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Annual accounts for publication purposes 2019 of Rior, Industrie- en Handelsonderneming B.V.

**Rior, Industrie- en Handelsonderneming B.V.
Goirle**

Start date of the period concerning the financial statement 01 January 2019

End date of the period concerning the financial statement 31 December 2019

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Table of contents

Document and entity information

Entity information

Document information

Management report

Financial statements

Consolidated financial statements

Consolidated balance sheet

Consolidated income statement

Consolidated cash flow statement

Notes to the consolidated financial statements

General notes

General accounting principles

Accounting principles

Balance sheet

Income statement

Other notes

Company financial statements

Balance sheet

Income statement

Notes to the financial statements

General accounting principles

Accounting principles

Balance sheet

Other notes

Signing of the financial statements

Other information

Document and entity information

Entity information

Name of the legal entity	Rior, Industrie- en Handelsonderneming B.V.
Legal form of the legal entity	Private limited liability company
Registered office of the legal entity	Goirle
Registration number at the Chamber of Commerce	18022760
Business names	Rior, Industrie- en Handelsonderneming B.V.
Classification of the legal entity based on the legal size criteria	Medium
SBI-code	Manufacture of other general-purpose machinery and equipment n.e.c.

Address of the legal entity

Street name NL	Centaurusweg
House number NL	45
Postal code NL	5015TC
Place of residence NL	Tilburg
Name region	Noord-Brabant
Country name, ISO	Nederland

Document and entity information

Document information

Title of the document	Annual accounts for publication purposes 2019 of Rior, Industrie- en Handelsonderneming B.V.
Start date of the period concerning the financial statement	01 January 2019
End date of the period concerning the financial statement	31 December 2019
Start date of the previous period concerning the financial statement	01 January 2018
End date of the previous period concerning the financial statement	31 December 2018
Reporting period different than annual (Y/N)	No
Document relates to an individual entity or a group of entities	Consolidated and separate
Presentation currency of the document	Euro
Type of income statement	Function of expense
Type of cash flow statement	Indirect
Financial statements adopted (Y/N)	No
Contact email address for this document	nlsbrverwerker@deloitte.nl

Management report

Exemption and reference to location of availability of the management report

Based on article 2:394 lid 4 BW the company opts for not publishing the management report and instead state that the management report is kept for public inspection at the office of the legal entity.

Financial statements

Consolidated financial statements

Consolidated balance sheet

Balance sheet before or after appropriation of results

	After profit appropriation	
	31 December 2019	31 December 2018
	€	€
Assets		
Non-current assets		
Intangible assets	86,070	103,224
Property, plant and equipment	1,817,837	1,332,880
Financial assets	2,070,443	0
Total of non-current assets	3,974,350	1,436,104
Current assets		
Inventories	3,543,087	2,749,794
Construction contracts (assets)	1,969,554	1,834,623
Receivables	3,936,241	5,536,368
Cash and cash equivalents	7,049,789	5,240,734
Total of current assets	16,498,671	15,361,519
Total of assets	20,473,021	16,797,623
Equity and liabilities		
Group equity		
Equity	15,669,749	13,009,840
Total of group equity	15,669,749	13,009,840
Provisions	345,333	245,144
Current liabilities	4,457,939	3,542,639
Total of equity and liabilities	20,473,021	16,797,623

Financial statements

Consolidated income statement

	2019	2018
	€	€
Gross operating result	7,871,700	7,103,751
Selling expenses	2,706,361	2,610,794
General and administrative expenses	1,781,986	1,847,490
Total of sum of expenses	4,488,347	4,458,284
Total of operating result	3,383,353	2,645,467
Financial income and expenses	14,548	49,827
Total of result before tax	3,397,901	2,695,294
Income tax expense	- 866,780	- 661,626
Total of result after tax	2,531,121	2,033,668
Result attributable to legal entity	2,531,121	2,033,668

Financial statements

Consolidated cash flow statement

	2019	2018
	€	€
Cash flows from (used in) operating activities		
Cash flows from (used in) operations		
Operating result	3,383,353	2,645,467
Adjustments to reconcile to the operating result		
Adjustments for depreciation and amortisation expense	651,200	539,656
Increase (decrease) in provisions	15,144	15,747
Total of adjustments to reconcile to the operating result	666,344	555,403
Changes in working capital		
Decrease (increase) in inventories	- 793,293	- 625,437
Decrease (increase) in construction contracts	- 134,931	- 808,785
Decrease (increase) in other receivables	- 470,316	2,599,580
Increase (decrease) in other payables	758,393	207,982
Total of changes in working capital	- 640,147	1,373,340
Total of cash flow from (used in) operations	3,409,550	4,574,210
Interest received	46,442	51,175
Income tax paid	- 624,830	- 907,240
Total of cash flows from (used in) operating activities	2,831,162	3,718,145
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	- 1,067,731	- 543,989
Proceeds from sales of property, plant and equipment	28,832	72,219
Total of cash flow from (used in) investing activities	- 1,038,899	- 471,770
Cash flows from (used in) financing activities		
Other cash flows	- 31,894	- 1,348
Total of cash flow from (used in) financing activities	- 31,894	- 1,348
Increase (decrease) in cash and cash equivalents		
Total of net cash flows	1,760,369	3,245,027
Effect of exchange rate changes on cash and cash equivalents	48,686	- 55,501
Total of increase (decrease) of cash and cash equivalents	1,809,055	3,189,526
Cash and cash equivalents at the beginning of the period	5,240,734	2,051,208
Cash and cash equivalents at the end of the period	7,049,789	5,240,734

Financial statements

Notes to the consolidated financial statements

General notes

Description of the most important activities of the entity

Rior, Industrie- en Handelsonderneming B.V. ("the company") having its legal seat in Goirle, its actual seat is Centaurusweg 45, 5015 TC Tilburg, The Netherlands, Registered at the Chamber of Commerce in the Netherlands under number 18022760 is engaged in the production and trade of drain and sewer cleaning machines.

Group structure

Disclosure of 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 handelsonderneming 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 handelsonderneming 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 handelsonderneming B.V. holds 100% of the companies shares.

Consolidation

Disclosure of consolidation

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 handelsonderneming 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.

General accounting principles

Description of the accounting standards used to prepare the 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.

Comparative figures

The comparative figures are, if needed for presentation purposes, adjusted to enhance comparability.

Changes in accounting policies

Disclosure of changes in accounting policies

Major maintenance

Up to financial year 2018, Rior, Industrie en Handelsonderneming recognized costs of major maintenance in the profit and loss at the time the major maintenance was carried out. Following amendments of the Dutch Accounting Standards applicable to 2019, a change in accounting principles was applied and Rior, Industrie en Handelsonderneming decided to prospectively adopt the Component method. Accordingly, the cost of major maintenance are recognized in the carrying amount of the related assets as of January 1, 2019 onwards and depreciated as a separate component as soon as the asset is taken into use.

The change in accounting policy did not affect the result over 2019 and equity of Rior, Industrie en Handelsonderneming as per December 31, 2019 as no major maintenance was carried out during the financial year 2019.

Foreign currency translation

Policy of foreign currency translation for the balance sheet

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 for at total amount of + EUR 6,021 (2018: -/- EUR 162,400).

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.

Financial instruments

Policy of financial instruments

Financial instruments are both primary financial instruments (such as receivables and debts) and derivative financial instruments (derivatives).

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

The company has no financial derivatives.

Accounting principles

Policy of intangible 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.

Policy of property, plant and equipment

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. Land is not depreciated.

Periodical major maintenance is capitalised according to the components approach, with which the aggregate expenditures are allocated to the component parts.

Policy of financial assets

Upon initial recognition the receivables on and loans to associated companies and other receivables are valued at fair value and then valued at amortised cost, after deduction of any provisions. These provisions are determined by individual assessment of the receivables.

Policy of inventories

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.

Policy of 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.

Policy of 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.

Policy of cash and cash equivalents

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

Policy of provisions

Provision 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 2019 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.

Policy of provision for 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.

Policy of warranty provision

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.

Policy of provision for jubilee benefits

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.

Policy of current 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.

Upon initial recognition, the loans and liabilities are stated at fair value and then valued at amortised cost.

Accounting principles for the determination of the result

Policy of net revenue

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.

Policy of 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.

Policy of gross margin

The gross margin comprises the difference between the net turnover and the cost of sales, as well as other operating income.

Policy of income tax expense

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.

Cash flow statement

Policy of 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.

Balance sheet

Intangible assets

	31 December 2019	31 December 2018
	€	€
Costs of goodwill acquired from third party	86,070	103,224
Total of intangible assets	86,070	103,224

Intangible assets

Disclosure of intangible assets

The rate of depreciation on goodwill is 10%.

Of the goodwill EUR 86,070 (2018: EUR 103,224) regards the acquisition of the shares in Andy Guest Jetters LTD. The remaining life is 3 years. The remaining life of the goodwill is established by management based on the useful life of 10 years.

Property, plant and equipment

	31 December 2019	31 December 2018
	€	€
Land and buildings	113,425	153,215
Machinery	1,704,412	1,179,665
Total of property, plant and equipment	1,817,837	1,332,880

Property, plant & equipment

Disclosure of property, plant and equipment

The rate of depreciation on the land and buildings varies between 10%-20%.

The rate of depreciation on the machinery varies between 10%-33%.

Financial assets

	31 December 2019	31 December 2018
	€	€
Receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity	2,070,443	0
Total of financial assets	2,070,443	0

Financial assets

Disclosure of receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity

EUR 2,070,443 at a interest rate of 1.71 % loan is due for repayment 31-12-2021

The receivable was presented as short term per 31-12-2018, since the loan was renewed on 14-11-2019. Movement in the current financial year consists solely of the accrued interest for a total amount of EUR 35,285.

Inventories

Disclosure of inventories

Of the inventories a book value of EUR 447,941 (2018: EUR 167,434) has been written down to market value.

The provision for obsolete inventory as per 31-12-2019 is EUR 112,182 (2018: EUR 88,565)

The amount of the impairment and loss of stocks in the profit and loss account in 2019 is a loss of EUR 16,339 (in 2018 a loss of EUR 26,550).

Construction contracts

	31 December 2019	31 December 2018
	€	€
Advances received for construction contracts	- 473,954	- 54,844
Capitalised expenses for not yet provided services of construction contracts	2,443,508	1,889,467

Construction contracts

Disclosure of construction contracts

The income for the financial year includes EUR 18,496,000 (2018 : EUR 14,287,000) regarding income from work in progress on construction contracts.

Receivables

	31 December 2019	31 December 2018
	€	€
Receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity	756,270	2,470,172
Other receivables	2,959,461	2,670,092
Tax receivables	60,918	191,973
Prepayments and accrued income	159,592	204,131
Total of receivables	3,936,241	5,536,368

Receivables

Disclosure of receivables

Accounts receivable as presented under current assets mature within one year.

The amount of the valuation of accounts receivable provisions in the profit and loss account in 2019 amounted to a loss of EUR 102,036 (2018 a loss of EUR 97,887).

Other receivables as presented under current assets mature within one year.

Trade receivables: Breakdown

	31 December 2019	31 December 2018
	€	€
Net trade receivables		
Gross trade receivables	3,093,872	2,862,544
Provision bad debts on trade receivables	- 134,411	- 192,452
Total of net trade receivables	2,959,461	2,670,092

Other receivables: Breakdown

	31 December 2019	31 December 2018
	€	€
Current other receivables		
Other receivables other	2,959,461	2,670,092
Total of current other receivables	2,959,461	2,670,092

Cash and cash equivalents

Disclosure of cash and cash equivalents

The company has EUR 7,049,789 cash available at December 31, 2019.

Group equity

Disclosure of group equity

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

Provisions

Movement schedule

	Deferred tax liabilities	Warranty provision	Provision for jubilee benefits	Provisions
	€	€	€	€
Provisions at the beginning of the period	126,124	83,315	35,705	245,144
Movement of provisions				
Additions	117,227	155,470	3,965	276,662
Release	- 32,182	- 142,080	- 2,211	- 176,473
Total of movements during the period	85,045	13,390	1,754	100,189
Provisions at the end of the period	211,169	96,705	37,459	345,333

Breakdown

	31 December 2019	31 December 2018
	€	€
Deferred tax liabilities	211,169	126,124
Warranty provision	96,705	83,315
Other provisions	37,459	35,705
Total of provisions	345,333	245,144

Provisions

Disclosure of provision for pension obligations

As at year-end 2019, there are no obligations for which a pension provision has been included, as was the case as at year-end 2019. 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 98.8% as at December 31, 2019 (2018: 98.8%). Based on the administration agreements the company has no obligation to make additional contributions other than through higher future contributions.

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 27.98% of the pensionable salary that is based on the gross wage net minus a deductible franchise (EUR 14,554) to a maximum of EUR 78,438. The pensionable salary has a cap of EUR 110,111. The annual employer-paid contribution is 53.7% of the costs (of the amount between Franchise and EUR 78,438). The accrual over the salary above EUR 78,438 entitlements max 33.5 % of which the annual employer paid contribution is a minimum 53.2%.

Disclosure of warranty provision

Warranty provision as presented mature within one year.

Current liabilities

	31 December 2019	31 December 2018
	€	€
Payables to other legal entities and companies with a participating interest in the legal entity or to participating interests of the legal entity	392,888	276,149
Other payables	3,268,196	2,604,247
Accruals and deferred income	796,855	662,243
Total of current liabilities	4,457,939	3,542,639

Current liabilities

Disclosure of current liabilities

Short-term liabilities as presented mature within one year.

Off-balance sheet commitments

Description of off-balance sheet commitments relating to guarantees

Collective guarantees with affiliated companies on behalf of Heico Holding are provided to Financial institutions for a total amount of \$ 84,300,000 whereby each of the parties including Rior is liable for the full amount.

Disclosure of payments of operating leases

The total obligations in connection with rental obligations and operational lease agreements amount to approximately.

-Less than 1 year: 2019 EUR 554,000 (2018: EUR 507,000).

-1-5 years: 2019 EUR 893,000 (2018: EUR 730,000).

-More than 5 years: 2019 EUR 32,000 (2018: EUR 11,000).

Income statement

Gross margin

Disclosure of gross operating result

The Net sales 2019 compared to the Net sales of 2018 as 113 versus 100 Net sales are realized primarily in the European Community.

Selling expenses

Disclosure of selling expenses

Wages and salaries in 2019 amounts to EUR 5,082,262 (2018: 4,585,011).

Social security costs in 2019 amounts to EUR 650,034 (2018: EUR 657,131).

Pensioen costs in 2019 amounts to EUR 549,210 (2018: EUR 455,299).

Grants received for spent Research and development time on WBSO projects in 2019 amounts to EUR -28,467 (2018: EUR-45,282).

General and administrative expenses

Disclosure of general and administrative expenses

The amortisation of intangible assets in 2019 amounts to EUR 22,812 (2018: EUR 22,623).

The depreciation of property, plant and equipment in 2019 amounts to EUR 628,388 (2018: EUR 517,033).

Financial income and expense

	2019	2018
	€	€
Financial income and expenses		
Other interest income and related income	46,442	51,175
Interest expenses and related expenses	- 31,894	- 1,348
Total of financial income and expenses	<u>14,548</u>	<u>49,827</u>

Income tax expense

	2019	2018
Income tax expense		
Income tax expense from current financial year	€ 866,780	€ 661,626
Total of income tax expense	<u>€ 866,780</u>	<u>€ 661,626</u>

Other notes

Average number of employees

	2019	2018
Average number of employees over the period		
Average number of employees over the period working in the Netherlands	96	86
Average number of employees over the period working outside the Netherlands	0	0
Total of average number of employees over the period	<u>96</u>	<u>86</u>

Average number of employees per segment: Specification

Segment for average number of employees during the period	Total of average number of employees over the period
	2019
Administration	9
Production	54
Sales	33

Financial instruments

Disclosure of financial instruments

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

Disclosure of 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. No significant concentrations of credit risk existed as at balance sheet date.

Financial statements

Company financial statements

Balance sheet

Balance sheet before or after appropriation of results

	After profit appropriation	
	31 December 2019	31 December 2018
	€	€
Assets		
Non-current assets		
Property, plant and equipment	447,376	472,444
Financial assets	4,541,525	1,930,889
Total of non-current assets	4,988,901	2,403,333
Current assets		
Inventories	1,966,704	1,710,578
Construction contracts (assets)	1,755,059	1,713,763
Receivables	4,458,476	5,974,063
Cash and cash equivalents	6,491,328	4,469,756
Total of current assets	14,671,567	13,868,160
Total of assets	19,660,468	16,271,493
Equity and liabilities		
Equity		
Share capital paid called up	45,400	45,400
Other legal reserves	8,185	- 120,605
Other reserves	15,616,164	13,085,043
Total of equity	15,669,749	13,009,838
Provisions	103,278	82,521
Current liabilities	3,887,441	3,179,134
Total of equity and liabilities	19,660,468	16,271,493

Financial statements

Income statement

	2019	2018
	€	€
Share in results of participating interests	570,822	295,163
Other income and expenses after tax	1,960,299	1,738,505
Total of result after tax	2,531,121	2,033,668

Financial statements

Notes to the financial statements

General accounting principles

Description of the accounting standards used to prepare 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.

Accounting principles

Policy of financial 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 handelsonderneming 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.

Upon initial recognition the receivables on and loans to associated companies and other receivables are valued at fair value and then valued at amortised cost, after deduction of any provisions. These provisions are determined by individual assessment of the receivables.

Balance sheet

Property, plant and equipment

	31 December 2019	31 December 2018
	€	€
Land and buildings	109,925	153,215
Machinery	337,451	319,229
Total of property, plant and equipment	447,376	472,444

Property, plant & equipment

Disclosure of property, plant and equipment

The rate of depreciation on the machinery, land and buildings varies between 10% - 20%.

Financial assets

	31 December 2019	31 December 2018
	€	€
Shares, certificates of shares and other types of participating interests in group companies	2,471,082	1,930,889
Receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity	2,070,443	0
Total of financial assets	4,541,525	1,930,889

Financial assets

Disclosure of financial assets

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

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

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

Disclosure of receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity

EUR 2,070,443 at a interest rate of 1.71% loan is due for repayment 31-12-2021
The receivable was presented as short term per 31-12-2018, since the loan was renewed on 14-11-2019.
Movement in the current financial year consists solely of the accrued interest for a total amount of EUR 35,285.

Inventories

Disclosure of inventories

Of the inventories a book value of EUR 437,448 (2018 EUR 167,634) has been written down to market value.

The provision for obsolete inventory as per 31-12-2019 is EUR 101,690 (2018: EUR 88,565).

The amount of the impairment and loss of the stocks in the profit and loss account in 2019 is a loss of EUR 24,092 (in 2018 a loss of EUR 22,233).

Construction contracts

	31 December 2019	31 December 2018
	€	€
Advances received for construction contracts	- 473,954	- 54,844
Capitalised expenses for not yet provided services of construction contracts	2,229,013	1,768,607

Receivables

	31 December 2019	31 December 2018
	€	€
Receivables from group companies	1,898,442	1,391,304
Receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity	756,270	2,470,226
Other receivables	1,631,574	1,818,541
Tax receivables	60,918	177,670
Prepayments and accrued income	111,272	116,322
Total of receivables	4,458,476	5,974,063

Receivables

Disclosure of receivables

Accounts receivable as presented under current assets mature within one year.

The amount of the valuation of accounts receivable provisions in the profit and loss account in 2019 amounted to a loss of EUR 45,000 (2018 a loss of EUR 63,000).

Disclosure of receivables from group companies

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

Disclosure of receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity

EUR 2,070,443 at a interest rate of 1.71% loan is due for repayment 31-12-2021

Trade receivables: Breakdown

	31 December 2019	31 December 2018
	€	€
Net trade receivables		
Gross trade receivables	1,746,953	1,913,000
Provision bad debts on trade receivables	- 115,379	- 94,459
Total of net trade receivables	<u>1,631,574</u>	<u>1,818,541</u>

Other receivables: Breakdown

	31 December 2019	31 December 2018
	€	€
Current other receivables		
Other receivables other	1,631,574	1,818,541
Total of current other receivables	<u>1,631,574</u>	<u>1,818,541</u>

Cash and cash equivalents

Disclosure of cash and cash equivalents

The company has EUR 6,491,328 cash available at December 31, 2019

Equity

Statement of changes

	Share capital paid called up member	Other legal reserves	Other reserves	Equity
	€	€	€	€
Equity at the beginning of the period	45,400	- 120,605	13,085,043	13,009,838
Movement in equity during the period				
Result allocation			2,531,121	2,531,121
Direct movement as a result of exchange differences		128,790		128,790
Total of movements during the period	<u>0</u>	<u>128,790</u>	<u>2,531,121</u>	<u>2,659,911</u>
Equity at the end of the period	<u>45,400</u>	<u>8,185</u>	<u>15,616,164</u>	<u>15,669,749</u>

Equity

Disclosure of equity

The authorized share capital consists of 100 authorized common shares of which all shares are issued and paid up for at December 31, 2019. 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.

Share capital

	31 December 2019	31 December 2018
	€	€
Share capital issued	<u>45,400</u>	<u>45,400</u>

Legal reserves

	31 December 2019	31 December 2018
	€	€
Other legal reserves		
Foreign currency translation reserve	8,185	- 120,605
Total of other legal reserves	<u>8,185</u>	<u>- 120,605</u>

Appropriation of the results

Statement of the destination of the profit or the processing of the loss

The general meeting 2018 was held on November 22, 2019 and decided in accordance with the proposal of the management.

Statement of the proposed appropriation of the result

Management proposes to add the net income for the year 2019 to retained earnings.

This proposal has been reflected in the accompanying financial statements.

Provisions

Movement schedule

	Warranty provision	Provision for jubilee benefits	Provisions
	€	€	€
Provisions at the beginning of the period	46,816	35,705	82,521
Movement of provisions			
Additions	145,969	3,965	149,934
Release	- 126,966	- 2,211	- 129,177
Total of movements during the period	19,003	1,754	20,757
Provisions at the end of the period	65,819	37,459	103,278

Breakdown

	31 December 2019	31 December 2018
	€	€
Warranty provision	65,819	46,816
Other provisions	37,459	35,705
Total of provisions	103,278	82,521

Provisions

Disclosure of warranty provision

Warranty provision as presented mature within one year.

Disclosure of provision for jubilee benefits

The jubilee provision has a predominantly long term character.

Current liabilities

	31 December 2019	31 December 2018
	€	€
Payables to group companies	49,000	67,552
Payables to other legal entities and companies with a participating interest in the legal entity or to participating interests of the legal entity	392,888	266,359
Payables relating to income tax	216,864	21,895
Other payables	2,550,275	2,089,743
Accruals and deferred income	678,414	733,585
Total of current liabilities	3,887,441	3,179,134

Off-balance sheet commitments

Description of off-balance sheet commitments relating to guarantees

Andy Guest Jetters Limited, a UK subsidiary company (number 08379522) is exempt from the requirements of the Companies Act 2006 relating to the audit of its accounts under section 479A of the Companies Act 2006.

Disclosure of operating leases

The total obligations in connection with rental obligations and operational lease agreements amount to approximately:

- Less than 1 year: 2019 EUR 444,000 (2018: EUR 411,000).
- 1-5 years: 2019 EUR 658,000 (2018: EUR 645,000).
- More than 5 years: 2019 EUR 0 (2018: EUR 11,000).

Other notes

Average number of employees

	2019	2018
Average number of employees over the period		
Average number of employees over the period working in the Netherlands	75	71
Average number of employees over the period working outside the Netherlands	0	0
Total of average number of employees over the period	75	71

Remuneration of managing and supervisory directors

	2019	2018
	€	€
Remuneration of managing directors and former managing directors	323,992	321,837
Total of remuneration of managing and supervisory directors	323,992	321,837

Subsequent events

Disclosure of subsequent events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. We've taken a number of measures to monitor and prevent the effects of the COVID-19 virus, such as safety and health measures for our employees (like social distancing and working from home). At this stage the impact on our business is limited. We will continue to follow the various national and international institutes policies and advices. In parallel we will do our utmost to continue our operation in the best and safest way possible without jeopardizing the health of our employees.

The consequence of the Covid-19 outbreak has been treated as event after balance sheet date, that does not give further information about the actual situation as at balance date. Therefore, Rior, Industrie- en Handelsonderneming B.V. has not made any numerical adjustments to the financial statements. Although so far the financial impact on our business has been limited, the scale and duration of this pandemic remain uncertain and might cause further disruption to the overall economic activity. It is unknown what the longer term impact on our business may be.

Nevertheless, based on our current expectations, we believe there is no material uncertainty that may cast significant doubt upon the entity's ability to continue as a going concern.

Financial statements

Signing of the financial statements

Managing, supervisory director or representative

Type of director

Location of signing by managing and supervisory directors

D.J. Yadron

Current managing director

Tilburg

Managing, supervisory director or representative

Type of director

Location of signing by managing and supervisory directors

E.A. Roskovensky

Current supervisory director

Tilburg

Managing, supervisory director or representative

Type of director

Location of signing by managing and supervisory directors

J.F.G. Pieters

Current managing director

Tilburg

Other information

Reference to the auditor's opinion

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

Provisions of the Articles of Association relating to profit appropriation

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.

Independent auditor's report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2019 INCLUDED IN THE ANNUAL ACCOUNTS

Our opinion

We have audited the accompanying financial statements 2019 of Rior, Industrie- en Handelsonderneming B.V., based in Tilburg and with its legal seat in Goirle.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Rior, Industrie- en Handelsonderneming B.V. as at December 31, 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The consolidated and company balance sheet as at December 31, 2019.
2. The consolidated and company profit and loss account for 2019.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Rior, Industrie- en Handelsonderneming B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis of the impact of the Coronavirus

The Coronavirus also impacts Rior, Industrie- en Handelsonderneming B.V. Management disclosed the current impact and her plans to deal with these events or circumstances in page 36 of the financial statements. Management indicates that it is currently not possible for them to properly estimate the impact of the Coronavirus on the financial performance and health of Rior, Industrie- en Handelsonderneming B.V. Our opinion is not modified in respect of this matter.



REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual accounts contains other information that consists of:

- Directors' Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management of Rior, Industrie- en Handelsonderneming B.V. for the financial statements

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

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Management and the Supervisory board are responsible for overseeing the company's financial reporting process.



Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.



We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Breda, October 9, 2020

Deloitte Accountants B.V.

Signed on the Original: M.H.J.M. van Caam