

Annual report 2015

Rior, Industrie- en Handelsonderneming BV
Gorle

Report on the annual accounts 2015

Date 28-7-2016

Parent accounts for
Andy Guest Jetters Ltd
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Consolidated balance sheet
At December 31, 2015

(After appropriation of net income)
 (Currency - EURO's)

EQUITY AND LIABILITIES

	12 31 2015 EUR	12 31 2014 EUR
Group equity	<u>8 466 145</u>	<u>6 999 050</u>
Provisions		
Warranty	30 604	49 770
Jubilee provision	50 816	70 735
Deferred income tax	35 186	57 507
	<u>116 606</u>	<u>178 012</u>
Short-term liabilities		
Accounts payable	2 025 843	1 775 737
Affiliated companies	398	0
Participants	80 260	73 199
Taxes and social securities	457 069	82 266
Accrued liabilities	588 440	807 066
Total short-term liabilities	<u>3 152 010</u>	<u>2 738 268</u>
	<u>11 734 761</u>	<u>9 915 330</u>

Consolidated balance sheet
At December 31, 2015

(After appropriation of net income)
(Currency - EURO's)

ASSETS

	12 31 2015	12 31 2014
	EUR	EUR
Fixed Assets		
Intangible fixed assets		
Andy Guest Jetters Ltd	239 333	241 143
Goodwill Rioned UK Ltd	16 963	17 791
	<u>256 296</u>	<u>258 934</u>
Tangible fixed assets		
Building	6 649	1 084
Machinery and Equipment	1 622 875	1 149 596
	<u>1 629 524</u>	<u>1 150 680</u>
Current Assets		
Inventories		
Raw materials and semi finished products	1 257 811	1 167 944
Goods in process	100 509	66 114
Finished Goods	972 429	950 918
	<u>2 330 749</u>	<u>2 184 976</u>
Work in progress on construction contracts	655 972	334 202
Receivables and prepayments and accrued income		
Accounts receivable	3 045 443	2 649 401
Participants	2 049 717	0
Taxes and social securities	119 313	144 813
Prepaid expenses	242 396	288 647
	<u>5 456 869</u>	<u>3 082 861</u>
Cash	1 405 351	2 903 677
Total current assets	<u>9 848 941</u>	<u>8 505 716</u>
	<u>11 734 761</u>	<u>9 915 330</u>

Consolidated profit and loss account
For the year ended December 31, 2015

(Currency - Euro's)

	2015 EUR	2014 EUR
Gross operating income	<u>5 543 688</u>	<u>4 444 899</u>
Selling and distribution expenses	2 252 014	1 934 382
General and administrative expenses	1 463 906	1 247 195
Total SG&A expenses	<u>3 715 920</u>	<u>3 181 577</u>
Operating income	1 827 768	1 263 322
Interest income	53 975	21 957
Interest expense	-28 455	-10 127
Income/(loss) before taxation	1 853 288	1 275 152
Tax on income	<u>412 345</u>	<u>246 081</u>
Net income	<u><u>1 440 943</u></u>	<u><u>1 029 071</u></u>

**Consolidated cashflow statement
For the year ended December 31, 2015**

(Currency - Euro's)

According to the indirect method		2015 EUR	2014 EUR
Operating result		1 827 768	1 263 322
Adjustments for			
- Depreciation (and other changes in value)		524 204	340 248
- Changes in provisions		-61 406	32 055
- Changes in working capital			
movements operating accounts receivable	-2 374 008		-596 528
movements inventories	-467 543		-439 900
movements operating accounts payable	413 742		778 422
		<u>-2 427 809</u>	<u>-258 006</u>
Cash flow from business activities		<u>-137 243</u>	<u>1 377 619</u>
Interest received	53 975		21 957
Corporate income tax paid on operating activities	-412 435		-246 086
		<u>-358 460</u>	<u>-224 129</u>
Cash flow from operating activities		<u>-495 703</u>	<u>1 153 490</u>
Investments in tangible fixed assets	-1 101 538		-768 707
Disposals of tangible fixed assets	152 525		21 001
Cash flow from investment activities		<u>-949 013</u>	<u>-747 706</u>
Interest paid	-28 455		-10 127
Dividends paid	0		0
Cash flow from financing activities		<u>-28 455</u>	<u>-10 127</u>
Net cash flow		<u>-1 473 171</u>	<u>395 657</u>
Exchange rate and translation differences on movements in cash		<u>-25 155</u>	<u>-22 313</u>
Movements in cash		<u>-1 498 326</u>	<u>373 344</u>
Cashposition 1-1		<u>2 903 677</u>	<u>2 530 333</u>
Cashposition 31-12		<u>1 405 351</u>	<u>2 903 677</u>

Notes to the consolidated financial statements

General

Activities

Rior, Industrie- en Handelonderneming B V ("the company"), having its legal seat in Gorle, its actual seat is Centaurusweg 45, 5015 TC Tilburg, The Netherlands, is engaged in the production and trade of drain and sewer cleaning machines

Group structure

The company is a wholly owned subsidiary of Pettibone L L C , located in Illinois, United States of America
The ultimate parent is Heico Holding Inc

The financial information of the company is recorded in the consolidated financial statements of the Heico Holding Inc and of Intermediate Holding Pettibone L L C Both located in Chicago, United States

Copies are available at the Trade Register of the Chamber of Commerce in Tilburg

A summary of the information required by articles 2 379 and 414 of Dutch Civil Code is given below

Consolidated companies

Rior/Rioned France SAS which company has it's legal seat in Tremblay en France (Paris) France
Rior Industrie- en handelonderneming B V holds 100 % of the companies shares

Rioned UK Ltd which company has it's legal seat in Mildenhall United Kingdom
Rior Industrie- en handelonderneming B V holds 100 % of the companies shares

Andy Guest Jetters Ltd company has it's legal seat in Keighley United Kingdom *
Rior Industrie- en handelonderneming B V holds 100 % of the companies shares

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by the company or where central management is conducted has been consolidated in the financial statements of the company. The consolidated financial statements have been prepared in accordance with the accounting principles of Rior industrie- en handelonderneming BV

The financial information relating to the company is presented in the consolidated financial statements in accordance with article 2 402 of the Netherlands Civil Code, the company financial statements only contain an abridged profit and loss account

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements

The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated from the acquisition date. At that date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participations sold during the year are recognised until the moment of disposal

* Andy Guest Jetters Ltd, a UK subsidiary, to number 08379522, is exempt from the requirements of the 2006 Companies Act relating to the audit of its accounts by virtue of Section 479A of the Companies Act 2006.

General accounting principles for the preparation of the consolidated financial statements

The consolidated financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Dutch Civil Code

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Financial instruments

Financial instruments be both primary financial instruments, such as receivables and payables, and financial derivatives.

For the principles of primary financial instruments, reference is made to the treatment per balance sheet item.

The company has no financial derivatives.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account. - Euro 6.143 (2014 + Euro 124.345)

Foreign group companies and non-consolidated participations outside the Netherlands qualify as carrying on of business operations in a foreign country, with a functional currency different from that of the company. For the translation of the financial statements of these foreign entities the balance sheet items are translated at the exchange rate at balance sheet date and the profit and loss account items at the exchange rate at transaction date. The translation differences that arise are directly deducted from or added to group equity.

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Costs for periodical major maintenance are charged to the result at the moment they arise.

Inventory

Inventories of raw materials, consumables and goods for resale are valued at acquisition price or lower net realizable value. This lower net realizable value is determined by individual assessment of the inventories. The valuation of inventories of raw materials and consumables is based on FIFO.

The work in progress and the inventories of finished goods are valued at construction cost or lower net realizable value. This lower net realizable value is determined by individual assessment of the inventories. Cost of manufacture includes direct materials used, direct wages and other direct costs of manufacture, together with applicable production overhead. Net realizable value is based on estimated selling price, less any future costs to be incurred for completion and disposal.

Work in progress on construction contracts

The work in progress on construction contracts for third parties is valued at the realized construction contract costs and net of recognized losses and invoiced or prepaid installments. The construction contract costs comprise the costs directly relating to the construction contract, the costs that are attributable to construction contract activities in general and can be attributed to the contract and other costs that are chargeable to the customer under the terms of the contract.

The work in progress on construction contracts is valued at the 'zero-profit' method; income is recognized in the profit and loss till maximum the realized costs. Expected losses on the work in progress are directly taken to the profit and loss account.

Income from construction contracts realized during the financial year is recognized in the profit and loss account as income in the item net turnover. The construction contract costs are recognized in the cost of sales.

Accounts receivables

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Any provision for doubtful accounts deemed necessary is deducted. These provisions are determined by individual assessment of the receivables.

Cash

The cash is measured at face value. If cash equivalents are not freely disposable, then this has been taken into account upon measurement.

Provisions

Provisions for employee benefits

The company has various pension plans. The Dutch and UK plans are financed through contributions to pension providers such as insurance companies and industry pension funds. The pension obligations are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the company and are included in a provision on the balance sheet. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as at balance sheet date. As per December 31 2015 no provision has been recorded.

The French pension plan cannot be compared to the Dutch pension plans. Besides the national governmental plan there are no additional pension plans and therefore no additional pension obligations.

Provision warranty's

The provision for warranties is recorded on behalf of the estimated costs expected to arise from the current warranties on account of goods and services delivered. Warranty claims are deducted from this provision.

Jubilee provision

Other long-term employee benefits are those benefits that are part of the remuneration package, such as remunerations for anniversaries. They have a long-term character. The obligation recorded is the best estimate of the amounts required to settle the related obligations as at balance sheet date. The jubilee provision is valued based on actuarial principles.

Provision for deferred tax liabilities

For amounts of taxation payable in the future, due to differences between the valuation principles in the annual report and the valuation for taxation purposes of the appropriate balance sheet items, a provision has been formed for the aggregate of these differences, multiplied by the current rate of taxation. These provisions are reduced by amounts of taxation recoverable in the future in respect of the carry-forward of unused tax losses, to the extent that it is probable that future tax profits will be available for settlement.

Liabilities

Liabilities with a remaining period up to 1 year, including the short-term portion of long-term liabilities, are presented under short-term liabilities.

Recorded interest-bearing loans and liabilities are valued at amortised costs.

Principles for the determination of the result

Net Sales

Net Sales represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Cost of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

Principles for preparation of the consolidated cash flow statement

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. The payment of lease terms on account of the financial lease contract is considered as expenditure of financing activities as far as it concerns redemption and as expenditure of operational activities as far as it concerns interest.

Notes to the specific items of the consolidated balance sheet

Intangible Fixed Assets

The composition of intangible fixed assets is as follows

	Goodwill Rioned UK Ltd EUR	Goodwill Andy Guest Jettlers Ltd EUR	Goodwill Total EUR
Accumulated costs	32 343	258 740	291 083
Accumulated amortisation	-14 552	-17 597	-32 149
Book value as of January 1, 2015	17 791	241 143	258 934
Amortisation	-1 721	-13 719	-15 440
Exchange rate differences cost	1 047	12 616	13 663
Exchange rate differences ammortisation	-154	-707	-861
Book value as of December 31, 2015	16 963	239 333	256 296
Accumulated costs	33 390	271 356	304 746
Accumulated amortisation	-16 427	-32 023	-48 450
Book value as of December 31, 2015	16 963	239 333	256 296
Amortisation percentages	5%	5%	

Of the goodwill EUR 16 963 (2014 EUR 17 791) regards the acquisition of the shares in Rioned UK Ltd The remaining life is 10 years
The remaining life of the goodwill is established by management based on the useful life of 20 years

Of the goodwill EUR 239 333 (2014 EUR 241 143) regards the acquisition of the shares in Andy Guest Jettlers LTD The remaining life is 17 years
The remaining life of the goodwill is established by management based on the useful life of 20 years

Tangible Fixed Assets

	Building EUR	Machinery and Equipment EUR	Total EUR
Accumulated costs	460 270	2 720 163	3 180 433
Accumulate depreciation	-459 186	-1 570 567	-2 029 753
Book value as of January 1, 2015	1 084	1 149 596	1 150 680
Investments	5 700	1 095 841	1 101 541
Depreciation	135	508 539	-508 674
Retirements costs	0	-219 162	-219 162
Retirements depreciation	0	66 637	66 637
Exchange rate differences cost	0	48 529	48 529
Exchange rate differences depreciation	0	-10 027	-10 027
Book value as of December 31, 2015	6 649	1 622 875	1 629 524
Accumulated costs	465 970	3 645 371	4 111 341
Accumulate depreciation	-459 321	-2 022 496	-2 481 817
Book value as of December 31, 2015	6 649	1 622 875	1 629 524
Depreciation percentages	10 - 20%	10 - 33%	

Out of tangible fixed assets EUR 1 629 524 (2014 EUR 1 150 680) has been provided as security for liabilities

Inventory

Of the inventories a book value of EUR 184 147 (2014 EUR 57 812) has been written down to market value

The provision for obsolete inventory as per 31-12-2015 is EUR 92 448 (2014 EUR 45 445)

The amount of the impairment and loss of stocks in the profit and loss account in 2015 is a loss of 27 500
(in 2014 a profit of EUR 7 000)

Out of inventories EUR 2 986 720 (2014 EUR 2 519 178) has been provided as security for liabilities

Work in progress on construction contracts	12 31 2015 EUR	12 31 2014 EUR
Work in progress on construction contracts	737 118	560 226
Total of advance payments received	-81 146	-226 024
	<u>655 972</u>	<u>334 202</u>

The income for the financial year includes EUR 9 329 000 (2014 EUR 8 037 000)
regarding income from work in progress on construction contracts

Accounts Receivable

Accounts receivable as presented under current assets mature within one year

A provision on accounts receivable is made for EUR 112 032 (2014 EUR 75 008)

The amount of the valuation of accounts receivable provisions in the profit and loss account in 2015 amounted to
a loss of EUR 35 720 (2014 a loss of EUR 7 840),

Out of accounts receivable EUR 3 067 866 (2014 EUR 2 649 401) has been provided as security for liabilities

Participants	12 31 2015 EUR	12 31 2014 EUR
Heico luxemburg S a r l	<u>2 049 717</u>	<u>0</u>

The current account is interest free and matures within one year

Taxes and social securities

	12 31 2015 EUR	12 31 2014 EUR
Income tax	0	42 332
VAT	119 313	102 481
Total Taxes	<u>119 313</u>	<u>144 813</u>

Other receivables

Other receivables as presented under current assets mature within one year

Cash

The company has EUR 1 405 351 cash available at December 31, 2015

The company has a credit facility available amounting to EUR 750 000

For this credit facility the following securities are given

- * pledge of machinery and equipment and other tangible fixed assets,
- * pledge of inventories,
- * pledge of accounts receivable

Share of the legal entity in the group equity

Reference is made to the note on shareholders' equity in the (company) financial statements

Warranty provision

	2015 EUR
Book value as of January 1, 2015	<u>49 770</u>
Provision	88 282
Claim	-107 448
Book value as of December 31, 2015	<u>30 604</u>
Warranty provision as presented mature within one year	

Jubilee provision

	2015 EUR
Book value as of January 1, 2015	<u>70 735</u>
Provision	9 379
Claim	-29 298
Book value as of December 31, 2015	<u>50 816</u>

Deferred taxes

	2015 EUR
Book value as of January 1, 2015	<u>57 507</u>
Provision	0
Claim	-22 321
Book value as of December 31, 2015	<u>35 186</u>

Pension plans personnel

As at year-end 2015, there are no obligations for which a pension provision has been included, as was the case as at year-end 2015. The company has various pension plans. Pursuant to the Dutch pension system these plans are financed by contributions to insurance companies, industry pension funds or company pension funds. Through cost effective contribution payments the related accrued entitlements are always fully financed in the related calendar year. The company both has a defined contribution plan

The related industry pension fund has stated that the funding ratio is 97,3 % as at December 31, 2015 (2014: 102,8 %). Based on the administration agreements the company has no obligation to make additional contributions other than through higher future

The coverage of the pension fund has a minimum legal limit of 104,3%. To reach this coverage the pension fund has a recovery plan. The main components of this recovery plan are premium increases and possible cuts on pensions.

The annual accrual of the pension entitlements amounts to 30,26 % of the pensionable salary that is based on the gross wage net minus a deductible franchise (EUR 15 304) to a maximum of EUR 70 000. The pensionable salary has a cap of EUR 100 000. Above the amount of EUR 70 000 the accrual is 19,2 %. The annual employer-paid contribution is at least 53,7 % of the costs (of the amount between Franchise and EUR 70 000). The accrual over the salary above EUR 70 000 entitlements amount to 23,7 % of which the annual employer paid contribution is at least 53,2 %.

Affiliated companies12 31 2015
EUR12 31 2014
EUR**SpartanTool LLC**

Account payable

398

0

3980**Participants**12 31 2015
EUR12 31 2014
EUR**Helco Holding Inc**

Account payable

80 260

73 199

80 26073 199**Taxes and social securities**12 31 2015
EUR12 31 2014
EUR

VAT

280 702

0

Tax and social securities on wages

38 380

82 266

Income Tax

137 987

0

457 06982 266**Short-term liabilities**

Short-term liabilities as presented mature within one year

Financial instruments

For the notes to financial instruments reference is made to the specific item by item note. Below the related risks are disclosed

Credit risks

Credit risks are decreased by only doing business with third parties with a high creditworthiness, with which for each entity designated limits apply

Notes to the specific items of the consolidated profit and loss account

Net sales

The Net sales 2015 compared to the Net sales of 2014 as 122 versus 100
Net sales are realized primarily in the European Community

Wages, salaries and social security charges

	2015 EUR	2014 EUR
Labor cost is specified as follows		
Wages and Salaries	4 006 348	3 384 445
Pension cost	348 627	328 882
Other social security contributions	504 232	460 402
Grants received for spent R&D time on WBSO projects	-23 452	-28 402
total	<u>4 835 755</u>	<u>4 145 327</u>

The average number of personnel during this year was approximately 76 (2014- 70) employed in the following functional areas

	2015 fte	2014 fte
Production	44	40
Sales	27	26
Administration	5	4
total	<u>76</u>	<u>70</u>

Amortisation intangible fixed assets

	2015 EUR	2014 EUR
The amortisation during the financial year amounts up to		
General and administrative expenses	15 450	13 918
	<u>15 450</u>	<u>13 918</u>

Depreciation tangible fixed assets

	2015 EUR	2014 EUR
The depreciation during the financial year amounts up to		
Cost of Sales	486 972	303 122
Selling and distribution expenses	8 640	8 273
General and administrative expenses	13 062	14 935
	<u>508 674</u>	<u>326 330</u>

Lease expenses

	<u>483 412</u>	<u>465 872</u>
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R&D expenses

	<u>249 513</u>	<u>224 666</u>
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Tax on income

	2015 EUR	2014 EUR
25 % of the taxable amount Netherlands	398 593	230 657
Adjustments prior years Netherlands	33 402	-10 018
Deferred income taxes	-23 133	-615
20 % of the taxable amount Rioned UK	0	0
Adjustments prior years Rioned UK	-14 770	0
Deferred income taxes Andy Guest Jetters LTD	0	16 371
Income Tax Rioned France SAS	18 253	9 686
Taxation according to the profit and loss account	<u>412 345</u>	<u>246 081</u>

Transaction with Group companies	2015 EUR	2014 EUR
Net Sales to		
SpartanTool	<u>3 377</u>	<u>2 806</u>
Purchases from		
SpartanTool	<u>77 283</u>	<u>123 183</u>
Management Fee (General & Administrative expenses)		
Heico group of companies	294 326	221 373
Purchase Fee (Cost of Sales)	1 806	0
Insurances	58 398	49 428
Heico group of companies	<u>354 530</u>	<u>270 801</u>

Transactions with associated and group companies are recorded at arm's length prices

Commitments and contingent liabilities

a) <i>Rental obligations and operational lease commitments</i>	12 31 2015 EUR	12 31 2014 EUR
The Total obligations in connection with rental obligations and operational lease agreements amount to approximately		
< 1 year	406 000	417 000
> 1 year < 5 years	1 205 000	335 000
> 5 years	0	0
Total obligations	<u>1 611 000</u>	<u>752 000</u>

b) *Guarantees*

The guarantees provided by the company on behalf of third parties amount to EURO 60 797 and relate to bank guarantees

Notes to the consolidated cash flow statement

Breakdown of cash and cash equivalents 2015

Cash as of December 31, 2015	1 405 351	
Securities as of December 31 2015	0	
Cash and cash equivalents as of December 31, 2015		<u>1 405 351</u>
Balance sheet movements of cash and cash equivalents in 2014		
Cash as of December 31, 2014	2 903 677	
Securities as of December 31, 2014	0	
Cash and cash equivalents as of December 31 2014		<u>2 903 677</u>

Company financial statement

Company balance sheet
Company profit and loss account
Notes to the companies financial statement

Company balance sheet
At December 31, 2015

(After appropriation of net income)
(Currency - EURO's)

ASSETS

	12 31 2015	12 31 2014
	EUR	EUR
Fixed Assets		
Building	0	1 084
Machinery and Equipment	298 106	399 524
Other tangible fixed assets		
Total Tangible fixed assets	<u>298 106</u>	<u>400 608</u>
Investments in participations	1 203 715	735 742
Loans to participations	540 661	501 279
Total Financial fixed assets	<u>1 744 376</u>	<u>1 237 021</u>
	<u>2 042 482</u>	<u>1 637 629</u>
Current Assets		
Raw materials and semi finished products	1 149 119	1 089 009
Goods in process	100 509	66 114
Finished Goods	229 796	385 855
Total Inventory	<u>1 479 424</u>	<u>1 540 978</u>
Work in progress on construction contracts	632 689	293 541
Receivables and prepayments and accrued income		
Accounts receivable	1 926 035	1 835 689
Group companies	2 008 391	1 592 559
Participants	2 049 717	0
Income taxes	0	46 843
Taxes and social securities	119 313	0
Prepaid expenses	117 764	226 811
	<u>6 221 220</u>	<u>3 701 902</u>
Cash	1 141 431	2 348 452
Total current assets	<u>9 474 764</u>	<u>7 884 873</u>
Total	<u>11 517 246</u>	<u>9 522 502</u>

Company balance sheet
At December 31, 2015

(After appropriation of net income)
(Currency - EURO's)

EQUITY AND LIABILITIES

	12 31 2015	12 31 2014
	EUR	EUR
Shareholders' equity		
Issued and paid-in capital	45 400	45 400
Other reserves	8 315 436	6 874 493
Exchange rate reserve	105 309	79 157
	<u>8 466 145</u>	<u>6 999 050</u>
 Provisions		
Warranty	30 604	49 770
Jubilee provision	50 816	70 735
Deferred taxes	17 724	40 857
	<u>99 144</u>	<u>161 362</u>
 Short-term liabilities		
Accounts payable	1 868 983	1 567 937
Affiliated companies	14 756	0
Participants	80 658	73 199
Taxes and social securities	94 092	82 266
Income Taxes	137 987	0
Accrued liabilities	755 481	765 088
	<u>2 951 957</u>	<u>2 362 091</u>
 Total	<u>11 517 246</u>	<u>9 522 502</u>

0

Company profit and loss account

For the year ended December 31, 2015

(Currency - Euro's)

	2015 EUR	2014 EUR
Share in result of participations	376 920	259 684
Other income and expense after taxation	1 064 023	769 387
Net income	<u>1 440 943</u>	<u>1 029 071</u>

Notes to the company financial statements

General accounting principles for the preparation of the financial statements

The company financial statements have been prepared according with Title 9, Book 2 of the Dutch Civil Code

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise here after

Financial fixed assets

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Rior industrie- en handelonderneming BV.

Participations with a negative net equity value are valued at nil. If the company fully or partly guarantees the liabilities of the participation concerned, or has the effective obligation respectively to enable the participation to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the participation are taken into account.

Notes to the specific items of the balance sheet

Tangible Fixed Assets

The composition of tangible fixed assets is as follows

	Building EUR	Machinery and Equipment EUR	Total EUR
Accumulated costs	460 270	1 685 661	2 145 931
Accumulate depreciation	-459 186	-1 286 137	-1 745 323
Book value as of January 1, 2015	1 084	399 524	400 608
Investments	5 700	37 730	43 430
Depreciation	-135	-145 797	-145 932
Book value as of December 31, 2015	6 649	291 457	298 106
Accumulated costs	465 970	1 723 391	2 189 361
Accumulate depreciation	-459 321	-1 431 934	-1 891 255
Book value as of December 31, 2015	6 649	291 457	298 106
Depreciation percentages	10 - 20%	10 - 20%	

Investments in participations

Rior Industrie- en Handelsonderneming BV owns 100 % of the shares of Rior/Rioned France SAS
The company is situated in Villepinte France

2015
EUR

Carrying amount as at January 1, 2015	5 563
Cumulated result of the company as at January 1 2015	0
Result of the company	34 039
Carrying amount as at December 31, 2015	39 602

Rior Industrie- en Handelsonderneming BV owns 100 % of the shares of Rioned UK Ltd
The company is situated in Mildenhall UK

2015
EUR

Carrying amount as at January 1, 2015	645 421
Result of the company	497 981
Exchange rate difference	20 709
Carrying amount as at December 31, 2015	1 164 111

Rior Industrie- en Handelsonderneming BV owns 100 % of the shares of Andy Guest Jetliers Ltd
The company is situated in Keighley United Kingdom

2015
EUR

Carrying amount as at January 1, 2015	84 758
Result of the company	-155 100
Exchange rate difference	5 443
Participations value is deducted from short term receivable	64 899
Carrying amount as at December 31, 2015	0
Total investment in participations as at December 31, 2015	1 203 713

Loans to participations

Loan as at December 31 2015 to Rioned UK LTD

540 661

Interest rate is set at 2.5%

Securities on this loan as per December 31 2015

- pledge of machinery and equipment and other tangible fixed assets
- pledge of inventories
- pledge of accounts receivable

No termination date is agreed early repayment is allowed

Inventory

Of the inventories a book value of EUR 184 147 (2014 EUR 57 812) has been written down to market value

The provision for obsolete inventory as per 31-12-2015 is EUR 92 448 (2014 EUR 45 445)

The amount of the impairment and loss of the stocks in the profit and loss account in 2015 is loss off Eur 27 500 (in 2014 a profit of EUR 7 000)

Accounts Receivable

Accounts receivable as presented under current assets mature within one year

A provision on accounts receivable is made for EUR 91 002 (2014 EUR 62 258)

The amount of the valuation of accounts receivable provisions in the profit and loss account in 2015 amounted to a loss of EUR 34 062 (2014 a loss of EUR 3 500)

Group companies

	12 31 2015 EUR	12 31 2014 EUR
Rior/Rioned france SAS		
Current account Balance as at December 31, 2015	-14 756	63 638
Deducted due to negative participationsvalue	0	0
Total	<u>-14 756</u>	<u>63 638</u>
Rioned UK Ltd		
Current account Balance as at December 31, 2015	0	478 669
Accounts Receivable as at December 31, 2015	1 465 193	830 637
Total	<u>1 465 193</u>	<u>1 309 306</u>
Andy Guest Jetters Ltd		
Current account Balance as at December 31, 2015	518 489	165 969
Deducted due to negative participationsvalue	-64 899	
Accounts Receivable as at December 31 ,2015	24 709	53 648
Total	<u>543 198</u>	<u>219 615</u>
Total Group companies	<u>2 008 391</u>	<u>1 592 559</u>

The current account has no securities, repayment or interest rates are agreed between companies

Taxes and social securities

	12 31 2015 EUR	12 31 2014 EUR
VAT	<u>113 913</u>	<u>0</u>

Cash

The company has EUR 1 141 431 cash available at December 31, 2015

The company has a credit facility available amounting to EUR 750 000

For this credit facility, the following securities are given

- * pledge of machinery and equipment and other tangible fixed assets,
- * pledge of inventories
- * pledge of accounts receivable

Shareholders' Equity

The authorized share capital consists of 100 authorized common shares of which all shares are issued and paid up for at December 31, 2015. The shares have a par value of EUR 454 each. The Shares had a value of Dutch guilders 1000 per share as a result of introduction of the EURO the value is increased to EUR 454 the paid in capital is EUR 45 400

25 shares are held by the company itself

The movement in shareholders' equity is as follows

	EUR	EUR	Eur	EUR
	Issued and Paid-in Capital	Other Reserves	Exchange rate differences	Total
Balance December 31, 2013	45 400	5 719 022	36 431	5 800 853
Net income 2014	0	1 155 471	0	1 155 471
Exchange rate difference	0	0	42 726	42 726
Balance December 31, 2014	45 400	6 874 493	79 157	6 999 050
Net income 2015	0	1 440 943	0	1 440 943
Exchange rate difference	0	0	26 152	26 152
Balance December 31, 2015	45 400	8 315 436	105 309	8 466 145

Provisions

Warranty provision

	2015 EUR
Book value as at 1 January 2015	<u>49 770</u>
Provision	59 137
Claim	-78 303
Book value as at 31 December 2015	<u>30 604</u>
Warranty provision as presented mature within one year	

Jubilee provision

	2015 EUR
Book value as at 1 January 2015	<u>70 735</u>
Provision	9 379
Claim	29 298
Book value as at 31 December 2015	<u>50 816</u>

The jubilee provision has a predominantly long term character

Deferred taxes

	2015 EUR
Book value as of January 1, 2015	<u>40 857</u>
Claim	-5 671
Book value as of December 31, 2015	<u>35 186</u>

The deferred tax provision has a predominantly long term character

Taxes and social securities

	12 31 2015 EUR	12 31 2014 EUR
Tax and social securities on wages	94 092	82 266
	<u>94 092</u>	<u>82 266</u>

Notes to the specific items of the company's profit and loss account**Net sales**

The Net sales 2015 compared to the Net sales of 2014 as 115 versus 100

Net sales are realized primarily in the European Community

Wages, salaries and social security charges

	2015 EUR	2014 EUR
Labor cost is specified as follows		
Wages and Salaries	3 219 102	2 872 308
Pension cost	344 457	326 971
Other social security contributions	409 174	391 487
Grants received for spent R&D time on WBSO projects	-23 452	-28 402
Total	<u>3 949 281</u>	<u>3 562 364</u>

The average number of personnel during this year was approximately 65 (2014 60) employed in the following functional areas

	2015 fte	2014 fte
Production	36	33
Sales	25	23
Administration	4	4
Total	<u>65</u>	<u>60</u>

Depreciation

	2015 EUR	2014 EUR
The depreciation during the financial year amounts up to	<u>145 932</u>	<u>139 800</u>

Tax on income

	2015 EUR	2014 EUR
25 % of the taxable amount	339 818	230 657
Adjustments prior years	33 402	-10 018
Deferred income taxes	35 642	-615
Taxation according to the profit and loss account	<u>408 862</u>	<u>220 024</u>

Transaction with Group companies

	2015 EUR	2014 EUR
Net Sales to		
Rioned UK Ltd	3 646 277	1 774 891
Rioned France SAS	59 905	89 897
SpartanTool	924	2 806
Andy Guest Jetters LTD	49 003	19 677

Purchases from

Rioned UK Ltd	36 713	40 873
Andy Guest Jetters LTD	64 125	65 578
SpartanTool	77 283	123 183
Management Fee (General & Administrative expenses)	294 326	221 373
China Purchase Fee (Cost of Sales)	1 806	0
Insurances	58 398	49 428
Heico group of companies	<u>354 530</u>	<u>221 373</u>

Commitments**a) Rental obligations and operational lease commitments**

	2015 EUR	2014 EUR
The Total obligations in connection with rental obligations and operational lease agreements amount to approximately		
< 1 year	360 000	377 000
> 1 year < 5 years	1 086 000	194 000
> 5 years	0	0
Total obligations	<u>1 446 000</u>	<u>571 000</u>

b) Guarantees

The guarantees provided by the company on behalf of third parties amount to EURO 60 697 and relate to bank guarantees

Rior Industrie- en handelonderneming B V has guaranteed all outstanding liabilities of the subsidiary Andy Guest Jetters Ltd that the subsidiary is subject to at the end of the financial year 2014

Other information

Remuneration of (former) members of the board of directors and supervisory directors

In 2015 an amount of EUR 241 419 (2014 EUR 199 948) for the remuneration of members of the board of directors of the legal entity was charged to the company and its subsidiaries or group companies

In 2015 an amount of EUR 0 (2014 EUR 0) for the remuneration of supervisory directors of the legal entity was charged to the company and its subsidiaries or group companies

Gorle, Date 28-7-2016

Board of Directors

J F G Pieters

D J Yadron

Supervisory Board

E A Roskovensky

Other information

Independent auditor's report

Reference is made to the auditor's report as included hereinafter

Statutory rules concerning appropriation of result

The Articles of Association article 12 of the company provide that the appropriation of the net income for the year is decided upon at the annual meeting of the shareholders

Appropriation of result for the financial year 2014

The general meeting 2014 was held on August 31, 2015 and decided in accordance with the proposal of the management

Proposed appropriation of result for the financial year 2015

Management proposes to add the net income for the year 2015 to retained earnings

This proposal has been reflected in the accompanying financial statements

Independent auditor's report

To the shareholders of Rior, Industrie- en Handelsonderneming B V

Report on the financial statements

We have audited the accompanying financial statements 2015 of Rior, Industrie- en Handelsonderneming B V, Tilburg, which comprise the consolidated and company balance sheet as per December 31, 2015, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information

Management's responsibility

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

Auditor's responsibility

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

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

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

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



Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of of Rior, Industrie- en Handelonderneming B V as per December 31, 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

Report on other legal and regulatory requirements

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

Middelburg, July 28, 2016

Deloitte Accountants B V

Signed on the original R W O Swerus