance sheet	Income statement	Balance sheet	Income statement
Czech Koruna	CZK	27.51	27.35	25.73	25.63
Danish Krone	DKK	7.45	7.46	7.46	7.46
Great Britain Pound	GBP	0.78	0.82	0.84	0.84
Hungarian Forint	HUF	310.66	306.94	297.44	294.90
Norwegian Kroner	NOK	8.11	8.27	8.14	7.65
Swedish Krona	SEK	9.11	9.00	8.70	8.61
Swiss Franc	CHF	1.21	1.22	1.22	1.22

### 3.6. Property, plant and equipment

Property, plant and equipment are initially recognised at cost and are depreciated using the straight-line method over their estimated useful lives. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Maintenance and repair costs are expensed as incurred.

The useful lives of property, plant and equipment are as follows:

Land	Infinite (no depreciation is applied)
Buildings	40 to 60 years
Vending equipment	4 to 8 years
Vehicles	5 years
Machinery & Equipment	8 years
IT Hardware	3 to 5 years

Each significant part of an item of property, plant and equipment with a useful life that is different from that of the asset to which it belongs is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are capitalised and depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

### 3.7. Intangible assets

---

#### **Goodwill**

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill arising from a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination. These cash-generating units are tested for impairment annually, and whenever there is an indication that a unit may be impaired. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the amount attributable to goodwill is included in the determination of the profit or loss on disposal.

#### **Other intangible assets**

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their value can be measured reliably.

#### **Trademark**

The trademark recognised by the Group has an indefinite useful life and is not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite life assessment for the asset. Additionally, the trademark is tested for impairment annually, and whenever there is an indication that it may be impaired.

#### **Customer contracts**

Intangible assets resulting from the acquisition by the Group of customer contracts in a business combination have a finite useful life and are amortised over the determined life time of 15 years.

#### **Software**

Software licences are recognised as intangible assets when it is probable that they will generate future economic benefits. They are amortised using the straight-line method over five years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets and are amortised by the straight-line method over five years when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Other software licences and software development costs are expensed as incurred. No intangible asset arising from research (or from research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

### **3.8. Impairment of non-current assets other than goodwill**

---

At each balance sheet date, the Group assesses whether there is any indication that its tangible and intangible assets other than goodwill and property, plant and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

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

### **3.9. Prepayments and accrued income**

---

Prepayments and accrued income comprise payments made in advance relating to the following year, and income relating to the current year, which will not be received until after the balance sheet date. Prepayments are measured at the nominal amount of the payments. Accrued income is measured at amortised costs.

### **3.10. Inventories**

---

Inventories are stated at the lower of cost and net realisable value. The net realisable value corresponds to the estimated selling price in the ordinary course of business less point-of-sales costs. A valuation allowance on inventories is recorded, when the cost of inventories is greater than their net realisable value.

### **3.11. Rebates and other amounts received from suppliers**

---

Rebates and other amounts received from suppliers include agreed discounts from suppliers' list prices, value and volume-related rebates. Income from value and volume-related rebates is recognised based on actual purchases in the period as a proportion of total purchases made or forecast to be made over the rebate period. Agreed discounts relating to inventories are credited to the statement of profit or loss as the goods are sold. Rebates relating to inventories purchased but still held at the balance sheet date are deducted from their carrying values so that the costs of inventories are recorded net of applicable rebates. Rebates received in respect of property, plant and equipment are deducted from the costs capitalised.

### **3.12. Trade and other receivables**

---

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses. An impairment loss on trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The impairment loss is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

### **3.13. Cash and cash equivalents**

---

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, cash in points-of-sale, call deposits with banks, and other short-term, highly liquid financial assets with original maturities of three months or less.

Due to the Group's business model, significant cash balances are held at year-end on behalf of the Group by external cash collecting firms, or en route to or from such cash counting firms. These amounts are included in other current assets.

Bank overdrafts are included within current liabilities on the balance sheet.

### **3.14. Provisions**

---

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

When some or all of the expenditure required to settle a provision is expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### **3.15. Borrowings**

---

Borrowings are recognised initially at fair value. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

### **3.16. Derivative financial instruments**

---

The Group uses from time to time derivative financial instruments to manage its exposure to interest rate and or foreign exchange risk.

Such derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date, with changes therein generally recognised in profit or loss (finance income or finance costs).

Where a derivative financial instrument is designated as a cash flow hedging instrument and the economic hedge created by the derivative financial statement is deemed to be effective, the changes in fair value are recorded in other comprehensive income and accumulated in the hedging reserve. The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

In order to prove the effectiveness of the hedge the instrument is extensively documented at inception and regularly tested to ensure that it remains effective. Where the hedge, or a portion of the hedge, is deemed not to be effective, the change in fair value is recorded directly in finance income or finance costs in the statement of profit or loss.

### **3.17. Accruals and deferred income**

---

Accruals and deferred income comprise expenses relating to the current year, which will not be paid until after the balance sheet date and income received in advance, relating to the following year. Deferred income is measured at the nominal value of the payments received less, if appropriate, cumulative amortisation in accordance with IAS 18. Accruals are measured at amortised cost.

### **3.18. Taxation**

---

The credit or charge for current income tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates of the countries where the Group has operations.

Deferred income taxes are accounted for using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the balance sheet and the corresponding tax basis used in the computation of taxable profit.

Deferred income tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it can be reasonably expected that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities, which affects neither taxable nor accounting income.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current tax and deferred tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is also recognised directly in equity or other comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

### 3.19. Employee benefits

---

The Group maintains various defined contribution and defined benefit pension plans. The pension plans in Switzerland have been set up on the basis of the Swiss method of defined contributions but do not fulfil all the criteria of a defined contribution pension plan according to IAS 19. For this reason, the Swiss pension plans are treated as defined benefit pension plans.

Defined benefit obligations are largely covered through pension plan assets of pension funds that are legally separated and independent from the Group. These are managed by a board of trustees consisting of representatives of the employees and the employer. The organisation, management and financing of the pension plans comply with the applicable pension regulations. Employees and pensioners or their survivors receive statutorily determined benefits upon leaving the company or retiring as well as in the event of death or disability. These benefits are financed through employer contributions and employee contributions.

#### Defined benefit plans

In the case of defined benefits pension plans, the pension expenses and obligations are valued according to the projected unit credit method. The corresponding calculations are carried out yearly by independent qualified actuaries.

Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

All remeasurement gains and losses on the net defined benefit liability are charged or credited in the period in which they occur in other comprehensive income.

When the benefits or a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### Defined contribution plans

In the case of defined contribution pension plans, the Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an expense when the employees render the corresponding service to the Group, which normally occurs in the same year in which the contributions are paid. Payments made to state-managed plans are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution pension plan.

### 3.20. Revenue recognition

---

Revenue represents the fair value of the consideration received or receivable for goods and services provided in the normal course of business, excluding trade discounts, value added tax and similar sales taxes.

#### Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to the client site or when goods are purchased from a machine by a customer, depending on the contract terms.

Revenue may be received directly in the form of cash from the consumer, or may be invoiced to a client periodically.

Where revenue is received in the form of cash, the amount recognised is the amount of cash received until the last date on which the cash was collected from the machine, plus an estimate of the sales between this date and the period end calculated based on historical trends.

Where the sale of goods is invoiced to the client, the amount recognised is based either on the amounts delivered to the client or based on the consumption in the machines, depending on the specific contractual terms. Where revenue is recognised based on consumption in the machines, the amount recognised is based on the last recorded consumption from the machine plus an estimate of the sales between this date and the period end calculated based on historical trends.

### **Rendering of services**

Selecta also provides services to clients in the form of machine rentals, technical services and hygiene services. Where the income is a fixed amount for the period the amount of revenue recognised is based on this fixed amount. Where the income is dependent on the work performed, the revenue is recognised based on records of technical site visits or other services provided.

### **Interest income**

Revenue is recognised as interest accrues using the effective interest rate, that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

### **Dividend income**

Dividend income is recognised when the shareholder's right to receive payment is established.

## **3.21. Operating expenses**

---

Operating expenses comprise the materials and consumables used, employee benefits expense, maintenance expenses, administrative expenses, travel and representation expenses, rent expenses, depreciation, amortisation expenses and impairment expenses.

## **3.22. Leases**

---

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between repayment of the outstanding liability and finance charges. The corresponding rental obligations, net of finance charges, are included in non-current liabilities or current liabilities as appropriate. The interest element of the finance cost is charged to the statement of profit or loss over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Other lease agreements are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

## **3.23. Purchasing income**

---

The Group receives certain rebates from its suppliers in respect of the purchase of vending machines and consumables. Where the rebates are received in respect of vending machines which are capitalised within property, plant and equipment, the cost of those vending machines is reduced by the amount of the rebate received. In relation to vending machines and consumables sold to customers and recognised within revenue, the cost of goods sold and the cost of inventories are reduced by the amount of the rebate received.



### **3.24. Finance costs**

---

Finance costs are recognised in the statement of profit or loss on an accruals basis.

Finance costs comprise interest expense on borrowings and finance leases calculated using the effective interest method, fair value losses on derivatives classified as held for trading and foreign exchange losses. Foreign exchange gains and losses are reported on a net basis as either finance income or finance expense depending on whether the total foreign currency movements represent a gain or a loss accordingly.

### **4. Use of estimates and key sources of estimation uncertainties**

---

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year are discussed below.

#### **Goodwill and intangible assets with indefinite useful lives**

The cash-generating unit to which goodwill has been allocated and other intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. The recoverable amounts of cash generating units and intangible assets with indefinite useful lives are determined based on their values in use. These calculations require the use of estimates and assumptions consistent with the most up-to-date business plans that have been formally approved by management. The amounts and key assumptions used for the value in use calculations are set out in notes 16 and 17 to the consolidated financial statements.

#### **Customer Contracts**

Intangible assets resulting from the acquisition by the Group of customer contracts in a business combination have a finite useful life and are amortised over the determined life time of 15 years. The Group actively monitors retention rates on customer contracts and considers other relevant factors which may provide an indication of impairment. The amounts are described in note 17 to the consolidated financial statements.

#### **Employee benefits**

The present value of the pension obligations depends on a variety of factors that are estimated annually using a number of assumptions, including the discount rate to be applied to determine the present value of defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. The amounts and principal assumptions used are described in note 26 to the consolidated financial statements.

#### **Deferred income tax assets**

Deferred income tax assets on unused tax losses carried forward are recognised when it is probable that there will be future taxable profits against which the losses can be offset. The assessment of recoverability of the recognised deferred income tax assets is based on assumptions regarding future profits and is derived from the latest budgets and business plans of the Group. The amounts are described in note 28 to the consolidated financial statements.

#### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is based on management's best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for warranties are ordinarily determined by product line and are based on statistics including the likelihood of a break down occurring and the average cost of repair or replacement.

The amounts are described in note 27 to the consolidated financial statements.

### **Sales estimations**

Where sales are based on consumption in the machines, there may be a timing difference between the date on which the cash was last collected from the machines or the date on which the sales readings were taken. In this case an estimate of the sales between the date of the last cash collection or the last machine reading and the end of the period is made. The estimate is based on historical sales trends in respect of the specific client sites and machines. The estimated amount of sales which have been neither collected in cash or invoiced to customers are recorded as Accrued income and uncollected cash in points-of-sale, as disclosed in Note 22.

### **Inventories**

Inventories include perishable products which requires the Group to make estimates regarding the amount of goods whose shelf life will expire before they are sold in order to determine the appropriate level of provisions to be recorded. Such provisions are therefore calculated with reference to the level of inventories held, average sales, and expiry dates.

Provisions for spare parts held in inventory are calculated according to the inventory turnover ratio.

Provisions for inventories are disclosed in Note 20.

## **5. Impact of change in accounting policies**

---

### **IAS 19 Revised**

IAS 19 Revised became effective for the financial year beginning 1 October 2013. The Group has adopted IAS 19 Revised retrospectively and has restated the comparative periods included in these consolidated financial statements.

The quantitative impact of the above restatements is reflected accordingly in the consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income and statement of changes in consolidated equity.

The following tables summarise the impact of the above changes on the Group's primary financial statements.

*Consolidated balance sheet as at 1 October 2012*

	<i>As reported</i> € (000's)	<i>Restatement</i> € (000's)	<i>As restated</i> € (000's)
<b>Assets</b>			
Deferred income tax assets	8'035	(374)	7'661
Total non-current assets	1'217'264	(374)	1'216'890
Total assets	1'389'739	(374)	1'389'365
<b>Equity and liabilities</b>			
Retained earnings	(199'552)	1'039	(198'513)
Equity attributable to equity holders of the parent	204'530	1'039	205'569
Post-employment benefit obligations	22'161	(1'413)	20'748
Total non-current liabilities	1'003'906	(1'413)	1'002'493
Total liabilities	1'185'209	(1'413)	1'183'796
Total equity and liabilities	1'389'739	(374)	1'389'365

*Consolidated balance sheet as at 30 September 2013*

	<i>As reported</i> € (000's)	<i>Restatement</i> € (000's)	<i>As restated</i> € (000's)
<b>Assets</b>			
Deferred income tax assets	12'639	(587)	12'052
Total non-current assets	1'163'263	(587)	1'162'676
Total assets	1'364'606	(587)	1'364'019
<b>Equity and liabilities</b>			
Retained earnings	(196'562)	861	(195'701)
Equity attributable to equity holders of the parent	215'952	861	216'813
Post-employment benefit obligations	15'669	(1'448)	14'221
Total non-current liabilities	967'128	(1'448)	965'680
Total liabilities	1'148'654	(1'448)	1'147'206
Total equity and liabilities	1'364'606	(587)	1'364'019

*Consolidated statement of profit or loss for the Year ended 30 September 2013*

	<i>As reported</i> € (000's)	<i>Restatement</i> € (000's)	<i>As restated</i> € (000's)
Employee benefits expense	(225'139)	(175)	(225'314)
<b>Profit before interest and income tax</b>	<b>19'662</b>	<b>(175)</b>	<b>19'487</b>
<b>Loss before income tax</b>	<b>(8'269)</b>	<b>(175)</b>	<b>(8'444)</b>
Income tax expense	8'666	46	8'712
<b>Net profit (loss) for the period</b>	<b>397</b>	<b>(129)</b>	<b>268</b>

Consolidated statement of comprehensive income for the year ended 30 September 2013

	As reported € (000's)	Restatement € (000's)	As restated € (000's)
<b>Net profit (loss) for the period</b>	<b>397</b>	<b>(129)</b>	<b>268</b>
Remeasurement gain/(loss) on post-employment benefit obligations	3'190	(65)	3'125
Income tax relating to post employment benefit obligations	(597)	16	(581)
<b>Net profit (loss) recognised in other comprehensive income</b>	<b>11'025</b>	<b>(49)</b>	<b>10'976</b>
<b>Total comprehensive Income</b>	<b>11'422</b>	<b>(178)</b>	<b>11'244</b>

Statement of changes in consolidated equity

	As reported € (000's)		Restatement € (000's)	As restated € (000's)	
	Retained earnings	Equity attributable to equity holders of the parent and total equity		Retained earnings	Equity attributable to equity holders of the parent and total equity
<b>2012</b>					
Balance at 30 September	(199'552)	204'530	1'039	(198'513)	205'569
<b>2013</b>					
Net profit/(loss)	397	397	(129)	268	268
Other comprehensive income	2'593	11'025	(49)	2'544	10'976
Balance at 30 September	(196'562)	215'952	861	(195'701)	216'813

## 6. Segmental reporting

Subsequent to changes in the organisational structure and the internal management structure of the Group, the Group is organised and managed internally within four geographical regions. Each of these regions, which are the operating segments of the Group, offers a similar portfolio of vending products and services to consumers and customers. No operating segments have been aggregated. These segments represent the reportable segments of the Group, as follows:

Region France: includes operating entities in France.

Region West: newly created region as of 30 September 2014 incorporating the previous region UK (including operating entities in the United Kingdom and Ireland), and from 30 September 2013 Netherlands and Belgium which have been transferred from Region North.

Region Central: includes operating entities in Switzerland, Germany, Spain, Austria, Czech Republic, Slovakia and Hungary.

Region North: includes operating entities located in Sweden, Finland, Estonia, Latvia, Lithuania, Denmark and Norway. Until 30 September 2013 Region North also included Netherlands and Belgium which has been transferred to region West at that date.

In addition to the segments identified above, the Group reports separately on its Headquarters (HQ), which includes corporate centre functions in Switzerland and in the Netherlands.

The operating results, earnings before interest, tax, depreciation and amortisation (EBITDA), of each reportable segment are regularly reviewed by the Chief Executive Officer, as the Group's Chief Operating Decision Maker, to assess performance and to determine how resources should be distributed.

Result for the year ended 30 September 2014

	France € (000's)	West € (000's)	Central € (000's)	North € (000's)	Total segments € (000's)	HQ € (000's)	IC elimin- ations € (000's)	Total Group € (000's)
External revenue	188'382	98'218	285'791	124'845	<b>697'236</b>	8	(281)	<b>696'963</b>
<b>Profit before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>13'558</b>	<b>4'715</b>	<b>60'797</b>	<b>24'137</b>	<b>103'207</b>	<b>11'041</b>	-	<b>114'248</b>
Depreciation and amortisation	(13'654)	(9'850)	(25'269)	(12'430)	<b>(61'203)</b>	(24'211)	-	<b>(85'414)</b>
Impairment expense	-	-	-	-	-	-	-	-
<b>Profit before interest and income tax</b>								<b>28'834</b>
Finance costs and finance income, net								<b>(51'306)</b>
<b>Loss before income tax</b>								<b>(22'472)</b>

Result for the year ended 30 September 2013

	France € (000's)	West € (000's)	Central € (000's)	North € (000's)	Total segments € (000's)	HQ € (000's)	IC elimin- ations € (000's)	Total Group € (000's)
External revenue	203'552	110'004	301'564	125'229	<b>740'349</b>	64	(224)	<b>740'189</b>
<b>Profit before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>16'699</b>	<b>(5'577)</b>	<b>60'648</b>	<b>25'301</b>	<b>97'071</b>	<b>17'621</b>	-	<b>114'692</b>
Depreciation and amortisation	(15'795)	(12'043)	(28'316)	(11'537)	<b>(67'691)</b>	(24'416)	-	<b>(92'107)</b>
Impairment expense	(315)	(160)	(192)	(278)	<b>(945)</b>	(2'153)	-	<b>(3'098)</b>
<b>Profit before interest and income tax</b>								<b>19'487</b>
Finance costs and finance income, net								<b>(27'931)</b>
<b>Loss before income tax</b>								<b>(8'444)</b>

There is no material revenue earned between the operating segments.

In addition, net revenues and non-current assets other than financial instruments and deferred tax assets are allocated according to the registered office of the related Group company as follows:

	<i>Net revenue</i>		<i>Non-current assets excluding deferred tax assets</i>	
	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 € (000's)</i>	<i>30 September 2014 € (000's)</i>	<i>30 September 2013 € (000's)</i>
Switzerland	199'684	199'889	672'282	518'301
France	188'382	203'552	41'481	41'351
Sweden	97'681	97'608	45'739	49'415
UK	68'595	76'744	16'870	18'785
Germany	41'898	57'495	9'133	8'897
Netherlands	24'569	27'170	4'824	5'709
All other countries	76'154	77'731	40'248	35'225
Not allocated	-	-	300'807	472'941
<b>Total</b>	<b>696'963</b>	<b>740'189</b>	<b>1'131'384</b>	<b>1'150'624</b>

## 7. Revenue

	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 € (000's)</i>
Revenue from publicly accessible points of sale	157'628	183'069
Revenue from privately placed points of sale	446'119	466'085
Revenue from trade sales of machines and products	62'959	58'683
Other revenue	30'257	32'352
<b>Total revenue</b>	<b>696'963</b>	<b>740'189</b>

Other revenue includes revenue from the rendering of technical services and rental income from machines placed at client sites under a rental contract.

Note that due to the nature of the Group's business operations, whereby the sale of goods and rendering of services are often incorporated into one contractual price, it is not possible to split revenue into these categories. Therefore the Group has disclosed instead the allocation of revenue used for internal management reporting purposes.

## 8. Materials and consumables used

	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 € (000's)</i>
Cost of materials	(235'071)	(242'176)
Rebates and discounts	19'609	16'991
Other	249	(93)
<b>Total materials and consumables used</b>	<b>(215'213)</b>	<b>(225'278)</b>

## 9. Employee benefits expense

	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 as restated* € (000's)</i>
Wages and salaries	(169'753)	(184'869)
Social security	(37'044)	(36'257)
Post-employment benefits		
Defined contribution plans	(2'495)	(2'413)
Defined benefit plans	(5'288)	(1'775)
<b>Total employee benefits expense</b>	<b>(214'580)</b>	<b>(225'314)</b>

\*See note 5

For further details with respect to the Group's post-employment benefit obligations, see note 26.

## 10. Depreciation, amortisation and impairment expense

	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 € (000's)</i>
Depreciation of property, plant and equipment	(59'939)	(65'371)
Amortisation of intangible assets	(25'475)	(26'736)
Impairment of intangible assets	-	(3'098)
<b>Total depreciation, amortisation and impairment expense</b>	<b>(85'414)</b>	<b>(95'205)</b>

## 11. Other operating expenses

	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 € (000's)</i>
Maintenance	(58'753)	(61'168)
Administration expenses	(24'294)	(23'049)
Travel and representation	(6'907)	(6'975)
Vending rent	(62'699)	(78'534)
Other rent	(13'501)	(14'306)
Loss on disposal of tangible and intangible assets	(657)	(881)
Other operating expenses	(1'275)	(1'945)
<b>Total other operating expenses</b>	<b>(168'086)</b>	<b>(186'858)</b>

## 12. Other operating income

---

	Year ended 30 September 2014 € (000's)	Year ended 30 September 2013 € (000's)
Suppliers marketing contributions	6'048	6'043
Gain on disposal of tangible and intangible assets	4'606	2'962
Other operating income	4'510	2'746
<b>Total other operating income</b>	<b>15'164</b>	<b>11'751</b>

## 13. Finance costs

---

	Year ended 30 September 2014 € (000's)	Year ended 30 September 2013 € (000's)
Interest on bank loans	(41'469)	(32'406)
Loss on derecognition of financial liabilities	(3'621)	-
Finance lease interest	(457)	(214)
Other interest expense	(16)	32
Loss on initial recognition of derivative financial instruments	(2'505)	-
Change in fair value of derivative financial instruments	(281)	-
Foreign exchange gain/(loss) (net)	(3'064)	4'369
<b>Total finance costs</b>	<b>(51'413)</b>	<b>(28'219)</b>

## 14. Income taxes

---

Income tax expense comprises:

	Year ended 30 September 2014 € (000's)	Year ended 30 September 2013 as restated* € (000's)
Current income tax expense	(4'095)	(4'298)
Deferred income tax income	3'245	13'010
<b>Total income tax income</b>	<b>(850)</b>	<b>8'712</b>

\*See note 5



The total tax charge for the periods can be reconciled to the accounting profit as follows:

	<i>Year ended 30 September 2014 € (000's)</i>	<i>Year ended 30 September 2013 as restated* € (000's)</i>
Loss before tax	(22'472)	(8'444)
Applicable tax rate	38.8%	27.9%
Expected tax credit	8'719	2'356
Effect of revenue that is exempt from taxation	1'203	11'864
Effect of expenses not allowable for tax purposes	(3'855)	(998)
Effect of taxable losses for the period not recognised as deferred tax assets	(7'404)	(6'658)
Recognition/Utilisation of previously unrecognised tax losses and deferred tax assets	684	2'283
Income tax expense of previous years	(197)	(135)
<b>Income tax income recognised in statement of profit or loss</b>	<b>(850)</b>	<b>8'712</b>

\*See note 5

The applicable tax rate used above in the tax reconciliation is based on the weighted average tax rates applicable in the countries in which the Group operates. This is derived from a summation of the individual tax rates and pre-tax profits and losses in each country, and is not the same as the medium to long term effective tax rate of the Group.

## 15. Property, plant and equipment

	<i>Freehold land and buildings € (000's)</i>	<i>Vending equipment € (000's)</i>	<i>Vehicles € (000's)</i>	<i>Other equipment € (000's)</i>	<i>Total € (000's)</i>
<b>Cost</b>					
<b>Balance at 30 September 2012</b>	<b>9'792</b>	<b>574'352</b>	<b>56'837</b>	<b>47'480</b>	<b>688'461</b>
Additions	51	38'003	2'340	2'116	42'510
Disposals	(6)	(61'303)	(14'231)	(3'852)	(79'392)
Effects of foreign currency exchange differences	(112)	(7'817)	(796)	(607)	(9'332)
<b>Balance at 30 September 2013</b>	<b>9'725</b>	<b>543'235</b>	<b>44'150</b>	<b>45'137</b>	<b>642'247</b>
Additions	124	59'800	873	4'931	65'728
Disposals	(788)	(46'498)	(17'375)	(4'631)	(69'292)
Effects of foreign currency exchange differences	(402)	(2'487)	(600)	(2'876)	(6'365)
<b>Balance at 30 September 2014</b>	<b>8'659</b>	<b>554'050</b>	<b>27'048</b>	<b>42'561</b>	<b>632'318</b>
<b>Accumulated depreciation and impairment</b>					
<b>Balance at 30 September 2012</b>	<b>(7'008)</b>	<b>(400'595)</b>	<b>(44'450)</b>	<b>(38'908)</b>	<b>(490'961)</b>
Depreciation expense	(421)	(57'738)	(4'816)	(2'396)	(65'371)
Disposals	6	57'349	13'330	3'765	74'450
Effects of foreign currency exchange differences	67	5'172	599	577	6'415
<b>Balance at 30 September 2013</b>	<b>(7'356)</b>	<b>(395'812)</b>	<b>(35'337)</b>	<b>(36'962)</b>	<b>(475'467)</b>
Depreciation expense	(221)	(54'426)	(2'999)	(2'293)	(59'939)
Disposals	744	43'202	16'787	4'492	65'225
Effects of foreign currency exchange differences	421	2'997	427	2'943	6'788
<b>Balance at 30 September 2014</b>	<b>(6'412)</b>	<b>(404'039)</b>	<b>(21'122)</b>	<b>(31'820)</b>	<b>(463'393)</b>
<b>Net Book Value</b>					
<b>At 30 September 2013</b>	<b>2'369</b>	<b>147'423</b>	<b>8'813</b>	<b>8'175</b>	<b>166'780</b>
<b>At 30 September 2014</b>	<b>2'247</b>	<b>150'011</b>	<b>5'926</b>	<b>10'741</b>	<b>168'925</b>

As at 30 September 2014 commitments in respect of capital expenditure amounted to € 19.0 million (2013: nil).

The carrying amount of property, plant and equipment held under finance leases at 30 September 2014 was € 10.1 million (2013: € 7.2 million). Leased assets are pledged as security in respect of the finance leases to which they relate.

## 16. Goodwill

	2014 € (000's)	2013 € (000's)
<b>Goodwill</b>	<b>483'128</b>	<b>483'128</b>

### 16.1. Impairment testing

During the financial year the carrying value of the Group, including goodwill, has been compared to its recoverable amount. It has been concluded that the recoverable amount exceeds the carrying amounts and therefore no impairment is required to be booked.

### 16.2. Allocation to cash-generating units

In prior years, for the purpose of impairment testing, the Group was deemed to be one cash-generating unit. As a result of changes in the organisational structure and the internal management structure of the Group, management reviewed their assessment of the cash-generating units. This review led to the identification of four cash-generating units which are identical to the Group's operating segments, based on the regions in which the Group operates as follows:

- Region France: includes operating entities in France.
- Region West: newly created region as of 30 September 2014 incorporating the previous region UK (including operating entities in the United Kingdom and Ireland), and from 30 September 2013 Netherlands and Belgium which have been transferred from Region North.
- Region Central: includes operating entities in Switzerland, Germany, Spain, Austria, Czech Republic, Slovakia and Hungary.
- Region North: includes operating entities located in Sweden, Finland, Estonia, Latvia, Lithuania, Denmark and Norway. Until 30 September 2013 Region North also included Netherlands and Belgium which has been transferred to region West at that date.

The amount of goodwill allocated to each cash generating unit at 30 September 2014 is as follows:

	2014 € (000's)
Region France	69'213
Region West	21'989
Region Central	271'712
Region North	120'214
<b>Goodwill</b>	<b>483'128</b>

### 16.3. Summary of assumptions used in goodwill impairment testing

In undertaking the impairment test, the Group has used post-tax cash flow projections for the computation of value in use based on the latest forecasts approved by management covering a three-year period. In years four to seven the Group assumes further growth of 3.0%. Cash flows beyond the seven-year period are extrapolated using estimated growth rates as disclosed in the table below:

	Growth rate assumed beyond year 7
Region France	1.3%
Region West	1.9%
Region Central	1.1%
Region North	2.0%

In the year ended 30 September 2013 management assumed a growth rate for the Group in years four and five of 3.0%. Cash flows beyond year five were extrapolated using estimated growth rates of 1.5% per annum.

Management are confident that these forecasts are realistic and achievable and are supported by underlying business initiatives.

The cash flows are discounted using a post-tax weighted average cost of capital (WACC) for each region. The post-tax WACC applied for each region at 30 September 2014 was as follows:

	Post-tax WACC	Equivalent to a pre-tax WACC of:
Region France	6.2%	8.6%
Region West	6.5%	7.5%
Region Central	6.2%	7.4%
Region North	6.5%	7.8%

The post-tax WACC applied for the Group at 30 September 2013 was 6.1%; equivalent to a pre-tax WACC of 7.7%.

#### 16.4. Headroom and sensitivity to change in assumptions

The headroom arising from the goodwill impairment testing by region at 30 September 2014 was as follows:

	2014 € millions
Region France	114.1
Region West	21.4
Region Central	465.3
Region North	190.2

The following table shows the level to which the WACC would need to increase to assuming achievement of the future cashflows, or the level to which long term growth rates would need to fall assuming use of the Group's post tax WACC, to eliminate all of the headroom in the region.

	<i>Level to which WACC would need to increase to eliminate all of the headroom in the region</i>	<i>Level to which growth rates would need to fall to eliminate all of the headroom un the region</i>
Region France	11.1%	-7.6%
Region West	8.4%	-0.8%
Region Central	12.9%	-13.7%
Region North	11.3%	-6.3%

## 17. Other intangible assets

	Software/ other € (000's)	Patents/ licences € (000's)	Trademark € (000's)	Customer Contracts € (000's)	Total € (000's)
<b>Cost</b>					
<b>Balance at 30 September 2012</b>	<b>25'806</b>	<b>1'644</b>	<b>286'301</b>	<b>344'337</b>	<b>658'088</b>
Additions	2'271	-	-	119	2'390
Disposals	(503)	-	-	-	(503)
Effects of foreign currency exchange differences	(420)	-	-	(162)	(582)
<b>Balance at 30 September 2013</b>	<b>27'154</b>	<b>1'644</b>	<b>286'301</b>	<b>344'294</b>	<b>659'393</b>
Additions	2'742	800	-	130	3'672
Disposals	(1'196)	-	-	-	(1'196)
Effects of foreign currency exchange differences	(385)	-	-	257	(128)
<b>Balance at 30 September 2014</b>	<b>28'315</b>	<b>2'444</b>	<b>286'301</b>	<b>344'681</b>	<b>661'741</b>
<b>Accumulated amortisation and impairment</b>					
<b>Balance at 30 September 2012</b>	<b>(14'953)</b>	<b>(1'602)</b>	<b>-</b>	<b>(115'410)</b>	<b>(131'965)</b>
Amortisation expenses	(3'394)	(42)	-	(23'300)	(26'736)
Impairment	(3'098)	-	-	-	(3'098)
Disposals	503	-	-	-	503
Effects of foreign currency exchange differences	235	-	-	79	314
<b>Balance at 30 September 2013</b>	<b>(20'707)</b>	<b>(1'644)</b>	<b>-</b>	<b>(138'631)</b>	<b>(160'982)</b>
Amortisation expenses	(2'272)	-	-	(23'203)	(25'475)
Impairment	-	-	-	-	-
Disposals	1'196	-	-	-	1'196
Effects of foreign currency exchange differences	480	-	-	(192)	288
<b>Balance at 30 September 2014</b>	<b>(21'303)</b>	<b>(1'644)</b>	<b>-</b>	<b>(162'026)</b>	<b>(184'973)</b>
<b>Net Book Value</b>					
<b>At 30 September 2013</b>	<b>6'447</b>	<b>-</b>	<b>286'301</b>	<b>205'663</b>	<b>498'411</b>
<b>At 30 September 2014</b>	<b>7'012</b>	<b>800</b>	<b>286'301</b>	<b>182'655</b>	<b>476'768</b>

The trademark recognised by the Group represents the brand name and has an indefinite useful life. Therefore this trademark is tested for impairment annually.

The trademark was regarded as having an indefinite useful life when it was acquired because based on an analysis of all of the relevant factors, there was no foreseeable limit to the period over which the asset was expected to generate net cash inflows for the Group.

In undertaking the impairment test, the Group has used the same projections and parameters used in the goodwill impairment test, with the addition of a 0.5% asset specific premium to the discount factor, resulting in a post-tax WACC of 6.8% (2013: 6.6%) for the Group.

Based on these factors, the recoverable amount exceeds the carrying amount by € 12.7 million (2013: € 46.6 million) and therefore no impairment is required to be booked.

To eliminate the headroom the post-tax asset specific discount rate should increase from 6.8% to 7.1% or the long-term growth rate for the Group would need to decrease from 1.3% to 1.0%.

At 30 September 2014, the trademark has been allocated to the Group's cash generating units as follows:

	2014 € (000's)
Region France	46'669
Region West	11'287
Region Central	167'370
Region North	60'975
<b>Trademark</b>	<b>286'301</b>

### 18. Interest in joint venture

The Group owns 50% of a joint venture entity, UTE, whose principal activity is the provision of vending services in Catalonia, Spain. The amounts included in the consolidated financial statements in respect of the Group's share of the joint venture are as follows:

	2014 € (000's)	2013 € (000's)
<b>Carrying amount of interest in joint venture</b>	<b>226</b>	<b>327</b>
Profit/(loss) from continuing operations	(100)	101
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(100)</b>	<b>101</b>

### 19. Non-current financial assets

	2014 € (000's)	2013 € (000's)
<b>Non-current financial assets comprise the following:</b>		
Trade and other receivables	2'563	2'305
<b>Total non-current financial assets</b>	<b>2'563</b>	<b>2'305</b>

**The maturity of the non-current financial assets is as follows:**

After one year but not more than five years	2'545	2'288
More than five years	18	17
<b>Total more than one year</b>	<b>2'563</b>	<b>2'305</b>
<b>Total non-current financial assets</b>	<b>2'563</b>	<b>2'305</b>

## 20. Inventories

	2014 € (000's)	2013 € (000's)
Food and beverages	25'061	22'180
Vending equipment and spare parts	13'140	13'325
Goods in transit	759	930
<b>Total inventories</b>	<b>38'960</b>	<b>36'435</b>

The cost of inventories recognised as an expense during the period was € 235.1 million (2013: € 242.2 million).

There are no inventories expected to be recovered after more than 12 months.

## 21. Trade receivables

	2014 € (000's)	2013 € (000's)
Trade receivables - not overdue	28'754	31'482
Trade receivables - overdue 0 - 90 days	10'757	6'476
Trade receivables - overdue 90 - 360 days	196	1'563
Trade receivables - overdue > 360 days	1'978	1'477
<b>Total trade receivables</b>	<b>41'685</b>	<b>40'998</b>
Allowance for doubtful accounts	(3'163)	(2'772)
<b>Total trade receivables, net</b>	<b>38'522</b>	<b>38'226</b>

The average credit period on sales of goods is 30 days. No interest is charged on the trade receivables until the end of the credit period, thereafter the charging of interest is at the discretion of local management depending on the amounts and customers involved. Where interest is charged in respect of an overdue receivable the interest rate applied is between 3% and 15% per annum depending on the country and the customer contract.

The Group has provided fully for all receivables over 360 days because historical experience indicates that receivables that are past due beyond 360 days are not recoverable. Trade receivables between 30 days and 360 days are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Depending on the size of a potential new customer and the volume of trading expected, prior to accepting new credit customers, the Group uses a credit scoring system to assess the potential customer's credit quality and defines a suitable credit limit for the customer.

### 21.1. Analysis of receivables past due but not impaired

Included in the Group's trade receivable balance are debtors with a carrying amount of € 9.8 million (2013: € 6.7 million) which are past due at the reporting date for which the Group has not provided for as there has not been any significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The ageing of these receivables is as follows:

	2014 € (000's)	2013 € (000's)
Overdue 0-90 days	9'670	6'138
Overdue 90-360 days	98	606

<b>Total</b>	<b>9'768</b>	<b>6'744</b>
--------------	--------------	--------------

There are no significant individually impaired trade receivables at 30 September 2014 (2013: none).

## 21.2. Movement in the allowance for doubtful accounts

	<i>Total</i> € (000's)
<b>Balance at 30 September 2012</b>	<b>(2'689)</b>
Amounts written off during the period	326
Amounts recovered during the period	409
Increase in allowance recognised in statement of profit or loss	(292)
Effect of foreign exchange differences	(526)
<b>Balance at 30 September 2013</b>	<b>(2'772)</b>
Amounts written off during the period	30
Amounts recovered during the period	18
Increase in allowance recognised in statement of profit or loss	(411)
Effect of foreign exchange differences	(28)
<b>Balance at 30 September 2014</b>	<b>(3'163)</b>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable at the reporting date. This is in most cases evidenced by the age of the receivable, and the Group has implemented specific policies regarding the level of provision required for the change in credit quality based on the ageing of the receivable.

The concentration of credit risk is limited due to the fact that the Group has a very large customer base and a mix of credit and cash sales. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful accounts.

## 21.3. Ageing of impaired trade receivables

	<i>2014</i> € (000's)	<i>2013</i> € (000's)
Overdue 0-90 days	1'087	337
Overdue 90-360 days	98	957
Overdue > 360 days	1'978	1'478
<b>Total</b>	<b>3'163</b>	<b>2'772</b>

## 22. Other current assets

	<i>2014</i> € (000's)	<i>2013</i> € (000's)
Accrued income	20'185	19'999
Pre-payments	10'847	5'626
Sales tax recoverable	3'359	4'468
Other	1'018	1'091
<b>Total other current assets</b>	<b>35'409</b>	<b>31'184</b>



## 23. Cash and cash equivalents

	2014 € (000's)	2013 € (000's)
Cash at bank	45'445	90'253
Cash in points-of-sale	5'313	5'245
<b>Cash and cash equivalents</b>	<b>50'758</b>	<b>95'498</b>

## 24. Borrowings

	2014 € (000's)	2013 € (000's)
Borrowings at amortised cost	535'013	818'703
Loans due to parent undertaking at amortised cost	216'610	-
<b>Total borrowings</b>	<b>751'623</b>	<b>818'703</b>

The maturity of borrowings is as follows:

	2014 € (000's)	2013 € (000's)
<b>Less than one year</b>	<b>-</b>	<b>18'414</b>
After one year but not more than five years	-	800'289
<b>Total more than one year</b>	<b>751'623</b>	<b>800'289</b>
<b>Total borrowings</b>	<b>751'623</b>	<b>818'703</b>

### 24.1. Total borrowings by currency

	30 September 2014			30 September 2013		
	€ million	in %	Interest rate	€ million	in %	Interest rate
EUR	556.4	74.0%	8.6%	249.1	30.4%	4.0%
CHF	195.2	26.0%	6.5%	361.7	44.2%	2.9%
GBP	-	-	-	76.7	9.4%	5.0%
SEK	-	-	-	131.2	16.0%	6.4%
<b>Total</b>	<b>751.6</b>	<b>100%</b>	<b>8.0%</b>	<b>818.7</b>	<b>100.0%</b>	<b>4.0%</b>

### 24.2. Rate structure of borrowings

	2014 € million	2013 € million
Total borrowings at variable rates	-	818.7
Total borrowings at fixed rates	751.6	-
<b>Total</b>	<b>751.6</b>	<b>818.7</b>

### 24.3. Details of borrowing facilities

---

#### **Borrowing facilities outstanding at 30 September 2014**

During the year ended 30 September 2014 the Group refinanced its existing borrowings through the issuance of a € 350 million 6.5% senior secured note (ISIN: XS1078234686, XS1078234330) and a CHF 245 million 6.5% senior secured note (ISIN: XS1078234926, XS1078235147). The notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF market.

In addition the Group's parent undertaking, Selecta Group S.a.r.L. issued a PIK loan for € 220 million, the proceeds of which have been loaned to the Group also in the form of a PIK loan (the "PIK proceeds loan"). The PIK proceeds loan carries an interest rate of 11.875%

As part of the refinancing package the Group entered into a € 50 million super senior revolving credit facility. The amount drawn under this facility at 30 September 2014 is nil (2013: nil).

The proceeds of the new financing were used to repay in full Selecta's existing borrowings except the outstanding liabilities under finance lease agreements.

The senior secured notes and the revolving credit facility are secured by first ranking security interests over all the issued share capital of certain Group companies (together the "Guarantors"), certain receivables and intercompany receivables of the Company and the Guarantors, including assignment of the PIK Proceeds Loan and certain bank accounts of the Company.

#### **Borrowing facilities outstanding at 30 September 2013**

The previous borrowings which were received in connection with the financing of the acquisition of the Group by Selecta Group BV were fully repaid as a result of the refinancing. The impact of the derecognition of the existing borrowings on the consolidated statement of profit or loss in the year ended 30 September 2014 was a charge of € 3.6 million, representing the write off of the remaining unamortised transaction costs incurred in respect of the borrowings.

A revolving credit facility of GBP 25 million and a Capex facility of GBP 55 million had also been provided by the bank syndicate as part of the previous financing of the Group. At 30 September 2013 the Group had drawn amounts of GBP 15.4 million under the Capex facility and had no outstanding drawings under the revolving credit facility.

The amounts of the borrowing facilities made available to the Group under the previous facilities agreements were as follows:

<i>Currency</i>	<i>Borrower</i>	<i>Date of Maturity</i>	<i>LIBOR margin</i>	<i>(000's)</i>
<b>Term Loan Facility</b>				
GBP	Selecta Holding Ltd.			22'000
CHF	Selecta AG			638'035
EUR	Selecta Holding B.V.	2 July 2015	Maximum 2.3750% p.a. depending on debt cover ratio	7'412
EUR	Selecta Holding S.A.S.			155'661
SEK	Selecta Nordic Holding AB			774'072
<b>Second Lien Facility</b>				
GBP	Selecta Holding Ltd.			15'000
EUR	Selecta Holding B.V.	2 January 2017	4.00% p.a.	4'447
EUR	Selecta Holding S.A.S.			71'160
SEK	Selecta Nordic Holding AB			299'866
<b>Mezzanine Facility</b>				
GBP	Selecta Holding Ltd.			30'000
EUR	Selecta Holding B.V.	2 July 2017	3.75% p.a. cash margin and 4.25% PIK margin (to be paid at maturity)	4'447
EUR	Selecta Holding S.A.S.			40'027
SEK	Selecta Nordic Holding AB			209'209
<b>Revolving and Acquisition/ Capex Facility</b>				
GBP <sup>(1)</sup>	Any borrower except for	2 July 2014	Maximum 2.00% p.a. depending on	25'000
GBP <sup>(1)</sup>	Selecta Holding S.A.S.		debt cover ratio	55'000

(1) these facilities may be drawn in GBP, EUR, SEK or CHF

Under the terms of the Group's Senior Facilities Agreement and Mezzanine Facilities Agreement, the Group was obliged to meet certain financial covenants on a quarterly basis. The financial covenants and their underlying calculations were as follows:

- Cashflow cover: represents the ratio of Consolidated Cash Flow of the last twelve months to Net Debt Service of the last twelve months.
- Debt cover: the ratio of Consolidated Total Net Debt at the end of the quarter to Consolidated EBITDA of the last twelve months.
- Interest cover: the ratio of Consolidated EBITDA of the last twelve months to Consolidated Net Finance Charges of the last twelve months.

In addition, the Agreements imposed a limit on the maximum Capital Expenditure which may be incurred during the course of a financial year, and if in any financial year the amount of Capital Expenditure spent was less than the maximum amount permitted for that financial year, the maximum spend for the following year could be increased by the amount of such underspend.

The Group had complied with all of its covenant obligations in respect of the previous borrowings in both the current and all previous financial years.

In connection with the acquisition of the Group and the financing of the acquisition by the bank syndicate, Selecta AG pledged shares of certain of its subsidiaries to the bank syndicate as security. All of these pledges have now been released.

## 25. Finance lease liabilities

Finance leases relate predominantly to motor vehicles and vending equipment. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

The present value of future minimum payments due under finance leases and the minimum lease payments due is as follows:

	<i>Minimum lease payments</i>		<i>Present value of minimum lease payments</i>	
	<i>2014</i> € (000's)	<i>2013</i> € (000's)	<i>2014</i> € (000's)	<i>2013</i> € (000's)
<b>Current finance lease liabilities</b>	<b>4'210</b>	<b>2'398</b>	<b>4'206</b>	<b>2'308</b>
Non-current finance lease liabilities:				
After one year but not more than five years	11'146	5'907	9'566	5'687
More than five years	483	-	415	-
<b>Total non-current finance lease liabilities</b>	<b>11'629</b>	<b>5'907</b>	<b>9'981</b>	<b>5'687</b>
<b>Total finance lease liabilities</b>	<b>15'839</b>	<b>8'305</b>	<b>14'187</b>	<b>7'995</b>

## 26. Post-employment benefits

### 26.1. Defined contribution plans

The Group operates defined contribution plans for qualifying employees in a number of its countries of operation. The assets of the plans are held separately from those of the Group under the control of unrelated parties.

The total expense recognised in the period in respect of defined contribution schemes was € 2.5 million (2013: € 2.4 million). The expense represents contributions payable to the plans at the rates specified in the plans.

Included in the Group's current liabilities at the end of the year is an amount of € 41'000 (2013: € 23'000) representing contributions due in respect of the reporting period but not yet paid over to the plans.

### 26.2. Defined benefit plans

#### Description of plans

The Group offers defined benefit plans in Switzerland, Germany and Spain as well as retirement indemnity plans in France. In the year ended 30 September 2013 the Group also operated a defined benefit pension plan in Netherlands, however this scheme ceased on 31 December 2013 and was replaced by a defined contribution plan as of 1 January 2014.

Approximately 95% of the defined benefit obligation and 100% of the plan assets relate to the Group's pension scheme in Switzerland. The scheme is part of the Valora Pension Fund, domiciled in Muttenz, Switzerland. The scheme covers multiple employers, including Selecta, with the scheme assets allocated between Selecta and the other companies in the scheme in proportion to the mathematical reserve and savings capital as at 30 September 2014. One employee of Selecta AG in Switzerland sits on the foundation board of the Valora Pension Fund to ensure representation of Selecta in the wider scheme.

The designated purpose of the scheme is to protect the employees, including the employees' dependents and survivors, of the Valora Group of companies of Switzerland and the companies with which the scheme has concluded an affiliation agreement against the economic consequences of old age, death and disability.

The scheme provides for a basic and supplementary plan. Under the basic plan, the wage portions above the entry level for admission (equal to three quarters of the maximum retirement pension benefit prescribed by law) are pensionable. The supplementary plan additionally offers coverage of wage portions that exceed the 5-fold value of the maximum retirement pension benefit by more than CHF 5'000.

The scheme is subdivided into a risk pre-insurance and a primary insurance. The risk pre-insurance coverage is a pure risk insurance that covers the risks of death and disability up to the age of 25. The primary insurance begins at age 25 and is comprised of a savings facility run by the scheme and insurance covering the death and disability risks.

The scheme participates in compulsory coverage and is entered in the register for occupational pension providers as provided for by art. 48 of the Federal Occupational Retirement, Survivors' and Disability Pension Plans Act (BVG/LPP). At minimum it provides for the benefits pursuant to BVG/LPP. The scheme is under the regulatory supervision of the Canton of Basel Land.

The scheme may cede coverage of benefits, whether in whole or in part, to a life insurance company subject to insurance regulatory supervision.

#### **Amounts included in the consolidated financial statements**

The amounts recognised in the consolidated statement of profit or loss in respect of defined benefit plans are as follows:

	2014 € (000's)	2013* as restated € (000's)
Current employer service cost	(5'294)	(5'938)
Past service credit/(cost) and gains/(losses) on settlements	514	4'847
Net interest cost	(360)	(502)
Administration cost	(148)	(182)
<b>Defined benefit cost recognised in statement of profit or loss</b>	<b>(5'288)</b>	<b>(1'775)</b>

\*See note 5

Past service credit/(cost) and gains/(losses) on settlements in the year ended 30 September 2014 relates to a settlement gain of € 660'000 on the change of the pension plan in Netherlands from a defined benefit to a defined contribution plan, and a past service cost of € 146'000 relating to early retirement pension paid in the pension scheme in Switzerland.

Past service credit/(cost) and gains/(losses) on settlements in the year ended 30 September 2013 relates to a curtailment of the benefits payable under the Group's pension scheme in Switzerland. In July 2013 the Valora pension scheme reduced the conversion rate for calculating the retirement pension, resulting in a reduction of the future pensions to be paid and hence the defined benefit obligation of the scheme.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit obligation is as follows:

	2014 € (000's)	2013* as restated € (000's)
Fair value of plan assets	159'690	155'723
Present value of funded defined benefit obligation	(163'375)	(164'203)
<b>Funded status</b>	<b>(3'685)</b>	<b>(8'480)</b>
Present value of unfunded benefit obligation	(7'009)	(5'741)
<b>Net liability in the balance sheet</b>	<b>(10'694)</b>	<b>(14'221)</b>

\*See note 5

### Defined benefit obligation

The movement in the present value of the defined benefit obligation in the current period was as follows:

	2014 € (000's)	2013* as restated € (000's)
<b>Present value of obligation at beginning of period</b>	<b>(169'944)</b>	<b>(166'362)</b>
Current employer service cost	(5'294)	(5'938)
Employees' contributions	(2'696)	(3'012)
Interest cost	(3'397)	(3'578)
Past service cost, curtailments, settlements, plan amendments	11'871	4'847
Benefits paid	3'732	3'658
Transfer payments in/out	3'449	1'354
Actuarial gain (loss) on defined benefit obligation	(5'882)	(2'753)
Currency gain (loss)	(2'223)	1'840
<b>Present value of obligation at end of period</b>	<b>(170'384)</b>	<b>(169'944)</b>

\*See note 5

## Plan assets

The movement in the fair value of plan assets in the current period was as follows:

	2014 € (000's)	2013* as restated € (000's)
<b>Fair value of plan assets at beginning of period</b>	<b>155'723</b>	<b>145'614</b>
Interest income on plan assets	3'037	3'075
Employees' contributions	2'696	3'012
Employer's contributions	3'980	4'770
Settlements	(11'357)	-
Benefits paid	(3'417)	(3'413)
Transfer payments in/out	(3'449)	(1'354)
Administration cost (excl. asset management cost)	(148)	(182)
Return on plan assets excl. interest income	10'460	5'882
Currency gain (loss)	2'165	(1'681)
<b>Fair value of plan assets at end of period</b>	<b>159'690</b>	<b>155'723</b>

\*See note 5

Employer's contributions expected for the next year amount to € 3.9 million.

The fair value of the total plan assets at the balance sheet date comprises of the following major categories of assets and associated rates of return:

	2014	2014	2013	2013
	<i>Quoted market prices in active markets</i>	<i>Prices in non- active markets</i>	<i>Quoted market prices in active markets</i>	<i>Prices in non- active markets</i>
Cash	6.6%	0.0%	9.6%	0.1%
Bonds	32.6%	0.0%	27.5%	0.0%
Equities	26.8%	0.0%	22.1%	0.0%
Property	1.3%	30.0%	1.1%	28.9%
Other	2.7%	0.0%	3.7%	7.0%
<b>Total</b>	<b>70.0%</b>	<b>30.0%</b>	<b>64.0%</b>	<b>36.0%</b>

The funded pension plan assets are invested in accordance with local laws. They include neither the Group's own financial instrument nor property occupied by, or other assets used by, the Group.

## Actuarial assumptions

The principal actuarial assumptions are based on local economic conditions and are as follows for Switzerland:

	2014	2013
Discount rate	1.50%	2.00%
Expected salary increase	1.50%	1.50%
Expected pension increase	0.25%	0.25%
Mortality table	BVG 2010 GT Generation Table	BVG 2010 GT Generation Table

The estimated duration of the plan liabilities is 12.9 years (2013: 13.7 years).

The following table shows the remeasurement gains and losses on post-employment benefit obligations recognised in other comprehensive income:

	2014 € (000's)	2013* as restated € (000's)
Return on plan assets excl. interest income	10'460	5'882
Experience gains/(losses) on defined benefit obligation	4'845	797
Actuarial gains/(losses) arising from change in demographic assumptions	123	(4'643)
Actuarial gains/(losses) arising from change in financial assumptions	(10'850)	1'093
Currency gains/(losses)	1	(4)
<b>Total amount of remeasurement gain/(loss) on post-employment benefit obligations recognised in other comprehensive income</b>	<b>4'579</b>	<b>3'125</b>

\*See note 5

### Sensitivity analysis

The valuation of the pension benefit obligations is particularly sensitive with regard to changes to the discount rate and the assumptions of the salary rises, pension rises and the expected mortality rate. The following table shows the change of defined benefit obligation on the basis of a reasonably possible change to these actuarial assumptions at 30 September 2014:

	€ (000's)
Discount rate (+0.50%)	10'396
Discount rate (-0.50%)	(10'215)
Increase in future salaries (+0.25%)	(441)
Decrease in future salaries (-0.25%)	424
Increase in future pensions (+0.25%)	(4'608)
Decrease in future pensions (-0.25%)	4'384

Every sensitivity analysis considers the change of one assumption, while all other assumptions remain the same. This approach shows the isolating effect if an individual assumption is changed, but does not consider that some assumptions are mutually dependent.



## 27. Provisions

	Warranty € (000's)	Litigation & tax € (000's)	Restructuring € (000's)	Other € (000's)	Total € (000's)
<b>Balance at 30 September 2012</b>	<b>(1'460)</b>	<b>(2'605)</b>	<b>(29)</b>	<b>(4'352)</b>	<b>(8'446)</b>
Charged to the statement of profit or loss	(307)	112	(1'622)	(1'331)	<b>(3'148)</b>
Expenditure in the period	-	427	-	258	<b>685</b>
Reversed against the statement of profit or loss without cost incurred	246	1'000	-	1'447	<b>2'693</b>
Reclassification*	-	-	(112)	112	-
Effect of foreign exchange differences	1	3	(6)	2	-
<b>Balance at 30 September 2013</b>	<b>(1'520)</b>	<b>(1'063)</b>	<b>(1'769)</b>	<b>(3'864)</b>	<b>(8'216)</b>
Charged to the statement of profit or loss	(677)	(377)	(180)	(437)	<b>(1'671)</b>
Expenditure in the period	360	264	938	65	<b>1'627</b>
Reversed against the statement of profit or loss without cost incurred	315	236	(88)	49	<b>512</b>
Effect of foreign exchange differences	(1)	-	(3)	(33)	<b>(37)</b>
<b>Balance at 30 September 2014</b>	<b>(1'523)</b>	<b>(940)</b>	<b>(1'102)</b>	<b>(4'220)</b>	<b>(7'785)</b>

\*Reclassified between categories in order to more accurately reflect the underlying nature of the provisions.

The above amounts are recorded in the balance sheet as follows:

	2014 € (000's)	2013 € (000's)
Non-current liabilities	(6'639)	(6'605)
Current liabilities	(1'146)	(1'611)
<b>Total</b>	<b>(7'785)</b>	<b>(8'216)</b>

The warranty provision represents management's best estimate of the future outflow of economic benefits that will be required in respect of warranties on machine sales and has been based on historical trends observed.

The provisions in respect of litigations and tax represent management's best estimate of the future outflow of economic benefits required to settle legal claims and tax claims made against the Group, and has been based on advice from and discussion with the Group's lawyers.

The restructuring provision represents amounts due to be paid in respect of certain restructuring activities which have been initiated. The amounts provided include the costs of employee severance payments, as well as other costs associated with closing facilities or offices.

The other provision includes significant portion of long service awards (jubilee benefits) to which all employees of Selecta Switzerland are entitled based on the years of service. The calculation requires an actuarial valuation to be performed as it is based on assumptions of expected service lengths, current service length, date of entry, monthly salary, sex, and long service awards paid in last financial year.

## 28. Deferred income taxes

### 28.1. Balance Sheet presentation

Deferred income tax balances are presented in the balance sheet as follows:

	2014 € (000's)	2013 as restated* € (000's)
Deferred income tax assets	8'450	12'052
Deferred income tax liabilities	(132'142)	(138'878)
<b>Total deferred tax liabilities, net</b>	<b>(123'692)</b>	<b>(126'826)</b>

\*See note 5

### 28.2. Movement in deferred tax balances during the year

The movement in the deferred tax balances during the year was as follows:

	30 September 2013 as restated* € (000's)	(Charged)/ credited to income € (000's)	(Charged)/ credited to OCI € (000's)	Exchange differences € (000's)	30 September 2014 € (000's)
<b>Temporary differences</b>					
Intangible assets	(130'840)	5'946	-	201	(124'693)
Property, plant and equipment	(12'017)	1'374	-	(124)	(10'767)
Non-current financial assets	-	-	-	-	-
Inventories	(848)	(335)	-	(12)	(1'195)
Trade receivables	(180)	547	-	17	384
Current liabilities	138	615	(103)	33	683
Provisions	-	62	-	-	62
Other non-current liabilities	3'383	647	(861)	122	3'291
<b>Total temporary differences</b>	<b>(140'364)</b>	<b>8'856</b>	<b>(964)</b>	<b>237</b>	<b>(132'235)</b>
<b>Tax losses</b>					
Unused tax losses	13'538	(5'611)	-	616	8'543
<b>Total deferred tax asset/(liability)</b>	<b>(126'826)</b>	<b>3'245</b>	<b>(964)</b>	<b>853</b>	<b>(123'692)</b>

	30 September 2012 as restated* € (000's)	(Charged)/ credited to income € (000's)	(Charged)/ credited to OCI € (000's)	Exchange differences € (000's)	30 September 2013 as restated* € (000's)
<b>Temporary differences</b>					
Intangible assets	(137'513)	6'425	-	248	(130'840)
Property, plant and equipment	(13'051)	942	-	92	(12'017)
Non-current financial assets	91	(90)	-	(1)	-
Inventories	(912)	53	-	11	(848)
Trade receivables	(153)	(31)	-	4	(180)
Current liabilities	(273)	407	-	4	138
Provisions	767	(767)	-	-	-
Other non-current liabilities	4'680	(684)	(581)	(32)	3'383
<b>Total temporary differences</b>	<b>(146'364)</b>	<b>6'255</b>	<b>(581)</b>	<b>326</b>	<b>(140'364)</b>
<b>Tax losses</b>					
Unused tax losses	7'030	6'755	-	(247)	13'538
<b>Total deferred tax asset/(liability)</b>	<b>(139'334)</b>	<b>13'010</b>	<b>(581)</b>	<b>79</b>	<b>(126'826)</b>

\*See note 5

### 28.3. Detail of deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

30 September 2014	Assets € (000's)	Liabilities € (000's)	Net € (000's)
<b>Temporary differences</b>			
Intangible assets	53	(124'746)	(124'693)
Property, plant and equipment	237	(11'004)	(10'767)
Non-current financial assets	-	-	-
Inventories	1	(1'196)	(1'195)
Trade receivables	732	(348)	384
Current liabilities	694	(11)	683
Provisions	62	-	62
Other non-current liabilities	3'291	-	3'291
<b>Deferred tax assets/(liabilities) arising on temporary differences</b>	<b>5'070</b>	<b>(137'305)</b>	<b>(132'235)</b>
<b>Tax losses</b>			
Unused tax losses	8'543	-	8'543
<b>Deferred tax assets arising from unused tax losses</b>	<b>8'543</b>	<b>-</b>	<b>8'543</b>
Offset deferred tax assets and deferred tax liabilities	(5'163)	5'163	-
<b>Total deferred tax asset/(liability)</b>	<b>8'450</b>	<b>(132'142)</b>	<b>(123'692)</b>

30 September 2013	Assets € (000's)	Liabilities € (000's)	Net € (000's)
<b>Temporary differences as restated*</b>			
Intangible assets	90	(130'930)	(130'840)
Property, plant and equipment	298	(12'315)	(12'017)
Non-current financial assets	-	-	-
Inventories	67	(915)	(848)
Trade receivables	231	(411)	(180)
Current liabilities	228	(90)	138
Provisions	-	-	-
Other non-current liabilities	3'418	(35)	3'383
<b>Deferred tax assets/(liabilities) arising on temporary differences</b>	<b>4'332</b>	<b>(144'696)</b>	<b>(140'364)</b>
<b>Tax losses</b>			
Unused tax losses	13'538	-	13'538
<b>Deferred tax assets arising from unused tax losses</b>	<b>13'538</b>	<b>-</b>	<b>13'538</b>
Offset deferred tax assets and deferred tax liabilities	(5'818)	5'818	-
<b>Total deferred tax asset/(liability)</b>	<b>12'052</b>	<b>(138'878)</b>	<b>126'826</b>

\*See note 5

#### **28.4. Unrecognised deferred tax assets/liabilities**

The value of unused tax losses carried forward which have not been capitalised as deferred tax assets, with their expiration dates is as follows:

	2014 € (000's)	2013 € (000's)
One year	153	98
Two years	76	98
Three years	816	98
Four years	899	837
Five years	305	899
More than five years	172'721	178'041
<b>Total unused tax losses carried forward</b>	<b>174'970</b>	<b>180'071</b>

These deferred income tax assets have not been recognised as it is not probable that future taxable profits will be available to utilise the losses.

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain foreign subsidiaries, as such amounts are currently regarded as permanently reinvested. The parent is not only able to control the distribution of dividends but has also no plan for any such distribution.

## 29. Trade payables

	2014 € (000's)	2013 € (000's)
Trade payables	98'112	76'752
<b>Total trade payables</b>	<b>98'112</b>	<b>76'752</b>

The Group's exposure to financial and liquidity risk related to trade and other payables is disclosed in note 32.

## 30. Other current liabilities

	2014 € (000's)	2013 € (000's)
Other payables	25'615	28'909
Accrued expenses	31'055	34'984
Interest payable	10'084	1'940
Tax and social security costs	13'522	12'211
<b>Total other current liabilities</b>	<b>80'276</b>	<b>78'044</b>

The balance of other payables represent the sum of payments on account of customers (deferred revenue), pension contribution payable (employer and employee portion), personnel accruals (overtime, vacations, wages and salaries, bonus/incentives) and other.

## 31. Equity

### 31.1. Share capital and share premium

The Group's share capital consists of 187'000 fully paid ordinary shares (2013: 187'000) with a nominal value of € 1 per share.

Fully paid ordinary shares carry one vote per share and a right to dividends.

### 31.2. Reserves

The other comprehensive income accumulated in reserves, net of tax was as follows:

30 September 2014	Attributed to equity holders of the parent			
	Currency translation reserve € (000's)	Retained earnings € (000's)	Hedging reserve € (000's)	<b>Total</b> € (000's)
Foreign currency translation differences for foreign operations	2'354	-	-	<b>2'354</b>
Remeasurement gain/(loss) on post-employment benefit obligations, net of tax	-	3'368	-	<b>3'368</b>
Effective portion of change in fair value of cash flow hedges, net of tax	-	-	(686)	<b>(686)</b>
<b>Total other comprehensive income, net of tax</b>	<b>2'354</b>	<b>3'368</b>	<b>(686)</b>	<b>5'036</b>

30 September 2013 (restated)*	Attributed to equity holders of the parent			<b>Total</b> € (000's)
	Currency translation reserve € (000's)	Retained earnings € (000's)	Hedging reserve € (000's)	
Foreign currency translation differences for foreign operations	8'432	-	-	<b>8'432</b>
Remeasurement gain/(loss) on post-employment benefit obligations, net of tax	-	2'544	-	<b>2'544</b>
<b>Total other comprehensive income, net of tax</b>	<b>8'432</b>	<b>2'544</b>	<b>-</b>	<b>10'976</b>

\*See note 5

Reserves arising from foreign currency translation adjustments comprise the differences from the foreign currency translation of the financial statements of subsidiaries and associates from the functional currency into EURO.

Retained earnings include the accumulated net losses as well as the accumulated remeasurement gains and losses on post-employment benefit obligations, including any income taxes.

The hedging reserves comprise the effective portion of changes in the fair value of hedging instruments which were designated a cash flow hedges, included any related income taxes.

## 32. Financial risk management

### 32.1. Risk management framework

Financial risk management is an integral part of the way the Group is managed. The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial policies. Group's management reports on a monthly basis to the Board of Directors on the Group's performance. The Board of Directors meets approximately 6 times a year and meeting minutes are documented. The Chief Financial Officer (CFO) is responsible for setting financial strategies, which are executed by Group Treasury and by the Group's subsidiaries. The activities of Group Treasury and of the various subsidiaries are regularly reviewed and monitored by the CFO thus verifying the compliance of operations within the approved guidelines and limits.

The Group Treasury function is responsible for ensuring adequate funds are available to the Group's subsidiaries as necessary. To this end a cash pool has been established in respect of some countries in which the Group operates, and funds are reallocated across the Group as necessary. The Group's Treasury function is also responsible for drawing on and repaying amounts under the Group's revolving credit facilities to meet the cash needs of the Group. All drawings must be approved by the CFO and the outstanding borrowings under each facility are reported to the Board of Directors on a monthly basis.

In order to minimise the Group's exposure to foreign exchange risk, the Group has entered into cross currency swaps in the year ended 30 September 2014 in order to hedge against the impact of exchange rate fluctuations on the Group's interest payments. The Group does not enter into or trade financial instruments for speculative purposes.

### 32.2. Market risk management

Financial market risk is essentially caused by exposures to foreign currencies, interest rates and coffee price. For further details on interest rate risk management see section 32.6 and foreign currency risk management see section 32.7.

The Group is also exposed to commodity price risk because of coffee price fluctuations. Some of these fluctuations can be passed on to clients through price increases in line with contractual conditions. The Group has periodically assessed the economic impact of hedging the coffee prices but considers the hedging-cost as too high to make hedging a commercially attractive measure. However whilst the Group does not enter into hedging instruments into coffee prices, coffee volumes are committed with suppliers between 1 and 6 months in advance depending on current green bean coffee prices and expectations of future price development.

### 32.3. Credit risk management

Credit risk arises because a counterparty may fail to perform its obligations as prescribed, resulting in a financial loss to the Group. The Group is exposed to credit risk on its trade receivables, its non-current other financial assets and its cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	Carrying amount 2014 € (000's)	2013 € (000's)
Trade receivables	21	38'522	38'226
Non-current other financial assets	19	2'563	2'305
Cash and cash equivalents	23	50'758	95'498
Accrued income	22	20'185	19'999
<b>Total exposure to credit risk</b>		<b>112'028</b>	<b>156'028</b>

Trade receivables are subject to credit limits and ongoing credit evaluation in all the subsidiaries. Due to its large geographic base and number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivables, and there were no counterparties where credit risk exceeded 5% of gross monetary assets at any time during the year. In addition, due to the nature of the Group's operations, a significant portion of its revenues are received in cash.

For details on how the Group manages its credit risk arising from trade receivables see note 21.

The Group is not exposed to significant credit risk on its cash and cash equivalents as these are spread over several institutions in different geographic areas.

Settlement risk results from the fact that the Group may not receive financial instruments from its counterparties at the expected time. This risk is managed by monitoring counterparty activity and settlement limits.

### 32.4. Liquidity risk management

Liquidity risk arises when a company encounters difficulties to meet commitments associated with financial instruments. Such risk may result from inadequate market depth or disruption or refinancing problems. This risk is managed by limiting exposures in instruments that may be affected by liquidity problems and by actively matching the funding horizon of debt with incoming cash flows. The Group manages liquidity risk by ensuring adequate reserves are available, and through its banking facilities, in particular the Group's revolving credit facilities. In addition, the Group continuously monitors cash flows to ensure that adequate funds exist to settle its liabilities.

The Group has several benchmarks and approval requirements for borrowing and investing as well as for using derivative financial instruments. In general, subsidiaries may not borrow in their respective local currency without the approval of the CFO. The subsidiaries may also not hedge their foreign currency exposures without the approval of the CFO. Wherever possible, the Group requires that subsidiaries repatriate all their excess cash and bank balances to Group finance companies to allow the Group to ensure that adequate funds are made available across the Group as necessary.

## Liquidity available through financing facilities

As part of the refinancing of the Group in the year ended 30 September 2014. The Group has entered into a € 50 million super senior revolving credit facility. The amount drawn under this facility at 30 September 2014 is nil (2013: nil) and therefore the whole € 50 million remains available.

## Liquidity tables

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table includes both principal and interest payments, and has been prepared using undiscounted cash flows.

	<i>Less than 3 months € (000's)</i>	<i>3 months to 1 year € (000's)</i>	<i>1-5 years € (000's)</i>	<i>More than 5 years € (000's)</i>	<i>Total € (000's)</i>
<i>At 30 September 2014</i>					
Secured loan notes	17'472	17'971	143'771	588'909	<b>768'123</b>
Loans due to parent undertaking	-	-	-	493'395	<b>493'395</b>
Finance lease liabilities	1'119	3'087	9'566	1'550	<b>15'322</b>
Trade payables	98'112	-	-	-	<b>98'112</b>
<b>Total non-derivative financial liabilities</b>	<b>116'703</b>	<b>21'058</b>	<b>153'337</b>	<b>1'083'854</b>	<b>1'374'952</b>
Cross currency swaps used for hedging:					
Outflows	9'067	9'309	288'975	-	<b>307'351</b>
Inflows	(8'051)	(8'274)	(286'492)	-	<b>(302'817)</b>
<b>Total derivative financial liabilities</b>	<b>1'016</b>	<b>1'035</b>	<b>2'483</b>	<b>-</b>	<b>4'534</b>
<i>At 30 September 2013</i>					
Borrowings	-	18'414	800'289	-	<b>818'703</b>
Finance lease liability	614	1'694	5'687	-	<b>7'995</b>
Trade payables	76'752	-	-	-	<b>76'752</b>
<b>Total non-derivative financial liabilities</b>	<b>77'366</b>	<b>20'108</b>	<b>805'976</b>	<b>-</b>	<b>903'450</b>

## 32.5. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of net debt (borrowings as disclosed in note 24 offset by cash and bank balances) and equity of the Group (comprising share capital, share premium, additional paid in capital, currency translation reserves, hedging reserves and retained earnings).

## 32.6. Interest rate risk management

Interest rate risk comprises the cash flow risk that results from changes in interest rates. The Group's secured loan notes and notes due to parent undertakings carry interest at fixed rates. As these loans form the significant part of the Group's borrowings the Group's exposure to interest rate risk is relatively limited. Interest on the Group's revolving credit facility is linked to LIBOR, however the amounts involved are relatively limited in comparison to the overall borrowings, and at 30 September 2014 no amounts were outstanding on this facility.

The interest rate on the Group's secured loan notes amounts to 6.5%, on the loans due to parent undertakings to 11.875%, and on the Group's revolving credit facility to LIBOR plus 3.5%. The remaining contractual maturity in respect of the Group's borrowings is disclosed in Note 32.4.



## Interest rate risk sensitivity

The sensitivity analysis below has been determined based on the interest rate exposure as at the end of the reporting period. At 30 September 2014 all of the Group's borrowings were at fixed rates. At the previous year end the sensitivity was based on the Group's floating rate borrowings at 30 September 2013, assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

At 30 September 2014, if interest rates had been 1 percent higher/lower, with all other assumptions held constant, profit after taxation would decrease/increase by € nil (€ 8.2 million respectively in financial year ended 30 September 2013). The sensitivity to interest rate changes in 2014 is due to the refinancing of the Group's borrowings during the year ended 30 September 2014 and the fact that the new loans are predominantly held at fixed rates as described above.

A 1 percent change is used for the purposes of the sensitivity analysis as it represents management's assessment of a reasonably possible change in interest rates.

## 32.7. Foreign currency risk management

---

Foreign currency transaction risk arises because subsidiaries sometimes undertake transactions in foreign currencies such as the import of machines and the acquisition of services and the related borrowings. Translation exposure arises from the consolidation of the Group accounts into € and is not hedged but managed primarily through borrowings denominated in the relevant foreign currencies.

In order to minimise the Group's exposure to foreign exchange risk, the Group has entered into cross currency swaps in the year ended 30 September 2014 in order to hedge against the impact of exchange rate fluctuations on the Group's interest payments (see note 33.3).

### Exposure to currency risk

Since each of the Group's subsidiaries invoices its customers in the functional currency in which that subsidiary operates, and since the significant part of its cost base is also denominated in its functional currency, the exposure to currency risk within the trading subsidiaries of the Group is not significant.

Certain of the holding companies based in Switzerland, and therefore with Swiss Francs as their functional currency, have loan receivables and payables, both with external parties and with other Group companies, denominated in currencies other than their functional currency. The table below shows the total net assets / (liabilities) which are exposed to currency risk, by currency, arising in those entities:

	<i>2014</i> <i>Currency (000's)</i>	<i>2013</i> <i>Currency (000's)</i>
EUR	64'010	34'826
GBP	3'043	1'048
SEK	-	-
DKK	-	12'000
NOK	-	11'134

## Foreign currency sensitivity

Most Group companies transact the majority of their business in their local currency. For Selecta Group, transaction risks arise as a result of financing based on another currency than Group functional currency. The transaction risks analysis has been performed to include variations in the exchange rate between CHF, GBP and SEK against EUR as those three currencies represent major currencies other than Group's functional currency. The Group's sensitivity analysis has been determined based on the Group's net transaction exposure as at the end of the reporting period. A  $\pm 10$  percent change is used for the purposes of the sensitivity analysis as it represents management's assessment of a reasonably possible change in foreign exchange rates.

At 30 September 2014 a  $\pm 10$  percent change in the CHF, GBP and SEK against EUR would impact the net profit of the Group according to the table below. The amounts below show the increase in net profit which would come about as a result of a 10% strengthening of the EUR against each of the currencies below. For a 10% weakening of the EUR against the relevant currency, there would be a comparable decrease in net profit.

Net profit	2014 € (000's)	2013 € (000's)
CHF	2'256	740
GBP	755	2'763
SEK	235	420

## 33. Financial instruments

### 33.1. Accounting classifications and fair values

At 30 September 2014

	Carrying amount			Total € (000's)	Fair value			Total € (000's)
	Cash flow hedging instrument € (000's)	Loans and receivables € (000's)	Other financial liabilities € (000's)		Level 1 € (000's)	Level 2 € (000's)	Level 3 € (000's)	
<b>Financial assets not measured at fair value</b>								
Trade receivables	-	38'522	-	<b>38'522</b>				
Non-current other financial assets	-	2'563	-	<b>2'563</b>				
Cash and cash equivalents	-	50'758	-	<b>50'758</b>				
Accrued income	-	20'185	-	<b>20'185</b>				
	-	<b>112'028</b>	-	<b>112'028</b>				
<b>Financial liabilities measured at fair value</b>								
Cross currency swaps used for hedging	(4'301)	-	-	<b>(4'301)</b>	-	(4'301)	-	<b>(4'301)</b>
	<b>(4'301)</b>	-	-	<b>(4'301)</b>				
<b>Financial liabilities not measured at fair value</b>								
Secured loan notes	-	-	(535'013)	<b>(535'013)</b>	(517'928)	-	-	<b>(517'928)</b>
Loans due to parent undertaking	-	-	(216'610)	<b>(216'610)</b>	-	(216'610)	-	<b>(216'610)</b>
Finance lease liabilities	-	-	(15'322)	<b>(15'322)</b>	-	(15'322)	-	<b>(15'322)</b>
Trade payables	-	-	(98'112)	<b>(98'112)</b>				
	-	-	<b>(865'057)</b>	<b>(865'057)</b>				

At 30 September 2013

	Carrying amount				Fair value			
	Cash flow hedging instrument € (000's)	Loans and receivables € (000's)	Other financial liabilities € (000's)	Total € (000's)	Level 1 € (000's)	Level 2 € (000's)	Level 3 € (000's)	Total € (000's)
<b>Financial assets not measured at fair value</b>								
Trade receivables	-	38'226	-	<b>38'226</b>				
Non-current other financial assets	-	2'305	-	<b>2'305</b>				
Cash and cash equivalents	-	95'498	-	<b>95'498</b>				
Accrued income	-	19'999	-	<b>19'999</b>				
	-	<b>156'028</b>	-	<b>156'028</b>				
<b>Financial liabilities not measured at fair value</b>								
Secured bank loans	-	-	(818'703)	<b>(818'703)</b>	-	(818'703)	-	<b>(818'703)</b>
Finance lease liabilities	-	-	(7'995)	<b>(7'995)</b>	-	(7'995)	-	<b>(7'995)</b>
Trade payables	-	-	(76'752)	<b>(76'752)</b>				
	-	-	<b>(903'450)</b>	<b>(903'450)</b>				

### 33.2. Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 fair values:

#### Financial instruments measured at fair value

	Valuation technique	Significant unobservable inputs
Cross currency swaps used for hedging	Periodic mid market values are based on observable inputs including foreign currency exchange rates and interest rates. A credit spread is added to the standard, risk-free discount curve, determined by comparing the composite yield of a basket of fixed-rate bonds issued by entities with similar credit characteristics to the Company, to the risk-free rate.	Not applicable

#### Financial instruments not measured at fair value

	Valuation technique	Significant unobservable inputs
Debt securities	Discounted cash flows	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

### 33.3. Derivative financial instruments designated as cash flow hedges

During the year ended 30 September 2014 the Group entered into cross currency swaps in order to hedge against the impact of exchange rate fluctuations on the Group's interest payments. These cross currency swaps have been designated as cash flow hedges to the extent that they represent an effective accounting hedge.

At 30 September 2014 the derivative financial instruments had a negative fair value of € 4.3 million (2013: nil). In the year ended 30 September 2014 the negative change in fair value of the derivative financial instruments which was recorded in other comprehensive income was € 1.7 million (2013: nil).

The following table shows the original trade date, maturity date, notional amounts and carrying amount of the cross currency swaps:

	<i>Original trade date</i>	<i>Maturity date</i>	<i>Notional amount € (000's)</i>	<i>Carrying amount € (000's)</i>
<i>30 September 2014</i>				
CHF / EUR cross currency swap	20 June 2014	15 June 2017	85'000	(1'198)
SEK / EUR cross currency swap	20 June 2014	15 June 2017	170'000	(3'103)

There were no derivative financial instruments outstanding at 30 September 2013.

The following table indicates the periods in which the cash outflows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments:

	<i>Carrying amount € (000's)</i>	<i>Total € (000's)</i>	<i>One year or less € (000's)</i>	<i>More than one year € (000's)</i>
<i>30 September 2014</i>				
Cross currency swaps used for hedging	(4'301)	(4'534)	(2'051)	(2'483)

The following table indicates the periods in which the cash outflows associated with cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments:

	<i>Carrying amount € (000's)</i>	<i>Total € (000's)</i>	<i>One year or less € (000's)</i>	<i>More than one year € (000's)</i>
<i>30 September 2014</i>				
Cross currency swaps used for hedging	(4'301)	(4'534)	(2'051)	(2'483)

### **33.4. Master netting or similar agreements**

---

The Group enters into derivative transactions under International Swaps and Derivatives master netting agreements under which, in the event of a default, the amounts owed by each counterparty at any given point in time are aggregated into a single net amount that is payable by one party to the other.

### **34. Share based payments**

---

As at 30 September 2013, the Group had issued 36'778 profit participation rights for an aggregate purchase price of € 548'021. All of the profit participation rights were cancelled during the year ended 30 September 2014.

During the year ended 30 September 2014, the Group implemented a new long term incentive plan for certain key management personnel (the "Exit Bonus Plan" or "Plan"). Under the plan an exit payment will be paid to those management personnel on the event of a change of control or a listing of the Group (the "exit event"). The exit payment will be calculated as a percentage of the shareholders' net equity proceeds, being the proceeds less cost of investment, outstanding debt and certain debt like items, and costs incurred in connection with the change of control or listing. No amounts were recognised in these consolidated financial statements relating to this plan as management does not consider the occurrence of an exit event to be probable at 30 September 2014. This plan will expire in June 2019.

## 35. Commitments for expenditures

---

### Operating lease commitments

The Group leases various land and buildings, offices and vehicles under operating lease agreements. The lease expenditure charged to the Statement of profit or loss for the period is € 85.5 million, thereof minimum lease payments € 80.1 million (2013: € 98.8million and € 92.8 million respectively).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014 € (000's)	2013 € (000's)
Within one year	8'800	7'021
After one year but not more than five years	20'546	20'459
More than five years	26'624	29'041
<b>Total operating lease commitments</b>	<b>55'970</b>	<b>56'521</b>

€ 39.9 million (2013: € 43.5 million) of the total future minimum lease payments under non-cancellable operating leases relate to a building lease contracts held by the holding and trading company Selecta AG in Switzerland. The most significant lease contracts have been signed for a period between 15 and 20 years.

## 36. Contingent liabilities and contingent assets

---

The Group, through a number of its subsidiaries, is involved in various legal proceedings or claims arising from its normal business. Provisions are made as appropriate where management assesses that it is probable that an outflow of economic benefits will arise. None of these proceedings results in a material contingent liability for the Group.

## 37. Related parties

---

### 37.1. Parent undertaking

---

The immediate parent of the Group is Selecta Group S.à.r.l., a company incorporated in Luxembourg. During the year ended 30 September 2014 Selecta Group S.à.r.l. acquired the shares of the Group from ACP Vermögensverwaltung GmbH & Co. KG Nr. 4 d.

The ultimate controlling party of the Group both before and after the change of the immediate parent undertaking was and remains Allianz SE, incorporated in Germany.

### 37.2. Compensation of key management personnel

---

For details of the key management personnel see Section 2 "Board and Management".

No remuneration is paid by the Group to any of the Members of the Supervisory Board or the Management Board of Selecta Group BV in their capacity as Members of the Supervisory Board or the Management Board of Selecta Group BV (2013: nil).

Selecta AG is the main operating entity of the Group. Selecta AG is managed by its board of directors and executive committee.

No remuneration is paid by the Group to any of the Directors of Selecta AG by the Group in their capacity as Members of the Board of Directors (2013: nil).

The remuneration of the Executive Committee during the period was as follows:

	2014 € (000's)	2013 € (000's)
Short term benefits	2'285	2'076
Post-employment benefits	244	238
Termination benefits	-	173

There were no other material transactions or outstanding balances between the Group and its key management personnel or members of their close family (2013: nil).

### **37.3. Transactions and balances with related parties**

---

Transactions between the Group and other related parties were as follows:

<i>Related party</i>	<i>Nature of the relationship</i>	<i>Amount of transaction € (000's)</i>	<i>Outstanding balance € (000's)</i>
<b>Year ended and as at 30 September 2014</b>			
Allianz Suisse Versicherungsgesellschaft Zürich	Insurance services received	1'206	110
Allianz Suisse Versicherungsgesellschaft	Vending services provided	90	-
Allianz Deutschland AG	Vending services provided	209	-
Sana Kliniken AG	Vending services provided	38	-
Heidelberger Druckmaschinen AG	Vending services provided	6	-
Allianz Capital Partners GmbH	Vending services provided	8	-
Allianz Managed Operations and Services	SAP maintenance services received	27	-
<b>Year ended and as at 30 September 2013</b>			
Allianz Suisse Versicherungsgesellschaft Zürich	Insurance services received	590	-
Allianz Suisse Versicherungsgesellschaft	Vending services provided	290	-
Allianz Deutschland AG	Vending services provided	217	-
Sana Kliniken AG	Vending services provided	32	-
Allianz Capital Partners GmbH	Vending services provided	8	-
Heidelberger Druckmaschinen AG	Vending services provided	5	-
Allianz Managed Operations and Services	SAP maintenance services received	112	-

There were no material transactions or outstanding balances between the Group and other related parties in the year ended 30 September 2014.

### **38. Acquisition and disposal of subsidiaries**

---

During the year ended 30 September 2014 and 30 September 2013 there have not been any acquisitions or disposals of subsidiaries.

Amounts reported as gain or loss on disposal of subsidiaries in the year ended 30 September 2014 were: nil (2013: gain of € 202'000). On 29 February 2012 the Group disposed of 100% of the shares of Selecta Italia S.p.A.. The value of the net assets disposed of as reported in the year ended 30 September 2012 included provisions for certain contingent liabilities which the Group expected to incur. In fact the amounts incurred in respect of these liabilities was lower, and hence an additional disposal gain of € 202'000 was recognised in the year ended 30 September 2013.

### **39. Events after the balance sheet date**

---

To the best of management's knowledge, no events have occurred between 30 September 2014 and the date of these consolidated financial statements that could have a material impact on the consolidated financial statements.

## 40. Subsidiaries

The Company's subsidiaries at 30 September 2014 and at 30 September 2013 were as follows:

<i>Legal Name of subsidiary</i>	<i>Place of incorporation (or registration)</i>	<i>Proportion of ownership interest in %</i>	<i>Proportion of voting power held in %</i>	<i>Principal activities</i>
Selecta Holding SAS	France	100	100	Holding company
Selecta SA	France	99.92	99.92	Trading company for provision of vending services
Approfrais SA	France	99.92	99.92	Trading company for provision of vending services
Selecta SA	Belgium	100	100	Trading company for provision of vending services
Selecta Luxembourg SA	Luxembourg	99.92	99.92	Dormant company
Selecta Nordic Holding AB	Sweden	100	100	Holding company
Selecta A/S	Denmark	100	100	Trading company for provision of vending services
Selecta AS	Norway	100	100	Trading company for provision of vending services
Selecta Holding AB	Sweden	100	100	Holding company
Selecta AB	Sweden	100	100	Trading company for provision of vending services
OY Selecta AB	Finland	100	100	Trading company for provision of vending services
Selecta Eesti OÜ	Estonia	100	100	Trading company for provision of vending services
UAB Selecta	Lithuania	100	100	Trading company for provision of vending services
SIA Selecta	Latvia	100	100	Trading company for provision of vending services
SIA Baltic Payment Systems	Latvia	100	100	Service company
Selecta Holding Ltd.	United Kingdom	100	100	Holding company
Selecta UK Ltd.	United Kingdom	100	100	Trading company for provision of vending services
Vendcare (Holdings) Ltd.	United Kingdom	100	100	Dormant company
Vendcare Services Ltd.	United Kingdom	100	100	Dormant company
Retail Vending Ltd.	United Kingdom	100	100	Dormant company
Selecta Refreshments Ltd.	Eire	100	100	Trading company for provision of vending services
Selecta Management AG	Switzerland	100	100	Holding company and corporate activities
Selecta TMP AG	Switzerland	100	100	Holding company and corporate activities
Selecta Purchasing AG	Switzerland	100	100	Provision of purchasing services
Selecta AG	Switzerland	100	100	Holding and trading company for provision of vending services
Selecta Holding GmbH	Germany	100	100	Holding company
Selecta Deutschland GmbH	Germany	100	100	Trading company for provision of vending services
BCA Betriebs Catering GmbH	Germany	100	100	Trading company for provision of vending services
Selecta Hungary Automataüzemeltető Kft	Hungary	100	100	Trading company for provision of vending services
AB Servicios Selecta Espana SL	Spain	100	100	Trading company for provision of vending services
Servecave SL	Spain	100	100	Holding company
Selecta Betriebsverpflegungs GmbH	Austria	100	100	Trading company for provision of vending services
Automaty Servis Selecta Sro	Czech Republic	100	100	Trading company for provision of vending services
AS Selecta Sro	Slovakia	100	100	Trading company for provision of vending services
Selecta Holding BV	Netherlands	100	100	Holding company
Selecta BV	Netherlands	100	100	Trading company for provision of vending services



## **Approval of the consolidated financial statements**

---

The consolidated financial statements for the year ended 30 September 2014 have been authorised by the Board of Directors on 28 November 2014.

Amsterdam, 28 November 2014

Dr. Rainer Husmann,  
Member of the Supervisory Board

Joerg Spanier,  
Member of the Supervisory Board

Remo Brunswiler,  
Member of the Management Board

Gary Hughes,  
Member of the Management Board

Christian Zarnitz,  
Member of the Management Board

## Report of the Independent Auditor

---

Report of the Independent Auditor on the Consolidated Financial Statements to the General Meeting of Shareholders of

### Selecta Group B.V., Amsterdam

---

As independent auditor, we have been engaged to audit the accompanying consolidated financial statement from page 14 to page 69 of Selecta Group B.V. ("the Company"), which comprise the consolidated balance sheet as at September 30, 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the consolidated cash flow statement for the period ended September 30, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' Responsibility for the Consolidated Financial Statements*

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statement give a true and fair view of the financial position of the Company as at September 30, 2014, and of its financial performance and its cash flows for the period ended September 30, 2014 in accordance with International Financial Reporting Standards (IFRS).

*Other Matter*

This set of consolidated financial statements has voluntarily been prepared by the Board of Directors. Our report thereon has been prepared at the request of the Board of Directors and does not represent a statutory auditor's report required in accordance with the laws and regulations in the Netherlands.

KPMG AG

Reto Benz  
*Licensed Audit Expert*

Urs Schneider  
*Licensed Audit Expert*

Zurich, 28 November 2014