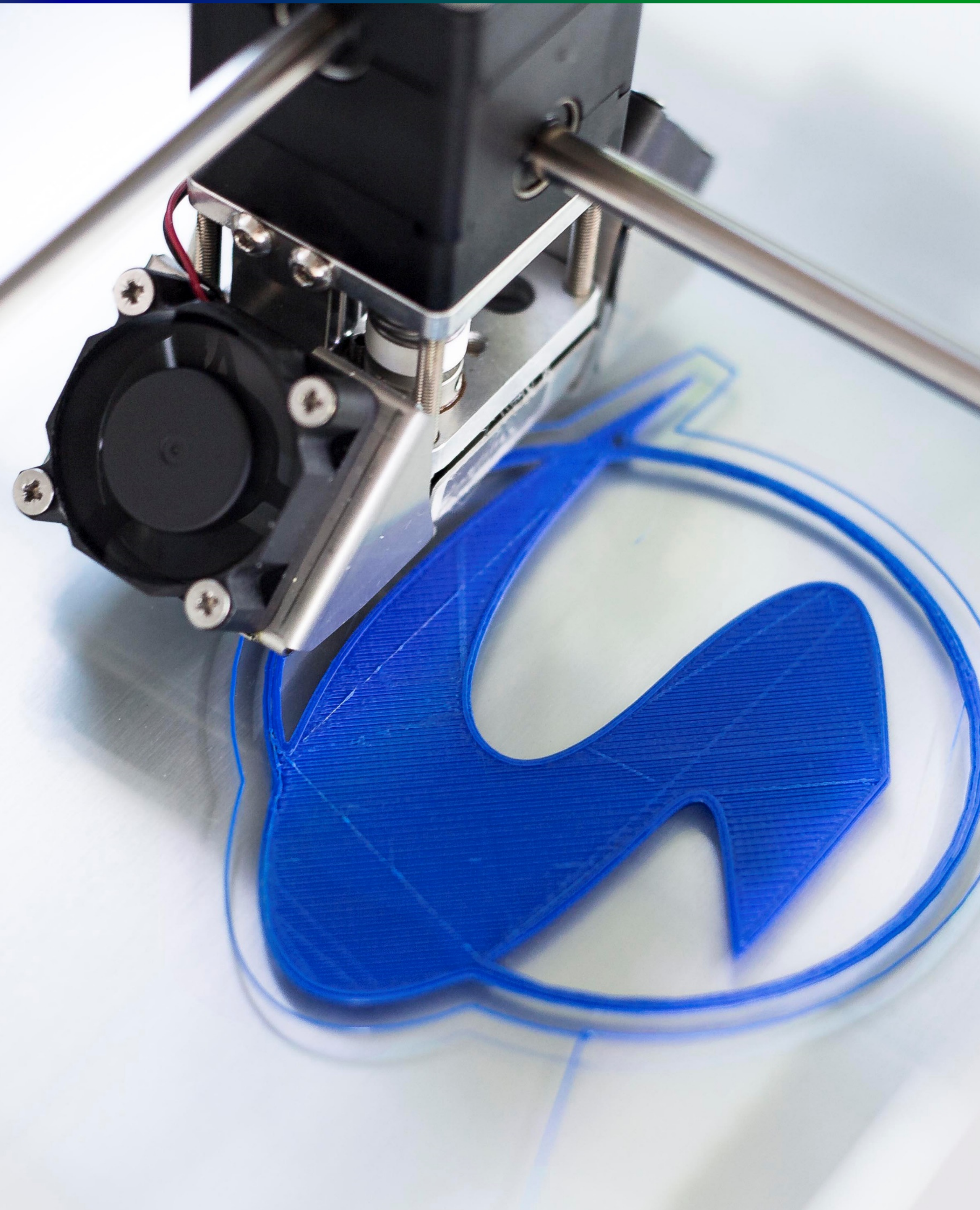
VAN GANSEWINKEL GROEP BV
ANNUAL REPORT 2015



Explanatory notes on the cover

Cooperation with sustainable startups accelerates the transition towards a circular economy. In 2015, Van Gansewinkel helped the young entrepreneurs of Better Future Factory in the project “Perpetual Plastics” in their ambition to make filament from our recycled plastics for 3D printers. The photo on the cover of this report shows how the logo of Van Gansewinkel is printed from hard plastics, acquired from refrigerators and washing machines, amongst others.

(Photo by Dennis Jansen)

Contents

Report of the Board of Directors

Company profile

Van Gansewinkel is a leading waste management service provider, recycler and supplier of high-quality secondary raw materials. Van Gansewinkel collects, treats and processes waste, from which valuable raw materials are generated. The company is the leader in the Benelux area, its home market, and also operates in Germany, France, Portugal and Hungary.

Van Gansewinkel is owned by a group of financial institutions.

Vision

Waste No More. That is our vision. We are working to develop a profitable circular economy and a clean living environment. By recovering raw materials from waste, we make a tangible contribution to resolving the global issue of raw materials shortage and contribute substantially to achieving climate targets.

We are turning our vision into reality:
- We work together with our customers, suppliers and partners to create a cleaner and more beautiful world, as well as working to develop the circular economy.
- We provide customer-focused comprehensive solutions for all waste streams.
- We believe in the future of material supply chain management, organised in such a way as to keep us close to our customers. This process involves recovering increasingly large quantities of raw materials from waste streams and residues through innovative sorting and recycling methods.

Mission

Van Gansewinkel plays a leading and connecting role in the value chain from waste to raw materials. We work with our customers, suppliers and other supply chain partners on an ongoing basis to build cycles and create environmental and economic value from waste.

We put our mission into practice by:
- putting our customers first
- closing the materials loop from waste to raw materials
- investing in our staff and their knowledge of logistic solutions, recycling and material streams
- working with our partners in a safe, transparent and ethical manner.

Core values

We are guided by our core values in all our endeavours:
- Skilled
- Safe
- Collaborative
- Trustworthy
- Progressive

Objectives

We have set the following objectives for our organisation:

- Being valued by our customers for the quality of our services, achieving an average rating of 8.4 in our customer satisfaction survey in 2015.
- Providing a safe working environment populated by motivated and engaged employees, with an average score of 7+ in our employee engagement survey (2014: 6.8) and keeping incident frequency (IF) to a minimum. In 2015, Van Gansewinkel improved its IF score from 10.2 in 2014 to 8.5.
- Continuously improving our performance in terms of recovering raw materials from waste streams and residues and increasing raw material quantities from 65% in 2015 to 75% by 2020.
- Further improving our positive environmental footprint in the raw materials supply chain by recovering larger quantities of raw materials while simultaneously reducing our environmental footprint.
- Improving our position as the market leader in the Benelux market and our leading positions in our recycling operations (Glass and WEEE, Waste Electrical and Electronic Equipment) across Europe.
- Continuously optimising our operating processes in order to improve our profitability through more efficient waste collection and by utilising our sorting and recycling systems as efficiently as possible.
- Ensuring long-term profitability based on a steady cash flow, with sufficient room for investments in future and sustainable development and a stable ROI (Return On Investment) for our shareholders.

For our specific *sustainability* targets and objectives in terms of People, Environment and Society, please refer to our Sustainability Report, which will be ultimately available in May 2016. In 2015, Van Gansewinkel gave approximately 93% of all collected waste flows a second life, of which 65% as secondary raw materials. Moreover, the company succeeded in preventing 1.17 million tons of carbon emissions from entering the value chain. Van Gansewinkel is extremely proud of this result and strives to do better every day in close cooperation with its customers.

Strategy

Our strategy can be summarised as follows:

- We invest in our evolution from a waste collection company to a supplier of high-quality secondary raw materials.
- We aim to achieve growth in the supply of high-quality raw materials streams and the further development of our sorting and recycling activities.
- Our focus is on further optimising and developing our operations in the Benelux market.
- Together with our chain partners, we develop innovative circular customer propositions and business models.
- We are innovating in the area of social innovation, both within our company and beyond, with customers, suppliers, partners and as part of the society in which we operate.

Operating principles

We feel it is our duty to create solutions for all waste streams, so as to ensure that our customers receive the highest-quality service and can reduce their environmental impact while keeping costs at acceptable levels.

Working in partnership with our customers and suppliers, we find a balance between ecology and economy and recycle waste into resources whenever possible. The waste we collect is sorted at source to the extent possible, and any residual waste remaining after collection, sorting and recycling is supplied as fuel to waste-as-energy plants, where it is converted into sustainable energy. In embracing these practices, we provide sustainable solutions which help to reduce raw material scarcity and manage waste issues. An additional benefit of recycling is that it virtually always helps to reduce carbon emissions: this is because the recovery of natural resources tends to consume more energy than recycling recovered materials and using these as secondary resources.

In our view, sustainable development extends beyond the environment alone: it also branches out into other issues, such as safety, talent development, social interaction, our position in society and our responsibility for our business continuity.

Our vision 'Waste No More' pointedly encapsulates what we work to achieve on a daily basis. We are guided in our actions by our essential core values as we put this philosophy into practice. We also make sure that all our operations are fully compliant with the prevailing laws and regulations and our own quality assurance systems, and we endorse the Ten Principles of the UN Global Compact. These initiatives collectively form a solid foundation for our policies.

Our employees

We believe that our employees and temporary workers are the key differentiator to our competitors. We value their competences and knowledge of logistic solutions, recycling and materials flows and stimulate their personal development. More detailed information on employees can be found in our Sustainability Report 2015.

Market position

Van Gansewinkel's business portfolio of waste management and recycling services in combination with its geographic coverage and scale provide an ideal platform for further growth, both organically and through acquisitions.

Van Gansewinkel Benelux

Van Gansewinkel, with its divisions in the Netherlands and Belgium, specialises in waste management, material flows and logistical systems. Van Gansewinkel is market leader in the Benelux and collects and transports waste from households, businesses and other entities to treatment and processing locations. The company provides customers with cost-efficient waste management solutions whilst giving waste a second life as high-quality raw materials and energy. Van Gansewinkel deploys recycling activities within this division for, amongst others things, paper, cardboard, wood, plastics, metals and food waste. Van Gansewinkel is constantly searching for new processing methods and improving its recycling lines. In 2015, we invested heavily in state-of-the art sorting lines in the Netherlands (Amsterdam) and Belgium (Puurs, Châtelet).

Recycling

Van Gansewinkel's recycling business includes Coolrec, Maltha and Van Gansewinkel Minerals. These divisions convert specific waste and material streams into high-quality secondary raw materials.

With its WEEE recycling business base, **Coolrec** focuses on supplying a broad range of connected services and products, including dedicated parts and materials harvesting for specific customers. Coolrec is the market leader in the Benelux for WEEE recycling, occupies a top 3 position in Europe and, with its new Dutch PHB location in Waalwijk, is one of the largest European players in the recycling of hard plastics such as PP/PE, PS and ABS. The recycling initiatives in various territories throughout Europe and the related legislative changes present Coolrec with a range of business opportunities. In 2015, Coolrec was the first to obtain the WEEELABEX certificate in the Netherlands; since 1 July 2015 some European countries have made the new WEEELABEX certificate a required standard for recycling, processing and treatment of electrical and electronic waste. During the year, Coolrec continued to optimise its recycling facilities, especially at Apparec in Belgium and RDE in Germany. Coolrec's aim is to expand its business even further along the value chain and to grow as a raw materials supplier.

Maltha is the largest recycler of packaging and sheet glass in Europe. The company recycles more than 1 million tonnes of glass each year. Maltha has operations in the Benelux, France, Portugal and Hungary. Maltha is continuously looking for opportunities to strengthen its position in the European glass recycling sector.

Van Gansewinkel holds a 67% interest in Maltha, with the remaining shares being held by the world leader in glass manufacturing, O-I, Maltha's largest customer for its glass cullet. In 2015, Maltha continued to invest in its overall glass processing; it also finalised the construction of a new state-of-the-art production line at its largest recycling facility in Heijningen, the Netherlands. From 2016 onwards, the investment is expected to make a further contribution to Maltha's growth as a European market leader.

Van Gansewinkel Minerals operates three landfill sites in the Benelux, including a specialised landfill for dangerous waste and naturally radioactive material (NORM). Van Gansewinkel Minerals has advanced treatment methods for the transformation of complex mineral residues into secondary raw materials as well as for the treatment of so-called NORM. As a supplier of reclaimed building materials, which are marketed under the brand name Forz, the company successfully increased its sales channels in the concrete and cement industry in 2015. Forz Granulate, for example, which is produced from ash found in the bottom of incinerators, is increasingly replacing gravel and sand in concrete and asphalt. The company thus further confirmed its growing reputation in the field of sustainability and quality.

Market developments

The macroeconomic situation improved slightly in 2015, but remained difficult. The entire waste market still had to cope with declining volumes and continued price pressure. Nevertheless, Van Gansewinkel's collection companies and the majority of its recycling companies managed to obtain higher volumes. Under persistently challenging market conditions, Van Gansewinkel managed to maintain its market share and acquired new customers. Raw material prices remained volatile and decreased in the second half of 2015 in particular. However, the demand from the market for sustainable solutions to waste issues and secondary raw materials increased.

Van Gansewinkel Benelux

In 2015, market volumes increased compared to 2014. However, the market remained competitive, with significant price pressure, particularly in the Netherlands. In order to reverse the trend of declining price levels in the collection market, Van Gansewinkel actively engaged in a better pricing policy with fair market rates. Through better customer focus, together with an improved nationwide network, both

Van Gansewinkel Netherlands and Belgium were able to grow their customer base in the SME segment. The market conditions for the large accounts segment remained challenging. Overall, revenues improved slightly. Margins remained under pressure however, which resulted in lower EBITDAE.

Recycling

The recycling business showed slightly lower revenues and a lower EBITDAE. Both Coolrec and Van Gansewinkel Minerals achieved volume growth by, amongst other things, concluding new contracts or prolonging existing ones. However, Maltha recycled lower volumes, mainly due to the start-up of the new factory in Heijningen and lower imports of waste glass from the UK to its operation in Portugal. Furthermore, the recycling business was affected by lower and volatile raw material prices; especially at Coolrec, where metal and plastic streams showed significantly lower prices compared to 2014. Nevertheless, Coolrec clearly improved its financial performance in 2015.

Business developments

The year 2015 has been an important period of transition for Van Gansewinkel, during which it consolidated its position as an important leader in the waste services and recycling sectors. In view of prevailing market conditions, continuous focus on cost savings, performance improvements and, above all, extra emphasis on top-line growth remained crucial. During the year, Van Gansewinkel reached an important agreement with its lenders for a debt restructuring of the company, sold activities in Poland, the Czech Republic and France, and successfully implemented a more effective organisational structure. Moreover, Van Gansewinkel significantly invested in its processing lines, compared to the prior year, which, together with its debt reduction, will ensure Van Gansewinkel is well positioned to benefit from a market recovery in the coming years and will accelerate the transition towards a circular economy, with tangible objectives and new revenue models.

In order to create a stable platform for the company's future development and in view of anticipated covenant issues, Van Gansewinkel reached an agreement with its shareholders and lenders on a new and sustainable financing structure on 14 July 2015. Consequently, the ownership of Van Gansewinkel passed to the syndicate of lenders and the original senior debt was converted into a EUR 320 million reinstated senior facility with a maturity in 2020. The original Revolving Credit Facility (RCF) of EUR 70 million, including EUR 25 million of ancillary facilities, was converted into a reinstated RCF. The company's equity position has been positively impacted because – as the new shareholders of the company – the syndicate of lenders contributed a share premium as a result of the conversion into equity of the original borrowings including accrued interest and 50% of the fair value of the interest rate swaps.

With its new financing structure, Van Gansewinkel expects to be able to comply with its financial covenants and fulfil an important prerequisite for the realisation of its renewed business plan and investments for the coming years. The investment level for 2016 is planned to be approximately EUR 3 million higher compared to 2015. Furthermore, the number of employees is expected to be in line with the number of employees employed during 2015, which amounted to 4,125 FTE's.

Van Gansewinkel Benelux

After completing the main part of its extensive turnaround programme in waste collection between 2012 and 2014, which clearly delivered sustainable productivity improvements and lowered the cost of operations, Van Gansewinkel gave further shape to its performance improvement programme in 2015.

More efficient organisational structure

Under the slogan '*Samen Sneller Verder'* [Faster and Further Together], Van Gansewinkel took further steps to bring about its transition from a collection company to a materials company, as well as to make itself more entrepreneurial and enhance its efficiency. As a consequence of this, the matrix-organisation was discontinued and a more efficient organisational structure was implemented, closer to the customers. In doing so, Van Gansewinkel migrated to a decentralised country structure, in which central departments such as Operations, Materials and Sales have been set up in the Netherlands and Belgium.

The new, more versatile organisational structure has been effective in Belgium since 1 July 2015 and in the Netherlands since 1 September 2015. At the same time, in the area of HRM, jobs have changed and new roles have been created; these will fit in with the new performance management system which is to become operational in 2016. The system is based on 440 jobs with eight distinctive roles and will serve as a guideline for, amongst other things, holding assessment interviews, setting targets, determining development programmes and internal mobility, as well as being a point of reference for recruitment.

Cost and efficiency improvements

Van Gansewinkel continued various cost and efficiency programmes in 2015. Cost improvements have been achieved by further optimising logistics for waste collection and by increasing the number of routes that can be safely served by one driver per truck instead of two. In 2015, the number of rolling bin collection routes operated by one person rose from 38% in 2014 to 47% in the Netherlands and from 10% to 15% in Belgium.

In May 2015, Van Gansewinkel decided to withdraw as a player in the small and specialised market for waste oil, in order to increase its focus on its larger core markets. As a result, Van Gansewinkel divested activities of OVA/Groenendaal. The collection activities were acquired by Wubben, part of Avista Oil, which collects and processes 700 kilotons of waste oil in Europe annually.

In order to place more focus on its collection operations in the Benelux, Van Gansewinkel also disposed of its subsidiaries in Poland, the Czech Republic and France. In June 2015, the subsidiaries in Poland were acquired by the Polish subsidiary of Remondis, headquartered in Warsaw. It involved six Van Gansewinkel's subsidiaries with offices in Wroclaw, Legnica, Kraków, Tarnów and Olawa. In the Czech Republic, AVE, part of EP Industries, acquired Van Gansewinkel's subsidiaries in Brno, Ostrava and Olomouc and its headquarters in Modřicích u Brna. In December 2015, Paprec acquired Van Gansewinkel's activities in Béthune, France.

The disposals are in line with Van Gansewinkel's strategy of focusing primarily on its home markets in the Benelux, where the company is the market leader, and on the further development of its recycling activities.

Investments

With a continuous focus on the optimisation of its route network and sustainable driving, Van Gansewinkel saved more fuel and as a consequence also improved its environmental footprint in 2015. In order to continue to guarantee a good service to its customers, the company bought 500 new containers and modified approximately 400 old containers. Van Gansewinkel also invested in 13 additional vehicles for Industrial Services, replaced a total of 55 collection vehicles with new environmentally friendly Euro 6 trucks, and will invest in another 165 vehicles in the next two years. The company also supported its drivers with practical Eco+ tools for efficient and sustainable driving. These tools included training for team leaders to coach drivers in this field and a feedback system on driving behaviour in the on-board computer.

In the Netherlands, the company made further preparations for paperless transport. Under the guidance of Transport & Logistiek Nederland, Van Gansewinkel, together with its partners, developed a so-called Electronic Accompanying Letter for Waste, an IT standard on the basis of which the letters that accompany waste could be exchanged digitally. In 2016, a further survey will be conducted regarding the implementation of this standard within the operational management system Clear, and processors will be approached to request the speedy introduction of this standard.

In order to ensure it can benefit from a recovery in its core markets, Van Gansewinkel continued to invest in its core assets. In that context, the company is constantly searching for new processing methods and improved recycling lines. In 2015, Van Gansewinkel invested significantly in state-of-the-art sorting lines in the Netherlands and Belgium compared to 2014, enabling the company to recover more raw materials from waste.

In Belgium, the company built a new transhipment and sorting location for industrial waste in Turnhout, which opened in April 2015. The new location, which replaces the existing locations in Merksplas and Turnhout, covers an area of 2.5 hectares and consists of a sorting hall, various sorting bunkers and an office building. All the sorting and processing of waste, wood, paper, cardboard and plastic from the Kempen region is to be carried out at this location. The new location will offer employment to about 50 people. Since 2 November 2015, a renewed sorting line has also been operational in Puurs. The line was designed in-house and, on the basis of techniques including infrared technology, can more easily separate wood, paper, cardboard, foil, ferrous and non-ferrous materials as well as hard plastic. On an annual basis, the sorting line will process 80,000 tons of waste, from which 8,800 tons of extra raw materials are currently reclaimed. In two years, Van Gansewinkel wants the volume of reclaimed raw materials in Puurs to rise to 15,000 tons. In addition, a swill line has been installed in Kampenhout, which processes waste from large kitchens and products past their ‘best before’ date into a high-quality mix which can be used in, amongst other things, digesters. Finally, at the end of 2015, a new sorting line became operational in Châtelet. This line will recover raw materials such as paper/cardboard, stone, metal and plastic. The aim is to have the new line process about 25,000 ktons of waste, whereby 57% of the waste will acquire a second life as new raw material.

In the Netherlands, Van Gansewinkel constructed a completely new, modern, waste-sorting line in Amsterdam. This line will make sorting paper, cardboard and foil easier and significantly improve the quality of reclaimed wood, metal and construction waste. This new sorting line has been operational since December 2015 and is capable of processing 150,000 tons of waste each year. Through its broad investment programme in the Netherlands and Belgium, Van Gansewinkel is strengthening its position as a market leader in the Benelux and, consequently, will be able to recover even more raw materials from waste streams in the future.

Customer focus
In 2015, Van Gansewinkel clearly demonstrated its strategy of becoming an even more service- and customer-oriented company by launching various campaigns. In both Belgium and the Netherlands, the company successfully developed a National Waste Test in order to increase awareness of waste separation in the workplace and to recover more raw materials from companies’ waste. The test consists of 10 specific questions and tests knowledge and behaviour in the area of waste legislation, recycling and waste in general. It showed that two out of three companies can still save a lot of money by separating more waste in the workplace.

As a consequence of the National Waste Test, Van Gansewinkel launched a Waste Performance Profile for both customers and non-customers. This is a unique online tool which enables companies to calculate the quantities of valuable raw materials and CO_2 emissions they could save by sorting their own company waste. The tool provides insight into the waste separation percentages and increases the awareness of cost savings that can be made by separating waste in the workplace.

In order to make not only companies but also the public, governments and politicians more aware, inspired and active in respect of the value of waste, Van Gansewinkel published a National Waste Report towards the end of the year. The report consists of more than 60 articles and is a fascinating combination of statistics and explanations of relevant trends within the world of waste, various business sectors, the scientific community and political establishment; in addition it contained inspiring stories about sustainability. As a prelude to the Climate Change Conference in Paris, the report was launched during large national sustainability events, which resulted in a large amount of positive media attention.

The company continued its sector-focused approach and invested in its online activities in order to meet customer needs better. To deliver a clear message about the dedicated solutions it can offer companies within a specific industry, Van Gansewinkel developed value propositions for Business Services, the Assembly & Metal Industry, Retail, Healthcare, Construction, the Food Industry, the Chemical Industry, Hospitality & Recreation, Logistics and the Paper Industry. In the course of 2016, these propositions will be fine-tuned and included in specific sector development plans. Furthermore, the company invested in its online activities for both lead generation (e-commerce) and customer services. Consequently, a new online platform ‘Waste No More’ will be launched and websites will be renewed and improved in the course of 2016.

New initiatives and partnerships

In 2015, Van Gansewinkel expanded its cooperation with the field marketing agency Opvallers through the introduction of two new waste-collection concepts: 'ReCycles' and 'Waste Waiters'. The ReCycles concept involves the waste being separately collected and delivered by means of a rear carrier tricycle. The Waste Waiter is a person, dressed in a dinner jacket, who walks round with a tray, on which the public can dispose of their plastic, GFT and other waste. Throughout the year, the new initiatives were successfully used to raise people´s awareness, encouraging them to be against litter and in favour of waste separation. Using these new collection concepts, municipalities and organisations can prevent piles of rubbish forming at festivals and other events.

The Circularity Centre, in which Van Gansewinkel participates, also developed new activities. For example, it considered the possibility of converting waste plastic back to oil. In addition, young entrepreneurs from the Better Future Factory were helped with their project ‘Perpetual Plastics’ which made filaments for 3D printers using plastic recycled by Van Gansewinkel.

As a bridge builder towards a circular economy, Van Gansewinkel also wants to prevent waste and to ensure that waste will only reappear as waste material in recycling processes after several cycles. To promote the reuse of waste products, a partnership was entered into with Superuse Studios, a pioneering agency in the field of sustainability design. Furthermore, Van Gansewinkel incorporated Oogstkaart.nl, a sort of marketplace for waste materials, into its service package. This means that Van Gansewinkel is now also able to offer its customers the possibility of having specific waste products reused elsewhere with the minimum amount of processing and the maximum retention of value.

To speed up the realisation of a circular economy, Van Gansewinkel was one of the ambassadors of ‘the Netherlands Circular Hotspot’, a huge programme that should place the Netherlands as an international frontrunner within the circular economy. In Belgium, Van Gansewinkel was a business partner in the ambitious project ‘Flanders Recycling Hub’, which was launched by the consortium VIL (Flanders Institute for Logistics), OVAM (the Flemish Public Waste Materials Agency) and VITO (the Flemish Institute for Technological Research). The project links in with VMP (Flanders´ Materials

Programme) and intends to emphasise the strengths of Flanders´ ports, economy and recycling industry so that it is optimally placed to make the most of the opportunities for more recycling and the realisation of a circular economy in Flanders. Van Gansewinkel will contribute its knowledge in the fields of logistics, recycling and raw materials, and support other partners in the Hub when material chains are being concluded.

Recycling

Coolrec

Compared to the previous year, Coolrec achieved growth in overall volumes, and in Cooling and Freezing Appliances (CFA) in particular. Despite the ongoing trend towards smaller products (miniaturisation), Small Domestic Appliances (SDA)/ICT and Flat Panel Display (FPD) volumes also increased, due to improved sourcing and supporting legislation to collect and acquire more WEEE per resident.

In 2015, Coolrec was the first to obtain the WEEELABEX certificate in the Netherlands; since 1 July 2015 some European countries have made the new WEEELABEX certificate a required standard for the recycling, processing and treatment of electrical and electronic waste. Consequently, nearly all of Coolrec's locations have been certified in accordance with this new standard.

Coolrec continued to optimise its processes and logistics, especially at Apparec in Belgium and RDE in Germany. The company implemented various Lean projects, which resulted in improved productivity and quality at both sites. Furthermore, Coolrec invested in new machinery so it can more easily recover aluminium and separate non-ferrous materials from heavier metals, such as copper, bronze and brass. The company also started implementing Navision at RDE in Germany, in order to merge all of its locations into the same ERP system.

During the year, via Recydel, Coolrec in Belgium placed extra focus on the recycling of precious metals. The 'Goldrush' project concentrated on ensuring greater diversification in the sorting of waste SDA/ICT materials, whereby it is possible to recover precious metals such as gold, silver and palladium in a way that ensures a higher quality and better return.

Coolrec also cooperated with Miele to recover specific metals from discarded domestic appliances. After being processed, the metals from the discarded appliances are given a second life in Miele products, including new washing machines and tumble dryers. By means of this pilot, Coolrec is taking a step towards improving recycling and the quality of raw materials that are given a second life. The valuable metals and parts that are recovered are supplied directly to Miele's foundry, which reduces the stages in the chain. In addition, the recycling process reduces CO_2 emissions and consequently improves Miele's carbon footprint. Furthermore, Coolrec is currently investigating the possibility of processing the other materials obtained during this process, such as plastics. For many years, the company has been recovering these raw materials for large producers of vacuum cleaners and coffee makers, amongst others.

Finally, the importance of social policy was given due prominence again in 2015. In that context, the company signed an agreement with the mental healthcare foundation Antes. Coolrec is to cooperate with Antes in the recovery of raw materials from electronic waste. Through this cooperation, Coolrec will offer Antes' patients fulfilling work, whereby account will be taken of the patient's specific circumstances. This means that 18% of Coolrec´s workforce now consists of colleagues with a disadvantage in the labour market. Together, Coolrec and Antes are considering whether there is any potential for further cooperation.

Maltha

Maltha faced a decline in its volumes, mainly caused by the increasingly competitive market for the sourcing of municipal glass waste (moulded glass) in the Benelux and the start-up of the new recycling line in Heijningen. Trading volumes from the UK market to Portugal were also lower than in previous years. In order to reverse this trend, Maltha continued to explore other markets and will also source glass from Spain and Switzerland as from 2016. In France, where Malta generates much of its revenue, the company performed well financially. Consequently, in order to improve the quality and throughput even further, preparations have been made for investments in the factories at Lavilledieu and Beziers in 2016. As a glass cullet supplier, Maltha achieved higher production levels in the glass wool industry (insulation), and these are expected to increase in the future.

In 2015, Maltha finalised the construction of a new, state-of-the-art production line at its largest recycling facility in Heijningen, the Netherlands, but has not yet been able to harvest its full potential due to operational challenges. By using a new drying system and incorporating an additional sorting step, the new line makes it possible to remove contamination even more effectively. This will enable Maltha to increase the amount of raw material it recovers from waste glass by 11% and further improve the quality of the recycled cullet. Together with the reopening of the factory in 2016, Maltha will also implement an ergonomics programme for its employees in order to ensure that all activities are performed in an efficient and healthy way. From 2016 onwards, both investments are expected to contribute further to Maltha's growth as a European market leader.

During the year, Maltha concluded a contract with a major customer. Beer brewery PALM Belgian Craft Brewers chose the company for the collection and processing of all of its waste glass in Belgium and the Netherlands. Maltha will process more than 700 tons of glass waste each year, whereby almost 95% will have a second life as raw material for new glass products.

In order to be able to recycle more and better-quality flat glass, Maltha, together with the flat glass producer AGC and the collection agency Vlakglasrecycling Nederland, launched an innovative project 'Flat-to-Flat'. The challenge in the production of flat glass is that only extremely clean recycled shards can be used. Consequently, only a small part of the flat glass that AGC currently produces comes back to AGC. The rest disappears into other industries, including the packaging and insulation industry. The project is, therefore, focussing on turning the dirty glass into powder in a way that makes it possible for it to be reused as raw material for flat glass. In 2016, the cooperation in this respect will be continued.

Maltha also entered into a partnership with Shark Solutions, a Danish-based cleantech market leader in the recycling of post-consumer laminated PVB (polyvinyl butyral) from windshields and architectural/building glass (laminated glass). In this partnership, Maltha supplies PVB foil as waste material from laminated glass to Shark, which subsequently recycles it into a glue substance. This secondary raw material is then used in the production of carpet tiles by the manufacturer Interface, whereby the PVB foil also acquires a second life.

In addition to the aforementioned new, sustainable initiatives, Maltha continued to invest in interesting growth markets. In 2015, with its partner PV Cycle, the company focussed on the recycling of solar panels, from which an increasing amount of glass, aluminium and foil is being recovered. In this context, Maltha also worked with its sister company Coolrec, which recovers electronics. With the currently available lines, 98% of the waste streams from solar panels can be recycled.

Van Gansewinkel Minerals
Despite price pressure in the soil cleaning market, Van Gansewinkel Minerals achieved overall growth in volumes due to several new contracts. These contracts mean the soil cleaner and mineral waste processor is assured of the continuity of waste streams for its treatment facilities. By gaining a five-year licence for its Belgian site, Van Gansewinkel Minerals managed to secure long-term volumes.

As of 1 January 2015, the Dutch government lowered tax on landfill from € 17 to € 13 per ton. In the area of landfill management, Van Gansewinkel Minerals, the government and other sector parties signed a Green Deal. The parties involved collectively agreed to undertake long-term research into the sustainability of dumping waste.

In 2015, Van Gansewinkel Minerals engaged in a cooperation with Cementbouw Mineralen and Heijmans and collectively introduced Forz Eco HRB. This innovative binding agent consists of waste materials from the mineral industry, has a low CO_2 footprint and serves as a sustainable replacement for traditional blast-furnace cement in road foundations and non-constructive concrete. On the instruction of the Province of Friesland, the binding agent was successfully used in a number of trials during the construction of the road in the sub-project ´Centrale As Noord 2´. For the cooperating companies, the development of Forz Eco HRB resulted in the first patent, achieving the aim of collectively producing more sustainable market-oriented concepts. The first licence agreements are expected to be signed in 2016.

In order to make the concrete chain more sustainable, Van Gansewinkel Minerals has been working with the concrete producer De Hamer for a number of years. Van Gansewinkel Minerals supplies Forz Granulate, a valuable raw material obtained from the waste matter found on the bottom of waste power plants, in so doing giving this 'waste' a second life. Forz replaces sand and gravel in De Hamer´s products, for example in concrete tiles and kerbstones used for paving. During the year, De Hamer supplied the sustainable concrete products to the contractor Reef Infra, for the construction of a Park & Ride site next to a new cinema between Nijmegen and Arnhem. One of the reasons why the contractor won the tender was that it complied with the sustainability criteria laid down by the municipality of Nijmegen, which – as far as possible – wishes to work in a way that is both circular and CO_2-efficient.

The increased use of bottom ash is in keeping with the Green Deal on Bottom Ash which was concluded by the Association of Waste Companies and the Ministry of Infrastructure and the Environment in 2012. In this Deal, it was agreed that by 2017 at least half of the bottom ash produced would be applied as 'freely used construction material'. In that context, Van Gansewinkel Minerals invested in a bottom-ash reprocessing plant; this will enable it to market sustainable bottom ash products such as Forz more successfully. The KOMO certification awarded to Forz Granulate in 2015 will also contribute to the marketing. As a result of this certification, Van Gansewinkel Minerals automatically complies with all the relevant legislation, regulations and other requirements in the areas of quality and safety for the manufacture of these types of sustainable products.

Corporate governance

Van Gansewinkel is managed by the Board of Directors and supervised by the Supervisory Board, in accordance with the provisions of the full large-company regime, as laid down in articles 268-274 of Book 2 of the Dutch Civil Code.

As required by law, the General Meeting of Shareholders holds all powers not granted to the Board of Directors or the Supervisory Board. In addition, the Supervisory Board is consulted on important matters. Specifically, pursuant to the Dutch Civil Code and Van Gansewinkel's articles of association, a number of major resolutions are subject to prior Supervisory Board approval.

As required by the Dutch Management and Supervision Act (Wet Bestuur en Toezicht), large private limited liability companies such as Van Gansewinkel must endeavour to find a balanced division of the seats on the Board of Directors and the Supervisory Board. This implies that at least 30% of the seats must be held by men and 30% by women. When considering candidates for positions on the Board of Directors and the Supervisory Board, Van Gansewinkel takes into account the provisions of this act. There may be various pragmatic reasons – such as other relevant selection criteria and the availability of suitable candidates – that could play a role in the achievement of a balanced division of the seats.

The Supervisory Board meets at least four times each year, and more often as appropriate. In 2015 there was more frequent consultation, due to, among other things, the refinancing of the company. The composition and appointment of the Supervisory Board are governed by the Dutch Civil Code.

Risk management

Van Gansewinkel is exposed to risks that are an intrinsic part of doing business. Van Gansewinkel strives for a balance between returns and risks, and continuously assesses where the identified risks also offer opportunities. Van Gansewinkel distinguishes two levels of risk management: strategic business risk management and operational risk management.

Business risks

Managing business risks is a continuous process that is conducted by the Board of Directors, group and local management. Risks are considered against the backdrop of the adopted strategy. The risk management process is designed to identify potential events that impact the business and the business results and to control risks to ensure that they remain within pre-defined margins. This system offers a reasonable degree of certainty that the business objectives will be realised. The principal business risks are:

- Price and volume developments:
  Following lower incineration prices for municipal solid waste in the past years, the collection market has also been affected. Lower waste volumes lead to intensified competition and price pressure. Van Gansewinkel prepared itself by adapting its organisation and reducing its cost base. In addition, Van Gansewinkel is exposed to changes in commodity prices. In accordance with its hedging policy, Van Gansewinkel hedges certain of these commodity price risk such as diesel and metal price risks. The exposure on diesel and metal prices is reviewed at least on an annual basis.

- Amendments to laws and regulations:
  Laws evolve and change. By definition, this involves a risk for Van Gansewinkel, as a predictable legal environment is an important factor when considering investment decisions. The applicable legal framework is largely based on European directives and regulations, which are translated into national laws. Several important new directives have been issued at the European level in recent years. For example, the Waste Framework Directive, the WEEE directive, a landfill ban and the packaging directive. During the coming years, the European Commission, the European Parliament and the European Council of Ministers are expected to keep or even increase their focus on raw materials and waste recycling. Van Gansewinkel is represented in various interest groups: the Dutch Waste Management Association (Vereniging Afvalbedrijven) in the Netherlands, FEBEM in Belgium, and the European organisation FEAD. It also adopts a proactive stance in relevant political debates. At the end of 2013, the Dutch government announced that a tax on

waste (“afvalstoffenbelasting”) would be reintroduced. Hence, a tax on landfilling at a rate of € 17 per tonne was introduced as of April 1, 2014. Subsequently, this tax on waste has been expanded to also the incineration of Dutch combustible waste in Dutch incinerating facilities as of January 1, 2015. For both landfill and incineration the tax rate for 2015 amounted to € 13 per tonne. The applicable tax rate has been increased to € 13.07 per tonne as of January 1, 2016. As of July 1, 2015, waste that is exported for incineration is also subject to tax on waste. However, recently it was decided that a decree will be issued based on which the rate for exported waste will be reduced to nil retroactively to July 1, 2015.

- Capital structure risks:
  One element of managing the capital structure risk is that Van Gansewinkel closely monitors compliance with bank covenants. Quarterly covenant reports are prepared. In addition to the yearly budget, forecasts are submitted presenting a detailed projection of the income statement, the balance sheet and the cash flow statement. Forecasts are used to predict the cash flow and the cash position and as such to monitor anticipated covenant compliance, giving sufficient time to take whatever measures are necessary.

- Market interest:
  With its ratio of borrowed capital to equity, Van Gansewinkel is exposed to changes in market interest rates on the borrowed capital that is not covered by long-term hedging. Van Gansewinkel has defined a policy for hedging its interest rate risk. In accordance to the policy Van Gansewinkel strives to hedge 80% of its interest rate risk, based on the applicable capital structure. For 2016, Van Gansewinkel has hedged 96% of its interest rate risk based on the capital structure applicable as of 31 December 2015.

Operational risks

Operational risk management refers to the process of identifying and quantifying risks stemming from the operation of business functions at Van Gansewinkel and of defining the required control measures. Control measures are actions, mitigating the possibility that a risk will materialize or limit the potential consequences. The principal operational risks are:

- Environmental and reputation risks:
  As a waste service provider and supplier of raw materials, operating in the environmental sector, Van Gansewinkel, like other industry parties, is exposed to risks associated with incidents that have an adverse impact on the environment and that may give rise to potential remedy liabilities. Such incidents may also affect the reputation of the company. Van Gansewinkel has set up environmental management systems at all its critical business sites. Potential risks and emergencies have been identified, the related financial impact calculated, and appropriate control measures put in place. Each operational entity has trained staff, and appropriate checks for the acceptance of waste materials and processing have been implemented.

- Health and safety on the work floor:
  Safety is an overriding precondition for all of Van Gansewinkel’s activities. To minimise the risks relating to the health and safety of its employees, Van Gansewinkel performs regular and structural risk analyses, in which the dangers on the work floor that present a risk to the health or safety of employees are assessed. These analyses are performed by local SHEQ (Safety, Health, Environment and Quality) departments. Risk analysis forms the cornerstone of Van Gansewinkel’s approach to prevent work-related accidents and injury or sickness.

- Fraud:
  Van Gansewinkel uses a broad definition of fraud: intentional deception for the purpose of unlawful or illegal gain. To prevent fraud, instances of fraud must come to light and be reported to management who can take the required steps. Van Gansewinkel encourages its employees to report any such instances to management, the local integrity contact and/or Van Gansewinkel's integrity manager. Employees reporting a violation or a suspicion of a violation are protected from potential consequences in accordance with the integrity regulations. A framework has been developed for the internal controls for financial processes. Various processes aimed at limiting fraud risks are used to verify whether:

    - segregation of duties is in place where necessary
    - authorisation and delegation schedules are followed
    - payments are recorded and checked regularly
    - stock-takings are conducted regularly
    - elementary aspects of IT security are applied and critical data are protected.

- Availability of critical ICT systems:
  The importance of information management applies in particular to financial processes, marketing and sales, logistical processes, and laws and regulations (licences). Appropriate measures are in place for the relevant business processes to avoid the risk of improper use of information and loss of data and to restore information systems in the event of an emergency, for example back-up/restoration procedures and fail-over/disaster recovery procedures. Some of the ICT services are outsourced to external ICT service providers. Compliance with the contracted services and the related service levels is actively monitored by Van Gansewinkel's central ICT department.

Financial developments in 2015

Key financial figures (x € million)	2015	2014
Revenue	945	962
EBITDAE [1]	82	99
EBITDAE margin	9%	10%
Operating profit / (loss)	(33)	(516)
Profit / (loss)	308	(549)
Equity	(9)	(458)
Operational cash flow	62	78
Net cash flow	(15)	(38)
Capital investments	68	62
Borrowings as of 31/12 (excluding preference shares and capitalized financing costs)	362	849
Cash as of 31/12	132	147
Consolidated net debt as of 31/12	230	702

In 2015, Van Gansewinkel's revenue and EBITDAE decreased compared to the previous year, despite the positive impact of restructuring plans. Overall market conditions continued to be unfavourable, with lower volumes and lower prices, resulting in decreased revenue and EBITDAE[1]. These market conditions, together with advisory costs of the new financing structure and restructuring costs, led to an operational loss in 2015. The net result increased to a profit of EUR 308 million in 2015, mainly due to fair value adjustments resulting from the new financing structure. The annual goodwill impairment test in 2014, leading to an impairment of EUR 487.5 million in 2014, was the main reason for the negative (operating) result, loss and equity in 2014. The company's equity position increased significantly in 2015 as the syndicate of lenders, as the new shareholders of the company, contributed a share premium following the conversion of the original borrowings, including accrued interest and 50% of the fair value of the interest rate swaps, into equity. This resulted in the original debt being converted into a EUR 320 million reinstated senior facility.

In 2015, net cash flow improved due to significantly lower amounts of interest paid as a result of the new financing structure, but remained negative since the negative cash flow from financing activities exceeded the net positive cash flow from operating and investment activities. The company's borrowings and consolidated net debt decreased significantly in 2015 as the syndicate of lenders converted the original borrowings, including accrued interest and 50% of the fair value of the interest rate swaps, into equity and a new EUR 320 million reinstated senior facility.

Based on the analysis of the obligations, results and cash flow developments in 2015, management expects to be able to comply with its financial covenants and that sufficient cash will be available to continue on a going concern basis over the next 12 months.

[1] The EBITDAE results represent the earnings before interest, taxes, depreciation, amortisation and exceptional items. The exceptional items are not included in the results presented in Van Gansewinkel's management reports. The EBITDA in the financial statements represents the earnings before interest, taxes, depreciation and amortisation.

Reconciliation between EBITDAE and EBITDA	2015	2014
Earnings before interest and taxes (EBIT)	(33)	(516)
Depreciation and amortisation	80	583
EBITDA	47	67
Non recurring costs / exceptional items	35	32
EBITDAE	**82**	**99**

Changes Board of Directors

As of 1 January 2015, Marc Zwaaneveld was appointed CEO. Marc Zwaaneveld held the position of COO Van Gansewinkel Benelux since May 2014.

Joost Sliepenbeek resigned as CFO as of 1 May 2015 and was succeeded by Ton Vernaus on an interim basis. On 1 March 2016, Gert-Jan Antvelink was appointed as CFO. Mr. Antvelink's appointment as a member of the Board of Directors will take place after the Van Gansewinkel 2015 financial statements have been adopted by the General Meeting of Shareholders on 14 April 2016.

Objectives and prospects for 2016

Van Gansewinkel will continue to play a trend-setting and connecting role in the chain from waste to raw materials. In close cooperation with our customers, suppliers and partners we continue to close material cycles in order to create both ecological and economic value from waste.

Van Gansewinkel will continue its sector-based customer approach and further grow as a secondary raw materials supplier, focusing on material streams. Within the recycling business, Van Gansewinkel will continue to invest in innovation and cost leadership, to meet the rising demand for high-quality secondary raw materials.

Although the macroeconomic situation in the euro zone is improving slightly, market conditions will remain challenging, with significant price pressure. Consequently, Van Gansewinkel will actively engage in a fair pricing policy.

Van Gansewinkel expects its efficiency and quality improvements over the past years, as well as its extensive investment programme in 2015, to have a positive impact in 2016. However, given the ongoing economic uncertainty and volatile market conditions, no financial prospects will be expressed for 2016.

Eindhoven, 14 April 2016

The Board of Directors of Van Gansewinkel Groep BV

M. Zwaaneveld

Report of the Supervisory Board

The Supervisory Board supervises and advises the Board of Directors with respect to all matters affecting the strategic and financial position of Van Gansewinkel. The composition of the Supervisory Board changed in 2015. As of 14 July 2015, after the debt restructuring, Mr. Diederik van Ommeren, Mr. Peter Berdowski, Mr. Theo de Kool, Mrs. Silke Scheiber and Mr. Gijs Vuursteen resigned as members of the Supervisory Board and were succeeded by Mr. Carsten Jørgensen, Mr. Michael Averill and Mr. Malcolm Ward. As of 8 December 2015, Mr. Jurgen van Breukelen joined the Supervisory Board as chairman. On nomination of the Central Works Council, Mr. André Olijslager joined the Supervisory Board on 19 January 2016.

The financial year 2015 marked a period of intensive involvement of the Supervisory Board. The development of Van Gansewinkel's financial results and the sustainability of its capital structure were key discussion items throughout the reporting period. The Supervisory Board was closely involved in the assessment of the various strategic options for Van Gansewinkel and the preparation of the related discussions with the company's lenders, eventually leading to an agreement with the company's shareholders and lenders in April 2015, followed by Court-sanctioned schemes of arrangement on 14 July 2015. The Supervisory Board welcomes this completed debt restructuring and believes that, although the business will continue to face substantial challenges in the near to mid-term future, the revised capital structure was necessary to provide a more stable operating base.

The Supervisory Board met nine times during 2015, seven times before the restructuring date (14 July 2015) and twice after that date. The Audit Committee met twice. Apart from the matters referred to above, the following issues were addressed during the meetings:

- Market developments
- Developments in financial and operational results in 2015 and the budget for 2016
- Capital restructuring
- Acquisition opportunities and disposals
- Composition of the Board of Directors
- Safety
- The 2014 annual results, the 2014 sustainability report and the accompanying management letter from the auditor
- Strategy and the Mid-Term Plan
- Strategic options
- Risk management.

The Supervisory Board discussed the 2014 financial report when it met in April 2015. The external auditor was present at that meeting.

Eindhoven, 14 April 2016

The Supervisory Board of Van Gansewinkel Groep BV

J.J.H. van Breukelen

M.C.E. Averill

C.B. Jørgensen

A.A. Olijslager

M.J. Ward

Consolidated financial statements

Consolidated balance sheet before appropriation of result

(x € 1,000)

	Notes	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	7.1	378,893	406,262
Goodwill	7.2	38,183	38,183
Other intangible assets	7.3	39,594	51,147
Interests in associates, joint ventures and other investments	7.4	2,412	2,919
Deferred tax assets	7.5	-	-
Other non-current financial assets	7.7	145	100
Cash and cash equivalents	7.12	19,453	19,892
Total non-current assets		**478,680**	**518,503**
Current assets			
Inventories	7.8	14,010	15,907
Trade and other receivables	7.9	118,711	142,672
Prepayments and accrued income	7.10	6,028	6,283
Other current financial assets	7.11	119	5,783
Cash and cash equivalents	7.12	112,691	127,380
		251,559	298,025
Assets classified as held for sale	7.13	5,067	4,223
Total current assets		**256,626**	**302,248**
Total assets		**735,306**	**820,751**

Consolidated balance sheet before appropriation of result

(x € 1,000)

	Notes	31 December 2015	31 December 2014
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	7.14	80	40
Share premium	7.15	719,638	574,800
Revaluation reserve	7.16	681	681
Cash flow hedge reserve	7.17	(643)	(2,866)
Retained earnings	7.18	(1,048,871)	(494,657)
Undistributed result		304,702	(555,452)
Equity attributable to owners of the parent		(24,413)	(477,454)
Non-controlling interests	7.19	15,605	19,262
Total equity		**(8,808)**	**(458,192)**
Non-current liabilities			
Borrowings	7.20	337,463	84,409
Derivative financial instruments	7.6	10,950	1,769
Deferred tax liabilities	7.21	25,457	37,367
Employee benefits	7.22	11,671	14,374
Provisions	7.23	86,480	80,755
Total non-current liabilities		**472,021**	**218,674**
Current liabilities			
Trade and other payables	7.24.1	145,412	151,494
Borrowings	7.20	24,298	797,003
Derivative financial instruments	7.6	4,666	2,877
Provisions	7.23	8,157	11,229
Other liabilities	7.24.2	89,560	97,666
Total current liabilities		**272,093**	**1,060,269**
Total liabilities		**744,114**	**1,278,943**
Total equity and liabilities		**735,306**	**820,751**

Consolidated income statement

(x € 1,000)

	Notes	2015	2014
Revenue	8.1	944,852	961,759
Raw materials, supplies and energy	8.2	(23,096)	(23,273)
Third-party processing	8.3	(311,038)	(297,672)
Third-party maintenance	8.4	(6,759)	(7,000)
Employee benefit expenses	8.5	(256,336)	(275,349)
Depreciation and amortisation	8.6	(79,668)	(93,335)
Impairment charges	8.7	(608)	(490,123)
Other operating expenses	8.8	(300,813)	(291,035)
Operating profit/ (loss)		**(33,466)**	**(516,028)**
Financial income	8.9	402,839	583
Financial expense	8.9	(76,198)	(70,007)
Share in result of associates, joint ventures and other investments	8.10	3,118	(60)
Profit / (loss) before tax		296,293	(585,512)
Taxes on result	8.11	11,579	36,284
Profit / (loss) for the year		**307,872**	**(549,228)**
Attributable to:			
Owners of the parent		304,702	(555,452)
Non-controlling interests		3,170	6,224
		307,872	(549,228)

Consolidated statement of comprehensive income

(x € 1,000)

	Notes	2015	2014
Result for the year		307,872	(549,228)
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods			
Gain / (loss) on cash flow hedges taken to equity	**7.17**	2,965	4,383
Exchange differences arising on translation of foreign operations		(89)	160
Related tax		(742)	(39)
		2,134	4,504
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		1,792	(2,386)
Related tax		(441)	613
		1,351	(1,773)
Total other comprehensive income		3,485	2,731
Total comprehensive income for the year		311,357	(546,497)
Attributable to:			
Owners of the parent		308,163	(552,738)
Non-controlling interests		3,194	6,241
		311,357	(546,497)

Consolidated statement of cash flows

(x € 1,000)	Notes	2015		2014	
Result before tax			296,293		(585,512)
Adjustments for:					
- Depreciation and amortisation	**8.6**	79,668		93,335	
- Impairment charges	**8.7**	608		490,123	
- Change in employee benefits	**7.22**	(1,261)		(745)	
- Change in provisions	**7.23**	(873)		(403)	
- Financial income	**8.9**	(402,839)		(583)	
- Financial expense	**8.9**	76,198		70,007	
- Share in result of associates and joint ventures	**7.4**	(3,118)		60	
- Change in fair value of operational hedges	**9.2**	2,333		150	
Total adjustments on result before tax			(249,284)		651,944
Changes in working capital	**9.1**	17,785		13,439	
Corporate income tax (paid) / received		(3,286)		(2,322)	
			14,499		11,117
Cash flow from operating activities			61,508		77,549
Investments in:					
- other intangible assets	**7.3**	(5,214)		(5,860)	
- property, plant and equipment		(61,068)		(45,687)	
- other financial assets	**7.7**	(164)		(345)	
Divestments of:					
- property, plant and equipment		4,922		5,179	
- subsidiaries		18,504		-	
- associates and joint ventures		400		-	
- other financial assets	**7.7**	1,354		1,174	
Dividend received	**7.4**	669		378	
Cash flow from investment activities			(40,597)		(45,161)
Repayment borrowings		(12,878)		(18,021)	
New loans		-		-	
Interest paid		(18,625)		(48,380)	
Dividend paid	**SCE**	(4,447)		(4,306)	
Cash flow from financing activities			(35,950)		(70,707)
Increase / decrease in liquidities			**(15,039)**		**(38,319)**
Cash position as of 1 January	**7.12**		147,272		185,431
Exchange rate differences	**SCE**		(89)		160
Cash position as of 31 December	**7.12**		**132,144**		**147,272**

Consolidated statement of changes in equity (SCE)

(x € 1,000)	Attributable to owners of the parent								
	Issued capital	Share premium	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Undistri-buted result	Total	Non-controlling Interests	Total equity
31 December 2013	**40**	**574,800**	**6,030**	**(7,210)**	**(484,683)**	**(13,693)**	**75,284**	**17,681**	**92,965**
Comprehensive income									
Distribution of result previous year	-	-	-	-	(13,693)	13,693	-	-	-
Profit / (loss) for the year	-	-	-	-	-	(555,452)	(555,452)	6,224	(549,228)
Other comprehensive income									
Realization of revaluation	-	-	(5,349)	-	5,349	-	-	-	-
Gain/(loss) on cash flow hedges taken to equity	-	-	-	4,383	-	-	4,383	-	4,383
Currency translation differences	-	-	-	-	143	-	143	17	160
Income tax taken directly to equity	-	-	-	(39)	613	-	574	-	574
Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	(2,386)	-	(2,386)	-	(2,386)
Total comprehensive income	**-**	**-**	**(5,349)**	**4,344**	**(9,974)**	**(541,759)**	**(552,738)**	**6,241**	**(546,497)**
Transactions with owners									
Dividends	-	-	-	-	-	-	-	(4,306)	(4,306)
(De)consolidation	-	-	-	-	-	-	-	(354)	(354)
Total transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,660)**	**(4,660)**
31 December 2014	**40**	**574,800**	**681**	**(2,866)**	**(494,657)**	**(555,452)**	**(477,454)**	**19,262**	**(458,192)**
Comprehensive income									
Distribution of result previous year	-	-	-	-	(555,452)	555,452	-	-	-
Profit / (loss) for the year	-	-	-	-	-	304,702	304,702	3,170	307,872
Other comprehensive income									
Gain/(loss) on cash flow hedges taken to equity	-	-	-	2,965	-	-	2,965	-	2,965
Currency translation differences	-	-	-	-	(89)	-	(89)		(89)
Income tax taken directly to equity	-	-	-	(742)	(433)	-	(1,175)	(8)	(1,183)
Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	1,760	-	1,760	32	1,792
Total comprehensive income	**-**	**-**	**-**	**2,223**	**(554,214)**	**860,154**	**308,163**	**3,194**	**311,357**
Transactions with owners									
Capital contribution	40	144,838	-	-	-	-	144,878	-	144,878
Dividends	-	-	-	-	-	-	-	(4,447)	(4,447)
(De)consolidation	-	-	-	-	-	-	-	(2,404)	(2,404)
Total transaction with owners	**40**	**144,838**	**-**	**-**	**-**	**-**	**144,878**	**(6,851)**	**138,027**
31 December 2015	**80**	**719,638**	**681**	**(643)**	**(1,048,871)**	**304,702**	**(24,413)**	**15,605**	**(8,808)**

Notes to the consolidated financial statements

1. General information

1.1 Corporate information

The objective of Van Gansewinkel Groep BV ('the Company') is to operate as a holding company, as well as to carry out - in the widest sense - projects and to provide services in the field of collection, upgrading and recycling of waste.

The consolidated financial statements of Van Gansewinkel Groep BV ('the Group') for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 14 April 2016. The Group is a limited liability company incorporated and having its statutory seat in Rotterdam, The Netherlands. The registered office is located at Flight Forum 240 in Eindhoven, The Netherlands.

1.2 Group composition

In note 11 a complete list of subsidiaries, joint operations, associates and joint ventures is included.

On 14 July 2015 the shares of Van Gansewinkel Netherlands 4 BV, the direct shareholder of Van Gansewinkel Groep BV, were sold to Van Gansewinkel's syndicate of lenders. Until 14 July 2015, the majority of shares were indirectly held by CVC Capital Partners (CVC) and Kohlberg Kravis Roberts & Co (KKR) and together with underlying companies, these were all regarded as related parties. The following companies formed the holding structure of Van Gansewinkel Groep BV and were considered related parties until 14 July 2015:

- Van Gansewinkel Netherlands 1 BV
- Van Gansewinkel Netherlands 2 BV
- Van Gansewinkel Netherlands 3 BV
- Van Gansewinkel Netherlands 4 BV (parent company)
- Stichting Administratiekantoor Management Van Gansewinkel Netherlands 3
- Stichting Administratiekantoor Van Gansewinkel
- Stichting AK Van Gansewinkel Top Participation
- Stichting AK Van Gansewinkel Management 2013
- Van Gansewinkel Management BV
- Van Gansewinkel Management 2013 1 BV
- Van Gansewinkel Management 2013 2 BV

As well as the ultimate controlling party:

- AVR Luxembourg Sarl

As of 14 July 2015, resulting from the change in ownership the following underlying companies, all established in The Netherlands, are considered related parties:

- VGG Topco 2 BV
- VGG Holdco BV
- Van Gansewinkel Netherlands 4 BV (parent company)

As well as the ultimate controlling party:

- VGG Topco 1 SCA.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

2.1 Going concern

As of 31 December 2015 the Group has negative equity of EUR 8.8 million (2014: 458.2 million negative). The Group's equity position improved significantly in 2015 as the syndicate of lenders, as the new shareholders of the Group, contributed a share premium as a result of the conversion of the original borrowings including accrued interest and 50% of the fair value of the interest rate swaps into equity. This resulted in the original debt converted into a EUR 320 million reinstated senior facility which will be repaid, excluding payment in kind interest amounting to EUR 56.8 million, in 2020.

In 2015 the Group was compliant with all bank covenants. Based on the 2016 budget and medium term business plan, management expects to be able to comply with its financial covenants and that sufficient cash is available to continue on a going concern basis within the next 12 months.

2.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Only applicable standards that were in force on balance sheet date have been adopted, early adoption of standards has not been applied.

These consolidated financial statements are presented in Euro, which is the Group's functional currency. Unless mentioned otherwise, all amounts in this report are in thousands of Euros.

Assets and liabilities are generally valued on historical cost basis or measured at fair value. If no specific valuation principle has been stated, valuation is on historical costs basis. The result is determined as the difference between the recoverable value of the services provided and the costs and other charges during the year. The results on transactions are stated in the year in which they are realised.

2.2.1 Changes in accounting policies and disclosures

New standards and improvements to IFRS effective as 1 January 2015 onwards have been evaluated and are considered not applicable.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective

The following standards issued have not been adopted by the Group yet, as these are not effective on 1 January 2015.

- IFRS 9 Financial Instruments , effective 1 January 2018
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations1, effective 1 January 2016
- IFRS 14 Regulatory Deferral Accounts1, effective 1 January 2016
- IFRS 15 Revenue from Contracts with Customers1, effective 1 January 2017
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative1, effective 1 January 2016

- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation1, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014), effective 1 January 2016
- IFRS 16 Leases, effective 1 January 2019.

The Group is currently in the process of determining the impact of implementing these standards on our consolidated financial statements.

2.3 Comparison with previous years

The figures for 2014 have been reclassified in order to make them comparable to current year's presentation. It concerns a reclassification of derivative liabilities from non-current to current.

2.4 Basis of consolidation

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed when incurred in the period they arise or the service is rendered. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through income statement. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in income statement or as a change to OCI. If the contingent consideration is classified as equity, it will not be re-measured.
Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Subsidiaries

The consolidated financial statements comprise the financial statements of Van Gansewinkel Groep BV and its subsidiaries. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Intercompany transactions, balances and unrealized gains and losses on transactions between subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a NCI that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in associates and joint ventures

Associates are all entities over which the group has significant influence, but not control or joint control, over the financial and operating policies. 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 rights to its assets and obligations for its liabilities.
Interests in associates and joint ventures are accounted for using the equity method of accounting and are initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI, until the date on which significant influence or joint control ceases.

Unrealized gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the investee. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint operations

A joint operation is an arrangement in which the Group has joint control, whereby the Group has right to the assets and the obligations for the liabilities, relating to the arrangement. The individual assets, liabilities, income and expenses are consolidated in proportion to the Group's contractually specified share.

Other investments

Investments in which the Group holds less than 20% of the shares (i.e. no significant influence) are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

3. Estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires the Group to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The most important estimates relate to the following items:

- Fixed assets (goodwill, intangible assets, property, plant and equipment): for assets that are subject to amortisation or depreciation the Group assesses whether there are indications these assets may be subject to impairment. Assets that are not subject to amortisation (i.e. goodwill and indefinite-lived intangible assets) are tested annually for impairment. The critical estimates and assumptions used in determining impairment are the determination of Cash Generating Units (CGU's), the discount rate and the projection of cash flows.
- Pension costs: pension costs for defined benefit plans are based on actuarial assumptions to make a reliable estimate of the amount of benefit that employees have earned in return for their services in the current and prior periods. Critical estimates in determining the pension liability are discount rate, net interest and future salary and pension increases.
- Provisions: the amounts recognized as a provision are the Group's best estimate of the expenditure required to settle the present obligation at the balance sheet date. This is the amount management expects to pay to settle the obligation at the balance sheet date or to transfer it to a third party at that time.
- Share-based payments: given that the Group's equity instruments are not traded on an active market, valuation of these instruments depends on several estimates which are verified by an independent valuation expert on an annual basis. Critical estimates are made with regard to the trading and transaction multiples that the Group would be valued at, and other items that affect the valuation of the Group and its equity instruments.
- Fair value measurement of financial instruments: when fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

If necessary, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes.

4. Principles for the valuation of assets and liabilities

4.1 Foreign currencies

Functional and reporting currency

Items in the consolidated financial statements are measured using the primary economic environment in which the respective subsidiary operates (the 'functional currency'). The consolidated financial statements are presented in Euro, which is the functional and reporting currency of Van Gansewinkel Groep BV.

Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of companies at exchange rates at the dates of the transactions which gives a reasonable approximation of the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary financial assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions. Non-monetary financial assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange rate results are included in the valuation of the respective items. Any resulting translation differences are generally recognized in the income statement.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

4.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group. Property, plant and equipment are depreciated on a straight-line basis in the income statement over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonable certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated and fixed assets under construction will not be depreciated until they are taken into use. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

For impairments for property, plant and equipment, reference is made to note 4.5.

Any gain or loss on disposals of an item of property, plant and equipment is recognized in the income statement.

When assets which were revalued (before or during the acquisition) are sold, the amounts included in revaluation reserve are transferred to retained earnings.

4.3 Goodwill

Goodwill that arises on the acquisition of subsidiaries 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 acquired subsidiary recognized at the date of acquisition. Goodwill is measured at cost less accumulated impairment losses.

Gains or losses arising from derecognition of goodwill are measured as the difference between the net disposal proceeds and the carrying amount of the goodwill and are recognized in the income statement when the goodwill is derecognized. For the determination when and how goodwill is tested for impairment, reference is made to note 4.5.

4.4 Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation expense on intangible assets with finite lives and are recognized in the income statement in the amortisation costs.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized. For the determination when and how intangible assets are tested for impairment, reference is made to note 4.5.

Customer relations

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

Brand name, concessions and licences

For the valuation of the brand name, the 'relief from royalty' method is used. This method estimates the value of an asset by capitalising the royalty expenses saved, because the Group owns the asset. Brand names, concessions and licences acquired in a business combination are recognized at fair value at the acquisition date. No value is attributed to the brand names of acquisitions when these acquisitions are subsequently integrated into Van Gansewinkel's operations and the names of the acquired companies cease to exist. Separately acquired brand names, concessions and licences are shown at historical cost.

Brand names, concessions and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of brand names, concessions and licenses over their estimated useful lives.

Software

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs are directly attributable to the design and testing of identifiable and unique software products controlled by the Group. Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Software development costs recognized as assets are amortized over their estimated useful lives.

4.5 Impairment of non-financial assets

At each balance sheet date the Group assesses whether there are indications that a non-financial fixed asset may be subject to impairment. If such indications exist, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined. An impairment is deemed necessary if the carrying value of an asset is higher than the recoverable amount; the recoverable amount is the higher of the fair value less costs to sell and the value in use.
The fair value less cost to sell has been determined on the active market. In order to determine the value in use, a pre-tax discount rate has been applied for the discounting of the cash flows. This discount rate reflects the weighted average cost of capital for all CGU's. An impairment loss is stated directly as a charge to the income statement.

If it is found that a past impairment no longer exists or has decreased, the increased carrying value of the respective asset is set no higher than the original carrying value of the asset without the impairment in respect of the asset.

Goodwill impairment

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reducing 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 recognized on goodwill is not reversed in a subsequent period. The discount rate used for goodwill impairment testing equals the discount rate used for impairment testing of other non-financial assets.

4.6 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only if the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount after tax from discontinued operations in the consolidated income statement. The comparative figures in the consolidated income statement are re-presented as if the operation has been discontinued from the start of the comparative year.

4.7 Financial assets

4.7.1 Classification

For purposes of subsequent measurement financial assets are classified in three categories: financial assets at fair value through income statement, loans and receivables and derivatives used for hedging.

4.7.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through income statement. Financial assets carried at fair value through income statement are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through income statement are subsequently carried at fair value. All loans and receivables are initially recognized at fair value and subsequently valued at amortised cost using the effective interest method.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair values for financial assets and liabilities through income statement and derivatives are calculated using generally accepted models and using observable market data based on 1 month zero curve, making use of an external consultancy firm, benchmark against counterparty fair value statements and credit risks.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. For loans and receivables the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated income statement. Impairment testing of trade receivables is described in note 4.9.1.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments for managing its exposure to interest rate, diesel and metal price risk. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met. Further details of derivative financial instruments are disclosed in note 6 to the financial statements.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge). Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognized in the income statement within other gains and losses or within finance costs, depending on the nature of the hedged item. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised in the income statement over the period to maturity.
- Hedges of a particular risk associated with a recognized asset or liability of a highly probable forecast transaction (cash flow hedge). The effective portion of changes in the fair value of derivatives is recognized in OCI. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects the income statement. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to the income statement.
- Hedges of a net investment in a foreign operation (net investment hedges). Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI. The gain or loss relating to the ineffective portion is recognized within other gains and losses. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold depending on amount and loss of control.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The Group uses cash flow hedges only.

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value, taking obsolescence into account.

For collected waste with a positive value (such as scrap metals) the retail method is used. In the retail method the cost of inventory is determined by reducing the sales value of the inventory by the percentage gross margin related to those inventory items.

4.9 Trade and other receivables

4.9.1 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for doubtful debtors. The provision for doubtful debtors is determined based on expected irrecoverability by using specific factors such as establishing different customer profiles, known bankruptcy or imposed cash flow restrictions.

In the event of factoring, the Group derecognizes receivables when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. In cicumstances that the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset, it also derecognizes the receivables. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability (non-recourse factoring). Conversely, the Group continues to recognize transferred receivables if the above mentioned criteria of factoring are not met (recourse factoring).

4.9.2 Work in progress

Work in progress relates to rendering of services. Revenue relating to the projects is recognized under the percentage of completion method. Revenue is generally recognized at the contractual rates. The stage of completion is measured on the basis of labour hours delivered and direct expenses incurred as a percentage of the total hours and expenses to be incurred.

Provisions for expected losses are recorded in the period in which the loss on the projects becomes certain and are deducted from the projects in progress item. The charged instalments and prepayments are also deducted from this item. Charged instalments which exceed the valuation of an individual project are incorporated as a liability in current liabilities. If charged instalments are less than the costs incurred on the project, the difference is recognized as work in progress (excess costs) under the receivables.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand and credit balances at banks. Cash and cash equivalents with a term of more than 3 months are included under non-current assets, while cash and cash equivalents with a term of less than 3 months are included under the current assets. Bank overdrafts are included in amounts owed to credit institutions under current liabilities.

4.11 Share capital

Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities.

Where any subsidiary purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's owners until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

4.12 Dividend distribution

Dividends are recognized as a liability in the period in which they are declared.

4.13 Provisions

Provisions are recognized in respect of legally enforceable or constructive liabilities which exist on the balance sheet date, where it is probable that an outflow of resources will be necessary and the extent of which can be reliably estimated. The provisions are determined on the basis of the best estimate of the amounts which are necessary in order to settle the liabilities on the balance sheet date. The provisions are determined on the basis of the discounted value of the expenditure which is expected to be necessary in order to settle the liabilities. The increase in the provision due to passage of time is recognized as interest expense.

If liabilities are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet date if it is virtually certain that such reimbursement will be received when the liability is settled.

4.14 Employee benefit accounting

Defined benefit plans

The Group operates a number of pension schemes including a number of defined benefit schemes.

The net pension benefit obligation recognized in the balance sheet in respect of defined-benefit post-employment plans is the fair value of plan assets less the present value of the projected defined benefit obligations at the balance sheet date, together with adjustments for projected unrecognized past service costs. The projected defined-benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method. The present value of the liability is calculated by discounting the estimated future cash flows. This is based on interest rates applying to high-quality corporate bonds with a term approximately equal to the term of the related pension liability.

Re-measurement of the net defined benefit obligation, which comprises actuarial gains and losses and return on plan assets (excluding interest), are recognized immediately in OCI. Net interest is calculated by applying the discount rate to the net defined benefit obligation or asset and is recognized in the income statement.

Past-service costs are recognized in the income statement at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Curtailment gains and losses are accounted for as a past service cost.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Industry-wide multi-employer pension funds are accounted for as defined contribution schemes. In the event of a deficit at the industry-wide multi-employer pension funds, the Group has no obligation to pay supplementary contributions other than higher future contributions, which fall within the pension agreement.

Other plans

Other non-operational schemes include employee benefit plans that form part of the remuneration package, such as jubilee plans and temporary leave. These schemes are of a long-term nature. The net liability for these employee benefits is the amount of future benefits that employees earn in return for their services, in the current and previous periods. The liability is calculated using a similar method as used for retirement schemes. Actuarial gains and losses on other long-term employee benefits are recorded directly in the income statement.

Termination benefits (restructuring)

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has led to a constructive obligation.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.15 Deferred tax assets and liabilities

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the net operating losses and temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

4.16 Borrowings

Borrowings are initially valued at fair value and subsequently at amortised cost, being the amount received taking into account premiums or discounts minus transaction costs. The difference between stated carrying value and the mature redemption value is determined together with the due payment of interest, in such a way that the effective rate is accrued in the income statement during the term of the liabilities.

4.17 Financial liabilities at fair value through income statement

Reference is made to note 4.7. Liabilities are recognized and measured in the same manner as the corresponding assets.

4.18 Leasing

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Finance leases

The Group has finance leases and sale and finance leaseback contracts for certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards incidental to ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of the fair value or the present value of the minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

4.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.20 Current liabilities

Other liabilities are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.21 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the useful life of the asset, to match the grant on a systematic basis to the costs that is intended to compensate.

5. Principles for the determination of the result

5.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

Revenues from supply of services are recognized in the period the services are provided.

Revenues from supply of goods are recognized when all significant risks and rewards regarding the property of the goods are transferred to the buyer (mostly on delivery).

Revenues regarding work in progress on the instructions of third parties consist of the contractually agreed considerations, additional or less work, in so far as it is probable that these revenues will be realised and can be determined reliably. Work in progress may also relate to rendering of services. Revenue relating to projects is recognized under the percentage of completion method, in case the outcome can be estimated reliably. In case the outcome cannot be estimated reliably, revenue is recognized only to the extent of costs incurred which are probable to be recoverable. Revenue is generally recognized at the contractual rates. The stage of completion is measured on the basis of labour hours delivered and direct expenses incurred as a percentage of the total hours and expenses to be incurred.

Revenue of collection activities is recognized at the moment waste is collected from customer (i.e. not at the moment that is sent to the processor). Revenue of recycling activities is recognized at the moment the waste is processed.

5.2 Share based payments

One of the Group's former holding companies operated equity-settled, share-based compensation plans, under which the Group received services from employees as consideration for equity instruments of one of the Group's former holding companies that were purchased by the selected eligible individuals. The fair value of the awarded depositary receipts issued over common shares was recognized as an expense if the fair value of the depositary receipts at the grant date was higher than the amount paid by the employees. By the end of 2014, the respective employees of the Group agreed with one of the Group's former holding companies that no value was to be expected for the equity instruments in the future. Keeping the equity instruments in place was no longer feasible and it was agreed upon that the depository receipts would be handed in. As a result, employees working for the Company transferred all their depositary receipts for nil during 2015.

Eligible key managers of the Group were offered the opportunity to purchase depositary receipts over Ordinary Shares (the 'DRs') under the terms and conditions of the Management Equity Participation Plan (the 'MEP') or the Medium Term Incentivization Plan (the 'MTIP') against payment of a predetermined purchase price. The Plan was regarded to be an equity-settled share based payment transaction. The fair value per DR recognized was equal to the difference between the fair value per DR and the subscription price per DR. No other features were incorporated into the measurement of the fair value. Further reference is made to note 8.5.

The total amount expensed was determined by reference to the fair value of the DRs awarded. The total fair value of the DRs was recognized over the vesting period, which was the period over which all of the applicable continued employment and non-market related performance conditions were to be satisfied in order to become entitled to any value increase associated with the DRs acquired. The expenses were recognized in the income statement, with a corresponding adjustment to equity.

After vesting of the DRs, the adjustments made to equity were transferred within equity from other reserves to share premium reserve and recognized as a contribution from the parent since the underlying costs were not recharged to the Group.

The social security contributions payable in connection with the grant of the share options was considered an integral part of the grant itself, and the charge was treated as a cash-settled transaction.

Critical judgements in applying the Group's accounting policies for share-based payments

In accordance with IFRS 2, the purchase of equity instruments by employees and others providing similar services rendered to the Group represents a supplementary benefit provided by the Group. Under IFRS 2, for equity settled share based payment arrangements, the Group estimates the fair value of these equity instruments at the grant date and records the value within equity, and where applicable this value is spread over the vesting period of the instruments. The fair value applied is based on the shareholder value which has been derived from the Enterprise Value estimated for the Group, including a discount for illiquidity. The method used is according to guidelines issued by the European Venture Capitalists Association. For this estimation, EBITDA multiples have been applied that were based on a transaction and trading multiple approach.

5.3 Financial income and expenses

Interest income and interest expenses are included using the effective interest rate method. In the case of interest expenses, the stated transaction costs on the loans received are taken into account. Interest costs that an entity incurs with the connection of borrowing of funds are capitalized and deducted from the long-term liabilities.

5.4 Taxes on result

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in OCI or directly in equity. In this case the tax is also recognized in OCI or directly in equity, respectively.
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

6. Financial instruments

6.1 Classification and valuation of financial instruments

The classification of the financial instruments used by the Group can be specified as follows:

	note	Loans and receivables	Assets at fair value through the profit and loss	Assets at fair value effective hedging	Carrying amount	Fair value	Level
31 December 2015							
Assets as per balance sheet							
Derivative financial instruments	**7.6**	-	-	-	-	-	
Trade and other receivables excluding prepayments	**7.7, 7.9, 7.11**	116,406	-	-	116,406	116,406	
Cash and cash equivalents	**7.12**	132,144	-	-	132,144	132,144	
Total		**248,550**	**-**	**-**	**248,550**	**248,550**	

	note	Loans and receivables	Assets at fair value through the profit and loss	Assets at fair value effective hedging	Carrying amount	Fair value	Level
31 December 2014							
Assets as per balance sheet							
Derivative financial instruments	**7.6**	-	-	-	-	-	
Trade and other receivables excluding prepayments	**7.7, 7.9, 7.11**	144,494	-	-	144,494	144,494	
Cash and cash equivalents	**7.12**	147,272	-	-	147,272	147,272	
Total		**291,766**	**-**	**-**	**291,766**	**291,766**	

	note	Liabilities at fair value through the profit and loss	Liabilities at fair value effective hedging	Other financial liabilities at amortised cost	Carrying amount	Fair value	Level
31 December 2015							
Liabilities as per balance							
Borrowings	**7.20**	-	-	361,761	361,761	351,196	2
Derivative financial instruments	**7.6**	15,616	-	-	15,616	15,616	2
Trade and other payables	**7.24**	-	-	213,569	213,569	213,569	
Total		**15,616**	**-**	**575,330**	**590,946**	**580,381**	

	note	Liabilities at fair value through the profit and loss	Liabilities at fair value effective hedging	Other financial liabilities at amortised cost	Carrying amount	Fair value	Level
31 December 2014							
Liabilities as per balance							
Borrowings (excluding capitalized financing costs)		-	-	891,237	891,237	630,645	2
Derivative financial instruments	**7.6**	444	4,203	-	4,647	4,647	2
Trade and other payables	**7.24**	-	-	224,828	224,828	224,828	
Total		**444**	**4,203**	**1,116,065**	**1,120,712**	**860,120**	

The carrying amounts and fair values of the borrowings (excluding capitalized financing costs and embedded derivatives) can be specified as follows:

	Carrying amount		Fair value	
	2015	2014	2015	2014
Financial institutions	304,973	776,268	296,903	515,791
Preference shares	-	42,312	-	42,673
Finance leases	44,712	57,587	42,283	57,144
Bank overdrafts	10,940	8,713	10,940	8,713
Other loans	1,136	6,357	1,070	6,324
	361,761	891,237	351,196	630,645

Valuation techniques and significant inputs

The fair value of the financial instruments as shown in the consolidated balance sheet is a result of the sum of the calculated expected future cash flows on the basis of the applicable yield curve. The Group uses published ‘market data’, credit risk, counterparty quotes and market value calculations provided by external independent parties. The fair values of cash and cash equivalents and short-term trade receivables and payables equal their carrying amounts.

Level 1 financial assets and liabilities at fair value through income statement are instruments traded on an active market, based on quoted market prices. Level 2 financial assets and liabilities through income statement concern instruments that are not traded on an active market and valuation is determined by using generally accepted valuation techniques. These valuation techniques make maximum use of available market data and rely as little as possible on estimates. If all significant inputs required for the establishment of the fair value of an instrument are observable, the instrument is included in level 2. Level 3 financial assets and liabilities consist of items for which one or more of the significant inputs are not based on observable market data. There were no transfers in levels in either direction in 2015.

In note 4.7 the most relevant accounting and valuation principles for financial instruments are explained. Also, the method by which the fair value is defined and how income and costs related to the financial instruments are accounted for.

6.2 Financial and market risks and risk control

In the normal course of business the Group is exposed to financial and market risks related to credits, liquidities, interest rates, foreign currencies, diesel prices and metal prices.

6.2.1 Credit risk and governance

The Group runs a counterparty risk on cash and deposits held with counterparty banks. This risk is governed by avoiding cash concentration with one counterparty and selecting counterparties of respectable creditworthiness, so there is no concentration of credit risk. The total maximum credit risk on financial assets amounts to EUR 249 million.

The Group runs credit risks on counterparties to the derivative transactions. This risk may result in a loss if the contractual counterparty defaults on payments due to the Group. This risk is governed by only entering into transactions with counterparties of respectable creditworthiness. In addition, hedge transactions are allocated to different counterparties. With all counterparties an ISDA (International Swaps & Derivatives Association) Master Agreement has been concluded.

Credit risks on outstanding loans are managed by only entering into transactions with counterparties of respectable creditworthiness.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The credit risk on customers is mitigated by the use of a credit insurance policy. Part of the credit risk on customers is further mitigated by non-recourse factoring for an amount of EUR 33.2 million as of 31 December 2015 (2014: EUR 22.6 million).

Credit risks on unbilled receivables, other receivables, prepayments and accrued income are managed by monitoring the invoicing backlog (unbilled receivables), limitations on prepayments and only doing business with reliable counterparties.

6.2.2 Liquidity risks and –governance

The financing structure of the Group is focused on maximizing stakeholder value while retaining sufficient financial flexibility for investments, acquisitions and strategic projects. Liquidity risk consists of the possible financial impact for the Group if liabilities cannot be met due to a liquidity shortage.

The loans and liquidity of the Group are monitored by the central treasury department. The liquidity planning is updated weekly and reported to the Board of Directors. The daily liquidity governance is focused on the concentration of liquidity within the Group. The Group and its shareholders take a very cautious approach to managing the capital structure and are continuously considering (strategic) options to adequately manage the liquidity risk.

A revolving credit facility of € 70.0 million can be used at discretion of the Group for credit or ancillary purposes. By the end of 2015, no credit was drawn under the revolving credit facility and EUR 32.1 million of the ancillary line was drawn by way of bank guarantees, leaving € 37.9 million undrawn. The flexible credit facility is subject to an annual clean down obligation.

The next table provides an insight in the contractual undiscounted cash flows of the financial obligations related to borrowings, based on the financing structure applicable as of 31 December 2015. For each period, the nominal cash outflows are given. The expected future interest payments are based on forward EURIBOR rates. The expected nominal payments under hedge transactions are determined on the basis of the fixed hedge price and the assumption that the year-end variable rate remains constant for the remainder of the hedge term. If hedges are subject to a net settlement the corresponding cash flows are presented on a net basis.

Undiscounted cash flows after 2015	2016	2017	2018	2019	> 2019
Repayment loans	-	-	-	-	376,848
Repayment finance leases	12,673	8,623	6,992	5,658	10,767
Repayment other loans	685	270	84	54	41
Interest loans	16,653	17,160	17,730	18,319	10,041
Interest finance leases	1,742	1,150	758	460	515
Interest other loans	11	5	3	1	-
Financial guarantees	-	-	-	-	-
Subtotal	31,764	27,208	25,567	24,492	398,212
Interest hedges	2,457	-	-	-	-
Total cash flows	34,221	27,208	25,567	24,492	398,212
average reference interest rate*	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%

* The average reference interest rate used for the calculations above is EURIBOR.

Trade and other payables will be fully repaid in 2016. Other than the interest hedges and the diesel hedges, there are no other hedges with a negative value which need to be settled in future years.

At the balance sheet date it was unlikely that any credit replacing guarantee would be claimed. Accordingly, there are no outgoing cash flows accounted for under these guarantees. Issued guarantees are disclosed in note 7.25.

Comparative figures derived from the 2014 financial statements are included in the table below:

Undiscounted cash flows after 2014	2015	2016	2017	2018	> 2018
Repayment loans	-	-	685,555	90,713	-
Repayment finance leases	13,326	13,200	9,212	8,604	13,245
Repayment other loans	1,719	1,588	1,126	782	1,140
Interest loans	39,084	39,343	13,434	1,199	-
Interest finance leases	2,384	1,738	1,139	747	944
Interest other loans	128	88	59	35	36
Financial guarantees	-	-	-	-	-
Subtotal	56,641	55,957	710,525	102,080	15,365
Interest hedges	3,316	2,728	-	-	-
Total cash flows	59,957	58,685	710,525	102,080	15,365
average reference interest rate*	0.3%	0.3%	0.3%	0.3%	0.3%

* The average reference interest rate used for the calculations above is EURIBOR.

6.2.3 Interest rate risk and control

The interest rate risk of the Group relates to the financing structure which to a large extent consists of variable rate loans. Within the terms of these loans the interest rates can be fixed for a period ranging between 1 and 6 months. As a result, the Group's cash flow and results are subject to fluctuations in the short-term interest rate. EURIBOR is the relevant reference interest rate for the Group.

The Group's hedge transactions are aimed at controlling the effects of market interest fluctuations on cash flows and results attempting to keep the effective interest rate as low as possible. To achieve the desired ratio between a fixed and floating rate the Group uses mostly interest rate swaps and occasionally options. Periodically the interest risk profile is analysed and, if necessary, the ratio between fixed and variable interest rates is adjusted.

The sensitivity analysis below is based on the ratio between fixed and variable rate loans as mentioned in the financial statements and the corresponding interest rate hedges at the end of 2015. A parallel movement of the interest curve of 50 basis points up or down has the following effects:

- The interest charges arising from the variable rate loans can only increase by EUR 1.5 million in 2016 since the EURIBOR rate is 10 basis points negative for budget 2016.
- The interest income arising from the interest rate hedges can only increase by EUR 1.5 million in 2016 since the EURIBOR rate is 10 basis points negative for budget 2016.

The following list provides insight into the interest rate refixing periods on the long term loans and the corresponding interest rate hedges based on the financing structure applicable as of 31 December 2015. For the sake of analysis it is assumed that over time all debt that matures will not be rolled over. Fixed interest loans are assumed to be sensitive to interest re-pricing risk if loans are refinanced.

	2016	2017	2018	2019	2020	> 2020
Average borrowings per year						
Borrowings Total fixed interest	38,488	27,454	18,454	11,231	6,598	1,388
Borrowings Total variable interest	313,859	328,817	344,429	360,513	217,826	-
Total repricing amount	352,347	356,271	362,883	371,744	224,424	1,388
Interest rate swaps						
Total repricing amount	(300,000)	-	-	-	-	-
Net amount subject to floating interest rate	13,859	328,817	344,429	360,513	217,826	-

Based on the financing structure applicable as of 31 December 2015, the Group has fixed the 1-month EURIBOR interest rate in 2016 for an average EUR 300 million of outstanding loans at 0.547% using interest rate swaps.

The results on the interest rate hedges are settled on a monthly basis. The variable interest component in the hedges is determined monthly.

Comparative figures derived from the 2014 financial statements are included in the following table:

	2015	2016	2017	2018	2019	> 2019
Average borrowings per year						
Borrowings						
Total fixed interest	51,165	37,192	25,701	17,186	10,380	1,889
Borrowings						
Total variable interest	777,635	776,954	433,737	45,466	65	22
Total repricing amount	828,800	814,146	459,438	62,652	10,445	1,911
Interest rate swaps						
Total repricing amount	(600,000)	(600,000)	-	-	-	-
Net amount subject to floating interest rate	177,635	176,954	433,737	45,466	65	22

6.2.4 Currency risk and control

The Group's activities are mainly executed within the same currency environment. Operational costs and revenues are all in the same currency, making the transactional risk within the Group virtually nil.

Almost all subsidiaries of the Group are located within the Euro zone. As a result, the currency exchange risks are very limited. For net investments in Poland and the Czech Republic, the Group is exposed to a limited translation risk for the balance sheet and income statement. Given the limited currency risk exposure and since these investments were sold in 2015, no currency hedge transactions were carried out in 2015.

6.2.5 Diesel price risk and control

The diesel price risk of the Group originates through the physical use of diesel by vehicles in the collection business. The current diesel market price is one of the factors which determine the purchase price of diesel. As a result, the results and cash flow of the Group depend on the movements in the market price for diesel.

The Group enters into derivative transactions to hedge the diesel price for the expected volume in 2016. Diesel swaps with a fixed buying price are used. The results on these hedges are settled on a monthly basis. The variable component in the hedge is determined monthly in arrears on the average market price.

Assuming all other variables remain unchanged, a parallel movement of the diesel price curve of EUR 50 per metric ton up or down has the following effects:

- The charges arising from the diesel hedge decrease / increase by EUR 1.1 million.
- The market value of the diesel hedges increase / decrease by EUR 1.1 million.

As per year end, the outstanding position amounts to EUR 2.3 million (2014: nil).

6.2.6 *Metal price risk and control*

The Group recovers various metals through processing of waste streams. The selling prices of various metals are mainly determined by the commodity markets. As a result, the results and cash flow of the Group depend on the movements in the commodity market prices for metals.

Particularly in recycling, natural hedges are pursued through commercial contracts. This is a settlement method for incoming waste streams where the processing fee inversely correlates with the metals' market prices. Higher metal prices lead to a lower processing fee for the customer. This lower fee is offset by higher sales proceeds on the metals which guarantee the Group's margin and net cash flow.

As far as a natural hedge cover is not applicable, the Group selectively hedges the selling price of metals through derivative transactions. As per year end no position is outstanding. No derivative transactions have been entered into for 2015 and further.

6.3 *Capital risk 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 gearing ratio is calculated as consolidated net debt divided by total capital. The gearing ratios as of 31 December 2015 and as of 31 December 2014 were as follows:

	2015	2014
Borrowings excluding preference shares and capitalized financing costs (note 8.20)	361,761	848,925
Less: cash and cash equivalents (note 8.12)	(132,144)	(147,272)
Consolidated net debt	229,617	701,653
Total equity	(8,808)	(458,192)
Total capital	220,809	243,461
Gearing ratio	**104%**	**288%**

As of 31 December 2014 the Group’s equity amounted to EUR 458 million negative, mainly due to the impairment of goodwill and other intangibles assets in 2014. On 14 July 2015 the shares of Van Gansewinkel Netherlands 4 BV, the direct shareholder of the Group, were sold to Van Gansewinkel’s syndicate of lenders. The lenders contributed a share premium in the Group to convert the original senior debt including accrued interest and 50% of the fair value of the interest rate swaps into equity. With the share premium the remainder of the original senior debt was converted into a EUR 320 million reinstated senior facility with a maturity in 2020. This resulted in a significant improvement of the Group’s equity in 2015 to a negative equity amounting to EUR 8.8 million as of 31 December 2015.

As part of capital risk management, the Group monitors compliance with bank covenants closely. Bank covenants are monitored on a monthly basis and reported to the group of financial institutions on a quarterly basis. Based on the new financing structure as of 14 July 2015, as of that date during 2015 and at the end of 2015 the Group complied with all bank covenants. To ensure covenant compliance under the new financing structure and decrease of the gearing ratio over time, cost reduction and revenue improvement programs are in place, having positive effects on result, cash flow and debt reduction.

7. Notes to the consolidated balance sheet

7.1 Property, plant and equipment

The changes in property, plant and equipment are as follows:

	Land and buildings	Plant and machinery	Other fixed assets	Fixed assets under construction	Total
31 December 2013					
Cost	339,938	223,984	627,365	6,156	1,197,443
Accumulated impairments and depreciation	(139,334)	(179,091)	(455,373)	-	(773,798)
Carrying value	200,604	44,893	171,992	6,156	423,645
Changes 2014					
Exchange differences	(119)	(29)	(76)	(70)	(294)
Investments	4,753	4,770	43,762	2,831	56,116
Change in demolition / landfill	(580)	(215)	-	-	(795)
Other	(645)	686	(45)	(8)	(12)
Reclassification	7,971	7,444	(12,100)	(3,417)	(102)
Divestments	(515)	(91)	(1,395)	(32)	(2,033)
Deconsolidations	-	(20)	-	-	(20)
Depreciation	(13,053)	(11,235)	(42,327)	-	(66,615)
Impairment	(624)	(916)	(998)	-	(2,538)
Reclass to assets held for sale	(5)	(120)	(965)	-	(1,090)
	(2,817)	274	(14,144)	(696)	(17,383)
31 December 2014					
Cost	378,826	211,296	621,243	5,460	1,216,825
Accumulated impairments and depreciation	(181,039)	(166,129)	(463,395)	-	(810,563)
Carrying value	197,787	45,167	157,848	5,460	406,262
Changes 2015					
Exchange differences	72	9	38	18	137
Investments	2,554	7,673	37,504	14,898	62,629
Change in demolition / landfill	134	1	-	-	135
Other	-	-	25	-	25
Reclassification	373	(3,519)	9,612	(6,528)	(62)
Divestments	(320)	(78)	(1,714)	(30)	(2,142)
Deconsolidations	(7,582)	(1,072)	(10,682)	(1,601)	(20,937)
Depreciation	(12,486)	(10,878)	(40,255)	-	(63,619)
Impairment	(356)	(13)	(33)	-	(402)
Reclass to assets held for sale	(3,440)	-	307	-	(3,133)
	(21,051)	(7,877)	(5,198)	6,757	(27,369)
31 December 2015					
Cost	348,810	160,466	550,364	12,217	1,071,857
Accumulated impairments and depreciation	(172,074)	(123,176)	(397,714)	-	(692,964)
Carrying value	176,736	37,290	152,650	12,217	378,893
Annual rate of depreciation	0% -10%	2% -20%	10% -50%	0%	

The government grants amounting to EUR 0.5 million (2014: EUR 0.3 million) are deducted from the historical cost.

Property, plant and equipment include assets acquired under finance leases. The carrying value of assets under finance leases is as follows:

	31 December 2015	31 December 2014
Carrying value assets under finance leases	62,021	73,809

Land, buildings and other real estate assets were mortgaged to secure loans granted by financial institutions under the syndicated credit facilities with a carrying value at balance sheet date of EUR 124.9 million (2014: EUR 148.0 million). Other fixed assets have been mortgaged with a carrying value at balance sheet date of EUR 169.6 million (2014: EUR 72.0 million).

7.2 Goodwill

The changes in goodwill are as follows:

	2015	2014
Balance as of 1 January		
Cost	526,934	525,457
Accumulated impairments	(488,751)	(64,736)
Carrying value	38,183	460,721
Changes		
Exchange rate results	-	(23)
Other changes	-	1,500
Impairments	-	(424,015)
	-	(422,538)
Balance as of 31 December		
Cost	526,934	526,934
Accumulated impairments	(488,751)	(488,751)
Carrying value	38,183	38,183

Impairment tests for goodwill

Goodwill acquired through business combinations has been allocated to four CGU's: Waste Collection, Minerals, Coolrec and Maltha. The CGU composition is based on the organisational structure of the Group and is similar to 2014.

The recoverable amount of a CGU is determined based on value in use. This is based on estimated revenues, costs, investments and cash flow projections using budgets and outlooks approved by management and estimated growth rates for a period of four years. After the explicit forecast period, the assumptions as presented in the table below are applied.

The weighted average pre-tax discount rate used in the value in use calculation is 10.2% (2015: 10.5%) for all CGU's. The other key assumptions for the value in use calculation per CGU are based on approved budgets and outlooks over the period 2016 – 2019 and are as follows:

	Goodwill per CGU before impairment (x € million)	CAGR* 2016 - 2019	Growth Rate > 2019	Average EBITDA Margin 2016-2019	EBITDA Margin > 2019
Waste Collection	0	1.0%	1.8%	9.8%	10.2%
Minerals	0	-1.9%	1.8%	22.2%	22.2%
Coolrec	27	1.3%	1.8%	8.2%	8.6%
Maltha	11	7.9%	1.8%	18.4%	19.4%
Total Group	**38**	**** 1.2%**	**1.8%**	**** 10.6%**	**** 10.7%**

* CAGR = Compound Annual Growth Rate
** Weighted Average

Due to adverse market conditions in 2014 which resulted in a decline of estimated cash flows, a goodwill impairment loss was recognized in 2014 for a total amount of EUR 424 million. This related to CGU Waste Collection for EUR 381 million (recoverable amount of EUR 319 million), CGU Coolrec for EUR 37 million (recoverable amount of EUR 35 million) and CGU Minerals for EUR 6 million (recoverable amount of EUR 15 million). For the CGU's Waste Collection and Minerals the impairment exceeded goodwill. This led to an additional impairment of the other intangible assets amounting to EUR 63.5 million. The impairment charge in 2014 of EUR 487.5 million was recorded as a separate line item in the consolidated income statement.

Based on the impairment test of 2015, it was concluded that the estimated recoverable amount was above the carrying value for all CGU's. Therefore, no impairment loss was recognized in 2015.

The sensitivity of the impairment model was tested by varying four parameters individually while keeping the other parameters equal to the original assumptions. This sensitivity analysis results in the following impairment losses for all CGU's combined:

Amounts in EUR millions	minus 0.5%	plus 0.5%
- adjust discount rate	0	0
	minus 0.5%	plus 0.5%
- adjust revenue growth rate	0	0
	minus 1%	plus 1%
- adjust EBITDA margin	35	0
	minus 5%	plus 5%
- adjust CAPEX level	0	0

For CGU's Maltha and Minerals no impairment is required based on the sensitivity analysis. For CGU's Waste Collection and Coolrec the sensitivity analysis leads to an impairment. With regard to the Waste Collection CGU the impairment would impact the other intangibles fixed assets as the carrying value of goodwill is nil.

7.3 *Other intangible assets*

The movements in other intangible assets are as follows:

	Brand name	Customer relations	Conces-sions and licences	Software	Total
31 December 2013					
Cost	43,473	208,760	15,209	61,663	329,105
Accumulated impairments and amortisation	(15,633)	(121,703)	(11,059)	(44,022)	(192,417)
Carrying value	27,840	87,057	4,150	17,641	136,688
Changes 2014					
Exchange rate results	-	(9)	-	-	(9)
Investments	-	3	200	5,657	5,860
Other	-	(17)	46	-	29
Reclassification	-	-	-	104	104
Divestments	-	(6)	-	-	(6)
Amortisation	(2,145)	(17,754)	(1,916)	(6,148)	(27,963)
Impairments	(16,537)	(45,639)	(1,380)	-	(63,556)
	(18,682)	(63,422)	(3,050)	(387)	(85,541)
31 December 2014					
Cost	43,473	208,090	15,455	67,299	334,317
Accumulated impairments and amortisation	(34,315)	(184,455)	(14,355)	(50,045)	(283,170)
Carrying value	9,158	23,635	1,100	17,254	51,147
Changes 2015					
Exchange rate results	-	6	-	1	7
Investments	1	2	419	4,792	5,214
Other	-	(12)	-	-	(12)
Reclassification	0	93	-	(23)	70
Deconsolidations	0	(106)	-	(93)	(199)
Amortisation	(763)	(7,956)	(741)	(6,967)	(16,427)
Impairments		(206)	-	-	(206)
	(762)	(8,179)	(322)	(2,290)	(11,553)
31 December 2015					
Cost	43,370	201,479	15,875	67,893	328,617
Accumulated impairments and amortisation	(34,974)	(186,023)	(15,097)	(52,929)	(289,023)
Carrying value	8,396	15,456	778	14,964	39,594
Annual rate of amortisation	5% - 10%	9% - 20%	4% - 50%	20% - 33%	

The brand name category includes the Van Gansewinkel brand name, which has a carrying amount of EUR 6.8 million and a remaining amortisation period of 11 years.

Other intangible assets were pledged to secure loans granted by financial institutions under the syndicated credit facilities with a carrying value at balance sheet date of EUR 0.9 million (2014: nil).

An impairment test was performed in 2015 with the key assumptions as listed in note 7.2, which did not result in any impairment charges.

For a specification of the impairments charged to the other intangible assets in 2014, we refer to note 7.2.

7.4 Interests in associates, joint ventures and other investments

Interests in associates and joint ventures relates to the Group's share in the net asset value of associates and joint ventures. See note 11 for a specification of the interests in associates, joint ventures and other investments. The valuation of the interests in associates, joint ventures and other investments is as follows:

	31 December 2015	31 December 2014
Joint ventures	(74)	(94)
Associates	1,198	1,770
Other investments	1,288	1,243
Total	2,412	2,919

The movements in interests in associates and joint ventures are as follows:

	2015	2014
Balance as of 1 January	2,919	3,357
Divestments	(267)	-
Share in result of associates, joint ventures and other investments	429	(60)
Dividend	(669)	(378)
Balance as of 31 December	2,412	2,919

7.4.1 Interests in associates

The following table summarises the financial data of the interests in associates:

	2015	2014
Group's share in net assets	1,198	1,770
Group's share of:		
Result after tax	364	(49)
Other comprehensive income	-	-
	364	(49)

7.4.2 Interests in joint ventures

The following table summarises the financial data of the interests in joint ventures:

	2015	2014
Group's share in net assets	(74)	(94)
Group's share of:		
Result after tax	65	(84)
Other comprehensive income	-	-
	65	(84)

7.5 *Deferred tax assets*

Deferred tax assets relates to tax losses carried forward. The movements in the deferred tax assets can be broken down as follows:

	2015	2014
Balance as of 1 January	-	-
(De)consolidation	-	-
Recognition of losses carried forward	14,794	8,108
Reclassification	(14,794)	(8,108)
Balance as of 31 December	-	-

On 15 June 2015, the fiscal unity for Dutch corporate income taxes, headed by Van Gansewinkel Netherlands 3 BV, ceased to exist due to the steps taken for the sale of the shares of Van Gansewinkel Netherlands 4 BV, being the direct shareholder of the Group. Recognized tax losses carried forward as per that date were charged to the profit or loss. Subsequently, a new fiscal unity was formed headed by Van Gansewinkel Netherlands 4 BV as per 16 June 2015.

On 14 July 2015 the sale of the shares of Van Gansewinkel Netherlands 4 BV to Van Gansewinkel's syndicate of lenders was finalised. As of that date, VGG Holdco BV is the new shareholder of Van Gansewinkel Netherlands 4 BV. Furthermore, the fiscal unity has been expanded with VGG Holdco BV and its shareholder VGG Topco 2 BV as head of the fiscal unity, as per 14 July 2015.

The following table features the deferred tax assets and liabilities:

	Assets		Liabilities	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Property, plant and equipment	-	-	32,177	35,619
Brandname	-	-	2,365	2,507
Customer relations	-	-	4,033	6,111
Concessions and licenses	-	-	41	218
Derivatives	3,772	1,320	-	158
Financing and acquisition costs	1,057	1,358	-	-
Employee benefits	2,803	3,711	-	-
Loans	-	-	1,357	-
Provisions	-	-	7,910	7,252
Tax losses carried forward	14,794	8,108	-	-
Subtotal	22,426	14,497	47,883	51,865
Netted in deferred tax liabilities	(22,426)	(14,497)	(22,426)	(14,497)
Total deferred tax assets / liabilities	-	-	25,457	37,368

Average expiration terms for various deferred tax items are as follows:

	Net assets	Net liabilities
Property, plant and equipment (excluding land)		2023
Intangible assets		2022
Derivatives	2019	
Financing and acquisition costs	2025	
Loans		2020
Employee benefits	2036	
Provisions		2047
Tax losses carried forward	2024	

Tax losses amounting to EUR 52.7 million are not recognized in the consolidated balance sheet in 2015. It concerns tax losses in The Netherlands, Czech Republic, France, Germany and Hungary. An amount of EUR 24.5 million is attributable to the former fiscal unity headed by Van Gansewinkel Netherlands 3 BV and as such no longer available for utilization against future taxable income. For the remaining amount it is not probable that future taxable income will be available against which the Group can utilise the benefits in the foreseeable future.

7.6 Derivative financial instruments

The following table features the fair value of all derivative financial instruments of the Group:

	31 December 2015			31 December 2014		
Liabilities per balance sheet date	Liabilities through profit and loss	Derivatives effective hedging	Total liabilities	Liabilities through profit and loss	Derivatives effective hedging	Total liabilities
Interest rate swaps	2,333	-	2,333	444	4,203	4,647
Embedded derivative	10,950	-	10,950	-	-	-
Diesel swaps	2,333	-	2,333	-	-	-
Total	15,616	-	15,616	444	4,203	4,647
Classification						
Non-current	10,950	-	10,950	-	1,769	1,769
Current	4,666	-	4,666	444	2,433	2,877
Balance as of 31 December	15,616	-	15,616	444	4,203	4,647

In 2015 hedge ineffectiveness amounting to EUR 2.1 million (2014: 0.4 million) was recorded. Resulting from the reinstated senior facility an embedded derivative for a 100 basis points minimum for EURIBOR has been recognized as of 14 July 2015.
In 2014, the 2013 settled part of interest rate swaps relating to hedge accounting was amortized fully.

7.7 Other non-current financial assets

	2015	2014
Balance as of 1 January	100	5,779
Granted	164	345
Repayment	-	(949)
Accrued interest	-	708
Transfer to current financial assets	(119)	(5,783)
Impairment	-	-
Balance as of 31 December	145	100

Other non-current financial assets includes a loan granted to joint venture PQA BV amounting to EUR 0.1 million, and, for the remaining amount, a loan granted to associate Afval Loont Holding BV. The interest on loans granted is between 2.2% - 10%. All loans have a remaining term of one to 5 years.

For a number of subsidiaries, the receivables have been pledged to financial institutions, with a carrying value at balance sheet date of EUR 0.1 million (2014: nil).

7.8 Inventories

The specification of inventories is as follows:

	31 December 2015	31 December 2014
Supplies / components	11,752	12,707
Other	2,258	3,740
Less: impairment	-	(540)
	14,010	15,907

The amount of write-down of inventories recognized as an expense is EUR nil (2014: EUR 0.5 million) which is included in other operating expenses.

Inventories have been pledged to financial institutions, with a carrying value at balance sheet date of EUR 9.6 million (2014: EUR 3.8 million).

7.9 Trade and other receivables

The trade and other receivables consist of:

	31 December 2015	31 December 2014
Trade debtors	90,777	112,984
Less: provision for doubtful debtors	(2,320)	(4,520)
	88,457	108,464
Unbilled receivables	24,107	27,598
Taxes and social security premiums	2,569	4,061
Other	3,578	2,549
	118,711	142,672

The following table features an age analysis of the outstanding trade debtors:

	31 December 2015	31 December 2014
Prior to due date	63,333	72,377
After due date		
- under 3 months	23,464	34,740
- 3 to 6 months	1,834	2,455
- 6 to 12 months	591	529
- over 12 months	1,555	2,883
Face value	90,777	112,984
Less: provision for doubtful debtors	(2,320)	(4,520)
Total	88,457	108,464

The movement in the provision for doubtful debtors is as follows:

	2015	2014
Balance as of 1 January	(4,520)	(5,245)
Impairment losses recognised on receivables	(1,610)	(1,253)
Deconsolidations	762	-
Amounts written off as uncollectible	1,275	922
Amounts recovered during the year	1,779	1,056
Exchange differences	(6)	-
Balance as of 31 December	(2,320)	(4,520)

The trade and other receivables are mostly denominated in Euros. For calculation of translation differences reference is made to note 4.1. Fair value analysis of trade and other receivables is included in note 6.1.

As of 31 December 2015, trade receivables at initial value of EUR 2.3 million (2014: EUR 4.5 million) were impaired and fully provided for.

Trade debtors have been pledged to financial institutions, with a carrying value at balance sheet date of EUR 77.7 million (2014: EUR 67.8 million). Other receivables have been pledged, with a carrying value at balance sheet date of EUR 26.7 million (2014: EUR 32.1 million).

7.10 Prepayments and accrued income

	31 December 2015	31 December 2014
Prepayments and accrued income	6,028	6,283

Prepayments and accrued income have been pledged to financial institutions, with a carrying value at balance sheet date of EUR 5.6 million (2014: EUR 5.1 million).

7.11 Other current financial assets

Other current financial assets relate to the short term part of the other financial assets and have been pledged to financial institutions, with a carrying value at balance sheet date of EUR 0.1 million (2014: EUR 4.4 million).

Other current financial assets consisted of a EUR 4.2 million loan due from related party Van Gansewinkel Netherlands 3 BV as of 31 December 2014 which was impaired in 2015.
In 2015 a loan amounting to EUR 0.1 million with a maturity in 2016 was granted to related party VGG Holdco BV.

7.12 Cash and cash equivalents

The cash and cash equivalents include liquidities amounting to EUR 19.4 million (2014: EUR 19.9 million) as minimal cash position for guarantees. Furthermore cash includes cash at public-private partnerships amounting to EUR 9.4 million (2014: EUR 8.4 million) and cash in interests in joint operations amounting to EUR 0.4 million (2014: EUR 0.4 million). Due to various other reasons, cash of EUR 0.8 million (2014: EUR 0.8 million) is not freely available to the group.

The cash and cash equivalents with carrying value at balance sheet date 2015 of EUR 89.6 million (2014: EUR 124.6 million) have been pledged to financial institutions.

7.13 Assets classified as held for sale

	31 December 2015	31 December 2014
Land and buildings	5,067	3,181
Other assets	-	1,042
	5,067	4,223

Several locations with land and buildings are held for sale. The increase in land and buildings classified as held for sale in 2015 is due to a new location classified as held for sale in 2015, partly offset by the sale of part of held for sale location in Maarheeze. The decrease in other assets classified as held for sale mostly relates to assets sold of Riebeeck Olie Amsterdam 1 BV and Riebeeck Olie Amsterdam 2 BV.

The assets held for sale have been pledged to financial institutions with a carrying value at balance sheet date of EUR 5.1 million (2014: EUR 3.2 million).

7.14 Issued capital

Issued capital consists of EUR 80,000 ordinary shares which have been fully paid. Resulting from the conversion of preference shares into ordinary shares on 14 July 2015, the number of issued shares increased with EUR 40,000 in 2015.

7.15 Share premium

On 14 July 2015 the shares of Van Gansewinkel Netherlands 4 BV, the direct shareholder of the Group, were sold to Van Gansewinkel's syndicate of lenders. The lenders contributed a share premium in the Group to convert the original senior debt including accrued interest and 50% of the fair value of the interest rate swaps into equity. With the share premium, the remainder of the original senior debt was converted into a EUR 320 million reinstated senior facility with a maturity in 2020. The EUR 320 million reinstated senior facility consists of an interest bearing 5% Original Discount Issue (OID) of EUR 16 million, leaving a EUR 304 million reinstated senior facility on which the share premium is based.

Based on IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, the share premium is considered an equity instrument issued to a creditor to extinguish all or part of a financial liability and is treated as consideration paid measured at fair value at the date of extinguishment. The fair value of the consideration paid amounts to EUR 99.7 million. The fair value calculation is based on the difference of the fair value of the original senior debt, including accrued interest and 50% of the fair value of the interest rate swaps before refinancing, and the fair value of the new reinstated senior facility, using a discounted cash flow methodology. To discount the cash flows 6 months EURIBOR interest rates plus discount margin have been used.

The difference of EUR 402.8 million between the carrying amount and the fair value of the original senior debt, taking into account accrued interest and 50% of the fair value of the interest rate swaps before refinancing, was recognised in profit or loss as other finance income in 2015.

On 14 July 2015 the preference shares were converted into ordinary shares. This resulted in conversion of the preference shares borrowings as of 14 July 2015 amounting to EUR 45.1 million into equity.

For share-based payments transactions reference is made to note 8.5.

7.16 Revaluation reserve

The revaluation reserve is a legal reserve which is not distributable and relates to the fair value adjustment due to the increase of the existing capital investment in A&G Holding BV in 2008.

7.17 Cash flow hedge reserve

The cash flow hedge reserve contains the effective portion of the cash flow hedges incurred as of the reporting date and consists of:

	2015	2014
Balance as of 1 January	(2,866)	(7,210)
Interest	2,965	4,383
Diesel	-	-
Electricity	-	-
	2,965	4,383
Tax effect	(742)	(39)
Net gains / (losses) arising during the year	2,223	4,344
Balance as of 31 December	(643)	(2,866)

7.18 Retained earnings

Retained earnings consists partly of non-distributable reserves related to currency translation and non-distributable reserves at the Group and amounts to EUR 57.5 million at year end 2015 (2014: EUR 38.7 million).

7.19 Non-controlling interests

The non-controlling interests mainly concern the share of the shareholders' equity attributable to the minority shareholders of Maltha Groep BV and the shareholders of public-private partnerships.

7.20 Borrowings

	average interest	Term < 1 year	Term 1 - 5 years	Term > 5 years	Total 31 December 2015	Total 31 December 2014
Financial institutions	8.3%	-	304,973	-	304,973	776,268
Preference shares	12.5%	-	-	-	-	42,312
Finance leases	5%	12,673	27,177	4,862	44,712	57,587
Bank overdrafts	0.9%	10,940	-	-	10,940	8,713
Other loans	1.2%	685	451	-	1,136	6,357
		24,298	332,601	4,862	361,761	891,237
Capitalized financing costs		-	-	-	-	(9,825)
		24,298	332,601	4,862	361,761	881,412
Classification						
Non-current interest-bearing debt		-	332,601	4,862	337,463	84,409
Current interest-bearing debt		24,298	-	-	24,298	797,003
Balance as of 31 December		24,298	332,601	4,862	361,761	881,412

7.20.1 Financial institutions

Private funding is obtained from a syndicate of lenders. On 14 July 2015 the shares of Van Gansewinkel Netherlands 4 BV, the direct shareholder of the Group, were sold to Van Gansewinkel's syndicate of lenders. The lenders contributed a share premium in the Group to convert the original senior debt including accrued interest and 50% of the fair value of the interest rate swaps into equity. With the share premium, the remainder of the original senior debt was converted into a EUR 320 million reinstated senior facility with a maturity in 2020. The EUR 320 million reinstated senior facility consists of an interest bearing 5% Original Discount Issue (OID) of EUR 16 million, leaving a EUR 304 million reinstated senior facility on which the share premium is based.

In accordance with IAS 39 and IFRS 9 an exchange between an existing borrower and lender with 'substantially different' terms is applicable for the Group, resulting in accounting the original senior debt as an extinguishment and the recognition of a new financial liability initially valued at fair value and subsequently at amortised cost. IAS 39 and IFRS 9 regard the terms of exchanged or modified debt as 'substantially different' if the net present value of the cash flows under the new terms (including any fees paid net of any fees received) discounted at the original effective interest rate is at least 10% different from the discounted present value of the remaining cash flows of the original debt instrument.

As of 14 July 2015, the fair value of the reinstated senior facility amounts to EUR 298 million, excluding fair value of the embedded derivative amounting to EUR 10 million. Subsequently, the reinstated senior facility is measured at amortised cost, resulting in an amortised cost value of EUR 320 million in 2020, excluding payment in kind interest amounting to EUR 56.8 million. The fair value calculation of the reinstated senior facility is based on a discounted cash flow methodology. To discount the cash flows, 6 months EURIBOR interest rates plus discount margin have been used.

The difference between the fair value of the reinstated senior facility amounting to EUR 308 million, including fair value of the embedded derivative amounting to EUR 10 million, as of 14 July 2015 and the carrying amount of the reinstated senior facility amounting to EUR 304 million is EUR 4 million and was charged to profit or loss as other finance costs in 2015.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment of the original debt, IAS 39 and IFRS 9 require any costs or fees incurred to be recognised as part of the gain or loss on the extinguishment. The capitalized financing costs which were included in the measurement of the amortised cost of the original senior debt were charged to profit or loss as finance costs in 2015. Financing fees for the reinstated senior facility were charged to the profit or loss as other finance costs in 2015.

7.20.2 Preference shares

On 14 July 2015 the preference shares were converted into ordinary shares. This resulted in conversion of the preference shares borrowings as of 14 July 2015 amounting to EUR 45.1 million including EUR 2.8 million accrued interest, into equity.

7.20.3 Finance leases

	Minimum lease payments		Present value of minimum lease payments	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
No later than 1 year	14,415	15,710	12,673	13,326
Later than 1 year and no later than 5 years	29,794	40,758	27,171	36,682
Later than five years	5,128	8,072	4,868	7,579
	49,337	64,540	44,712	57,587
Less future finance charges	(4,625)	(6,953)	-	-
Present value of minimum lease payments	44,712	57,587	44,712	57,587
Included in the financial statements as:				
Non-current borrowings			32,039	44,261
Current borrowings			12,673	13,326
			44,712	57,587

7.20.4 Other loans

The Group took on EUR 1.1 million in private bilateral bank loans. The remaining duration of these loans varies from shorter than one year up to five years. All of these loans are denominated in Euros.

For pledges to external financial institutions, reference is made to the applicable notes to the consolidated balance sheet.

7.21 *Deferred tax liabilities*

The provision has been created for differences between tax and commercial valuation. Movements in this provision are as follows:

	2015	2014
Balance as of 1 January	37,367	67,258
Deconsolidations	115	-
Taxes direct through equity	1,015	(669)
Charge / release to income statement	(13,040)	(29,222)
Balance as of 31 December	25,457	37,367

Taxes direct through equity relate to the tax effect of changes in market value of derivatives in an effective hedging relation and re-measurement of the net defined benefit obligation. The release to the income statement relates to taxes carried forward, regular amortization and depreciation and, in 2014, impairment of the assets recognized in purchase price allocation. For a breakdown of the deferred tax liabilities reference is made to note 7.5.

7.22 *Employee benefits*

The nature of the provisions for employee benefits is largely long-term.

7.22.1 Defined benefit plans

The net defined benefit obligation is related to funded plans, mainly insurance contracts, managed by insurers. The assets consist of qualifying insurance policies which match the vested benefits. The vested benefits will be financed immediately for the pension plan. The funded plans can be classified as defined benefit plans. There are various schemes which are based on final salaries and in some cases on average salaries. The built up rights for inactives are indexed on the basis of additional interest and rights of active employees are being indexed unconditionally with the price-inflation figure. There are no unfunded plans.

Movements in net defined benefit are as follows:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit obligation	
	2015	2014	2015	2014	2015	2014
Balance as of 1 January	54,191	48,851	(43,562)	(40,778)	10,629	8,073
Current service cost	2,163	1,660	112	74	2,275	1,734
Past service gain	(1,406)	(481)	-	-	(1,406)	(481)
Interest cost	1,371	1,261	(1,120)	(980)	251	281
Gains and losses on settlement	-	(13,900)	-	13,900	-	-
Sub total included in profit or loss	2,128	(11,460)	(1,008)	12,994	1,120	1,534
Other	-	-	-	-	-	-
Re-measurement gains / (losses) in OCI related to:						
- return on plan assets	-	-	3,156	(14,302)	3,156	(14,302)
- changes in demographic assumptions	(34)	1,602	-	-	(34)	1,602
- changes in financial assumptions	1,344	15,734	-	-	1,344	15,734
- other changes	(6,258)	(647)	-	-	(6,258)	(647)
Pension contribution	548	597	(2,980)	(1,962)	(2,432)	(1,365)
Contributions paid	(1,005)	(486)	1,005	486	-	-
Balance as of 31 December	50,914	54,191	(43,389)	(43,562)	7,525	10,629

In 2014 amendments were made to the defined benefit plan for the Dutch entities related to the raise of the retirement age to 67 and the change in financing of indexations. This resulted in a past service gain of EUR 0.5 million. In 2014 the settlement of a pension plan for one of the former Van Gansewinkel entities was recorded, as all risks have been transferred to the insurer. The settlement result was nil.

The amounts recognized in the income statement under employee benefit expenses, for both plan assets and defined benefit obligations, are as follows:

	2015	2014
Current service cost	2,275	1,734
Past service gain	(1,406)	(481)
Contributions to defined contributions and benefit plans	12,258	14,412
Total pension cost	13,127	15,665

The significant actuarial assumptions are as follows:

	2015	2014
Discount rate	2.4%	2.5%
Future salary increases	2.5%	2.5%
Future pension indexation	2.0%	2.0%
Future indexing of new pensions	excess interest	excess interest

Assumptions regarding future mortality experience are based on actuarial advice in accordance with published statistics and experience in the Netherlands and Belgium.

A quantitative sensitivity analysis for significant assumption as of 31 December 2015 is as shown below:

	increase 0.25%	decrease 0.25%
Discount rate effect	(2,957)	3,201

	increase 1%	decrease 1%
Salary- and price inflation effect	1,494	(1,562)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The expected contributions to be made for the defined benefit plans is EUR 2.3 million in 2016. The average duration of all defined benefit plans together at the end of the reporting period is approximately 27 years.

7.22.2 Other employee benefits

Other employee benefits relate to deferred payments to personnel and consists of rewards that are payable for long term employment (jubilees). The jubilee schemes are unfunded. Movements in the provision for jubilees are as follows:

	2015	2014
Balance as of 1 January	3,745	4,188
Costs other retirement schemes	259	460
Payments	(297)	(223)
Actuarial result	439	(680)
Balance as of 31 December	4,146	3,745

The significant actuarial assumptions are as follows:

	2015	2014
Discount rate	1.2%	1.6%
Expected salary inflation	2.5%	2.5%
Expected price inflation	2.0%	2.0%

7.23 *Provisions*

Provisions can be broken down as follows:

	Provision for demolition and repair costs	Provision for land fill sites and aftercare	Provision for restructuring	Provision for waste to be processed	Other provisions	Total
Balance as of 31 December 2013	6,513	69,805	2,824	3,415	9,589	92,146
Translation difference	-	(9)	-	-	-	(9)
Other changes	(1,916)	327	-	-	(2,069)	(3,658)
Utilisation	-	(876)	(2,127)	(693)	(1,170)	(4,866)
Charge	-	109	2,077	827	4,310	7,323
Release	(1,781)	-	(11)	-	(1,068)	(2,860)
Interest	214	3,695	-	-	-	3,909
Balance as of 31 December 2014	3,030	73,051	2,763	3,549	9,592	91,985
Translation difference	-	10	-	-	1	11
Deconsolidations	-	(931)	-	-	(73)	(1,004)
Other changes	-	134	130	-	235	499
Utilisation	(39)	(957)	(5,105)	(215)	(1,716)	(8,032)
Charge	-	32	6,471	734	2,340	9,577
Release	(844)	(179)	(546)	-	(849)	(2,418)
Interest	109	3,819	-	-	91	4,019
Balance as of 31 December 2015	2,256	74,979	3,713	4,068	9,621	94,637
Non-current	3,030	69,121	458	-	8,146	80,755
Current	-	3,930	2,305	3,549	1,445	11,229
Balance as of 31 December 2014	3,030	73,051	2,763	3,549	9,591	91,984
Non-current	2,256	74,979	706	-	8,539	86,480
Current	-	-	3,007	4,068	1,082	8,157
Balance as of 31 December 2015	2,256	74,979	3,713	4,068	9,621	94,637

With exception of the restructuring provision and provision for waste to be processed, the nature of the provisions is mainly long-term.

A provision for demolition and repair costs has been set up for several locations taking into account a future inflation rate of 2% and a discount rate of 5%. The release in 2015 mainly relates to a location with a demolition provision sold in 2015.

The landfill provisions serve to finance the expected costs of cover up during and at the end of the filling period and has been calculated on the basis of a discount rate of 5%, taking into account a future inflation rate of 2%. The release in 2015 mainly relates to re-assessments of the landfill provision.

A restructuring provision covers costs directly related to restructurings. The charge of EUR 6.5 million relates to a 2015 restructuring. The utilisation in 2015 of EUR 5.1 million mainly relates to severance payments for employees that left the Group during 2015 resulting from restructurings in 2014 and 2015.

The other provisions mainly concern provisions for contract risks EUR 4.6 million (2014: 5.4 million) and rent related provisions EUR 1.6 million (2014: EUR 1.8 million).

7.24 Current liabilities

7.24.1 Trade and other payables

	31 December 2015	31 December 2014
Trade payables	124,009	127,162
VAT	10,325	8,624
Wage Taxes	4,378	4,835
Contributions social insurances	3,789	5,264
Pension costs	1,610	2,782
Corporate income tax	96	1,739
Other taxes	1,205	1,088
	145,412	151,494

7.24.2 Other liabilities

	31 December 2015	31 December 2014
Interest	271	7,058
Salaries	4,085	2,673
Vacation pay and days	15,543	15,896
Costs for after care	629	781
Other	69,032	71,258
Total	89,560	97,666

The other liabilities of EUR 67.5 million (2014: EUR 71.3 million) include invoices to be received of EUR 31.5 million (2014: EUR 26.7 million) and EUR 6.5 million (2014: EUR 7.7 million) pre-invoiced sales, as well as other payables for the remaining amount.

7.25 Off-balance rights and obligations

For several Dutch entities in the Group, Van Gansewinkel Groep BV has issued a guarantee as meant in article 2:403 of the Dutch Civil Code. As a result of this guarantee Van Gansewinkel Groep BV is liable for all liabilities resulting from transactions performed by these entities. In note 11 an overview is given of the relevant companies with respect to this guarantee.

For corporate income tax, Van Gansewinkel Groep BV and its 100% owned (direct or indirect) Dutch subsidiaries are part of a fiscal unity, which is headed by VGG Topco 2 BV. For VAT, Van Gansewinkel Groep BV and its more than 50% owned (direct or indirect) Dutch subsidiaries are part of a fiscal unity, together with VGG Holdco BV. Based on the general conditions for a fiscal unity, all members of the fiscal unity are liable for the tax payable by the fiscal unity as a whole.

In ordinary course of business the Group has issued relevant parent guarantees with respect to specific contracted business activities. Obligations under guarantees issued by the Group amount to EUR 59.5 million (2014: EUR 49.5 million).

The Group has a total obligation for rentals amounting to EUR 47.3 million as of 31 December 2015. For 2016, the Group has committed to rental obligations amounting to EUR 12.3 million, relating to EUR 5.3 million rent of land and buildings and EUR 7.0 million to trucks, containers and other production means. The total obligation with duration between 1 and 5 years is EUR 25.1 million, the obligation >5 years is EUR 10.0 million.

A number of subsidiaries have entered into operating leases in respect of private vehicles. The total liability under these contracts is EUR 10.3 million. In 2016, the commitment under such contracts amounts to EUR 4.3 million. The duration of these leases is mainly between 1 and 5 years.

A number of sites are leasehold sites. The total obligation amounts to EUR 85.0 million. The total lease obligation for 2016 is approximately EUR 1.8 million. The total obligation with duration between 1 and 5 years is EUR 7.4 million, and the obligation >5 years is EUR 75.8 million.

In respect of current disputes and lawsuits, claims filed by the Group have not been capitalized or have only been partly capitalized and, where necessary, provisions have been made in respect of claims filed by third parties.

8. Notes to the consolidated income statement

8.1 Revenues

Revenues are largely generated in the Netherlands in various activities associated with collection of waste and directly related activities.

	2015	2014
The Netherlands	550,613	560,532
Belgium and Luxembourg	320,160	311,868
Other European countries	74,079	89,359
	944,852	961,759

An amount of EUR 223 million (2014: EUR 229 million) consists of revenues related to supply of goods.

The total revenue includes results for metal swaps, which can be specified as follows:

	2015	2014
Realised result	-	-
Unrealised result	-	8
	-	8

8.2 Raw materials, supplies and energy

Raw materials, supplies and energy can be broken down as follows:

	2015	2014
Energy and fuels	5,297	5,732
Collection equipment	17,799	17,541
	23,096	23,273

8.3 Third-party processing

Third-party processing costs can be specified as follows:

	2015	2014
Third-party processing and logistics costs	225,027	211,738
Residues and single item streams	86,011	85,934
	311,038	297,672

8.4 Third-party maintenance

Third-party maintenance mainly relates to regular maintenance of recycling installations.

8.5 Employee benefit expenses

The employee benefit expenses can be specified as follows:

	2015	2014
Wages and salaries	189,984	202,098
Pension charges	13,127	15,665
Other social charges	38,028	41,113
Charge / (release) of provision for restructuring	5,925	2,066
Other personnel costs	9,272	14,407
	256,336	275,349

Number of employees

At balance sheet date 4,125 FTE (2014: 4,979 FTE) were employed by the Group and can be specified as follows:

	31 December 2015	31 December 2014
The Netherlands	2,492	2,736
Belgium and Luxembourg	1,511	1,544
Other countries	122	699
	4,125	4,979

Share-based payments

Management of the Group were offered the opportunity by the former investors to acquire Depositary Receipts (‘DRs’) issued over common shares in one of the Group’s holding companies via a Management Equity Participation Plan (‘the MEP’) or a Medium Term Incentivization Plan (the ‘MTIP’). The DRs were issued by Stichting Administratiekantoor Management Van Gansewinkel Netherlands 3, Stichting Administratiekantoor Van Gansewinkel, Stichting AK Van Gansewinkel TOP Participation and Stichting AK Van Gansewinkel Management 2013 (‘STAK’). Each DR was issued over one underlying ordinary share. By the end of 2014, the respective management of the Group agreed with one of the Group's former holding companies that no value was to be expected instruments in the future. Keeping the MEP and MTIP in place was no longer feasible and was agreed upon that the DR's would be handed in. As a result current employees transferred all their DR's for nil during 2015.

Under the terms and conditions of the plans eligible members of the Group's management were offered the opportunity to purchase DRs against payment of the fair value of such DRs as determined in accordance with the terms and conditions of the MEP or the MTIP. Under the plans, good, bad and voluntary leaver provisions were applicable that were treated as vesting conditions. Under these leaver provisions the participant would, in principle, be only entitled to a value increase if the participant is employed with the Group following an IPO or exit of the majority shareholders. For the MEP, the vesting period was equal to the remaining period at which an exit of the current shareholders was expected to occur at the date of granting. Time vesting for the MEP was arrived at its maximum of 50%.

The provisions as contained in the plans provided for the resale and retransfer of the DRs acquired and the underlying value of such DRs following a termination event. In the event of an IPO or an exit the participants were obliged to cooperate with the transfer or sale of the DRs.

One of the Group's former holding companies operated equity-settled share-based compensation plans. The fair value of the employee services received in exchange of the award of DRs was recognized as an expense at the date of grant. The fair value per DR was equal to the difference between the fair value per DR and the subscription price per DR. Usually, this fair value was nil as under the Administrative Conditions of the plans the fair value of the DRs equals the subscription price.

With respect to the DRs subject to IFRS 2, one of the Group's holding companies operated arrangements with employees. The details of the awards are described below.

(amount in EUR 1,000)	DRs purchased by key management	
Nature of the arrangement	Purchase of DRs 2015	Purchase of DRs 2014
Date of grant	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
Number of instruments purchased	0	0
Fair value per Depositary Receipt (in EUR)	EUR 0	EUR 0
Expense recognised as contribution from the parent (under vesting conditions)	EUR 0	EUR 0

The total amount recognized in the financial statements (before taxes) for share based payment transactions with key managers is EUR nil (2014: nil).

Remuneration of Board of Directors

Remuneration of the Board of Directors can be specified as follows:

	Salaries	Social charges	Pension costs	Total
Renumeration Board of Directors	1,298	13	85	1,396

Bonuses amounting to EUR 0.4 million are included in salaries and are based on financial and operational-linked criteria.

Total share-based payments to (former) Board of Directors in 2015 were EUR nil (2014: nil). Please refer to note 5.2 for a more detailed explanation of the scheme.

Remuneration of Supervisory Board

The total remuneration for the Supervisory Board was EUR 198 in 2015 (2014: EUR 70).

8.6 Depreciation and amortisation

Depreciation and amortisation can be specified as follows:

	2015		2014	
Amortisation of other intangible assets				
- Brand name	763		2,145	
- Customer relations	7,956		17,754	
- Concessions and licenses	741		1,916	
- Software	6,967		6,148	
		16,427		27,963
Depreciation of property, plant and equipment				
- Land and buildings	12,486		13,053	
- Plant and machinery	10,878		11,235	
- Other fixed assets	40,255		42,327	
		63,619		66,615
Book result on disposed property, plant and equipment		(378)		(1,243)
		79,668		93,335

8.7 Impairment charges

The impairment charges can be specified as follows:

	2015	2014
Impairment goodwill	-	424,027
Impairment other intangible assets	206	63,558
Impairment property, plant and equipment	402	2,538
	608	490,123

Please refer to notes 7.1, 7.2 and 7.3 for a more detailed explanation of the impairment charges.

8.8 *Other operating expenses*

Other operating expenses can be specified as follows:

	2015	2014
External personnel costs	66,328	59,025
Work outsourced	68,326	63,492
Insurance costs	4,713	5,094
Costs of material and transport	76,751	84,226
Rental and leasing of operating assets	18,087	16,955
Rental/leasing of land and buildings	10,311	11,615
Change in provisions	1,234	2,397
Other costs	55,063	48,231
	300,813	291,035

Other costs can be specified as follows:

	2015	2014
Consultancy and advisory costs	23,842	15,253
Softw are, telephone, postal costs	1,367	1,925
Marketing, PR and representation costs	3,883	3,944
ICT costs	9,518	10,069
Accommodation costs	11,286	12,493
Office supplies	3,229	4,034
Other	1,938	513
	55,063	48,231

The costs of material and transport include results for diesel swaps, which can be specified as follows:

	2015	2014
Realised result	-	-
Unrealised result	2,333	158
	2,333	158

Auditors' fees

In the other operating expenses auditors' fees are included. These fees consist of:

	2015	2014
Audit of the financial statements	492	437
Other audit procedures	38	38
Other non-audit services	2,423	978
	2,953	1,453

Auditors' fees relate to the procedures applied to the Group by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Wet Toezicht Accountantsorganisaties), as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These fees concern KPMG Accountants NV and firms within the KPMG network.

8.9 Financial income and expense

Finance costs	2015	2014
Interest and financing charges on loans	51,120	60,198
Other finance cost	12,208	-
Addition of interest to provisions	4,019	3,909
Net interest employee benefits	283	461
Amortisation of capitalized financing costs	1,617	3,023
Impairment loans	4,261	-
Foreign exchange result	117	274
Net result on financial assets and liabilities at fair value through income statement	2,573	2,142
	76,198	70,007
Finance income		
Interest income	-	(583)
Other finance income	(402,839)	-
	(402,839)	(583)
	(326,641)	69,424

The total financial income and expense include results for the interest rate swaps and embedded derivatives, which can be specified as follows:

	2015	2014
Realised result (included in interest and financing charges on loans)	4,615	7,708
Unrealised (gain) / loss (included in net result on financial assets and liabilities)	2,573	2,142
	7,188	9,850

The difference of EUR 402.8 million between the carrying amount and the fair value of the original senior debt, taking into account accrued interest and 50% of the fair value of the interest rate swaps before refinancing, was recognised in profit or loss as other finance income in 2015. Further reference is made to note 7.15.

The difference between the fair value of the reinstated senior facility amounting to EUR 308 million as of 14 July 2015 and the carrying amount of the reinstated senior facility amounting to EUR 304 million is EUR 4 million and was charged to profit or loss as other finance costs. Additionally, the capitalized financing costs which were included in the measurement of the amortised cost of the original senior debt were charged to profit or loss as other finance costs. Finally, financing fees for the reinstated senior facility were charged to the profit or loss in 2015. Further reference is made to note 7.20.1.

As a result of hedge ineffectiveness in 2015 an additional amount of EUR 2.1 million (2014: 0.4 million) was charged to the income statement leading to an increase in finance costs.
Resulting from the reinstated senior facility an embedded derivative for a 100 basis points minimum for EURIBOR has been measured as of 14 July 2015. In 2014, the 2013 settled part of interest rate swaps relating to hedge accounting was amortized fully.

8.10 *Share in result of associates, joint ventures and other investments*

	2015	2014
Share in result of associates, joint ventures and other investments	429	(60)
Book result sale of subsidiaries, joint ventures and other investments	2,689	-
	3,118	(60)

Book result sale of subsidiaries, joint ventures and other investments includes book results from the sale of Czech, Polish and French subsidiaries in 2015 amounting to EUR 2.6 million.

8.11 *Taxes on result*

Taxes on result can be specified as follows:

	2015	2014
Current taxes on result for the year	(318)	11,726
Adjustments in respect of prior years	(1,143)	(4,661)
Total current taxes	(1,461)	7,065
Origination and reversal of temporary differences	13,040	29,219
Taxes on result	11,579	36,284

Reconciliation of the effective tax rate:

	2015	2014
Profit / (loss) before tax	296,293	(585,512)
Taxes on result	(11,579)	(36,284)
Effective corporate income tax rate	-3.9%	6.2%
Applicable corporate income tax rate	25.0%	25.0%
Profit / (loss) before tax	296,293	(585,512)
Tax using Dutch corporate income tax rate of 25.0%	(74,073)	146,378
Tax effect of:		
Adjustments in respect of previous years	(1,143)	(4,661)
Tax losses for w hich no deferred income tax asset w as recognised	(11,148)	(2,436)
Finance income and costs not subject to tax	99,711	-
Other	508	-
Income not subject to tax	983	634
Tax exempt result participating interests	723	-
Non-deductible goodw ill impairment	-	(106,004)
Non-deductible expenses	(3,869)	(1,635)
Effect tax rates in other countries	(113)	4,008
At the effective income tax rate	11,579	36,284

8.12 *Related-party transactions*

Related-party transactions between the Group and its related parties were as follows:

Management fee	2015	2014
Van Gansewinkel Netherlands 1 BV	(2,790)	1,477
Van Gansewinkel Netherlands 2 BV	-	(11)
Van Gansewinkel Netherlands 3 BV	-	(11)
Van Gansewinkel Netherlands 4 BV	-	(11)
VGG Holdco BV	25	-
	(2,765)	1,444

In 2015, the Company received a credit note for management fees invoiced by Van Gansewinkel Netherlands 1 BV amounting to EUR 2.8 million. The Company charged Van Gansewinkel Netherlands 1 BV, Van Gansewinkel Netherlands 2 BV, Van Gansewinkel Netherlands 3 BV and Van Gansewinkel Netherlands 4 BV for administrative services up till and including 2014. As from 2015 onwards, the Company is charged management fees by the new holding company VGG Holdco BV.

Consultancy	2015	2014
AlixPartners (CVC)	-	2,691
	-	2,691

Interest on preference shares	2015	2014
Van Gansewinkel Netherlands 4 BV	2,833	4,701

For interest on preference shares reference is made to note 7.20.2.

Interest and impairments on loans granted and receivables	2015	2014
Van Gansewinkel Netherlands 1 BV	-	42
Van Gansewinkel Netherlands 3 BV	(6,657)	244
Van Gansewinkel Netherlands 4 BV	(7)	-
	(6,664)	286

The loan granted to Van Gansewinkel Netherlands 3 BV (EUR 4.2 million) was included in the other current financial fixed assets as of 31 December 2014 and had an interest charge of 6.5%. This loan was impaired in 2015. Reference is made to note 7.7. Additionally, a 2015 receivable on Van Gansewinkel Netherlands 3 BV of EUR 2.3 million was impaired in 2015.

9. Notes to the consolidated statement of cash flows

In the consolidated statement of cash flows only cash effects of the respective lines are included. The notes to the consolidated balance sheet and income statement include all changes in the respective items, both cash and non-cash changes. Therefore the amounts in the consolidated statement of cash flows do not necessarily reconcile to the notes to the consolidated balance sheet and income statement.

9.1 Changes in working capital

Working capital consists of inventories and receivables less non-interest bearing debt. Changes in working capital in the consolidated statement of cash flows are net of acquisitions and disposals.

	Notes	2015	2014
Current assets			
Inventories	**7.8**	1,897	543
Trade and other receivables	**7.9**	23,961	42,667
Prepayments and accrued income	**7.10**	255	(354)
Other current financial assets	**7.11**	5,664	(5,546)
Subtotal current assets		31,777	37,310
Current liabilities			
Trade and other payables	**7.24.1**	(6,082)	(33,887)
Other liabilities	**7.24.2**	(8,106)	5,688
Subtotal current liabilities		(14,188)	(28,199)
Excluded from consolidated cash flows:			
Current financial assets (included in cash flow investing activities)		(5,664)	5,967
Working capital of invested / divested subsidiaries		(3,161)	-
Non cash movements other liabilities		591	(4,485)
Interest paid included in separate line		6,787	(6,904)
Corporate income taxes paid included in separate line		1,643	9,750
		196	4,328
Changes in working capital in consolidated statement of cash flows		17,785	13,439

9.2 Changes in fair value of operational hedges

This item relates to changes in the market value of diesel hedges and metal hedges for which hedge accounting is not applied and which are non-cash movements until the hedges are settled. In note 7.6 the fair value of these hedges at balance sheet date are specified.

The changes in fair value of these hedges in the year are recognized in the income statement and amount to:

	Notes	2015	2014
Changes of fair value metal hedge	**8.1**	-	(8)
Changes of fair value diesel hedge	**8.8**	2,333	158
Total change in fair value of operational hedges		2,333	150

10. Events after the balance sheet date

There are no subsequent events to report.

11. Group composition

11.1 List of subsidiaries, joint operations, joint ventures, associates and other investments

Set out below is a list of all subsidiaries, joint operations, joint ventures, associates and other investments of the Group.

Company name	403 declaration #)	Registered office address	% 2015	% 2014
Subsidiaries				
The Netherlands				
A&G Holding BV		Utrecht	100%	100%
BV Twente Milieu Bedrijven	#	Hengelo	100%	100%
Coolrec BV	#	Eindhoven	100%	100%
Coolrec Nederland BV	#	Dordrecht	100%	100%
Ecosmart Nederland BV	#	Maarheeze	100%	100%
Glasrecycling Noord-Oost Nederland BV		Emmen	67%	67%
Immo CV		Rotterdam	100%	100%
Maltha Glasrecycling Nederland BV		Rotterdam	67%	67%
Maltha Glassrecycling International BV		Rotterdam	67%	67%
Maltha Groep BV		Rotterdam	67%	67%
Plastic Herverwerking Brakel BV	#	Drunen	100%	100%
Regionale Reinigingsdienst (R.R.D.) BV	#	Eindhoven	100%	100%
Riebeeck Olie Amsterdam 1 BV (formerly known as Olie Verwerking Amsterdam BV)		Rotterdam	100%	100%
Riebeeck Olie Amsterdam 2 BV (formerly known as Groenendaal Handel in Afgewerkte Oliën BV)		Amsterdam	100%	100%
Robesta Vastgoed Acht BV		Maarheeze	100%	100%
Robesta Vastgoed BV	#	Maarheeze	100%	100%
Semler BV	#	Son en Breugel	100%	100%
Van Gansewinkel CFS BV	#	Weert	100%	100%
Van Gansewinkel Industrial Services BV	#	Rotterdam	100%	100%
Van Gansewinkel Industrie BV		Rotterdam	100%	100%
Van Gansewinkel International BV	#	Maarheeze	100%	100%
Van Gansewinkel Maasvlakte BV		Rotterdam	100%	100%
Van Gansewinkel Milieuservices Overheidsdiensten BV	#	Maarssen	100%	100%
Van Gansewinkel Milieutechniek BV	#	Waalwijk	100%	100%
Van Gansewinkel Nederland BV	#	Maarheeze	100%	100%
Van Gansewinkel Recycling BV	#	Maarheeze	100%	100%
Van Gansewinkel Transporten BV [2]	#	Eindhoven	0%	100%
Van Gansewinkel Zweekhorst BV		Rotterdam	100%	100%
Verwerking Bedrijfsafvalstoffen Maasvlakte (V.B.M.) CV		Rotterdam	100%	100%
Cure Uitvoeringsdienst BV * [5]		Eindhoven	–	–
NV Haagse Milieu Services (NVHMS) *		Den Haag	–	–
NV Milieuservices AVR-Krimpen a/d IJssel *		Krimpen ad IJssel	–	–
NV Milieuservices AVR-Noordwijk *		Noordwijk	–	–
NV Milieuservices AVR-Ridderkerk *		Ridderkerk	–	–

Company name	403 declaration #)	Registered office address	% 2015	2014
Subsidiaries				
Belgium				
Belgo- Luxembourgeoise de Services Publics SA		Athus	100%	100%
Coolrec Belgium NV (formerly known as Apparec NV)		Tisselt	100%	100%
Eco-Smart NV		Ruisbroek	100%	100%
Maltha Glasrecyclage BVBA		Lommel	67%	67%
Recydel SA		Wandre	80%	80%
Van Gansewinkel NV		Mol	100%	100%
Van Gansewinkel België NV		Mol	100%	100%
Van Gansewinkel ES Treatment NV		Mol	100%	100%
Van Gansewinkel Industrial Services Belgium NV	4	Mol	100%	0%
France				
Coolrec France SAS		Lesquin	92%	92%
Gibert Recyclage SAS	1	Bethune	0%	100%
Industries Propres d'Aquitaine SA		Vileurbanne	67%	67%
Van Gansewinkel France SAS	1	Bethune	0%	100%
Germany				
Coolrec Deutschland GmbH		Pulheim	100%	100%
Coolrec RDE Rucknahmen Demontagen Elektronik-Recycling GmbH		Pulheim	100%	100%
Hungary				
Maltha Hungary Uvegújrahasznositó Kft.		Budapest	67%	67%
Luxembourg				
Van Gansewinkel Luxembourg SA		Differdange	100%	100%
Poland				
Maltha Szklo Recykling Polska Sp. z o.o.		Kraków	67%	67%
PUK van Gansewinkel Gorny Slask Sp z o o	1	Wroclaw	0%	100%
PUK van Gansewinkel Legnica Sp z o o	1	Legnica	0%	100%
PUK van Gansewinkel Kraków Sp z o o	1	Kraków	0%	100%
PUK van Gansewinkel Dolny Śląsk Sp z o o	1	Olawa	0%	100%
PUK van Gansewinkel Tarnów Sp z o o w likwidacji	3	Tarnów	0%	100%
Van Gansewinkel Polska Sp z o o	1	Kraków	0%	100%
Portugal				
Maltha Glass Recycling Portugal Lda (formerly known as Vidrociclo Lda)		Figuera da Foz	67%	67%

Company name	403 declaration #)	Registered office address	% 2015	2014
Subsidiaries				
Czech Republic				
A&G Envirotech sro		Modřice	100%	100%
PETKA CZ as	1	Modřice	0%	64%
TEMPOS Břeclav as	1	Breclav	0%	66%
Van Gansewinkel as	1	Modřice	0%	100%
Van Gansewinkel Services sro	1	Modřice	0%	100%
Van Gansewinkel Slovensko sro	1	Bratislava (Slovak Republic)	0%	100%
Van Gansewinkel HBSS sro	1	Modřice	0%	100%
Joint operations				
Baggerspecieverwerking Noord-Nederland VOF		Leeuwarden	50%	50%
Hydrovac VOF		Rosmalen	50%	50%
Induserve VOF		Eindhoven	33%	33%
Octopus VOF		Raamsdonksveer	50%	50%
TOP Leeuwarden VOF		Leeuwarden	50%	50%
Joint ventures				
Recycling Maatschappij Bovenveld BV		Hattem	50%	50%
PQA BV		Haarlemmermeer	50%	50%
Associates and other investments				
Afval Loont Holding BV		Rotterdam	22%	25%
AMP BV		Noordwijkerhout	33%	33%
CPP-Incofin CVBASO		Wilrijk (Belgium)	0%	0%
EARN Elektrogeräte Service GmbH		Vienna (Austria)	33%	33%
ENVIE 2e SAS		Villeneuve d'Ascq (France)	17%	17%
Ipalle SC SCRL		Froyennes (Belgium)	0%	1%
Sita Decontamination Services NV		Beerse (Belgium)	23%	23%
Uvelia SA		Herstal (Belgium)	15%	15%
Zandrecycling Nederland BV	1	Poeldijk	0%	33%
Zavin BV		Dordrecht	33%	33%
Zavin CV		Dordrecht	33%	33%

[1]) sold in 2015
[2]) merged with Van Gansewinkel Nederland BV in 2016
[3]) liquidated in 2015
[4]) incorporated in 2015
[5]) deconsolidated in 2015
#) a guarantee as meant in article 2:403 of the Netherlands Civil Code
*) public-private partnerships

Not wholly owned subsidiaries

The Group does not hold any ownership interest in public-private partnerships. However, based on the terms of agreements under which these partnerships were established, the Group receives substantially all of the returns related to their operations and net assets and has the current ability to direct these entities' activities that most significantly affect these returns. The Group is therefore considered to be acting as the principal in the public-private partnerships and not as an agent. The owners' interests in these entities are presented as NCI.

11.2 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations, as of 31 December 2015.

	NV Haagse Milieuservices	NV Milieuservices AVR Ridderkerk	Maltha Groep BV	Other	Total
NCI percentage	**100%**	**100%**	**33%**		
Non-current assets	8,835	-	31,658	5,366	45,859
Current assets	7,971	2,896	23,925	9,326	44,118
Non-current liabilities	312-	18-	8,331-	163-	8,824-
Current liabilities	11,758-	1,079-	23,484-	8,332-	44,653-
Net assets	**4,736**	**1,799**	**23,768**	**6,197**	**36,500**
Carrying amount of NCI	**4,736**	**1,799**	**7,910**	**1,160**	**15,605**
Revenue	**27,955**	**3,101**	**41,316**		
Result	3,688	216	2,748-	514	1,670
OCI	-	-	24		
Total comprehensive income	**3,688**	**216**	**2,724-**		
Result allocated to NCI	3,688	216	915-	181	3,170
OCI allocated to NCI	**-**	**-**	**8**	-	-
Net increase (decrease) in cash and cash equivalents	**1,937**	**497**	**1,134**		

Company financial statements

Company balance sheet before appropriation of result

(x € 1,000)

	Notes	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	13.1	3,122	3,381
Goodwill	13.2	38,183	39,410
Other intangible assets	13.3	14,854	16,902
Interests in subsidiaries	13.4	189,713	247,306
Interests in associates	13.5	85	85
Loans to subsidiaries	13.6	64,530	-
Deferred tax assets	13.7	12,369	6,171
Other non-current financial assets	13.9	-	-
Cash and cash equivalents	13.12	19,434	19,454
Total non-current assets		**342,290**	**332,709**
Current assets			
Trade and other receivables		761	449
Amounts due from subsidiaries	13.11	210,709	300,532
Other assets		1,748	1,572
Other current financial assets	13.10	119	4,373
Cash and cash equivalents	13.12	89,514	104,295
Total current assets		**302,851**	**411,221**
Total assets		**645,141**	**743,930**

Company balance sheet before appropriation of result

(x € 1,000)

	Notes	31 December 2015	31 December 2014
EQUITY AND LIABILITIES			
Capital and reserves	13.13		
Issued capital		80	40
Share premium		719,638	574,800
Revaluation reserve		681	681
Cash flow hedge reserve		(643)	(2,866)
Legal reserves		57,505	38,732
Other reserves		(1,106,376)	(533,389)
Undistributed result		304,702	(555,452)
Total equity		**(24,413)**	**(477,454)**
Non-current liabilities			
Employee benefits	13.14	7,384	10,436
Provisions	13.15	1,566	1,371
Borrowings	13.16	305,288	36,087
Derivative financial instruments	13.8	10,950	1,769
Total non-current liabilities		**325,188**	**49,663**
Current liabilities			
Trade and other payables		8,887	10,392
Borrowings	13.16	303	689,905
Amounts owed to subsidiaries	13.17	316,612	446,631
Derivative financial instruments	13.8	4,666	2,877
Current tax and social charges liabilities		5,643	7,620
Provisions		1,285	490
Other liabilities		6,970	13,806
Total current liabilities		**344,366**	**1,171,721**
Total liabilities		**669,554**	**1,221,384**
Total equity and liabilities		**645,141**	**743,930**

Company income statement

	2015		2014	
Result from subsidiaries after tax	(62,660)		(152,389)	
Other income and expenses after tax	367,362		(403,063)	
Result after tax		304,702		(555,452)

Notes to the company financial statements

12. General

The company financial statements have been prepared based on Part 9, Book 2 of the Dutch Civil Code, whereby the same accounting principles have been applied as in the consolidated financial statements. In accordance with article 362, Section 8, Part 9, Book 2 of the Dutch Civil Code subsidiaries are valued at net equity value. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised. The descriptions of the activities and the structure of Van Gansewinkel as stated in the notes to the consolidated financial statements are also applicable to the company financial statements. The company income statement is presented in abbreviated form pursuant to the provisions in article 402, Part 9, Book 2 of the Dutch Civil Code.

13. Notes to the company balance sheet

13.1 Property, plant and equipment

The movements in property, plant and equipment can be broken down as follows:

	Other fixed assets	Fixed assets under construction	Total
31 December 2013			
Cost	15,515	435	15,950
Accumulated impairments and depreciation	(12,880)	-	(12,880)
Carrying value	2,635	435	3,070
Changes 2014			
Investments	1,626	-	1,626
Reclassification	258	(258)	-
Depreciation	(1,109)	-	(1,109)
Impairment	(206)	-	(206)
	569	(258)	311
31 December 2014			
Cost	11,223	177	11,400
Accumulated impairments and depreciation	(8,019)	-	(8,019)
Carrying value	3,204	177	3,381
Changes 2015			
Investments	457	469	926
Depreciation	(1,185)	-	(1,185)
	(728)	469	(259)
31 December 2015			
Cost	11,680	646	12,326
Accumulated impairments and depreciation	(9,204)	-	(9,204)
Carrying value	2,476	646	3,122
Annual rate of depreciation	10% -50%	0%	

Property, plant and equipment include assets acquired under financial leases. The carrying value of assets under financial leases is as follows:

	31 December 2015	31 December 2014
Other fixed assets	592	907
	592	907

Property, plant and equipment is pledged to financial institutions.

13.2 Goodwill

The movements in goodwill can be broken down as follows:

	2015	2014
Balance as of 1 January		
Cost	449,347	449,347
Accumulated impairments	(409,937)	(53,865)
Carrying value	39,410	395,482
Changes 2015		
Other	(1,227)	-
Impairments	-	(356,072)
	(1,227)	(356,072)
Balance as of 31 December		
Cost	448,120	449,347
Accumulated impairments	(409,937)	(409,937)
Carrying value	38,183	39,410

For further details on goodwill impairment testing reference is made to note 7.2.

13.3 Other intangible assets

The movements in other intangible assets can be broken down as follows:

	Customer relations	Software	Total
31 December 2013			
Cost	42	56,888	56,930
Accumulated impairments and amortisation	(42)	(39,566)	(39,608)
Carrying value	-	17,322	17,322
Changes 2014			
Investments	-	5,623	5,623
Amortisation	-	(6,043)	(6,043)
	-	(420)	(420)
31 December 2014			
Cost	42	61,707	61,749
Accumulated impairments and amortisation	(42)	(44,805)	(44,847)
Carrying value	-	16,902	16,902
Changes 2015			
Investments	-	4,740	4,740
Amortisation	-	(6,788)	(6,788)
	-	(2,048)	(2,048)
31 December 2015			
Cost	-	66,447	66,447
Accumulated impairments and amortisation	-	(51,593)	(51,593)
Carrying value	-	14,854	14,854
Annual rate of amortisation	9% - 20%	20% - 33%	

13.4 Interests in subsidiaries

A summary of the movements in subsidiaries is shown in the table below:

	2015	2014
Balance as of 1 January	247,306	381,772
Dividend	(275,810)	-
Share in result	(61,218)	(152,389)
Capital contribution	324,202	-
Divestments	(46,256)	-
Other	1,578	17,794
Exchange difference	(89)	129
Balance as of 31 December	189,713	247,306

The shares in several subsidiaries have been pledged to financial institutions, with a carrying value at balance sheet date of EUR 171.4 million. The movable assets, receivables and liquidities of a large number of subsidiaries have also been pledged to financial institutions.

13.5 Interests in associates

As a result of the holding merger in 2009 the Company acquired an interest in one associate. This interest has not changed during 2014 and 2015.

13.6 Loans to subsidiaries

A summary of the movements in the loans to subsidiaries is shown in the table below:

	2015	2014
Balance as of 1 January	-	-
Loans granted	61,980	-
Other movements	2,550	-
Balance as of 31 December	64,530	-

13.7 Deferred tax assets

A summary of the movements in the deferred tax assets is shown in the table below:

	2015	2014
Balance as of 1 January	6,171	6,722
Direct equity movement	(1,178)	-
Other movements	7,376	(551)
Balance as of 31 December	12,369	6,171

For further details on deferred tax assets reference is made to note 7.5.

13.8 Derivative financial instruments

The following table presents the fair value of derivatives recorded at fair value:

	31 December 2015			31 December 2014		
Liabilities per balance sheet date	Liabilities through profit and loss	Derivatives effective hedging	Total liabilities	Liabilities through profit and loss	Derivatives effective hedging	Total liabilities
Interest rate swaps	2,333	-	2,333	444	4,202	4,646
Embedded derivative	10,950	-	10,950	-	-	-
Diesel swaps	2,333	-	2,333	-	-	-
Total	15,616	-	15,616	444	4,202	4,646
Classification						
Non-current	10,950	-	10,950	-	1,769	1,769
Current	4,666	-	4,666	444	2,433	2,877
Balance as of 31 December	15,616	-	15,616	444	4,202	4,646

13.9 Other non-current financial assets

A summary of the movements in the other non-current financial assets is shown in the table below:

	2015	2014
Balance as of 1 January	-	4,770
Addition	119	235
Accrued interest	-	286
Repayment	-	(918)
Transfer to current financial assets	(119)	(4,373)
Balance as of 31 December	-	-

For further details on non-current financial assets reference is made to note 7.7.

The other non-current financial assets have been pledged to financial institutions.

13.10 Other current financial assets

The other current financial assets concern the short term part of the non-current financial assets and will be due within 1 year. The other current financial assets have been pledged to financial institutions.

13.11 Amounts due from subsidiaries

The amounts due from subsidiaries are mainly related to zero-balancing by Van Gansewinkel Groep BV with its subsidiaries and have a remaining term of less than 1 year.

13.12 Cash and cash equivalents

The cash and cash equivalents include liquidities amounting to EUR 19.4 million (2014: EUR 19.5 million) as minimal cash position for guarantees. The cash and cash equivalents amounting to EUR 89.5 million have been pledged to financial institutions.

13.13 Capital and reserves

Movements in legal reserves can be broken down as follows:

	2015	2014
Balance as of 1 January	38,732	17,843
Currency translation differences on subsidiaries	(89)	129
Addition / release	18,862	20,760
Balance as of 31 December	57,505	38,732

Legal reserves consist of a legal reserve for interest in associates, a legal reserve for statutory purposes and a legal reserve for tax purposes.

13.14 Employee benefits

A summary of the employee benefit obligation is shown in the table below.

	2015	2014
Defined benefit plans	5,134	8,023
Other employee benefits	2,250	2,413
Balance as of 31 December	7,384	10,436

Further reference is made to note 7.22.

13.15 Provisions

Movements in the provisions can be broken down as follows:

	Provision for restructuring	Other provisions	Total
Balance as of 31 December 2013	872	872	1,744
Changes 2014			
Utilisation	(640)	-	(640)
Charge	267	651	918
Release	-	(161)	(161)
Interest	-	-	-
Balance as of 31 December 2014	499	1,362	1,861
Changes 2015			
Utilisation	(1,613)	-	(1,613)
Charge	2,544	150	2,694
Release	15	(176)	(161)
Interest	-	70	70
Balance as of 31 December 2015	1,445	1,406	2,851
Non-current	93	1,278	1,371
Current	406	84	490
Balance as of 31 December 2014	499	1,362	1,861
Non-current	310	1,256	1,566
Current	1,135	150	1,285
Balance as of 31 December 2015	1,445	1,406	2,851

The restructuring provision covers costs directly related to restructurings. The charge of EUR 2.5 million relates to a 2015 restructuring. The expected timing of the cash outflow of this provision is mostly within 1 year. The utilisation in 2015 of EUR 1.6 million relates to severance payments for employees that left the Company during 2013, 2014 and 2015 resulting from restructurings.

The other provisions mainly concern rent related provisions of EUR 1.3 million (2014: 1.3 million). The expected term of this provision is nine years and has been calculated on the basis of a discount rate of 5%.

13.16 Borrowings

A summary of the non-current borrowings is shown in the table below:

	31 December 2015	31 December 2014
Preference shares	-	42,312
Financial institutions	304,972	-
Capitalized financing costs	-	(6,802)
Finance leases	316	577
	305,288	36,087

The current part of the borrowings is included in the current liabilities. All loans included in the table above have a remaining term of one to 5 years.

Preference shares, loans from financial institutions and capitalized financing costs are disclosed in note 7.20 and note 6.

All receivables that are not separately disclosed are pledged to financial institutions.

13.17 Amounts owed to subsidiaries

The amounts owed to subsidiaries are mainly related to zero-balancing by Van Gansewinkel Groep BV with its subsidiaries and have a remaining term of less than 1 year.

13.18 Off-balance rights and obligations

For several Dutch entities in the Group, Van Gansewinkel Groep BV has issued a guarantee as meant in article 2:403 of the Dutch Civil Code. As a result of this guarantee Van Gansewinkel Groep BV is liable for all liabilities resulting from transactions performed by these entities. In note 11 an overview is given of the relevant companies with respect to this guarantee.

For corporate income tax, Van Gansewinkel Groep BV and its 100% owned (direct or indirect) Dutch subsidiaries are part of a fiscal unity, which is headed by VGG Topco 2 BV. Van Gansewinkel Groep BV charges its 100% owned Dutch subsidiaries corporate income tax as if these subsidiaries are stand-alone liable to tax. For VAT, Van Gansewinkel Groep BV and its more than 50% owned (direct or indirect) Dutch subsidiaries are part of a fiscal unity, together with VGG Holdco BV. Based on the general conditions for a fiscal unity, all members of the fiscal unity are liable for the tax payable by the fiscal unity as a whole.

13.19 Number of employees

At year end 2015 228.8 FTE (2014: 242.7 FTE) are employed by Van Gansewinkel Groep BV, The Netherlands.

Eindhoven, 14 April 2016

The Board of Directors
Van Gansewinkel Groep BV

M. Zwaaneveld

The Supervisory Board
Van Gansewinkel Groep BV

J.J.H. van Breukelen

M.C.E. Averill

C.B. Jørgensen

A.A. Olijslager

M.J. Ward

Other information

Provisions of the articles of association concerning the appropriation of result

Article 24 of the articles of association specifies that the General Meeting of Shareholders is authorised to allocate the profits as determined by the adoption of the annual accounts and to declare distributions.

Appropriation of result

It is proposed to add the result of 2015 of EUR 304.7 million to the other reserves.

Events after the balance sheet date

There are no subsequent events to report.

Independent auditor's report

To: the General Meeting of Van Gansewinkel Groep BV

Report on the financial statements

We have audited the accompanying financial statements 2015 of Van Gansewinkel Groep BV, Rotterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2015, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

The Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report of the Board of Directors in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Van Gansewinkel Groep BV as at 31 December 2015 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Van Gansewinkel Groep BV as at 31 December 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

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

Eindhoven, 14 April 2016

KPMG Accountants NV

L.J.J.M. Vale RA

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The company is listed in the Trade Register of Eindhoven, under file number 24390763.