selecta

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

Consolidated financial statements for the year ended 30 September 2015 and report of the independent auditor

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*These consolidated financial statements do not represent statutory financial statements of the parent entity Selecta Group B.V. prepared in accordance with Dutch GAAP

Operating and financial review

Overview of the business

Selecta is the leading independent operator of vending machines in Europe by revenue, with operations in 21 countries across Europe and leading market shares in its key markets of Switzerland, Sweden and France. We operate a network of approximately 146’000 active snack and beverage vending machines on behalf of a broad and diverse client base. We offer a wide range of products in our vending machines, including hot and cold beverages and various snacks and confectionary items. Our clients include a large number of both private and public organizations. Our private vending services, which also include our office coffee services (“OCS”), are directed primarily at office environments but also include clients such as hospitals and universities. Our public vending machines are located in high traffic public locations, such as airports, train and subway stations and gas stations, where our longer term client contracts provide us with a steady stream of revenue. In addition to our public and private vending operations, we also generate revenue from trade sales of machines and products.

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

We operate our vending machine network primarily under the “Selecta” brand. We are the overall market leader by revenue in the European vending market, with an estimated market share of approximately 6% based on market size data from the European Vending Association for 2014 and our own estimates.

Presentation of financial information

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

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

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

“EBITDA margin” is calculated as EBITDA divided by revenue whilst “Adjusted EBITDA margin” is calculated as Adjusted EBITDA divided by revenue.

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

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

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

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

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

Operating review

The Group has seen a return to revenue growth in the year ended 30 September 2015, driven in part by foreign exchange impacts as a result of the appreciation of the Swiss Franc in the year. At constant foreign exchange rates[1] sales also grew slightly in comparison to last year driven by improved trading in the second half of the year.

Revenue in the year ended 30 September 2015 was 4.1% ahead of last year. Excluding the impact of foreign exchange movements[1], full year revenue was 0.4% ahead of last year, whilst revenue in the fourth quarter was 2.9% ahead as the Group finished the year strongly.

The return to growth has been driven by strong new business gains and improved retention in the year, supported by the investment in the machine park and sales force, in combination with the successful rollout of the Group's sales force effectiveness programme "Selling the Selecta Way". New business totalling approximately € 50 million (annualised revenue impact) was installed during the course of the year, whilst the Group's retention rate increased from 93.2% in 2014 to 95.1% in 2015.

Installation of Starbucks on the go has accelerated with the extension of the contract into semi-public locations, including convenience retail, hospitals and universities. During the year the Group installed 431 machines, taking the total number of installations to 645 at 30 September 2015. Of these, 230 are installed at Eurogarages forecourts on petrol stations in the UK.

Rollout of the Group's new machines has continued in 2015. However initial technical problems experienced with the machines have resulted in higher than anticipated costs associated with these rollouts. By 30 September 2015, 433 of the new public vending machines ("Move") have been rolled out at SNCF stations across France. The sales uplift generated by these machines, equipped with cashless payment systems, telemetry and touch screens, has to date been below initial expectations due to a number of technical problems, although the trend has been improving with the most recent batches of machines received from the supplier. As at 30 September 2015 the Group has installed more than 8'000 of its new generation "Ferrara" table top machines and nearly 1'200 Mirante free standing machines. Again whilst the appeal of the Ferrara in particular has contributed to the strong new business gains in the year, both machines have experienced initial teething problems leading to a higher number of technical interventions than initially expected resulting in higher associated costs. Issues with the Ferrara have now been resolved whilst the final open issues with the Mirante are currently being addressed with the supplier.

Whilst the Group has experienced a return to sales growth in recent months, EBITDA delivery has been lagging behind, due to the investments the Group has made in its sales force, technical issues experienced with new machines, an increase in the level of vending rents paid to clients, and lower gains on disposals of assets. As a result adjusted EBITDA in the year ended 30 September 2015 was € 5.3 million lower than previous year, € 10.7 million lower at constant foreign exchange rates[1]. The trend has however improved in the second half of the year as the benefits of the investments the Group has been making begin to deliver sales growth thereby absorbing the increased cost of the sales force, whilst technical issues with machines have reduced. At constant foreign exchange rates[1], adjusted EBITDA was € 8.2 million behind prior year in the first half of the year but only € 2.5 million behind in the second half.

[1] Constant foreign exchange rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Financial review

Financial summary

	3 months ended			Year ended		
	Sep 15 €m	**Sep 14 €m**	**Change %**	**Sep 15 €m**	**Sep 14 €m**	**Change %**
Revenue	**185.2**	**173.2**	**+6.9%**	**725.6**	**697.0**	**+4.1%**
Materials and consumables used	(56.5)	(51.0)	+10.8%	(224.7)	(215.2)	+4.4%
Gross profit	**128.7**	**122.2**	**+5.3%**	**500.9**	**481.8**	**+4.0%**
% margin	*69.5%*	*70.6%*	*-1.1pts*	*69.0%*	*69.1%*	*-0.1pts*
Employee benefits expense	(55.4)	(49.4)	+12.1%	(230.5)	(214.6)	+7.4%
Other operating expenses	(48.2)	(40.2)	+19.8%	(167.6)	(152.9)	+9.6%
EBITDA	**25.1**	**32.6**	**-22.8%**	**102.8**	**114.2**	**-10.0%**
% margin	*13.6%*	*18.8%*	*+5.2pts*	*14.2%*	*16.4%*	*-2.2pts*
Adjustments	10.3	3.4	+202.2%	19.2	13.1	+47.2%
Adjusted EBITDA	**35.4**	**36.0**	**-1.5%**	**122.1**	**127.4**	**-4.1%**
% margin	19.1%	*20.8%*	*-1.6pts*	*16.8%*	*18.3%*	*-1.4pts*
Depreciation & amortisation	(23.7)	(21.8)	+8.5%	(88.2)	(85.4)	+3.3%
% revenue	*-12.8%*	*-12.6%*	*-0.2pts*	*-12.2%*	*-12.3%*	*+0.1pts*

Revenue

Revenue increased by 6.9% in Q4 2015 to € 185.2 million compared to prior year (2014: € 173.2 million), due in part to the strength of the Swiss Franc. However underlying sales have also seen a return to growth, with sales at constant foreign exchange rates[1] 2.9% higher than last year in the quarter, driven by strong new business installations in the year and improved retention as well as a strong summer trading period. Full year revenue increased by 4.1% to € 725.6m, compared to prior year (2014: € 697.0m), and at constant foreign exchange rates[1] was 0.4% higher than last year.

The following table sets out the revenue development by region in the 3 months and the year ended 30 September 2015 and 2014.

	3 months ended			Year ended		
	Sep 15 €m	**Sep 14 €m**	**Change %**	**Sep 15 €m**	**Sep 14 €m**	**Change %**
France	51.8	50.5	+2.6%	184.7	188.4	-1.9%
West	25.5	23.8	+6.9%	102.2	98.2	+4.1%
Central	79.0	71.1	+11.3%	311.2	285.8	+8.9%
North	28.7	27.9	+3.0%	127.4	124.8	+2.1%
HQ and Inter-company eliminations	0.2	(0.2)	-	0.1	(0.3)	-
Group	**185.2**	**173.2**	**+6.9%**	**725.6**	**697.0**	**+4.1%**

[1] Constant foreign exchange rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

France

Revenue increased by 2.6% in Q4 2015 to € 51.8 million compared to prior year (2014: € 50.5 million). The revenue growth was driven by the impact of the new business gains secured in the year which have been rolled out in recent months, in addition to strong public vending in July and August.

Full year sales of € 184.7 million were however 1.9% below prior year (2014: € 188.4 million). € 1.9 million of the shortfall was due to the roll over impact of the loss of Avia in the year ended 30 September 2014, and € 2.0m due to weak trade sales. Weak sales in public vending (€ -1.0m excluding Avia), particularly in railways and metro, was offset by strong private vending growth (€+1.2m) driven by investment in sales force and realisation of the sales force effectiveness programme

West

Revenue of € 25.5 million in Q4 2015 was 6.9% higher than last year (2014: € 23.8 million) due to the strength of the British Pound. At constant foreign exchange rates[1] revenue was 0.5% higher than last year. Sales in Netherlands were 9.4% higher than prior year in the quarter, driven by new business secured in recent months and the continued positive impact of Starbucks on the go locations at Shell petrol stations. Sales in the UK were 6.5% higher than last year due to the impacts of exchange rate fluctuations – at constant foreign exchange rates[1] sales were 2.2% below last year as the overall trading situation in the UK remains weak.

Full year sales of € 102.2 million were 4.1% ahead of last year (2014: € 98.2 million), driven again by the strength of the British Pound. At constant foreign exchange rates[1] sales were 3.1% below last year driven by the weak throughput and client losses in the UK.

Central

Revenue increased by 11.3% to € 79.0 million in Q4 2015 compared to prior year (2014: € 71.1 million). Whilst the strength of the Swiss Franc is contributing to the growth, underlying sales have also grown for the second consecutive quarter in the region, with revenue growth of 2.6% at constant foreign exchange rates[1]. Switzerland has seen a return to growth in Q4 (2.3% at constant foreign exchange rates[1], 14.9% at actual foreign exchange rates) due to strong public vending in the summer months and improved retention rates. Growth in Spain (10.8% higher than last year) and Germany (1.5% higher) was driven by the impact of new business secured and installed in the year.

Full year sales of € 311.2 million were 8.9% higher than last year (2014: € 285.8 million), or 0.9% higher at constant foreign exchange rates[1]. Sales in Switzerland were 11.3% higher than prior year as a result of the appreciation of the Swiss Franc. At constant foreign exchange rates[1] sales were flat on last year as the strong new business gains and improved retention were offset by continued negative same machine sales. Spain (7.4%) and Germany (3.5%) both delivered steady sales growth throughout the year.

North

The North region continued to deliver strong sales growth in the last quarter of the year driven by new client gains on the back of the appeal with clients of the Group's new Ferrara machine. Revenue increased by 3.0% to € 28.7 million in Q4 2015 compared to prior year (2014: € 27.9 million), whilst at constant foreign exchange rates[1], excluding the impact of the weak Swedish Krona, revenue in the quarter was 5.6% higher than last year on the back of an increase of 590 machines in the park in the last year.

As a result of the new business secured in the year as well as higher coffee prices in the early part of the year, full year sales of € 127.4 million were 2.1% higher than last year (2014: € 124.8 million), or 5.4% higher at constant foreign exchange rates[1].

[1] Constant foreign exchange rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Gross profit

Gross profit increased by € 6.5 million, or 5.3%, to € 128.7 million in Q4 2015 (2014: € 122.2 million) primarily driven by the overall increase in revenue. Gross margin was 1.1% points below last year at 69.5% (2014: 70.6%).

Full year gross profit increased by € 19.1 million, or 4.0%, to € 500.9 million (2014: € 481.8 million), with the overall gross margin remaining stable at 69.0% (2014: 69.1%).

Employee benefits expense

Employee benefits expense of € 55.4 million in the quarter was € 6.0 million, or 12.1% higher than prior year (2014: € 49.4 million). At constant foreign exchange rates[1] employee benefits expense was € 3.6 million, or 7.3% higher than last year due in part to an increase in the number of employees (at 30 September 2015 the Group had 4'483 FTE's, 72 more than at 30 September 2014 (2014: 4'411)), as well as the cost of restructuring programmes initiated and the impact of annual salary increases. The overall increase in FTE's is driven by the increase in the number of sales personnel to drive new business growth (18 additional sales FTE's at 30 September 2015 compared to 2014), additional operations staff reflecting the increase in the number of machines and the higher labour requirement of the Starbucks on the go concept (14 additional merchandisers), and more technicians to roll out the significant new client gains and reinvestments as well as to deal with the initial technical problems on the new machines (41 additional technicians).

Full year employee benefits expense of € 230.5 million was € 15.9 million, or 7.4% higher than prior year (2014: € 214.6 million). At constant foreign exchange rates[1] employee benefits expense was € 7.0 million higher than last year, driven again by the increase in FTE's described above, costs related to restructuring programmes, and the impact of annual salary increases.

Other operating expenses

Other operating expenses increased by € 8.0 million, or 19.8%, to € 48.2 million in the quarter (2014: € 40.2 million). At constant foreign exchange rates[1] other operating expenses were € 6.3 million higher than last year due primarily to higher vending rents (€ 3.0 million) and higher consulting expenses incurred (€ 2.5 million).

Full year other operating expenses increased by € 14.7 million, or 9.6%, to € 167.6 million (2014: € 152.9 million). At constant foreign exchange rates[1] other operating expenses were € 9.2 million higher than last year due to higher vending rents (€ 4.6 million), higher consulting expenses incurred (€ 2.0 million), and lower profits on sale of assets (€ 3.6 million).

Depreciation, amortisation and impairment expense

Depreciation, amortisation and impairment expense increased by € 1.9 million, or 8.5%, to € 23.7 million in Q4 (2014: € 21.8 million), due to the impact of the increased capex spend in the year, as well as currency translation differences. At constant foreign exchange rates[1] depreciation, amortisation and impairment expense was € 1.2 million higher than in the previous year.

Full year depreciation, amortisation and impairment expense increased by € 2.8 million, or 3.3%, to € 88.2 million (2014: € 85.4 million), driven almost entirely by foreign exchange differences – at constant foreign exchange rates[1] depreciation, amortisation and impairment expense increased by € 0.3 million.

Adjustments

Adjustments in respect of one off items were € 10.3 million in the quarter, € 6.9 million higher than in prior year (2014: € 3.4 million). Full year one off costs of € 19.2 million were € 6.1 million higher than last year (2014: € 13.1 million). Adjustments in respect of consulting costs related primarily to a number of business improvement exercises undertaken (€ 6.9 million), restructuring costs (€ 5.7 million), one-time costs associated with the technical problems with the Group's new machines (€ 1.3 million), and various due diligence exercises relating to potential M&A activities (€ 0.6m).

[1] Constant foreign exchange rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Adjusted EBITDA

Adjusted EBITDA decreased by € 0.6 million, or 1.5%, in Q4 2015 to € 35.4 million compared to prior year (2014: € 36.0 million). At constant foreign exchange rates[1] EBITDA was € 2.2 million lower than prior year, due to the curtailment gain on the change of the Dutch pension scheme in September 2014 (€ 0.9 million) and an increase in vending rent offsetting the additional gross profit achieved on the higher sales.

Full year adjusted EBITDA decreased by € 5.3 million, or 4.1%, to € 122.1 million compared to prior year (2014: € 127.4 million). At constant foreign exchange rates[1] EBITDA was € 10.7 million lower than prior year, with EBITDA lagging behind sales growth due to the higher personnel costs (€ 7.1 million), the increase in vending rents (€ 4.6 million), and lower profit on sale of assets (€ 3.6 million) described above, partially offset by an increase in the level of adjustments for restructuring programmes, technical faults with machines, and additional consulting costs related to the Group's strategic initiatives.

The following table sets out the adjusted EBITDA by region in the 3 months and the year ended 30 September 2015 and 2014:

	3 months ended			Year ended		
	Sep 15 €m	**Sep 14 €m**	**Change %**	**Sep 15 €m**	**Sep 14 €m**	**Change %**
France	6.8	8.9	-24.0%	17.7	25.0	-29.3%
West	2.3	3.6	-34.9%	7.9	10.1	-21.4%
Central	21.8	18.2	+19.7%	81.1	73.5	+10.2%
North	7.4	7.8	-5.1%	29.6	31.1	-4.6%
HQ	(2.8)	(2.5)	+13.4%	(14.2)	(12.3)	+14.9%
Group	**35.4**	**36.0**	**-1.5%**	**122.1**	**127.4**	**-4.1%**

France

Adjusted EBITDA of € 6.8 million in the quarter was € 2.1 million, or 24.0% below prior year (2014: € 8.9 million) due primarily to higher personnel costs in part reflecting the investment in sales force, and to higher vending rent resulting from the strong sales in railway and petrol stations during the summer as well as an increase in the vending rent due to SNCF under the terms of the new contract.

Full year adjusted EBITDA of € 17.7 million was € 7.3 million, or 29.3% below prior year (2014: € 25.0 million), reflecting the gross profit impact of the lower sales (€ 1.4 million), increase in personnel costs due to investments in the sales force driving new business gains as well as additional costs related to the SNCF rollout and issues experienced with the Move machine (€ 1.6 million) and increase in vending rent (€ 3.6 million) due to new contracts and contract renewals carrying higher rents.

West

Adjusted EBITDA of € 2.3 million in the quarter was € 1.3 million, or 34.9%, below prior year (2014: € 3.6 million). At constant foreign exchange rates[1] adjusted EBITDA was € 1.4 million below prior year due primarily to the curtailment gain on the change of the Dutch pension scheme in September 2014 (€ 0.9 million), as well as € 0.4 million increase in vending rent driven by the Starbucks petrol station business in Shell (Netherlands) and Eurogarages (UK).

Full year adjusted EBITDA of € 7.9 million was € 2.2 million, or 21.4% below prior year (2014: € 10.1 million). At constant foreign exchange rates[1] adjusted EBITDA was € 2.8 million below prior year, driven primarily by the gross profit impact of the lower sales (€ 1.3 million), the curtailment gain on the change of the Dutch pension scheme in September 2014 (€ 0.9 million), and € 0.2 million increase in vending rent.

[1] Constant foreign exchange rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Central

Adjusted EBITDA of € 21.8 million in the quarter was € 3.6 million, or 19.7%, above prior year (2014: € 18.2 million) due in part to the strength of the Swiss Franc. However underlying performance was also strong in the quarter, with adjusted EBITDA at constant foreign exchange rates[1] € 1.6 million higher than prior year, in line with the higher sales delivery.

Full year adjusted EBITDA of € 81.1 million was € 7.6 million, or 10.2%, above prior year (2014: € 73.5 million). At constant foreign exchange rates[1] adjusted EBITDA was in line with prior year, as the gross profit impact of the higher sales (€ 1.9 million) was offset by higher personnel costs (€ 2.1 million), driven primarily by the additional investment in the sales force, the benefits of which have begun to be seen on top line growth in the quarter.

North

Adjusted EBITDA of € 7.4 million in the quarter was € 0.4 million, or 5.1%, below prior year (2014: € 7.8 million). At constant foreign exchange rates[1] adjusted EBITDA was € 0.2 million below prior year with the impact of the sales growth offset by lower purchasing rebates recorded in the quarter compared to last year.

Full year adjusted EBITDA of € 29.6 million was € 1.5 million, or 4.6% below prior year (2014: € 31.1 million). At constant foreign exchange rates[1] adjusted EBITDA was € 0.5 million below prior year. Whilst sales were € 6.4 million higher than prior year at constant foreign exchange rates[1], lower gross margin as a result of the part of coffee price increases in the earlier part of the year which could not be passed on to customers, as well as additional costs related to the new Ferrara machine and higher personnel costs due to above inflationary pay increases offset the impact of the higher sales.

Cash flow

	3 months ended			Year ended		
	Sep 15 €m	Sep 14 €m	Change %	Sep 15 €m	Sep 14 €m	Change %
Net cash generated from operating activities	64.0	49.9	+28.2%	108.5	113.7	-4.7%
Net cash used in investing activities	(23.2)	(19.7)	+17.5%	(84.1)	(53.8)	+56.3%
Free cash flow	**40.8**	**30.2**	**+35.2%**	**24.3**	**59.9**	**-59.4%**
Proceeds from borrowings*	-	(8.8)		4.7	742.3	
Repayment of borrowings	(27.0)	(21.2)		-	(819.8)	
Interest paid	(0.8)	(0.6)		(39.0)	(25.3)	
Other	4.3	-		-	(2.2)	
Net cash used in financing activities	**(23.5)**	**(30.6)**		**(34.3)**	**(104.9)**	
Net change in cash and cash equivalents	**17.3**	**(0.5)**		**(9.9)**	**(45.1)**	

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

[1] Constant foreign exchange rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Net cash generated from operating activities of € 64.0 million in the quarter was € 14.1 million, or 28.2%, higher than last year (2014: € 49.9 million) due to timing differences in working capital movements.

Full year net cash generated from operating activities of € 108.5 million was € 5.2 million, or 4.7%, lower than last year (2014: € 113.7 million) due primarily to the lower EBITDA delivery in the year.

Net cash used in investing activities increased by € 3.5 million, or 17.5%, to € 23.2 million in the quarter (2014: € 19.7 million).

Full year net cash used in investing activities increased by € 30.3 million, or 56.3%, to € 84.1 million (2014: 53.8 million), driven primarily by significant investment in the machine park, in particular capex to support new business gains, driving the return to growth in the second half of the year, major investment in Starbucks on the go (over 400 machines installed in the year), as well as significant reinvestments in a number of long term public contracts, including SNCF and Esso in France.

Therefore free cash flow in the quarter was € 40.8 million, € 10.6 million, or 35.2%, above last year (2014: € 30.2 million).

Full year free cash flow of € 24.3 million was € 35.6 million, or 59.4% below prior year (2014: € 59.9 million) driven predominantly by the increased investment in capital expenditure.

Net cash used in financing activities of € 23.5 million in the quarter represents the repayment of part of the revolving credit facility in the last quarter as a result of the working capital improvement.

Full year net cash used in financing activities of € 34.3 million reflects the interest paid on the Group's senior secured notes of € 39.0 million as well as drawings made under the revolving credit facility of € 4.7 million.

As a result cash and cash equivalents increased by € 17.3 million in the quarter and decreased by € 9.9 million in the year ended 30 September 2015.

Net debt

The following table sets out the group's net debt at 30 September 2015 and 2014.

	Sep 15 €m	Sep 14 €m	Change €m
Cash at bank	**31.7**	**45.4**	**(13.7)**
Revolving credit facility	6.0	-	6.0
Senior notes	574.6	553.0	21.7
PIK loan	247.7	220.7	27.0
Accrued interest	18.4	16.7	1.7
Finance leases	20.5	15.8	4.7
Total debt	**867.3**	**806.2**	**61.0**
Net debt	**835.5**	**760.8**	**74.7**

Note that the above definition of debt is different to the IFRS definition of borrowings where cash at bank is reduced by cash in the disposal group held for sale and the outstanding liabilities on borrowings are reduced by the amount of the unamortised refinancing costs incurred

Cash at bank decreased by € 13.7 million to € 31.7 million at 30 September 2015 (30 September 2014: € 45.4 million).

The amounts outstanding under the Group's revolving credit facility increased by € 6.0 million to € 6.0 million at 30 September 2015 (30 September 2014: zero) as a result of drawings made under the facility to finance the Group's capital expenditure during the year.

The amounts outstanding on the senior notes increased by € 21.7 million to € 574.6 million at 30 September 2015 (30 September 2014: € 553.0 million) due entirely to translation effects arising from the appreciation of the Swiss Franc. CHF 245 million of the Group's senior notes have been issued in Swiss Francs.

The amounts outstanding on the PIK loan increased by € 27.0 million to € 247.7 million at 30 September 2015 (30 September 2014: € 220.7 million) due to the capitalisation of the PIK interest.

Accrued interest increased by € 1.7 million to € 18.4 million at 30 September 2015 (30 September 2014: € 16.7 million) driven by the increase in the level of interest on the PIK loan as the outstanding balance increases, as well as the translation effect of the interest payable in CHF on the senior notes.

As a result net debt increased by € 74.7 million to € 835.5 million at 30 September 2015 (30 September 2014: € 760.8 million).

Other material developments

In August 2015, management committed to a plan to sell the following three legal entities within the Group, including all assets, liabilities, contracts and commercial relationships:

Selecta Hungary Automataüzemeltetö Kft (Hungary)
Automaty Servis Selecta Sro (Czech Republic)
AS Selecta Sro (Slovakia)

Efforts to sell the entities have started and a sale is expected by January 2016.

Subsequent to 30 September 2015 the ultimate controlling party of the Group changed when, on 11 December 2015, funds and accounts managed or advised by affiliates of KKR & Co. L.P., which is publicly traded on the New York Stock Exchange (NYSE: KKR), acquired the shares of Selecta Group S.à.r.l, the Group's immediate parent undertaking. Prior to this change, the ultimate controlling party of the Group was Allianz SE, incorporated in Germany.

There have been no other material developments in respect of the Group in the year ended 30 September 2015 or since this date and up to the date of approval of these Consolidated Financial Statements.

Directors and management

Selecta Group B.V.

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

The members of Selecta Group B.V.'s management board and supervisory board can be contacted at Selecta Group B.V.'s registered business address: Overschiestraat 61-5 HG, 1062 XD Amsterdam, the Netherlands.

Supervisory Board

The table below lists the current members of Selecta Group B.V.'s Supervisory Board:

	Age	Position	Member since
Mark Brown	38	President	March 2015
Markus Hunold	32	Vice President	11 December 2015
Alain Vourch	48	Member	11 December 2015

Mark Brown joined the supervisory board of Selecta Group B.V. in March 2015 and was appointed President of the supervisory board on 11 December 2015. Mr. Brown is a director of KKR having joined in 2013. He has been a member of the Board of Directors of Gruppo Argenta, Italy's 2nd largest vending machine operator since February 2014, and his other board roles include Telepizza, Grupo Alfonso Gallardo and Ursa insulation. Before joining KKR Mr. Brown was a managing director at GSO Capital, the credit arm of Blackstone, and previously worked for Deutsche Bank as a vice president. Mr. Brown trained as a Chartered Accountant and Chartered Financial Analyst in South Africa.

Markus Hunold joined the supervisory board of Selecta Group B.V. on 11 December 2015, and was appointed Vice President on that date. Mr. Hunold joined KKR in 2013. Prior to joining KKR, Mr. Hunold was a member of the principal investment area of Goldman, Sachs & Co., where he invested across industries in private equity and principal debt transactions. Mr. Hunold started his career in finance at Citigroup in the mergers & acquisitions group. He holds an M.Sc. from the European Business School Oestrich-Winkel (Germany) and the University of Hong Kong.

Alain Vourch joined the supervisory board of Selecta Group B.V. on 11 December 2015. Mr. Vourch is a managing director of KKR Capstone, having joined in 2004, and has been involved in most KKR retail investments in Europe including SMCP, Pets at Home and Maxeda. Mr. Vourch was formerly a management consultant at the Boston Consulting Group, with in-depth experience in consumer goods, retail, industrial goods and business services including significant work for Elior. Mr. Vourch holds an M.Sc. from the Ecole Polytechnique and Ecole des Mines de Paris, France.

In addition, during the period covered by these Financial Statements, the following served as members of the Supervisory Board of Selecta Group B.V.:

	Position	Member until
Dr. Rainer Husmann	Chairman	11 December 2015
Jörg Spanier	Member	11 December 2015

Management Board

The table below lists the current members of Selecta Group B.V.'s Management Board:

	Age	Position	Member since
Remigius (Remo) Brunschwiler	57	Member	January 2013
Geraint (Gary) Hughes	44	Member	April 2013
Ruud Gabriels	55	Member	11 December 2015
Marjolein Gorissen	34	Member	11 December 2015

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

Gary Hughes has been a member of the management board of Selecta Group B.V. since 2013 and has been Chief Financial Officer of the Group since April 2013 (after acting as interim Chief Financial Officer from January to March 2013). Before becoming Chief Financial Officer, he served as Financial Controller for the Group from 2008 to 2013. Prior to joining Selecta Mr. Hughes was Head of Financial Reporting at the European Headquarters of a subsidiary of the Novartis Group, and served as a senior manager at Ernst & Young in the UK. Mr. Hughes is a UK Chartered Accountant and holds a law degree from the University of Leeds, UK.

Ruud Gabriels joined the management board of Selecta Group B.V. on 11 December 2015. Mr. Gabriels is currently managing partner of Avega, a corporate service provider in the Netherlands. He has held various positions in the financial sector in the Netherlands as well as in Belgium including the position of Operational Director for two different financial institutions and Financial Director of a bank. As Operational Director and Financial Director he was also member of the board of directors of those financial institutions. Mr. Gabriels has a Bachelor's degree in accountancy.

Marjolein Gorissen joined the management board of Selecta Group B.V. on 11 December 2015. Ms. Gorissen is currently managing partner of Avega, a corporate service provider in the Netherlands. She worked for several years as a lawyer at De Brauw Blackstone Westbroek N.V. in the Netherlands holding several legal positions including as Business Unit Manager (Legal). She holds a Master of Laws degree (LLM) and holds a Bachelor of Business Administration degree (BBA).

In addition, during the period covered by these Financial Statements, the following served as members of the Management Board of Selecta Group B.V.:

	Position	Member until
Johannes Christian Zarnitz	Member	11 December 2015
Cornelis Bunschoten	Member	11 December 2015

Compensation of the Supervisory Board and Management Board of Selecta Group B.V.

No remuneration is paid by the Group to any of the Members of the Supervisory Board or the Management Board of Selecta Group B.V. in their capacity as Members of the Supervisory Board or the Management Board of Selecta Group B.V. (2014: nil).

Selecta AG

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

Board of Directors

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

	Age	Position	Member since
Mark Brown	38	President	11 December 2015
Markus Hunold	32	Vice President	11 December 2015
Alain Vourch	48	Member	11 December 2015

For biographical details of **Mr. Brown, Mr. Hunold and Mr. Vourch** see above.

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

	Position	Member until
Dr. Rainer Husmann	Chairman	11 December 2015
Joerg Spanier	Member	11 December 2015
Mats Lundgren	Member	11 December 2015
Karl Ralf Jung	Member	June 2014

Executive Committee

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

	Age	Position	Member since
Remigius (Remo) Brunschwiler	57	Chief Executive Officer	January 2013
Geraint (Gary) Hughes	44	Chief Financial Officer	January 2013
Roger Müller	43	Chief Operating Officer	April 2015
Thomas Nussbaumer	55	Managing Director Region Central	October 2004
Catherine Sahlgren	53	Managing Director Region North	October 2004
Michel Milcent	58	Managing Director Region France	October 2014
Jan Marck Vrijlandt	50	Managing Director Region West	October 2014

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

Roger Müller joined Selecta as Chief Procurement Officer in April 2014, and was subsequently appointed to the role of Chief Operating Officer and joined the Executive Committee in April 2015. Mr. Müller's previous roles include assignments with global companies including Whirlpool Corporation and Armstrong World Industries in North America, Europe and Asia. Mr. Müller has a Bachelor Degree in Business Administration from the University of Lima, a General Management degree from INSEAD and an MBA from the University of Michigan in Ann Arbor.

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

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

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

Jan Marck Vrijlandt joined Selecta in 1995 and joined the Executive Committee of Selecta AG on 1 October 2014 as Group Sales & Marketing Director. Mr. Vrijlandt became Managing Director of Region West on 1 October 2015. Prior to this position he held various roles within the Group, including Finance Director Germany, Manager Mergers & Acquisitions in Central Europe and Country Manager Netherlands and Belgium. He holds a degree as Diplom Kaufmann from the University of Frankfurt, Germany.

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

	Position	**Member between**
Dylan Jones	Managing Director Region West	1 October 2014 to 30 September 2015

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

No remuneration is paid by the Group to any of the Directors of Selecta AG in their capacity as Members of the Board of Directors (2014: nil).

The remuneration paid by the Group to the Executive Committee during the period was as follows:

	2015 *€ (000's)*	*2014* *€ (000's)*
Short term benefits	3'036	2'285
Post-employment benefits	509	244

There were no other material transactions or outstanding balances between the Group and its key management personnel or members of their close family in the year ended 30 September 2015 or 30 September 2014.

Consolidated financial statements

Consolidated statement of profit or loss

	Notes	*Year ended 30 September 2015 € (000's)*	*Year ended 30 September 2014 € (000's)*
Revenue	6	725'636	696'963
Materials and consumables used	7	(224'723)	(215'213)
Employee benefits expense	8	(230'480)	(214'580)
Depreciation, amortisation and impairment expense	9	(88'226)	(85'414)
Other operating expenses	10	(180'894)	(168'086)
Other operating income	11	13'277	15'164
Profit before interest and income tax		**14'590**	**28'834**
Finance costs	12	(52'289)	(51'413)
Finance income		145	107
Loss before income tax		**(37'554)**	**(22'472)**
Income taxes	13	(1'263)	(850)
Net loss for the period, attributable to equity holders of the parent		**(38'817)**	**(23'322)**

Consolidated statement of comprehensive income

	Notes	*Year ended 30 September 2015 € (000's)*	*Year ended 30 September 2014 € (000's)*
Net loss for the period		**(38'817)**	**(23'322)**
Items that will not be reclassified to the consolidated statement of profit or loss			
Remeasurement (loss) / gain on post-employment benefit obligations	25	(9'883)	4'579
Income tax relating to remeasurement gain / (loss) on post-employment benefit obligations	27.2	2'049	(1'211)
		(7'834)	**3'368**
Items that are or may subsequently be reclassified to the consolidated statement of profit or loss			
Effective portion of changes in fair value of cash flow hedges	32.3	(2'504)	(933)
Income tax relating to effective portion of changes in fair value of cash flow hedges	27.2	664	247
Foreign exchange translation differences for foreign operations		(42'295)	2'354
		(44'135)	**1'668**
Other comprehensive income, net of tax		**(51'969)**	**5'036**
Total comprehensive income, attributable to equity holders of the parent		**(90'786)**	**(18'286)**

Consolidated balance sheet

	Notes	*30 September 2015 € (000's)*	*30 September 2014 € (000's)*
Assets			
Non-current assets			
Property, plant and equipment	14	193'581	168'925
Goodwill	15	483'128	483'128
Trademark	16	286'301	286'301
Customer contracts	16	160'285	182'655
Other intangible assets	16	12'377	7'812
Deferred income tax assets	27	19'841	8'450
Non-current financial assets	18	2'438	2'563
Derivative financial instruments	32	2'554	-
Total non-current assets		**1'160'505**	**1'139'834**
Current assets			
Inventories	19	39'839	38'960
Trade receivables	20	39'453	38'522
Other current assets	21	35'167	35'409
Cash and cash equivalents	22	35'051	50'758
Assets held for sale	33	6'230	-
Total current assets		**155'740**	**163'649**
Total assets		**1'316'245**	**1'303'483**
Equity and liabilities			
Equity			
Share capital	30	187	187
Share premium	30	279'191	279'191
Additional paid-in capital	30	220'529	220'529
Currency translation reserve	30	(126'600)	(84'305)
Hedging reserve	30	(2'526)	(686)
Retained earnings	30	(262'306)	(215'655)
Equity attributable to equity holders of the parent		**108'475**	**199'261**
Non-current liabilities			
Borrowings	23	808'874	751'623
Derivative financial instruments	32	11'431	2'308
Finance lease liabilities	24	15'063	11'116
Post-employment benefit obligations	25	22'533	10'694
Provisions	26	6'328	6'639
Deferred income tax liabilities	27	138'256	132'142
Total non-current liabilities		**1'002'485**	**914'522**
Current liabilities			
Derivative financial instruments	32	1'685	1'993
Finance lease liabilities	24	5'319	4'206
Trade payables	28	107'271	98'112
Provisions	26	859	1'146
Current income tax liabilities		3'128	3'967
Other current liabilities	29	84'398	80'276
Liability held for sale	33	2'625	-
Total current liabilities		**205'285**	**189'700**
Total liabilities		**1'207'770**	**1'104'222**
Total equity and liabilities		**1'316'245**	**1'303'483**

Statement of changes in consolidated equity

	Share capital *€ (000's)*	***Share premium*** *€ (000's)*	***Additional paid-in capital*** *€ (000's)*	***Currency translation reserve*** *€ (000's)*	***Hedging reserve*** *€ (000's)*	***Retained earnings*** *€ (000's)*	***Equity attribut-able to equity holders of the parent*** *€ (000's)*
Balance at 1 October 2013	**187**	**278'457**	**220'529**	**(86'659)**	**-**	**(195'701)**	**216'813**
Other comprehensive income	-	-	-	2'354	(686)	3'368	5'036
Net loss	-	-	-	-	-	(23'322)	(23'322)
Total comprehensive income	-		-	*2'354*	*(686)*	*(19'954)*	*(18'286)*
Capital contribution	-	*734*	-	-	-	-	*734*
Balance at 30 September 2014	**187**	**279'191**	**220'529**	**(84'305)**	**(686)**	**(215'655)**	**199'261**
Other comprehensive income	-	-	-	(42'295)	(1'840)	(7'834)	(51'969)
Net loss	-	-	-	-	-	(38'817)	(38'817)
Total comprehensive income	-	-	-	*(42'295)*	*(1'840)*	*(46'651)*	*(90'786)*
Balance at 30 September 2015	**187**	**279'191**	**220'529**	**(126'600)**	**(2'526)**	**(262'306)**	**108'475**

Consolidated cash flow statement

	Notes	Year ended 30 September 2015 € (000's)	Year ended 30 September 2014 € (000's)
Cash flows from operating activities			
Loss before income tax		(37'554)	(22'472)
Depreciation, amortization and impairment expense	9	88'226	85'414
Gain on disposal of property, plant and equipment, net	10, 11	(3'458)	(3'949)
Net finance costs		52'144	51'306
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
(Increase)/Decrease in inventories		(184)	(2'272)
(Increase)/Decrease in trade receivables		(1'507)	(433)
(Increase)/Decrease in other current assets		2'680	(4'225)
Increase/(Decrease) in trade payables		10'309	21'228
Increase/(Decrease) in other liabilities		2'557	(6'302)
Income taxes (paid)/received		(4'725)	(4'628)
Net cash generated from operating activities		**108'488**	**113'667**
Cash flows from investing activities			
Purchases of property, plant and equipment		(82'534)	(58'281)
Proceeds from sale of property, plant and equipment		6'483	8'015
Purchases of intangible assets		(8'230)	(3'680)
Interest received		141	107
Net cash used in investing activities		**(84'140)**	**(53'839)**
Cash flows from financing activities			
Proceeds from capital increase		-	734
Repayments of borrowings	23	-	(819'821)
Proceeds from issuance of loans and borrowings	23	4'703	742'333
Interest paid		(38'981)	(25'256)
Other non-cash items		-	(2'905)
Net cash used in financing activities		**(34'278)**	**(104'915)**
Net (decrease)/increase in cash and cash equivalents		**(9'930)**	**(45'087)**
Cash and cash equivalents at the beginning of the period	22	50'758	95'498
Exchange gains/(losses) on cash and cash equivalents		(4'651)	347
Cash and cash equivalents at the end of the period*	**22**	**36'177**	**50'758**

*Including € 1'126'000 of cash and cash equivalents which have been reclassified in the balance sheet to Disposal group held for sale at 30 September 2015 (see note 33).

Notes to the consolidated financial statements

1. General Information

Selecta Group B.V. (“the Company”) is a limited company incorporated and domiciled in Amsterdam, the Netherlands. The Company and its subsidiaries are collectively referred to herein as “the Group” or “the Selecta Group”. The Group is a pan-European vending and coffee services company.

These consolidated financial statements do not represent statutory financial statements of the parent entity Selecta Group B.V. prepared in accordance with Dutch GAAP and the requirements of the Dutch chamber of commerce and have been prepared voluntarily by the Board of Directors.

2. Basis of preparation

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

3. Summary of significant accounting policies

3.1. Accounting policies

The Group has adopted all International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (the IASB) as well as Interpretations given by the IFRS Interpretations Committee (the IFRIC) and the former Standing Interpretations Committee (SIC) that are relevant to the Group’s operations and effective for annual reporting periods beginning on 1 October 2014.

3.2. New and revised/amended standards and interpretations

The Group has applied the following new interpretation from the International Financial Reporting Interpretations Committee (IFRIC) as from 1 October 2014.

IFRIC 21 – Levies

This interpretation provides guidance on when to recognise a liability for a levy imposed by a government. It was applied retrospectively in line with the transitional provisions and did not have a material impact on the results or financial position of the Group.

Amendments applied to various standards

The Group adopted various amendments to the existing International Financial Reporting Standards and Interpretations listed below, which have not had a material impact on the results or financial position of the Group:

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Recoverable Amount Disclosures (Amendments to IAS 36)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

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

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

	Effective date	***Planned application by Selecta Group B.V.***
New Standards or Interpretations		
IFRS 14 *Regulatory Deferral Accounts*	1 January 2016	Reporting year 2016/17
IFRS 9 *Financial Instruments*	1 January 2018	Reporting year 2018/19
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018	Reporting year 2018/19
Revisions and amendments of Standards and Interpretations		
Accounting for Acquisitions in Joint Operations(Amendments to IFRS 11)	1 January 2016	Reporting year 2016/17
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	1 January 2016	Reporting year 2016/17
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2016	Reporting year 2016/17
Disclosure Initiative (Amendments to IAS 1)	1 January 2016	Reporting year 2016/17
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016	Reporting year 2016/17

There are no other new or amended standards or interpretations which have been published and become effective on or after 1 October 2014 that are relevant to the Group's operations.

The Group will review its financial reporting for the new and amended standards which take effect on or after 1 October 2015 and which the Group did not voluntarily adopt early. At present the Group does not anticipate a material impact on the results or financial position of the Group.

3.3. Basis of consolidation

Subsidiaries

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

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

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

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

Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than right to its assets and obligations for its liabilities. The Group's interests in joint ventures are accounted for by the equity method. They are initially recognized at costs, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other joint venture partner. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

3.4. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities are generally recognised at their fair values at the acquisition date.

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

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

3.5. Foreign currencies

Foreign currencies in individual financial statements

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

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

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

Foreign currencies in consolidated financial statements

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

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

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

		30 September 2015		*30 September 2014*	
		Balance sheet	*Income statement*	*Balance sheet*	*Income statement*
Czech Koruna	CZK	27.19	27.44	27.51	27.35
Danish Krone	DKK	7.46	7.46	7.45	7.46
Great Britain Pound	GBP	0.74	0.74	0.78	0.82
Hungarian Forint	HUF	313.45	308.95	310.66	306.94
Norwegian Kroner	NOK	9.52	8.82	8.11	8.27
Swedish Krona	SEK	9.41	9.36	9.11	9.00
Swiss Franc	CHF	1.09	1.09	1.21	1.22

3.6. Property, plant and equipment

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

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

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

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

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

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

3.7. Intangible assets

Goodwill

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

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

Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the combination. These cash-generating units are tested for impairment annually, and whenever there is an indication that a unit may be impaired. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the

basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

Other intangible assets

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

Trademark

The trademark recognised by the Group has an indefinite useful life and is not amortised. The trademark is allocated on a reasonable and consistent basis to the cash-generating units that are tested for impairment annually as described in the section on Goodwill above.

Customer contracts

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

Software

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

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

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

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

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

3.8. Impairment of non-current assets other than goodwill or trademark

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

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

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

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

3.9. Prepayments and accrued income

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

3.10. Inventories

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

3.11. Rebates and other amounts received from suppliers

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

3.12. Trade and other receivables

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

3.13. Cash and cash equivalents

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

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

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

3.14. Assets held for sale

Non current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment properties, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and equity accounted investments are no longer accounted for using equity accounting.

3.15. Provisions

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

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

3.16. Borrowings

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

3.17. Derivative financial instruments

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

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

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

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

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

3.18. Accruals and deferred income

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

3.19. Taxation

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

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

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

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

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

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

3.20. Employee benefits

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

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

Defined benefit plans

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting past service cost is generally recognised in profit or loss when the plan amendment or curtailment occurs. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

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

3.21. Revenue recognition

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

Sale of goods

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

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

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

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

Rendering of services

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

Interest income

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

Dividend income

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

3.22. Leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of

the leased property and the present value of the minimum lease payments. Each lease payment is allocated between repayment of the outstanding liability and finance charges. The corresponding rental obligations, net of finance charges, are included in non-current liabilities or current liabilities as appropriate. The interest element of the finance cost is charged to the statement of profit or loss over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

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

3.23. Purchasing income

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

3.24. Finance costs

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

4. Use of estimates and key sources of estimation uncertainties

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

Goodwill and intangible assets with indefinite useful lives

The carrying amounts of cash-generating units to which goodwill has been allocated and which include other intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. The recoverable amounts of cash-generating units are determined based on their values in use. These calculations require the use of estimates and assumptions consistent with the most up-to-date business plans that have been formally approved by management. The amounts and key assumptions used for the value in use calculations are set out in notes 15 and 16 to the consolidated financial statements.

Customer Contracts

Intangible assets resulting from the acquisition by the Group of customer contracts in a business combination have a finite useful life and are amortised over the determined life time of 15 years. The Group actively monitors retention rates on customer contracts and considers other relevant factors which may provide an indication of impairment. The amounts are described in note 16 to the consolidated financial statements.

Employee benefits

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

pension liability. The amounts and principal assumptions used are described in note 25 to the consolidated financial statements.

Deferred income tax assets

Deferred income tax assets on unused tax losses carried forward are recognised when it is probable that there will be future taxable profits against which the losses can be utilised. The assessment of recoverability of the recognised deferred income tax assets is based on assumptions regarding future profits and is derived from the latest budgets and business plans of the Group. The amounts are described in note 27 to the consolidated financial statements.

Provisions

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

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

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

The amounts are described in note 26 to the consolidated financial statements.

Sales estimations

Where sales are based on consumption in the machines, there may be a timing difference between the date on which the cash was last collected from the machines or the date on which the sales readings were taken. In this case an estimate of the sales between the date of the last cash collection or the last machine reading and the end of the period is made. The estimate is based on historical sales trends in respect of the specific client sites and machines. The estimated amount of sales which have been neither collected in cash nor invoiced to customers are recorded as Accrued income and uncollected cash in points-of-sale, as disclosed in Note 21.

Inventories

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

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

Allowances for inventories are disclosed in Note 19.

5. Segmental reporting

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

Region France: includes operating entities in France.

Region West: includes operating entities in UK, Ireland, Netherlands and Belgium.

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

Region North: includes operating entities in Sweden, Finland, Estonia, Latvia, Lithuania, Denmark and Norway.

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

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

Result for the year ended 30 September 2015

	France *€ (000's)*	**West** *€ (000's)*	**Central** *€ (000's)*	**North** *€ (000's)*	**Total segments** *€ (000's)*	**HQ** *€ (000's)*	**IC eliminations** *€ (000's)*	**Total Group** *€ (000's)*
External revenue	184'729	102'224	311'238	127'382	**725'573**	224	(161)	**725'636**
Profit before interest, tax, depreciation and amortisation (EBITDA)	**11'496**	**6'510**	**79'345**	**27'679**	**125'030**	**(22'214)**	**-**	**102'816**
Depreciation and amortisation	(13'619)	(10'061)	(26'585)	(12'991)	**(63'256)**	(24'970)	-	**(88'226)**
Impairment expense	-	-	-	-	**-**	-	-	**-**
Profit before interest and income tax								**14'590**
Finance costs and finance income, net								**(52'144)**
Loss before income tax								**(37'554)**

Result for the year ended 30 September 2014

	France *€ (000's)*	**West** *€ (000's)*	**Central** *€ (000's)*	**North** *€ (000's)*	**Total segments** *€ (000's)*	**HQ** *€ (000's)*	**IC eliminations** *€ (000's)*	**Total Group** *€ (000's)*
External revenue	188'382	98'218	285'791	124'845	**697'236**	8	(281)	**696'963**
Profit before interest, tax, depreciation and amortisation (EBITDA)*	**20'666**	**8'602**	**72'383**	**29'707**	**131'358**	**(17'110)**	**-**	**114'248**
Depreciation and amortisation	(13'654)	(9'850)	(25'269)	(12'430)	**(61'203)**	(24'211)	-	**(85'414)**
Impairment expense	-	-	-	-	**-**	-	-	**-**
Profit before interest and income tax								**28'834**
Finance costs and finance income, net								**(51'306)**
Loss before income tax								**(22'472)**

*The amounts reported in each region for "profit before interest, tax, depreciation and amortisation (EBITDA)" have been re-stated so as to exclude the allocation of intercompany service fees.

There is no material revenue earned between the operating segments.

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

	Revenue		*Non-current assets excluding deferred tax assets and financial instruments*	
	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*	*30 September 2015 € (000's)*	*30 September 2014 € (000's)*
Switzerland	222'508	199'684	748'263	672'282
France	184'729	188'382	57'713	41'481
Sweden	97'160	97'681	52'301	45'739
UK	72'482	68'595	18'638	16'870
Germany	42'770	41'898	8'744	9'133
Netherlands	24'773	24'569	5'989	4'824
All other countries	81'214	76'154	31'939	40'248
Not allocated	-	-	214'523	300'807
Total	**725'636**	**696'963**	**1'138'110**	**1'131'384**

The non-current assets excluding deferred tax assets and financial instruments reported as "not allocated" consist primarily of intangible assets, including customer contracts and patents.

6. Revenue

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Revenue from publicly accessible points of sale	161'971	157'628
Revenue from privately placed points of sale	483'285	446'119
Revenue from trade sales of machines and products	50'325	62'959
Other revenue	30'055	30'257
Total revenue	**725'636**	**696'963**

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

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

7. Materials and consumables used

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Cost of materials	(243'669)	(235'071)
Rebates and discounts	18'460	19'609
Other	486	249
Total materials and consumables used	**(224'723)**	**(215'213)**

8. Employee benefits expense

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Wages and salaries	(183'811)	(169'753)
Social security	(37'526)	(37'044)
Post-employment benefits		
Defined contribution plans	(2'887)	(2'495)
Defined benefit plans	(6'256)	(5'288)
Total employee benefits expense	**(230'480)**	**(214'580)**

For further details with respect to the Group's post-employment benefit obligations, see note 25.

9. Depreciation, amortisation and impairment expense

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Depreciation of property, plant and equipment	(61'796)	(59'939)
Amortisation of intangible assets	(26'430)	(25'475)
Total depreciation, amortisation and impairment expense	**(88'226)**	**(85'414)**

10. Other operating expenses

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Maintenance	(62'634)	(58'753)
Administration expenses	(28'526)	(24'294)
Travel and representation	(7'675)	(6'907)
Vending rent	(67'481)	(62'699)
Other rent	(13'141)	(13'501)
Loss on disposal of tangible and intangible assets	(462)	(657)
Other operating expenses	(975)	(1'275)
Total other operating expenses	**(180'894)**	**(168'086)**

11. Other operating income

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Suppliers marketing contributions	6'637	6'048
Gain on disposal of tangible and intangible assets	3'920	4'606
Other operating income	2'720	4'510
Total other operating income	**13'277**	**15'164**

12. Finance costs

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Interest on loans	(69'753)	(41'469)
Loss on derecognition of financial liabilities	-	(3'621)
Finance lease interest expense	(584)	(457)
Other interest expense	(182)	(16)
Loss on initial recognition of derivative financial instruments	-	(2'505)
Change in fair value of derivative financial instruments (net)	(3'940)	(281)
Foreign exchange gain/(loss) (net)	22'170	(3'064)
Total finance costs	**(52'289)**	**(51'413)**

13. Income taxes

Income tax expense comprises:

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Current income tax expense	(3'631)	(4'095)
Deferred income tax income	2'368	3'245
Total income tax income	**(1'263)**	**(850)**

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

	Year ended 30 September 2015 € (000's)	*Year ended 30 September 2014 € (000's)*
Loss before tax	(37'554)	(22'472)
Applicable tax rate	40.4%	38.8%
Expected tax credit	15'242	8'719
Effect of income that is exempt from taxation	11	1'203
Effect of expenses not deductible for tax purposes	(1'774)	(3'855)
Effect of taxable losses for the period not recognised as deferred tax assets	(13'068)	(7'404)
(Write-off) / Recognition of previously unrecognised tax losses and deferred tax assets	(1'696)	684
Income tax expense of previous years	22	(197)
Income tax income recognised in statement of profit or loss	**(1'263)**	**(850)**

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

14. Property, plant and equipment

	Freehold land and buildings € (000's)	*Vending equipment € (000's)*	*Vehicles € (000's)*	*Other equipment € (000's)*	***Total € (000's)***
Cost					
Balance at 1 October 2013	**9'725**	**543'235**	**44'150**	**45'137**	**642'247**
Additions	124	59'800	873	4'931	**65'728**
Disposals	(788)	(46'498)	(17'375)	(4'631)	**(69'292)**
Effects of foreign currency exchange differences	(402)	(2'487)	(600)	(2'876)	**(6'365)**
Balance at 30 September 2014	**8'659**	**554'050**	**27'048**	**42'561**	**632'318**
Additions	9	84'399	906	2'361	**87'675**
Disposals	(954)	(44'350)	(5'175)	(909)	**(51'388)**
Reclassification to asset held for sale	-	(10'478)	(726)	(495)	**(11'699)**
Effects of foreign currency exchange differences	73	14'368	491	1'357	**16'289**
Balance at 30 September 2015	**7'787**	**597'989**	**22'544**	**44'875**	**673'195**
Accumulated depreciation and impairment					
Balance at 1 October 2013	**(7'356)**	**(395'812)**	**(35'337)**	**(36'962)**	**(475'467)**
Depreciation expense	(221)	(54'426)	(2'999)	(2'293)	**(59'939)**
Disposals	744	43'202	16'787	4'492	**65'225**
Effects of foreign currency exchange differences	421	2'997	427	2'943	**6'788**
Balance at 30 September 2014	**(6'412)**	**(404'039)**	**(21'122)**	**(31'820)**	**(463'393)**
Depreciation expense	(464)	(56'665)	(2'170)	(2'497)	**(61'796)**
Disposals	734	41'851	4'997	780	**48'362**
Reclassification to asset held for sale	-	7'750	671	442	**8'863**
Effects of foreign currency exchange differences	(57)	(10'410)	(515)	(668)	**(11'650)**
Balance at 30 September 2015	**(6'199)**	**(421'513)**	**(18'139)**	**(33'763)**	**(479'614)**
Net Book Value					
At 30 September 2014	**2'247**	**150'011**	**5'926**	**10'741**	**168'925**
At 30 September 2015	**1'588**	**176'476**	**4'405**	**11'112**	**193'581**

As at 30 September 2015 commitments in respect of capital expenditure amounted to € 29.3 million (2014: € 19.0 million).

The carrying amount of property, plant and equipment held under finance leases at 30 September 2015 was € 17.8 million (2014: € 10.1 million). Leased assets are pledged as security in respect of the finance leases to which they relate.

15. Goodwill

	2015 € (000's)	2014 € (000's)
Goodwill	**483'128**	**483'128**

15.1. Impairment testing

During the financial year the carrying values of the cash-generating units, including goodwill, have been compared to their recoverable amount. It has been concluded that the recoverable amount exceeds the carrying amounts and therefore no impairment is required to be booked.

15.2. Allocation to cash-generating units

For the purpose of impairment testing, the group identified four cash-generating units which are identical to the Group's operating segments, based on the regions in which the Group operates as follows:

Region France: includes operating entities in France.

Region West: includes operating entities in UK, Ireland, Netherlands and Belgium.

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

Region North: includes operating entities in Sweden, Finland, Estonia, Latvia, Lithuania, Denmark and Norway.

The amount of goodwill allocated to each cash generating unit at 30 September 2015 and 2014 were as follows:

	2015 € (000's)	2014 € (000's)
Region France	69'213	69'213
Region West	21'989	21'989
Region Central	271'712	271'712
Region North	120'214	120'214
Goodwill	**483'128**	**483'128**

15.3. Summary of assumptions used in goodwill impairment testing

In undertaking the impairment test, the Group has used post-tax cash flow projections for the computation of value in use based on the latest forecasts approved by management covering a three-year period. In years four to seven the Group assumes further growth of 3.0% (2014: 3.0%).
Cash flows beyond the seven-year period are extrapolated using estimated growth rates as disclosed in the table below:

	2015	*2014*
Region France	1.7%	1.3%
Region West	1.9%	1.9%
Region Central	1.1%	1.1%
Region North	2.2%	2.0%

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

The cash flows are discounted using a post-tax weighted average cost of capital (WACC) for each region. The post-tax WACC applied for each region at 30 September 2015 and 2014 were as follows:

	2015		2014	
	Post-tax WACC	Equivalent to a pre-tax WACC of:	Post-tax WACC	Equivalent to a pre-tax WACC of:
Region France	6.4%	8.7%	6.2%	8.6%
Region West	6.9%	8.0%	6.5%	7.5%
Region Central	5.8%	7.6%	6.2%	7.4%
Region North	6.8%	8.7%	6.5%	7.8%

15.4. Headroom and sensitivity to change in assumptions

The headroom arising from the goodwill impairment testing by region at 30 September 2015 and 2014 were as follows:

	2015 € millions	*2014 € millions*
Region France	17.8	114.1
Region West	26.4	21.4
Region Central	627.3	465.3
Region North	197.1	190.2

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

	2015		2014	
	Level to which WACC would need to increase to eliminate all of the headroom in the region	*Level to which growth rates would need to fall to eliminate all of the headroom in the region*	*Level to which WACC would need to increase to eliminate all of the headroom in the region*	*Level to which growth rates would need to fall to eliminate all of the headroom in the region*
Region France	7.2%	0.6%	11.1%	-7.6%
Region West	9.5%	-2.2%	8.4%	-0.8%
Region Central	14.0%	-19.2%	12.9%	-13.7%
Region North	11.8%	-7.1%	11.3%	-6.3%

16. Other intangible assets

	Software/ other € (000's)	*Patents/ licences € (000's)*	*Trademark € (000's)*	*Customer Contracts € (000's)*	***Total € (000's)***
Cost					
Balance at 1 October 2013	**27'154**	**1'644**	**286'301**	**344'294**	**659'393**
Additions	2'742	800	-	130	**3'672**
Disposals	(1'196)	-	-	-	**(1'196)**
Effects of foreign currency exchange differences	(385)	-	-	257	**(128)**
Balance at 30 September 2014	**28'315**	**2'444**	**286'301**	**344'681**	**661'741**
Additions	7'248	-	-	843	**8'091**
Disposals	(1'738)	-	-	-	**(1'738)**
Reclassification to asset held for sale	(499)	-	-	-	**(499)**
Effects of foreign currency exchange differences	1'740	-	-	211	**1'951**
Balance at 30 September 2015	**35'066**	**2'444**	**286'301**	**345'735**	**669'546**
Accumulated amortisation and impairment					
Balance at 1 October 2013	**(20'707)**	**(1'644)**	**-**	**(138'631)**	**(160'982)**
Amortisation expenses	(2'272)	-	-	(23'203)	**(25'475)**
Disposals	1'196	-	-	-	**1'196**
Effects of foreign currency exchange differences	480	-	-	(192)	**288**
Balance at 30 September 2014	**(21'303)**	**(1'644)**	**-**	**(162'026)**	**(184'973)**
Amortisation expenses	(3'130)	(40)	-	(23'260)	**(26'430)**
Disposals	1'738	-	-	-	**1'738**
Reclassification to asset held for sale	279	-	-	-	**279**
Effects of foreign currency exchange differences	(1'033)	-	-	(164)	**(1'197)**
Balance at 30 September 2015	**(23'449)**	**(1'684)**	**-**	**(185'450)**	**(210'583)**
Net Book Value					
At 30 September 2014	**7'012**	**800**	**286'301**	**182'655**	**476'768**
At 30 September 2015	**11'617**	**760**	**286'301**	**160'285**	**458'963**

The trademark is deemed to have an indefinite useful life as based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

The trademark has been allocated to the Group's cash generating units that are tested for impairment annually. At 30 September 2015 and 2014, the trademark has been allocated as follows:

	2015 *€ (000's)*	*2014* *€ (000's)*
Region France	41'027	46'669
Region West	13'034	11'287
Region Central	160'983	167'370
Region North	71'258	60'975
Trademark	**286'301**	**286'301**

17. Interest in joint venture

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Carrying amount of interest in immaterial joint venture	**222**	**226**
Profit/(loss) from continuing operations	(4)	(100)
Other comprehensive income	-	-
Total comprehensive income	**(4)**	**(100)**

18. Non-current financial assets

	2015 *€ (000's)*	*2014* *€ (000's)*
Non-current financial assets comprise the following:		
Trade and other receivables	2'438	2'563
Total non-current financial assets	**2'438**	**2'563**
The maturity of the non-current financial assets is as follows:		
After one year but not more than five years	2'421	2'545
More than five years	17	18
Total more than one year	**2'438**	**2'563**
Total non-current financial assets	**2'438**	**2'563**

19. Inventories

	2015 € (000's)	2014 € (000's)
Food and beverages	25'104	25'061
Vending equipment and spare parts	13'704	13'140
Goods in transit	1'031	759
Total inventories	**39'839**	**38'960**

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

20. Trade receivables

	2015 € (000's)	2014 € (000's)
Trade receivables - not overdue	32'275	28'754
Trade receivables - overdue 0 - 90 days	7'373	10'757
Trade receivables - overdue 90 - 360 days	970	196
Trade receivables - overdue > 360 days	1'037	1'978
Total trade receivables, gross	**41'655**	**41'685**
Allowance for doubtful accounts	(2'202)	(3'163)
Total trade receivables, net	**39'453**	**38'522**

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

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

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

20.1. Analysis of receivables past due but not impaired

Included in the Group's trade receivable balance are debtors with a carrying amount of € 7.3 million (2014: € 9.8 million) which are past due at the reporting date for which the Group has not provided for as there has not been any significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The ageing of these receivables is as follows:

	2015 € (000's)	2014 € (000's)
Overdue 0-90 days	6'861	9'670
Overdue 90-360 days	317	98
Total	**7'178**	**9'768**

There are no significant individually impaired trade receivables at 30 September 2015 (2014: none).

20.2. Movement in the allowance for doubtful accounts

	Total €(000's)
Balance at 1 October 2013	**(2'772)**
Amounts written off during the period	30
Amounts recovered during the period	18
Increase in allowance recognised in statement of profit or loss	(411)
Effect of foreign exchange differences	(28)
Balance at 30 September 2014	**(3'163)**
Amounts written off during the period	1'130
Amounts recovered during the period	26
Increase in allowance recognised in statement of profit or loss	(172)
Reclassification to asset held for sale	121
Effect of foreign exchange differences	(144)
Balance at 30 September 2015	**(2'202)**

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

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

20.3. Ageing of impaired trade receivables

	2015 € (000's)	*2014 € (000's)*
Overdue 0-90 days	512	1'087
Overdue 90-360 days	653	98
Overdue > 360 days	1'037	1'978
Total	**2'202**	**3'163**

21. Other current assets

	2015 € (000's)	*2014 € (000's)*
Accrued income	22'800	20'185
Pre-payments	6'302	10'847
Sales tax recoverable	4'553	3'359
Other	1'512	1'018
Total other current assets	**35'167**	**35'409**

22. Cash and cash equivalents

	2015 € (000's)	*2014 € (000's)*
Cash at bank	30'614	45'445
Cash in points-of-sale	4'437	5'313
Cash and cash equivalents	**35'051**	**50'758**

€ 1'126'000 of cash and cash equivalents have been reclassified to Disposal group held for sale at 30 September 2015 (see note 33).

23. Borrowings

	2015 € (000's)	*2014 € (000's)*
Borrowings at amortised cost	565'060	535'013
Loans due to parent undertaking at amortised cost	243'814	216'610
Total borrowings	**808'874**	**751'623**

23.1. Total borrowings by currency

	30 September 2015			*30 September 2014*		
	€ million	*in %*	*Interest rate*	*€ million*	*in %*	*Interest rate*
EUR	611.2	73.1%	8.7%	577.4	74.0%	8.6%
CHF	224.6	26.9%	6.5%	203.0	26.0%	6.5%
Total	**835.8**	**100%**	**8.1%**	**780.4**	**100%**	**8.0%**

The amounts shown above reflect the nominal value of the borrowings.

23.2. Rate structure of borrowings

	2015 € million	*2014 € million*
Total borrowings at variable rates	6.0	-
Total borrowings at fixed rates	803.0	751.6
Total	**809.0**	**751.6**

23.3. Details of borrowing facilities

In June 2014 the Group issued a € 350 million 6.5% senior secured note (ISIN: XS1078234686, XS1078234330) and a CHF 245 million 6.5% senior secured note (ISIN: XS1078234926, XS1078235147). The notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF market.

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

As part of the refinancing package the Group entered into a € 50 million super senior revolving credit facility. The amount drawn under this facility at 30 September 2015 is € 6.0 million (30 September 2014: nil). The interest rate on the super senior revolving credit facility is based on LIBOR plus 3.5%.

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

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

Under the terms of the Group's super senior revolving credit facility, where more than 25% of the facility has been drawn, a minimum net leverage ratio must be met before further drawings may be made under the facility. The net leverage ratio represents the ratio of Consolidated Adjusted EBITDA of the last twelve months to Consolidated Senior Secured Net Debt.

The Group has complied with the covenant obligation in the current and the previous year.

24. Finance lease liabilities

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

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

	Minimum lease payments		*Present value of minimum lease payments*	
	2015 € (000's)	*2014 € (000's)*	*2015 € (000's)*	*2014 € (000's)*
Current finance lease liabilities	**5'423**	**4'210**	**5'319**	**4'206**
Non-current finance lease liabilities:				
After one year but not more than five years	15'554	11'146	14'860	10'654
More than five years	227	483	203	462
Total non-current finance lease liabilities	**15'781**	**11'629**	**15'063**	**11'116**
Total finance lease liabilities	**21'204**	**15'839**	**20'382**	**15'322**

25. Post-employment benefits

25.1. Defined contribution plans

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

Included in the Group's current liabilities at the end of the year is an amount of € 157'000 (2014: € 41'000) representing contributions due in respect of the reporting period but not yet paid over to the plans.

25.2. Defined benefit plans

Description of plans

The Group offers defined benefit plans in Switzerland, Germany and Spain as well as retirement indemnity plans in France.

Approximately 96% of the defined benefit obligation and 100% of the plan assets relate to the Group's pension scheme in Switzerland. The scheme is part of the Valora Pension Fund, domiciled in Muttenz, Switzerland and is governed by the rules of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which specifies the minimum benefits that are to be provided by pension plans. The scheme covers multiple employers, including Selecta, with the scheme assets allocated between Selecta and the other companies in the scheme in proportion to the mathematical reserve and savings capital as at 30 September 2015. One employee of Selecta AG in Switzerland sits on the foundation board of the Valora Pension Fund to ensure representation of Selecta in the wider scheme.

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

The benefits are defined in the pension plan regulations that comply with the minimum requirements stipulated by the BVG. Retirement benefits are based on the accumulated retirement savings capital and can either be drawn as a life-long pension or as a lump sum payment. The pension is upon retirement calculated by multiplying the balance of the retirement savings capital with the applicable conversion rate. The retirement savings capital results from the yearly savings contributions by both employer and employee until retirement and carries interest thereon. The savings contributions are defined in the pension plan regulations. Minimum contributions and minimum interest are defined by the BVG and the Federal Council respectively.

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

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

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

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

Amounts included in the consolidated financial statements

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Current employer service cost	(6'026)	(5'294)
Past service (cost)/credit and (losses)/gains on settlements	(55)	514
Net interest cost	(218)	(360)
Administration cost	(175)	(148)
Defined benefit cost recognised in statement of profit or loss	**(6'474)**	**(5'288)**

Past service credit/ (cost) and gains/ (losses) on settlements in the year ended 30 September 2015 relates to a past service cost of € 55'000 on early retirement pension paid in the pension scheme in Switzerland.

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

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Fair value of plan assets	181'167	159'690
Present value of funded defined benefit obligation	(196'628)	(163'375)
Funded status	**(15'461)**	**(3'685)**
Present value of unfunded benefit obligation	(7'072)	(7'009)
Net liability in the balance sheet	**(22'533)**	**(10'694)**

Defined benefit obligation

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Present value of obligation at beginning of period	**(170'384)**	**(169'944)**
Current employer service cost	(6'026)	(5'294)
Employees' contributions	(3'207)	(2'696)
Interest cost	(2'891)	(3'397)
Past service cost, curtailments, settlements, plan amendments	(55)	11'871
Benefits paid	4'429	3'732
Transfer payments in/out	(2)	3'449
Actuarial loss on defined benefit obligation	(8'331)	(5'882)
Currency loss	(17'232)	(2'223)
Present value of obligation at end of period	**(203'699)**	**(170'384)**

Plan assets

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Fair value of plan assets at beginning of period	**159'690**	**155'723**
Interest income on plan assets	2'673	3'037
Employees' contributions	3'207	2'696
Employer's contributions	4'472	3'980
Settlements	-	(11'357)
Benefits paid	(4'068)	(3'417)
Transfer payments in/out	2	(3'449)
Administration cost (excl. asset management cost)	(176)	(148)
Return on plan assets excl. interest income	(1'551)	10'460
Currency gain	16'918	2'165
Fair value of plan assets at end of period	**181'167**	**159'690**

Employer's contributions expected for the next year amount to € 4.6 million.

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

	2015	*2015*	*2014*	*2014*
	Quoted market prices in active markets	*Prices in non-active markets*	*Quoted market prices in active markets*	*Prices in non-active markets*
Cash	7.6%	0.0%	6.6%	0.0%
Bonds	31.6%	0.0%	32.6%	0.0%
Equities	28.7%	0.0%	26.8%	0.0%
Property	1.4%	30.6%	1.3%	30.0%
Other	0.1%	0.0%	2.7%	0.0%
Total	**69.4%**	**30.6%**	**70.0%**	**30.0%**

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

Actuarial assumptions

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

	2015	*2014*
Discount rate	0.8%	1.50%
Expected salary increase	1.00%	1.50%
Expected pension increase	0.00%	0.25%
Mortality table	BVG 2010 GT Generation Table	BVG 2010 GT Generation Table

The estimated duration of the plan liabilities is 16.1 years (2014: 12.9 years).

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Return on plan assets excl. interest income	(1'551)	10'460
Experience gains/(losses) on defined benefit obligation	3'058	4'845
Actuarial gains/(losses) arising from change in demographic assumptions	(122)	123
Actuarial gains/(losses) arising from change in financial assumptions	(11'267)	(10'850)
Currency gains/(losses)	(1)	1
Total amount of remeasurement gain/(loss) on post-employment benefit obligations recognised in other comprehensive income	**(9'883)**	**4'579**

Sensitivity analysis

The valuation of the pension benefit obligations is particularly sensitive with regard to changes to the discount rate and the assumptions of the salary rises, pension rises and the expected mortality rate. The following table shows the change of defined benefit obligation on the basis of a reasonably possible change to these actuarial assumptions at 30 September 2015 and 2014:

	2015 *€ (000's)*	*2014* *€ (000's)*
Discount rate (+0.50%)	12'820	10'396
Discount rate (-0.50%)	(14'436)	(10'215)
Increase in future salaries (+0.25%)	(625)	(441)
Decrease in future salaries (-0.25%)	604	424
Increase in future pension (+0.25%)	(5'735)	(4'608)
Decrease in future pension (-0.25%)*	18	4'384

*No decrease in future pension has been used for the sensitivity analysis on the pension scheme in Switzerland as the expected pension increase assumed in the valuation is zero, and future pensions cannot be decreased.

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

26. Provisions

	Warranty € (000's)	*Litigation & tax € (000's)*	*Restruct-uring € (000's)*	*Long term employee benefits € (000's)*	*Other € (000's)*	***Total € (000's)***
Balance at 1 October 2014	**(1'523)**	**(940)**	**(1'102)**	**(3'157)**	**(1'063)**	**(7'785)**
Charged to the statement of profit or loss	(25)	(89)	(821)	(391)	-	**(1'326)**
Expenditure in the period	384	222	823	297	49	**1'775**
Reversed against the statement of profit or loss without cost incurred	(2)	-	306	-	139	**443**
Reclassification*	(317)	317	-	-	-	**-**
Effect of foreign exchange differences	(8)	-	(15)	(270)	(1)	**(294)**
Balance at 30 September 2015	**(1'491)**	**(490)**	**(809)**	**(3'521)**	**(876)**	**(7'187)**

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

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

	2015 € (000's)	*2014 € (000's)*
Non-current liabilities	(6'328)	(6'639)
Current liabilities	(859)	(1'146)
Total	**(7'187)**	**(7'785)**

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

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

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

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

27. Deferred income taxes

27.1. Balance Sheet presentation

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Deferred income tax assets	19'841	8'450
Deferred income tax liabilities	(138'256)	(132'142)
Total deferred tax liabilities, net	**(118'415)**	**(123'692)**

27.2. Movement in deferred tax balances during the year

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

	30 September 2014 *€ (000's)*	*(Charged)/ credited to income* *€ (000's)*	*(Charged)/ credited to OCI* *€ (000's)*	*Reclassifi-cation to held for sale* *€ (000's)*	*Exchange differences* *€ (000's)*	*30 September 2015* *€ (000's)*
Temporary differences						
Intangible assets	(124'693)	9'746	-	(24)	(21)	(114'992)
Property, plant and equipment	(10'767)	(1'050)	-	3	(484)	(12'298)
Non-current financial assets	-	(1'106)	664	(3)	(1)	(446)
Inventories	(1'195)	(67)	-	-	(95)	(1'357)
Trade receivables	384	66	-	-	61	511
Current liabilities	683	(6'033)	-	-	(9)	(5'359)
Provisions	62	(751)	-	-	4	(685)
Other non-current liabilities	3'291	(2'741)	2'049	-	54	2'653
Total temporary differences	**(132'235)**	**(1'936)**	**2'713**	**(24)**	**(491)**	**(131'973)**
Tax losses						
Unused tax losses	8'543	4'304	-	-	711	13'558
Total deferred tax asset/(liability)	**(123'692)**	**2'368**	**2'713**	**(24)**	**220**	**(118'415)**

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

27.3. Detail of deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

30 September 2015	*Assets € (000's)*	*Liabilities € (000's)*	*Net € (000's)*
Temporary differences			
Intangible assets	3'780	(118'772)	(114'992)
Property, plant and equipment	295	(12'593)	(12'298)
Non-current financial assets	101	(547)	(446)
Inventories	1	(1'358)	(1'357)
Trade receivables	886	(375)	511
Current liabilities	700	(6'059)	(5'359)
Provisions	67	(752)	(685)
Other non-current liabilities	6'618	(3'965)	2'653
Deferred tax assets/(liabilities) arising on temporary differences	**12'448**	**(144'421)**	**(131'973)**
Tax losses			
Unused tax losses	13'558	-	13'558
Deferred tax assets arising from unused tax losses	**13'558**	**-**	**13'558**
Offset deferred tax assets and deferred tax liabilities	(6'165)	6'165	-
Total deferred tax asset/(liability)	**19'841**	**(138'256)**	**(118'415)**

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

27.4. Unrecognised deferred tax assets/liabilities

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

	2015 € (000's)	*2014 € (000's)*
One year	6'734	153
Two years	842	76
Three years	511	816
Four years	208	899
Five years	214	305
More than five years	207'564	172'721
Total unused tax losses carried forward	**216'073**	**174'970**

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

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

28. Trade payables

	2015 € (000's)	2014 € (000's)
Trade payables	107'271	98'112
Total trade payables	**107'271**	**98'112**

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

29. Other current liabilities

	2015 € (000's)	2014 € (000's)
Other payables	25'524	25'615
Accrued expenses	34'345	31'055
Interest payable	11'688	10'084
Tax and social security costs	12'841	13'522
Total other current liabilities	**84'398**	**80'276**

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

30. Equity

30.1. Share capital, share premium and additional paid-in capital

The Group's share capital consists of 187'000 fully paid ordinary shares (2014: 187'000) with a nominal value of € 1 per share.

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

30.2. Reserves

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

	Attributed to equity holders of the parent			
30 September 2015	*Currency translation reserve € (000's)*	*Retained earnings € (000's)*	*Hedging reserve € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	(42'295)	-	-	**(42'295)**
Remeasurement gain/(loss) on post-employment benefit obligations, net of tax	-	(7'834)	-	**(7'834)**
Effective portion of change in fair value of cash flow hedges, net of tax	-	-	(1'840)	**(1'840)**
Total other comprehensive income, net of tax	**(42'295)**	**(7'834)**	**(1'840)**	**(51'969)**

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

Reserves arising from foreign currency translation adjustments comprise the differences from the foreign currency translation of the financial statements of subsidiaries from the functional currency into €. Additionally, the foreign exchange differences on qualifying net investment loans are included in this reserve.

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

The hedging reserves comprise the effective portion of cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss, included any related income taxes.

31. Financial risk management

31.1. Risk management framework

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

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

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

31.2. Market risk management

Financial market risk is essentially caused by exposures to foreign currencies, interest rates and coffee price. For further details on interest rate risk management see section 31.6 and foreign currency risk management see section 31.7.

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

31.3. Credit risk management

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

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

		Carrying amount	
	Note	*2015 € (000's)*	*2014 € (000's)*
Trade receivables	20	40'536	38'522
Non-current other financial assets	18	2'447	2'563
Derivative financial instruments	32	2'554	-
Cash and cash equivalents	22	36'177	50'758
Accrued income	21	23'002	20'185
Total exposure to credit risk		**104'716**	**112'028**

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

For details on how the Group manages its credit risk arising from trade receivables see note 20.

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

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

31.4. Liquidity risk management

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

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

Liquidity available through financing facilities

As part of the refinancing of the Group in the year ended 30 September 2014 the Group has entered into a € 50 million super senior revolving credit facility. The amount drawn under this facility at 30 September 2015 is € 6.0 million (2014: nil) and therefore € 44 million remains available.

Liquidity tables

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

	Less than 3 months € (000's)	*3 months to 1 year € (000's)*	*1-5 years € (000's)*	*More than 5 years € (000's)*	***Total € (000's)***
At 30 September 2015					
Revolving credit facility	-	-	6'000	-	**6'000**
Secured loan notes	18'670	18'670	723'822		**761'162**
Loans due to parent undertaking	-	-	-	493'395	**493'395**
Finance lease liabilities	1'302	4'121	15'554	227	**21'204**
Trade payables	107'271	-	-	-	**107'271**
Total non-derivative financial liabilities	**127'243**	**22'791**	**745'376**	**493'622**	**1'389'032**
Cross currency swaps					
Outflows	9'638	9'621	282'378	-	**301'637**
Inflows	(8'425)	(8'395)	(272'998)	-	**(289'818)**
Total derivative financial liabilities	**1'213**	**1'226**	**9'380**	**-**	**11'819**
At 30 September 2014					
Secured loan notes	17'472	17'971	143'771	588'909	**768'123**
Loans due to parent undertaking	-	-	-	493'395	**493'395**
Finance lease liabilities	1'119	3'087	9'566	1'550	**15'322**
Trade payables	98'112	-	-	-	**98'112**
Total non-derivative financial liabilities	**116'703**	**21'058**	**153'337**	**1'083'854**	**1'374'952**
Cross currency swaps					
Outflows	9'067	9'309	288'975	-	**307'351**
Inflows	(8'051)	(8'274)	(286'492)	-	**(302'817)**
Total derivative financial liabilities	**1'016**	**1'035**	**2'483**	**-**	**4'534**

31.5. Capital management

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

The capital structure of the Group consists of net debt (borrowings as disclosed in note 23 offset by cash and bank balances) and equity of the Group (comprising share capital, share premium, additional paid in capital, currency translation reserves, hedging reserves and retained earnings).

31.6. Interest rate risk management

Interest rate risk comprises the cash flow risk that results from changes in interest rates. The Group's secured loan notes and notes due to parent undertakings carry interest at fixed rates. As these loans form the significant part of the Group's borrowings the Group's exposure to interest rate risk is relatively limited. Interest on the Group's revolving credit facility is linked to LIBOR, however the amounts involved are relatively limited in comparison to the overall borrowings, and at 30 September 2015 € 6.0 million were outstanding on this facility (2014: nil).

The interest rate on the Group's secured loan notes amounts to 6.5%, on the loans due to parent undertakings to 11.875%, and on the Group's revolving credit facility to LIBOR plus 3.5%. The remaining contractual maturity in respect of the Group's borrowings is disclosed in Note 31.4.

The interest rate profile of the Group's interest-bearing financial instruments are as follows:

	2015 *€ (000's)*	*2014* *€ (000's)*
Financial assets	-	-
Financial liabilities	(842'834)	(789'022)
Total fixed-rate instruments	**(842'834)**	**(789'022)**
Financial assets	31'740	45'445
Financial liabilities	(6'000)	-
Total variable-rate instruments	**25'740**	**45'445**

Interest rate risk sensitivity

The sensitivity is based on the Group's total variable rate instruments at 30 September, assuming the amount of the liabilities outstanding and the financial assets held at the end of the reporting period was outstanding for the whole year.

At 30 September 2015, if interest rates had been 100 basis points higher/lower, with all other assumptions held constant and the outstanding liabilities as well as held assets assumed constant for the whole year, profit after taxation would decrease/increase by € 0.3million (€ 0.5 million respectively in financial year ended 30 September 2014).

A 100 basis points change is used for the purposes of the sensitivity analysis as it represents management's assessment of a reasonably possible change in interest rates.

31.7. Foreign currency risk management

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

In order to minimise the Group's exposure to foreign exchange risk, the Group has entered into cross currency swaps in the year ended 30 September 2014 in order to hedge against the impact of exchange rate fluctuations on the Group's interest payments (see note 32.3).

Exposure to currency risk

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

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

	2015 *Currency (000's)*	*2014* *Currency (000's)*
EUR	76'742	64'010
GBP	9'737	3'043
SEK	3'915	-
NOK	430	-

Foreign currency sensitivity

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

At 30 September 2015 a ±10 percent change in the CHF, GBP and SEK against EUR would impact the net profit and the equity of the Group according to the table below. The amounts below show the increase in net profit and equity which would come about as a result of a 10% strengthening of the EUR against each of the currencies below. For a 10% weakening of the EUR against the relevant currency, there would be a comparable decrease in net profit and equity.

	Effect on equity		**Effect on net profit**	
Net profit	*2015* *€ (000's)*	*2014* *€ (000's)*	*2015* *€ (000's)*	*2014* *€ (000's)*
CHF	8'368	5'640	2'600	2'256
GBP	974	390	709	755
SEK	-	-	268	235

32. Financial instruments

32.1. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

At 30 September 2015

	Carrying amount				*Fair value*			
	Cash flow hedging instrument € (000's)	*Loans and receivables € (000's)*	*Other financial liabilities € (000's)*	***Total € (000's)***	*Level 1 € (000's)*	*Level 2 € (000's)*	*Level 3 € (000's)*	***Total € (000's)***
Financial assets measured at fair value								
Cross currency swaps	2'554	-	-	**2'554**	-	2'554	-	**2'554**
	2'554	**-**	**-**	**2'554**				
Financial assets not measured at fair value								
Trade receivables	-	39'453	-	**39'453**				
Non-current other financial assets	-	2'438	-	**2'438**				
Cash and cash equivalents	-	36'177	-	**36'177**				
Accrued income	-	22'800	-	**22'800**				
	-	**100'868**	**-**	**100'868**				
Financial liabilities measured at fair value								
Cross currency swaps	(13'116)	-	-	**(13'116)**	-	(13'116)	-	**(13'116)**
	(13'116)	**-**	**-**	**(13'116)**				
Financial liabilities not measured at fair value								
Revolving credit facility	-	-	(5'055)	**(5'055)**	-	(5'055)	-	**(5'055)**
Secured loan notes	-	-	(560'005)	**(560'005)**	(537'442)	-	-	**(537'442)**
Loans due to parent undertaking	-	-	(243'814)	**(243'814)**	-	(243'814)	-	**(243'814)**
Finance lease liabilities	-	-	(20'382)	**(20'382)**	-	(20'382)	-	**(20'382)**
Trade payables	-	-	(107'271)	**(107'271)**				
	-	**-**	**(936'527)**	**(936'527)**				

At 30 September 2014

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

32.2. Measurement of fair values

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

Financial instruments measured at fair value

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

Financial instruments not measured at fair value

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

32.3. Derivative financial instruments designated as cash flow hedges

The Group holds certain cross currency swaps in order to hedge against the impact of exchange rate fluctuations on the Group's interest payments and borrowings. Part of the cross currency swaps entered into have been designated as cash flow hedges to the extent that they represent an effective accounting hedge.

At 30 September 2015 the derivative financial instruments had a negative fair value of net € 10.6 million (2014: negative fair value of € 4.3 million). In the year ended 30 September 2015 the negative change in fair value of the derivative financial instruments which was recorded in other comprehensive income was € 2.5 million (2014: € -0.9 million).

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

30 September 2015	*Original trade date*	*Maturity date*	*Notional amount € (000's)*	*Carrying amount € (000's)*
CHF / EUR cross currency swap	20 June 2014	15 June 2017	85'000	(11'891)
SEK / EUR cross currency swap	20 June 2014	15 June 2017	117'300	917

30 September 2014	*Original trade date*	*Maturity date*	*Notional amount € (000's)*	*Carrying amount € (000's)*
CHF / EUR cross currency swap	20 June 2014	15 June 2017	85'000	(1'198)
SEK / EUR cross currency swap	20 June 2014	15 June 2017	117'300	(1'747)

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

	Carrying amount € (000's)	*Total € (000's)*	*One year or less € (000's)*	*More than one year € (000's)*
30 September 2015				
Cross currency swaps used for hedging	(10'974)	(12'090)	(1'849)	(10'241)
30 September 2014				
Cross currency swaps used for hedging	(2'934)	(3'569)	(1'427)	(2'142)

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

	Carrying amount € (000's)	*Total € (000's)*	*One year or less € (000's)*	*More than one year € (000's)*
30 September 2015				
Cross currency swaps used for hedging	(10'974)	(12'090)	(1'849)	(10'241)
30 September 2014				
Cross currency swaps used for hedging	(2'934)	(3'569)	(1'427)	(2'142)

32.4. Master netting or similar agreements

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

33. Disposal group held for sale

In August 2015, management committed to a plan to sell the following three legal entities within the Group, including all assets, liabilities, contracts and commercial relationships:

- Selecta Hungary Automataüzemeltetö Kft (Hungary)
- Automaty Servis Selecta Sro (Czech Republic)
- AS Selecta Sro (Slovakia)

Accordingly, these three countries are presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected by January 2016.

At 30 September 2015, assets and liabilities of the disposal group held for sale were:

	Total *€ (000's)*
Property, plant and equipment	2'835
Other intangible assets	220
Deferred income tax assets	27
Non-current financial assets	9
Inventories	643
Trade and other receivables	1'083
Other current assets	287
Cash and cash equivalents	1'126
Asset held for sale	**6'230**
Non-current finance lease liabilities	111
Deferred income tax liabilities	3
Trade payables	1'749
Other liabilities	762
Liabilities held for sale	**2'625**

Other comprehensive income accumulated in reserves includes an amount of € 652'000 that will be recycled through the consolidated statement of profit or loss on disposal of the legal entities, resulting in a loss in this amount.

34. Share based payments

As at 1 October 2013, the Group had issued 36’778 profit participation rights for an aggregate purchase price of € 548’021. All of the profit participation rights were cancelled during the year ended 30 September 2014.

During the year ended 30 September 2014, the Group implemented a new long term incentive plan for certain key management personnel (the “Exit Bonus Plan” or “Plan”). Under the plan an exit payment will be paid to those management personnel on the event of a change of control or a listing of the Group (the “exit event”). The exit payment will be calculated as a percentage of the shareholders’ net equity proceeds, being the proceeds less cost of investment, outstanding debt and certain debt like items, and costs incurred in connection with the change of control or listing. No amounts were recognised in these consolidated financial statements relating to this plan as management does not consider the occurrence of an exit event to be probable at 30 September 2015. This plan will expire in June 2019.

35. Commitments for expenditures

Operating lease commitments

The Group leases various land and buildings, offices and vehicles under operating lease agreements. The lease expenditure charged to the statement of profit or loss for the period is € 91.7 million, thereof minimum lease payments € 87.3 million (2014: € 85.5 million and € 80.1 million respectively).

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

	2015 *€ (000’s)*	*2014* *€ (000’s)*
Within one year	10’180	8’800
After one year but not more than five years	28’221	20’546
More than five years	27’282	26’624
Total operating lease commitments	**65’683**	**55’970**

€ 38.7 million (2014: € 39.9 million) of the total future minimum lease payments under non-cancellable operating leases relate to a building lease contracts held by the holding and trading company Selecta AG in Switzerland. The most significant lease contracts have been signed for a period between 15 and 20 years.

36. Contingent liabilities and contingent assets

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

37. Related parties

37.1. Parent undertaking

The immediate parent of the Group is Selecta Group S.à.r.l., a company incorporated in Luxembourg.

Since 11 December 2015, the ultimate controlling party of the Group are funds and accounts managed or advised by affiliates of KKR & Co. L.P., which is publicly traded on the New York Stock Exchange (NYSE: KKR). Prior to this date, the ultimate controlling party of the Group was Allianz SE, incorporated in Germany.

37.2. Compensation of key management personnel

For details of the key management personnel see pages 12 to 15.

No remuneration is paid by the Group to any of the Members of the Supervisory Board or the Management Board of Selecta Group B.V. in their capacity as Members of the Supervisory Board or the Management Board of Selecta Group B.V. (2014: nil).

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

No remuneration is paid by the Group to any of the Directors of Selecta AG by the Group in their capacity as Members of the Board of Directors (2014: nil).

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

	2015 *€ (000's)*	*2014* *€ (000's)*
Short term benefits	3'036	2'285
Post-employment benefits	509	244

There were no other material transactions or outstanding balances between the Group and its key management personnel or members of their close family (2014: nil).

37.3. Transactions and balances with related parties

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

Related party	*Nature of the relationship*	*Amount of transaction € (000's)*	*Outstanding balance € (000's)*
Year ended and as at 30 September 2015			
Allianz Suisse Versicherungsgesellschaft Zürich	Insurance services received	1'519	120
Allianz Suisse Versicherungsgesellschaft	Vending services provided	49	-
Allianz Deutschland AG	Vending services provided	661	353
Sana Kliniken AG	Vending services provided	9	-
Allianz Capital Partners GmbH	Vending services provided	11	-
Allianz CIA Seguros Y Reasuguros SA	Vending services provided	11	4
Allianz Global Corporate and Speciality	Vending services provided	47	2
Year ended and as at 30 September 2014			
Allianz Suisse Versicherungsgesellschaft Zürich	Insurance services received	1'206	110
Allianz Suisse Versicherungsgesellschaft	Vending services provided	90	-
Allianz Deutschland AG	Vending services provided	209	-
Sana Kliniken AG	Vending services provided	38	-
Allianz Capital Partners GmbH	Vending services provided	8	-
Heidelberger Druckmaschinen AG	Vending services provided	6	-
Allianz Managed Operations and Services	SAP maintenance services received	27	-

There were no material transactions or outstanding balances between the Group and other related parties in the year ended 30 September 2015 (2014: nil).

38. Acquisition and disposal of subsidiaries

During the year ended 30 September 2015 and 30 September 2014 there have not been any acquisitions or disposals of subsidiaries.

39. Events after the balance sheet date

Subsequent to 30 September 2015 the ultimate controlling party of the Group changed when, on 11 December 2015, funds and accounts managed or advised by affiliates of KKR & Co. L.P., which is publicly traded on the New York Stock Exchange (NYSE: KKR), acquired the shares of Selecta Group S.à.r.l, the Group's immediate parent undertaking.

To the best of management's knowledge, no events, other than those disclosed in these financial statements, have occurred between 30 September 2015 and the date of these consolidated financial statements that could have a material impact on the consolidated financial statements.

40. Subsidiaries

The Company's subsidiaries at 30 September 2015 and at 30 September 2014 were as follows:

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

Approval of the consolidated financial statements

The consolidated financial statements for the year ended 30 September 2015 have been authorised by the Board of Directors on 14 December 2015.

Amsterdam, 14 December 2015

Mark Brown
President of the Supervisory Board

Markus Hunold
Vice President of the Supervisory Board

Remo Brunschwiler
Member of the Management Board

Gary Hughes
Member of the Management Board

Report of the Independent Auditor to the Board of Directors on the consolidated financial statements

Report of the Independent Auditor to the Board of Directors on the consolidated financial statements of

Selecta Group B.V., Amsterdam

As independent auditor, we have been engaged to audit the accompanying consolidated financial statements from page 16 to page 66 of Selecta Group B.V. ("the Company"), which comprise the consolidated balance sheet as at September 30, 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the consolidated cash flow statement for the period ended September 30, 2015, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility
The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended September 30, 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS).

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

KPMG AG

Reto Benz
Licensed Audit Expert

Manuela Stefani
Licensed Audit Expert

Zurich, 14 December 2015