



Annual Report 2014 • Amsterdam Commodities N.V.

**A COMO**







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## Main financial indicators 2014

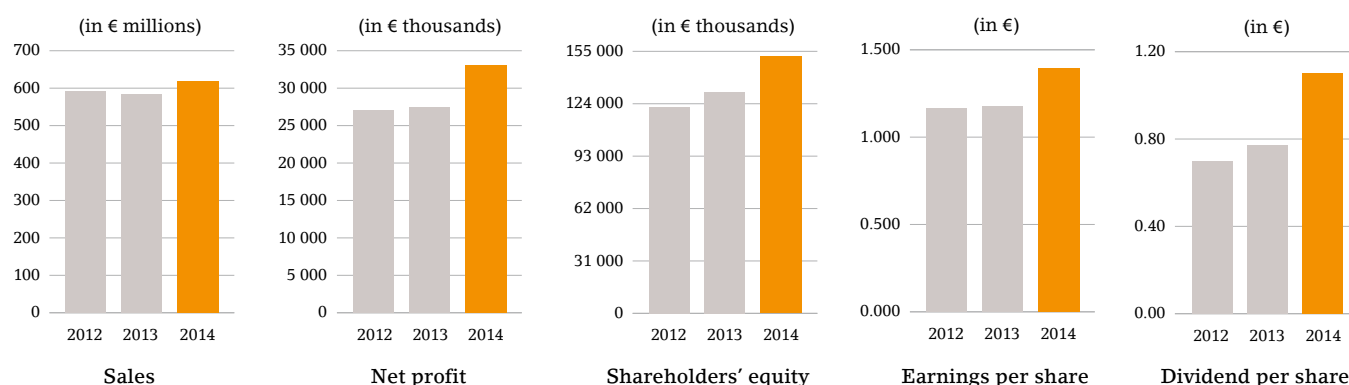
- Net profit: € 33.1 million (2013: € 27.4 million, + 20.7%)
- Sales: € 619 million (2013: € 584 million, + 5.9%)
- Earnings per share: € 1.396 (2013: € 1.174, + 18.9%)
- Proposed dividend: € 1.10 per share which includes a special dividend of € 0.10 (2013: € 0.77, + 42.9%)
- Group solvency year-end: 45.1% (2013 year-end: 47.2%)

## Major events and developments in 2014

- Price levels of food commodities showed a variety of trends which strongly differed between product segments; tea prices declined whereas various spices and nuts price levels showed increases.
- Consumption showed some growth with signs of stable recovery in the US.
- Performance remained very strong in Spices and Nuts driven by higher price levels and a well-recognized business proposition.
- Edible Seeds performed strongly with an increasing EBIT level despite slightly lower sales levels. Gross margin was strong.
- Tea realized a stable financial performance in a market with declining price levels following large harvested tea volumes worldwide.
- Food Ingredients realized healthy sales and margin growth with the new facility in Ruddervoorde becoming fully operational.
- Acquisition of SIGCO Warenhandel in Hamburg, Germany, as per 1 July 2014.
- Arranging three-year Group financing lines for € 250 million with extension options.
- The year-end euro / US dollar rate was very strong compared to 2013; the 2014 average euro / US dollar rate was equal to the 2013 average rate.

# Key figures

	2014	2013	2012
<b>Consolidated figures</b> (in € thousands)			
Sales	618 871	584 423	593 100
Gross profit	101 843	91 893	87 648
Operating income (EBIT)	47 365	40 194	41 118
Financial result	(2 790)	(2 608)	(2 721)
Corporate income tax	(11 511)	(10 201)	(11 370)
<b>Net profit</b>	<b>33 064</b>	<b>27 385</b>	<b>27 027</b>
Impact of specific one-off items on net profit	303	(1 742)	(633)
Shareholders' equity (before final dividend)	151 920	130 834	121 111
Total assets	337 162	277 196	265 849
<b>Ratios</b>			
Solvency - shareholders' equity as % of total assets	45.1%	47.2%	45.6%
Return On Equity	23.4%	21.7%	23.2%
Return On Net Capital Employed ('RONCE')	20.9%	19.9%	20.2%
RONCE operating companies (excluding goodwill)	27.1%	25.9%	26.3%
Dividend pay-out ratio	78.8%	65.6%	60.2%
<b>Key performance indicators</b> (in €)			
Earnings per share	1.396	1.174	1.163
Dividend per share (2014: proposed)	1.10	0.77	0.70
Equity per share at year-end	6.39	5.56	5.21
Share price per 31 December	19.01	16.55	13.90
Market capitalization per 31 December (in millions)	451.8	389.4	323.1
<b>Number of shares outstanding</b> (in thousands)			
At year-end	23 767	23 532	23 248







Bridging the need for financial stability.  
By strictly managing risks.





# Message from the CEO

In 2014, we have continued to build on our long history and solidified the foundations of our business. The management of our group companies and their teams have shown a remarkable performance which again is proof of their management strength, experience, knowledge about products and markets and focus on generating value. Their success shows that entrepreneurship can foster within a listed company.

With double-digit growth in profit for the Acom Group, 2014 has been another record year. The key performance indicators are clear: we closed the books with a net profit of € 33.1 million. We increased our earnings per share to € 1.396, we increased our equity per share from € 5.56 to € 6.39 and we achieved a return on net capital employed of 20.9%. This enabled us to increase our dividend to € 1.10 per share, an increase of € 0.33 per share or 43% compared to 2013.

For a slightly more detailed view of the year, let me take you through the results of our product segments, as that is where ultimately the success of our business is determined.

In Spices and Nuts, the year has shown stable and continuous development. In Nuts especially, growth was considerable, due to rapidly growing consumer demand for healthy snacks.

Edible Seeds showed stable results with good performances in bird food and our specialty product SunButter®, the non-allergenic alternative to peanut butter. Our European seeds business continued its growth path and contributed significantly to our results. In this segment we were able to welcome SIGCO Warenhandel in Hamburg to our family of companies.

In Tea, the year 2014 has again seen record yields for growers, leading to lower tea prices on the world markets. However, the team achieved positive results despite these lower market prices. They have laid the foundations for future growth by investing in long-term relations with clients and strengthening and rejuvenating the organization.

Food Ingredients has had a slow start of the year, due to the commissioning of the new facilities in Ruddervoorde. Well before the summer, however, the start-up problems were resolved and the business achieved double-digit growth.

In terms of developments at Group level, we have started the year with further increasing our financing facilities. During the year, the new financing lines have already proven their value. We have further professionalized our IT structures and risk management systems. Where necessary we have improved the transparency of our processes and provided clear guidelines, all in the spirit of pragmatism that is embedded in the Acom genes. We have changed our dividend policy to a more even distribution of dividends in line with cash and profit generation. We have received positive feedback on this change from many of our shareholders. And finally, the appointment of a CSR coordinator at the Acom office in Rotterdam in August has underlined our commitment to sustainable entrepreneurship: People, Planet and Profit.



Bridging the need to manage price volatility.  
By providing the reassurance of our financial strength.





I personally have spent a lot of my time speaking to customers, meeting people in the Group both in the Netherlands and in many other countries that host our offices, meeting suppliers and speaking to potential acquisition candidates. It has given me a lot of trust in our business model, our focus on value creation in the supply chain and the conviction that people do see Acomo companies as partners who build bridges.

Next year, we would obviously like to continue the success of 2014 and the years before. However, we always start with a clean sheet and act in an ever changing world. Factors like political developments and climate are simply beyond the control of the market or any individual business. The declining oil price is having a moderating influence on commodity pricing, whilst the weakening euro increases the price of certain commodities in Europe and puts pressure on North America's export opportunities. The still instable European economy with its associated challenges in certain countries and the uncertain geopolitical situation in Europe and the Middle East will have their impact on consumer spending. Naturally this will not stop us from doing our utmost; our teams are well positioned to do so.

Let us look back first at this very successful year 2014. This Annual Report reflects the ongoing efforts of our people in the group companies and in the holding. The 2014 result has been determined by their achievements in bridging the needs of our suppliers, customers, shareholders and other stakeholders. We would like to thank all our employees for their hard work and the Supervisory Board for their continuous support and advice.

Our ongoing aim is to add value to the supply chain and to focus on delivering above average results for those who entrust us with their investments.

I look forward to meeting our shareholders at the Annual General Meeting in Rotterdam on 29 April 2015.

Erik Rietkerk  
*Chief Executive Officer*

# Who we are and what we do

## The Acomomo Group

Amsterdam Commodities N.V. ('Acomomo' or 'the Company') is the holding company of an international group of companies active in the worldwide purchasing, processing, trading, distribution and selling of food commodities and ingredients for the food industry (together 'the Group'). The product range comprises more than 300 main products including spices, nuts, dried fruits, tea, seeds (especially sunflower seeds) and natural food ingredients. The Group buys and sells in more than 90 countries. Reliability and contract security are the leading factors in the relations with our suppliers, customers and other business partners.

The activities of the Group are currently being carried out in four segments:

- **Spices and Nuts:** Catz International B.V., Rotterdam, the Netherlands; Tovano B.V., Maasland, the Netherlands; and King Nuts B.V., Bodegraven, the Netherlands.
- **Edible Seeds:** Red River Commodities Inc., Fargo, USA; Red River-van Eck B.V., Zevenbergen, the Netherlands; Red River Bulgaria, Varna, Bulgaria and SIGCO Warenhandelsgesellschaft mbH, Hamburg, Germany.
- **Tea:** Van Rees Group B.V., Rotterdam, the Netherlands, with sales offices in Rotterdam (the Netherlands), Toronto (Canada), London (UK), Moscow (Russia) and Dubai (UAE), sourcing/sales offices in Mombasa (Kenya), Colombo (Sri Lanka), Jakarta (Indonesia) and Blantyre (Malawi) and support offices in Hanoi (Vietnam) and Cairo (Egypt).
- **Food Ingredients:** Snick EuroIngredients N.V., Ruddervoorde, Belgium and TEFCO EuroIngredients B.V., Bodegraven, the Netherlands.

All group companies are 100% subsidiaries.

## Our strategy and mission

### Acomomo mission

Our mission is to achieve long-term sustainable growth of shareholders' value through consistent growth of earnings per share, allowing for continued high dividend pay-outs representing above-market dividend returns.

### Group strategy: Focus on Food

Earnings per share growth will be pursued by maximizing opportunities in the international sourcing, trade, processing and distribution of niche food commodities, ingredients and semi-finished products for the food industry. Acomomo's keys to success are its worldwide sourcing capabilities, absolute reliability of contracts, effective risk management, operational excellence and socially responsible entrepreneurship (within our sphere of influence).

Acomomo actively pursues a two-tier policy:

- Autonomous value creation within and through its subsidiaries, by diversifying the product assortment, geographies and channels. Here, security of supply and food safety requirements motivate the active quest for expansion in the value chain.
- Acquisitions of leading companies in niche food commodities and ingredients for the food industry with a successful management track record and strong potential to contribute to the earnings per share of Acomomo.

Our operational and financial selection criteria are strict because we do not want to compromise the high profitability of the existing activities and the other achievements and values of the Group.

## Financial objectives

Among the financial objectives of the Company and its subsidiaries are:

- maintaining the Group's traditionally strong dividend policy. This policy means that a substantial share of the annual net profit is paid out to the shareholders in cash every year. In recent years the pay-out ratio has been around 60%. This percentage is subject to the free cash flow and solvency position and also depends on investment opportunities of the Group;
- achieving an annual net profit of more than 15% of the shareholders' equity in the long term;
- safeguarding and strengthening the capability to generate future profits by maintaining a strong balance sheet and healthy financial ratios. We aim to maintain a consolidated solvency of around 40%, which target can be waived temporarily in case of a substantial acquisition, with a minimum of 30%;
- maintaining adequate credit lines to ensure the financing of the subsidiaries' (trading) activities at all times, regardless of the price volatility in the international commodities markets.

These objectives are applied and monitored throughout the Group.

## Roles of the holding company

The Company is the holding company of the Group which holds the shares in and has legal control over its subsidiaries. Acomco has been listed on Euronext Amsterdam since 1908. The holding company is intentionally being kept small, flexible and cost-efficient. Today the holding company employs eight FTEs.

The Company's main tasks are:

- managing its investments in subsidiaries and assisting the subsidiaries in the areas of IT, human resources, finance, legal, tax and other matters;
- setting and implementing the Group's strategy, including merger, acquisition and disposal activities, taking into account acceptable levels of risks relating to the strategy and relevant aspects of corporate social responsibility;
- ensuring the financing of the Group's strategy and trading activities;
- assessing and monitoring effective risk management and control systems with regard to the subsidiaries' activities, including compliance with laws and regulations in the various countries in which the Group operates;
- encouraging synergies through knowledge sharing between the subsidiaries, including the implementation of best practices in the context of risk management;
- carrying out all the obligations and (legal) responsibilities which apply to a listed holding company, including the implementation and monitoring of effective corporate governance and socially responsible business policies, the preparation of annual and other periodic reports, consolidation, audit, PR and IR activities, and maintaining contacts with shareholders, AFM, Euronext and other authorities.

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## Roles of the operating companies

The subsidiaries are the operating companies of the Group. They perform trading and processing activities in their own name and for their own account. To a great extent, they operate autonomously under the responsibility of their own management and financial control. Specific trading and financial guidelines and risk limits are in place per operating company, per product and per activity and the large subsidiaries are supervised by their own supervisory board which can include members of the Supervisory Board and/or Management Board of the Company.

## Our products and added value

We buy and sell natural agricultural products for the food and beverage industries around the world. Our activities are performed in the product segments Spices and Nuts, Edible Seeds, Tea and Food Ingredients.





Bridging the need of growers and suppliers to sell  
their production in full.  
By unlocking a wide range of uses for their products.





## Spices and Nuts

**Catz International** sources and distributes spices, nuts, dried fruits and dehydrated vegetables to and from over 80 countries and supplies customers mainly in Europe, North America and the Middle East.

Since 1856, Catz International has played a key role in providing peace of mind for customers by eliminating risks and securing proper and timely execution of its contracts under all circumstances.

The product range consists of tropical products such as pepper, nutmeg and desiccated coconut, nuts such as cashew nuts, dried fruit such as apricots and sultanas and dehydrated vegetables and herbs. Products are acquired at source and transported to consuming countries. At multiple destinations, Catz International stores its products and ensures their quality for its customers.

Catz International uses its experience and market knowledge to take advantage of market opportunities when deemed appropriate.

Catz International builds different bridges to satisfy the needs of multiple stakeholders. As Catz International is active in non-listed commodities there is no forward price curve for these commodities and therefore there are no public quotations. Catz International always provides a market price, no matter how far out the supplier wants to sell or the customer wants to buy. This always in combination with the peace of mind that 'A contract is a contract'. Furthermore, Catz International ensures that its customers can concentrate on their core activities by bridging the distance between origin and destination. Catz International supplies on time and in spec and reduces the working capital needs of its customers.

**King Nuts & Raaphorst** supplies a wide range of nuts, dried fruits, rice crackers and superfoods to wholesalers, specialty retail outlets and food and hospitality industries.

Since 1981, King Nuts & Raaphorst has imported its nuts, fruits and rice crackers from around the world and delivered them throughout Europe and beyond. Its business proposition is based on customer focus, quality, customization and flexibility.

**Tovano** specializes in shelled and unshelled nuts, dried fruits, seeds, chocolate and rice crackers and snack products.

Tovano's history dates back to 1950. Over more than six decades it has built up a worldwide network of trusted suppliers. Quality, food safety and flexibility in packaging and presentation are key factors of its business proposition.

Both King Nuts & Raaphorst and Tovano bridge the needs of suppliers by delivering mixed pallets with a variety of different nuts and related products. Their customers do not need to import full container loads but can order the volumes that fit their specific needs. Both companies reduce working capital needs for their customers, have inventory on hand to reduce volatility and always supply high quality products, on time and on spec.

Catz International, King Nuts & Raaphorst and Tovano maintain constant contact with growing areas and regularly visit production centers to keep buyers fully informed of market developments and product availability.



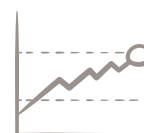
Distance



Liquidity



Blends



Price  
volatility





Bridging the need for high yields and fewer growing challenges.  
By supporting innovative seed breeding and growing solutions.





## Edible Seeds

**Red River Commodities** has played a role in the industries it serves since 1973. This position stems to a large part from initiating and sourcing specialty crops directly from farmers and processing them for our customers.

Red River Commodities specializes mainly in confectionary sunflower seeds, both in-shell and kernels, while Red River-van Eck focuses on seeds such as poppy seeds and caraway seeds and other edible seeds.

Red River Commodities' customers can be found in the snack industry and in retail chains that sell wild bird food products. Its subsidiary SunGold Foods is active in roasting, salting and flavoring sunflower, soybeans and other specialty products. The company also provides contract packaging for customers in a peanut- and tree-nut-free environment. The company also produces and sells SunButter®. SunButter® is a healthy alternative to peanut butter, made from specially roasted sunflower seeds and it is completely peanut-free, tree-nut-free and gluten-free. Packed with nutrition, SunButter® is an excellent choice for people with peanut allergies. The products are distributed through US school systems, retailers and through internet-based sales. SunButter® is the fastest growing consumer product within the Group.

Red River Commodities' American processing facilities for custom roasting and packaging are located in Fargo and Horace, North Dakota, in Colby, Kansas, and in Lubbock, Texas. From there, human consumption and wild bird food products are shipped across the US and exported outside the US.

In mitigation of the risks of agricultural production, Red River Commodities locates its production facilities in a variety of geographical areas in the Midwest, from north to south. This means that the company is not dependent on the growing conditions of any single geographic region.

The Dutch location in Zevenbergen is the processing and distribution center for edible seeds, mainly poppy seeds, sesame seeds and caraway seeds, which are sourced and sold on a worldwide scale. **Red River-van Eck** has a presence in Bulgaria to oversee and coordinate its growing European confectionary sunflower activities in Southeast Europe. Red River-van Eck is active in contract farming of confectionary sunflower seeds and has them cleaned, sorted and packed by third parties for sales in Europe, the Mediterranean Rim and the Middle East.

**SIGCO Warenhandel**, located in Hamburg, Germany, is mainly active in the German market in the trade and distribution of edible seeds such as poppy seeds, sunflower seeds, sesame seeds and pumpkin seeds. The company is a reliable partner of suppliers and customers with a strong position in the German baking industry where significant quantities of edible seeds are processed.

All our seed companies build bridges for farmers by supplying innovative hybrids for growing confectionary seeds and ensuring peace of mind by contracting to buy all harvested raw sunflower seeds. We provide safe products for human and wildlife consumption, delivered in time and on spec. We maintain these high standards through rigorous quality programs, extensive communication with farmers and suppliers and through continuous investments in our facilities.



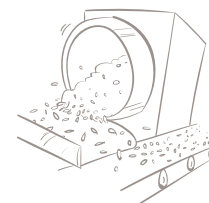
Innovative  
seed hybrids



Food safe  
products for humans  
and wildlife



Safe products



State-of-the-art  
processing





Bridging the distance between suppliers and customers  
across the globe.

By ensuring delivery on time, every time.





## Tea

**Van Rees Group** has been active as a global tea trader since 1819. Van Rees Group is an international supplier and processor of tea with a global network of eleven offices in tea-producing and tea-consuming countries.

In the tea-producing countries Kenya, Sri Lanka, Indonesia, Vietnam and Malawi, Van Rees Group offices have exclusive representations that visit local weekly tea auctions and local tea estates. The group supplies tea from any origin to both private and public sectors in many consuming countries. Sales offices in Toronto, London, Rotterdam, Moscow, Cairo, Dubai and in the countries where sourcing offices are located, deal with customers' requirements every day.

Van Rees Group has extensive knowledge of and experience with almost all the tea gardens in the world and as such can build any bridge to customers' requirements in terms of color, taste, smell, color under the milk and leaf form by making optimal blends for their customers. It bridges the entry to the market for smallholders and small tea gardens by opening its sales and marketing network for them. Van Rees Group provides relief of capital needs for its customers by giving them Vendor Managed Inventories, and bridges product safety requirements by rigorous testing and working with certified tea gardens.

Van Rees Group develops new products together with its customers and ensures that the required tea blends are available at attractive costs. It also provides blended tea with ingredients at the specification of our customers. In summary, Van Rees Group bridges the needs of customers, suppliers and other stakeholders by providing tailored solutions.

Today, Van Rees Group is one of the largest cross-border tea traders in the world.



Blending



Transporting  
and storing  
by delivering



Safe products



Certified  
products



Global



Bridging the need for consistently high product quality.  
By determining clear and relevant product specifications.





## Food Ingredients

**Snick EuroIngredients** has been active since 1993. It manufactures ingredients and supplies them to food producers, especially producers of savory foods. Its products are high-quality natural flavoring ingredients, raw materials, semi-finished flavorings, and wet or dry compounds and blends.

**Tefco EuroIngredients** specializes in the supply of natural ingredients and raw materials for the food industry. Among its customers are manufacturers of bakery products, savory snacks and meals, confectionary, beverages, animal food and nutritional supplements. As an exclusive importer and distributor, Tefco EuroIngredients offers a wide range of products, mainly from European producers.

Snick EuroIngredients and Tefco EuroIngredients operate under one management team and with one strategic direction for the Benelux. During 2015 Tefco EuroIngredients will be merged with Snick EuroIngredients to create a single EuroIngredients proposition fully covering the Benelux.

The Food Ingredients segment is active in flavors, functional additives and specialties. In flavors we provide meat tastes such as poultry or veal, yeast extracts, vegetable tastes such as carrot, onion and tomato, cheese tastes, spices and herbal blends. In functional additives we provide system solutions such as natural colorings, texturizers and sweeteners. And in specialties we provide products such as a vegetarian Worcestershire sauce. Most of our applications are in sauces, soups, meat and fish preparations, mayonnaise and desserts. In the sweet product range we provide a large assortment of products for the bakery, confectionary and dairy and beverage industries.

We bridge all the needs of our customers by providing single ingredients and customized functional blends that are tailor-made to their specifications. We develop new blends and products in collaboration with our suppliers and customers and do this through blending and other techniques. We have invested in a new state-of-the-art food ingredient facility in Belgium with product development labs as well as fully computerized production systems. We manufacture within all known certification requirements while our highly qualified staff represents over 50 years of experience in product development.



Blending



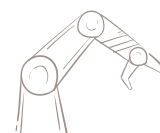
Rigorous  
quality  
management



New product  
development



Customer  
tailored  
ingredients



State-of-the-art  
production  
facilities



Bridging the need for a healthy planet.  
By identifying and implementing  
sustainable business opportunities.



# Sustainability

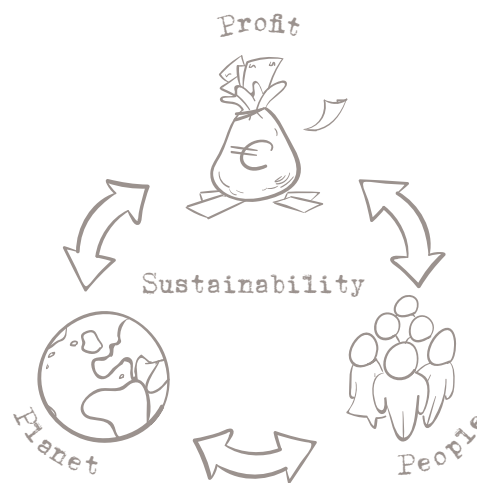
## Values and culture

We are committed to supplying *peace of mind* to all our partners. Entrepreneurship, modesty, long-term growth, reliability and passion for our products are important values within the companies of the Acomó Group and in their relationships with shareholders, customers, suppliers and other partners. These values are important cornerstones in the way we conduct our business.

With a shared history that for some of our companies spans up to two centuries, we at Acomó understand that a balance between profit, people and natural resources is necessary to be a reliable partner and the only way to achieve long-term growth.

We focus on entrepreneurship, feel passionately about our products and we look to the future with an open mind. We highly value our relationships with employees, customers, suppliers and other partners. Together with them we are continuously seeking out new opportunities for improvement and growth.

The Acomó Group is committed to conducting its business with honesty, integrity and respect. We always strive to comply with all applicable laws and do not tolerate corruption. We keep accurate and honest records of transactions and positions. Business ethics are important for the relationships we build and critical for our reputation. Our business ethics are monitored by the Management Board and supervised by the Supervisory Board. This year we have begun the alignment of the codes of conduct of our subsidiaries, the first step towards the creation of a uniform Group-wide Code of Conduct. During 2015, we will further develop this Group-wide Code of Conduct in close collaboration with our operating companies.



## Growing population and changing demands

With a population that will exceed 9 billion people in 2050, the world is facing challenges as well as opportunities. People need food, water, resources and land to live on, which will result in an unprecedented pressure on the climate and on our planet in the coming decades. In addition to the growing population, global trends such as urbanization, a growing middle class and changing diets are forcing the food industry to change.

The challenges the world is now facing are inherently complex and all this has an impact on our companies and the supply chains they operate in. We recognize that sustainable development is required to create supply chains that will be able to serve the 9 billion people living on this planet in 2050. Sustainable development asks for innovative ways of doing business, which requires entrepreneurship and increased and innovative collaboration with existing and new partners. We have many partners with whom we have long-standing relationships. We team up with our suppliers, customers, investors and also with NGOs and multi-stakeholder initiatives in addressing challenges and opportunities in our pursuit of sustainable development.

## Road to sustainable growth

Corporate social responsibility (CSR) is a journey of learning and continuous improvement. We believe that a more focused approach will help to align current initiatives and to find new opportunities. That is why we have put CSR more prominently on our business agenda.

In 2014, CSR was one of the themes of a dedicated management conference. We focused on opportunities and areas where we can have an impact. A tailored CSR approach is necessary. Every individual company within the Acomó Group is unique and has a different presence in its supply chain, where each faces a unique set of risks and opportunities.



To further investigate the relevant CSR aspects and opportunities, we have formed a CSR team and started the project 'Road to sustainable growth' in most of our companies. To even better understand the sustainability opportunities and risks, we have conducted extensive research and actively approached various stakeholders. The dialogue with those stakeholders is helping us to understand the developments in our segments and the roles we can have in creating more sustainable supply chains. These insights will enable us to create a tailored CSR vision and actions for each company. We believe in practical initiatives that will benefit the business and our partners alike.

### Building sustainable supply chains

Sustainable supply chains include economic, environmental and social aspects. As a bridge between suppliers and customers around the world we have a unique position that enables us to recognize and understand sustainability challenges and opportunities and to work together with our partners in creating more sustainable supply chains.

We believe that collaborating with our partners is essential in the creation of more sustainable supply chains. Acomo together with its operating companies have continued their discussions with other stakeholders such as NGOs, certification agencies and multi-stakeholder initiatives such as IDH and The Sustainable Trade Initiative.

Our subsidiaries are active in food industries. These industries share common sustainability themes that are relevant for our companies. The most important themes are:

- Health and safety
- Reducing the environmental footprint
- Fostering talent
- Responsible products

### Health and safety

Providing safe products is a core responsibility of each of Acomo's subsidiaries and the most important aspect of our services to our customers. We are committed to providing safe products to our customers everywhere and every time. To ensure the safety of our products we have strict quality control systems in place in all our facilities. Our facilities are compliant with food safety regulations and are certified according to standards such as FSSC 22000, ISO 22000, HACCP and BRC.

Food safety does not start in our facilities; it starts with the seeds and cultivation methods at the farms that grow the agricultural products. Especially the use of chemicals and pesticides is an issue in the supply chains of many of our agricultural commodities. We test our products to ensure that the products we sell to our customers are safe and compliant with appropriate regulations.

#### Health and safety improvements in 2014:

- Pesticides pose significant issues in the Asian tea industry. Pesticide and chemical use at estate level can be harmful for the environment, for workers at the estates and also for tea consumers. Van Rees Group joined a working group with UTZ and several other players in the tea industry to address this complex pesticide issue together. The main objective is to find solutions to reduce the contamination of teas and find new supply opportunities for our customers.
- Snick EuroIngredients moved to a new production facility in Ruddervoorde, Belgium, in 2014. This meant that we had the opportunity to reorganize all our food safety processes. All existing food safety certifications (ISO 22000, FSSC 22000 and GMP) were fully extended for our new facility.

## Reducing the environmental footprint

Although the environmental impact of Acom and its companies is limited, we try to reduce our environmental footprint. We work on saving energy in our own operations, reducing waste and recycling of materials that we can no longer use. We continuously search for new ways to use the residual products that would otherwise be considered as waste.

We are not only reducing the environmental footprint in our own facilities, we also help our partners to become more environment-friendly. The environmental impact is often higher at farm level and we support our suppliers to become more efficient and thereby reduce their footprint.

### Footprint reduction in 2014:

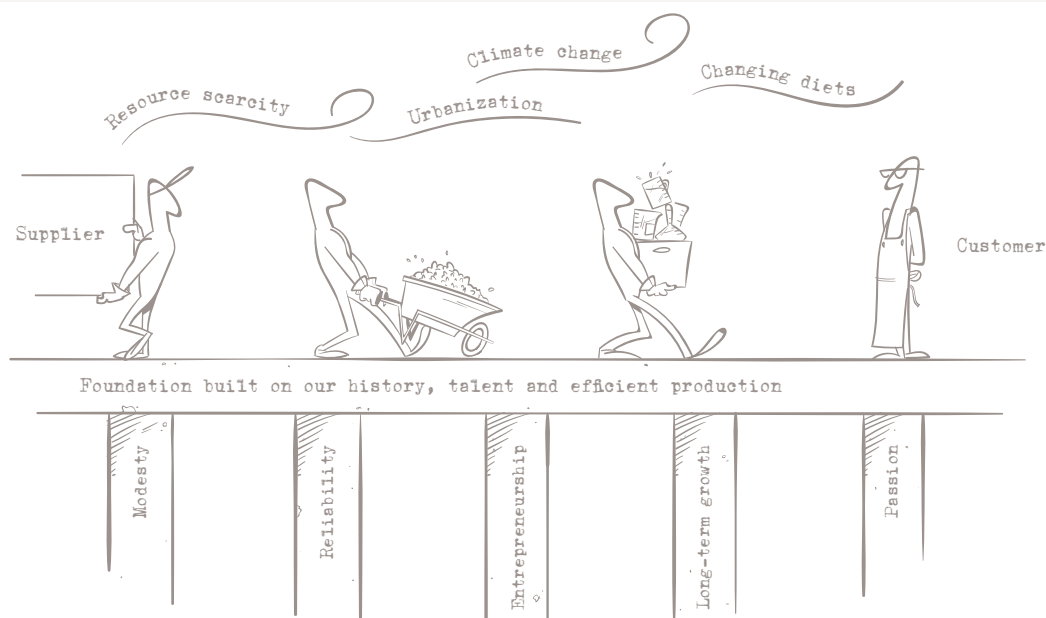
- In our Edible Seeds segment we strive to reduce the environmental impact of our products by selecting good hybrids that will need less water and fertilizers. At the same time we improve the quality of the harvested seeds. We also advise our growers on more efficient farming methods, aiming for higher yields per acre while at the same time saving water and chemicals. In 2014 we provided soil moisture sensors to several farmers. These sensors will provide detailed information on when to irrigate the crops. By irrigating the crops more efficiently, the quality and quantity of the sunflower seeds can be increased while in total less water is needed.
- One of the by-products of tea blending is tea dust. In the past, this dust would have been disposed of as solid waste. Currently, tea dust from our blending facility in Dongen, the Netherlands, is being used in bio-fermentation to produce biogas.
- Transport is an important aspect of our business. Van Rees Group joined a program of MVO Nederland to develop sustainable practices and to reduce its environmental footprint in the maritime sector.

## Fostering talent

Acom is an international group of companies with offices all over the world. We achieve our goals through our people and their talent. We seek to attract, develop, reward and retain competent and motivated individuals. In the interest of all our stakeholders and to achieve sustainable growth, we put faith in young talent and we give employees the opportunity and freedom to develop and grow.

### Personnel developments in 2014:

- Acom and some subsidiaries sent selected employees to external training courses on specific subjects linked to the business.
- During 2014 the Van Rees Group reinvigorated its young trainee program and hired its first trainees.



## Responsible products

There is increasing interest in topics such as improving livelihoods and working conditions and preventing deforestation. As a bridge between suppliers and customers, we have it within our sphere of influence to provide information and advice our partners about sustainable products. This enables our customers to choose more sustainable alternatives.

In several of our segments we work with certification programs such as Rainforest Alliance, UTZ, Fairtrade and Global Gap. We recognize that certification is only a tool and not a goal in itself. We will continue to look beyond certification to see how the products we sell benefit the wellbeing of all involved.

### Responsible products in 2014:

- In our Spices and Nuts segment we have ongoing initiatives towards delivering more sustainable products. We choose to work with several suppliers that are certified by Global GAP.
- In our Food Ingredients segment we offer our customers a sustainable raw material for yeast extracts based on sustainable sugar cane. Although palm oil is a relatively small product, Snick EuroIngredients attained RSPO supply chain certification in 2014.
- In Tea, approximately 30% of the teas we sold in 2014 were certified by certification agencies such as Rainforest Alliance, UTZ, Fairtrade and ETP.

## Catz Charity Foundation

The Catz Charity Foundation was founded after the deadly tsunami in 2004 with the objective to channel individual initiatives of Catz International employees and stakeholders. The foundation focuses on small-scale projects with reliable partners and minimal overhead costs to ensure that as much as possible of what is donated reaches those who need it.

The Catz Charity Foundation supports several local organizations with financial and material donations. Many of the projects help young people develop skills that enable them to build their future and become self-supporting.

In 2014 the foundation supported the following projects:

- Three orphanages and a school in Kenya run by the Blessed Generation organization. The Catz Charity Foundation has worked with this organization for a long time and supports these orphanages as they strive to become self-supporting. In 2014 the foundation financed a water pump, which is important for the provision of drinking water and also helps the orphanages to grow different kind of crops that they can eat or sell. As part of a three-year agreement a donation was made to cover several returning costs.
- An agriculture project started by the organization Silent Work that helps children in Africa to create a future. The Catz Charity Foundation financed a farm wagon and its shipment to Mauritania. Several farmers contributed a variety of farming tools, which were shipped together with the farm wagon. The farm wagon and tools will help to provide food and teach the children about farming methods.
- A rehabilitation program in India for young people with leprosy started by the Leprazending organization. The program finances the study costs of eight young people, giving them a chance to learn a profession and find a job in Indian society.
- Financing computers, furniture, sewing machines and books for a new skill center in India developed by Stichting Ladder. Underprivileged youth can get training in this center to develop the skills they need to find a job.
- A donation to Médecins Sans Frontières (Doctors Without Borders) for their work in Africa on fighting the Ebola crisis.

## Looking to the future

In 2014 we have gained an even better understanding of what CSR means for Acom as a group.

We have started the project 'Road to sustainable growth', which we will continue in 2015.

By building on the dialogue with our stakeholders we will further develop a CSR framework for our companies. This framework will help to define new practical and innovative actions that create new sustainable opportunities.



# Share information

Acomco shares have been listed at Euronext Amsterdam since 1908 (ISIN code NL0000313286).

The Acomco shares were included in the ASX index on 21 March 2011.

## Dividend policy

The policy is to maintain the Group's traditionally strong dividend policy. This policy means that a substantial share of the annual net profit is paid out to the shareholders in cash every year. In recent years, the pay-out ratio has been around 60%. This percentage is subject to the realized free available cash flow and solvency and also depends on investment opportunities of the Group.

## Share performance

Per ordinary share (in €)	2014	2013	2012	2011	2010
Net profit (basic)	1.396	1.174	1.163	1.130	0.865
Dividend in cash (2014: proposed)	1.10	0.77	0.70	0.65	0.50
Shareholders' equity at year-end	6.39	5.56	5.25	4.81	3.66
<b>Share price - closing prices</b>					
Year-end	19.01	16.55	13.90	10.34	11.08
High	19.01	16.95	14.35	11.34	11.15
Low	16.19	13.90	10.00	8.71	5.25
Price / earnings ratio at year-end	13.6	14.1	12.0	9.2	12.9

## Shareholders' information

Shareholders holding 3% or more (latest information based on total issued shares as at 31 December 2014):

Mont Cervin Sarl.	15.60%
Mawer Investment Management	10.02%
Red Wood Trust	9.96%
Todlin N.V.	5.11%
Monolith Investment Management B.V.	5.07%
Fidelity Management & Research Company Inc.	3.03%
	48.79%
Other	51.21%
Total	100.00%

## Number of shares outstanding

The number of issued shares in 2014, 2013 and 2012 were as follows:

	2014	2013	2012
At year-end	23 766 701	23 531 676	23 247 576
Average	23 679 378	23 332 788	23 247 576
Fully diluted at year-end	24 044 418	23 910 588	23 649 598
Fully diluted average	23 977 503	23 780 093	23 586 452

In 2014, the total number of Acomco shares traded was 4.5 million, on average 17,756 per day.

This represented 19% of the number of issued shares. The market capitalization at year-end amounted to € 451.8 million (2013: € 389.4 million, + 16%). The average traded share price in 2014 was € 17.45 (2013: € 15.54, + 12.3%).

# Management Board

## Profile of the Management Board

The Company consists of a small management team. The CEO and the CFO together make up the Management Board of the Company. The CEO also acts as Company Secretary as described in the Dutch Corporate Governance Code ('the Code').

The task of the Management Board is to manage the Company, which includes the responsibility for the performance of the Group, the implementation of the Company's role, objectives and strategy, within the risk profile relating to the strategy and taking into account corporate social responsibility aspects which are relevant for the Company.

Any form and appearance of a conflict of interest between the Company and the Management Board members is avoided. Decisions to enter into transactions involving potentially conflicting interests on the part of Management Board members which are of (material) significance to the Company and/or the respective Management Board members require the approval of the Supervisory Board.

The Company's Articles of Association and the Code of Conduct for the Management Board include most of the Code's principles and best practice provisions insofar as they apply to a two-person Management Board. The Code of Conduct is published on the Company's website [www.acomo.nl/about-acomo/corporate-governance](http://www.acomo.nl/about-acomo/corporate-governance).



E. Rietkerk  
(1960), Dutch  
Chief Executive Officer,  
appointed on  
7 May 2013



J. ten Kate  
(1962), Dutch  
Chief Financial Officer,  
appointed on  
25 May 2011

# Supervisory Board

## Profile of the Supervisory Board

The composition of the Supervisory Board of the Company is aimed at its proper functioning in the specific corporate governance structure of the Group, particularly taking into account the close working relations between the Supervisory Board and the Management Board of the Company and the managements of its subsidiaries. In this perspective, experience and expertise in the areas in which the Group is active are the most important criteria. Experience in international business and proven managerial skills, preferably in purchasing, marketing, processing and distribution of food commodities, M&A, CSR and strategy are required. Specific expertise in financial, economic and (Dutch) social matters needs to be present, as well as affinity with international trade and customer focus. In the manner of its composition, the Supervisory Board seeks to group a variety of experts who complement each other and provide a good balance of ages and genders. A conscious attempt is made to appoint several members who are still fully active, particularly in the business community.

The Supervisory Board shall, to the maximum possible extent, take the above guidelines into account when considering appointments to the Board. Resigning members are eligible for re-appointment, for a period of six years each time. Considering the value of expertise and long-term experience with the activities of the Group, there is no limitation with regard to the maximum number of terms of Supervisory Board members. The Company adheres to the best practice rules of the Code and the Act on Corporate Management and Supervision (Wet Bestuur en Toezicht) with regard to the maximum number of Supervisory Board mandates a Supervisory Board member may hold and with other incompatibilities regarding the appointment of candidates as member of the Supervisory Board. The Code of Conduct is published on the Company's website [www.acomo.nl/about-acomo/corporate-governance](http://www.acomo.nl/about-acomo/corporate-governance).



B. Stuiyinga, Chairman  
(1956), Dutch - Member of the  
Supervisory Board since 2002,  
re-appointed in 2010,  
resigning in 2016  
Tax lawyer and advocaat, partner  
of Greenberg Traurig LLP



Y. Gottesman  
(1952), British - Member of the  
Supervisory Board since 2002,  
re-appointed in 2012,  
resigning in 2018  
Private investor

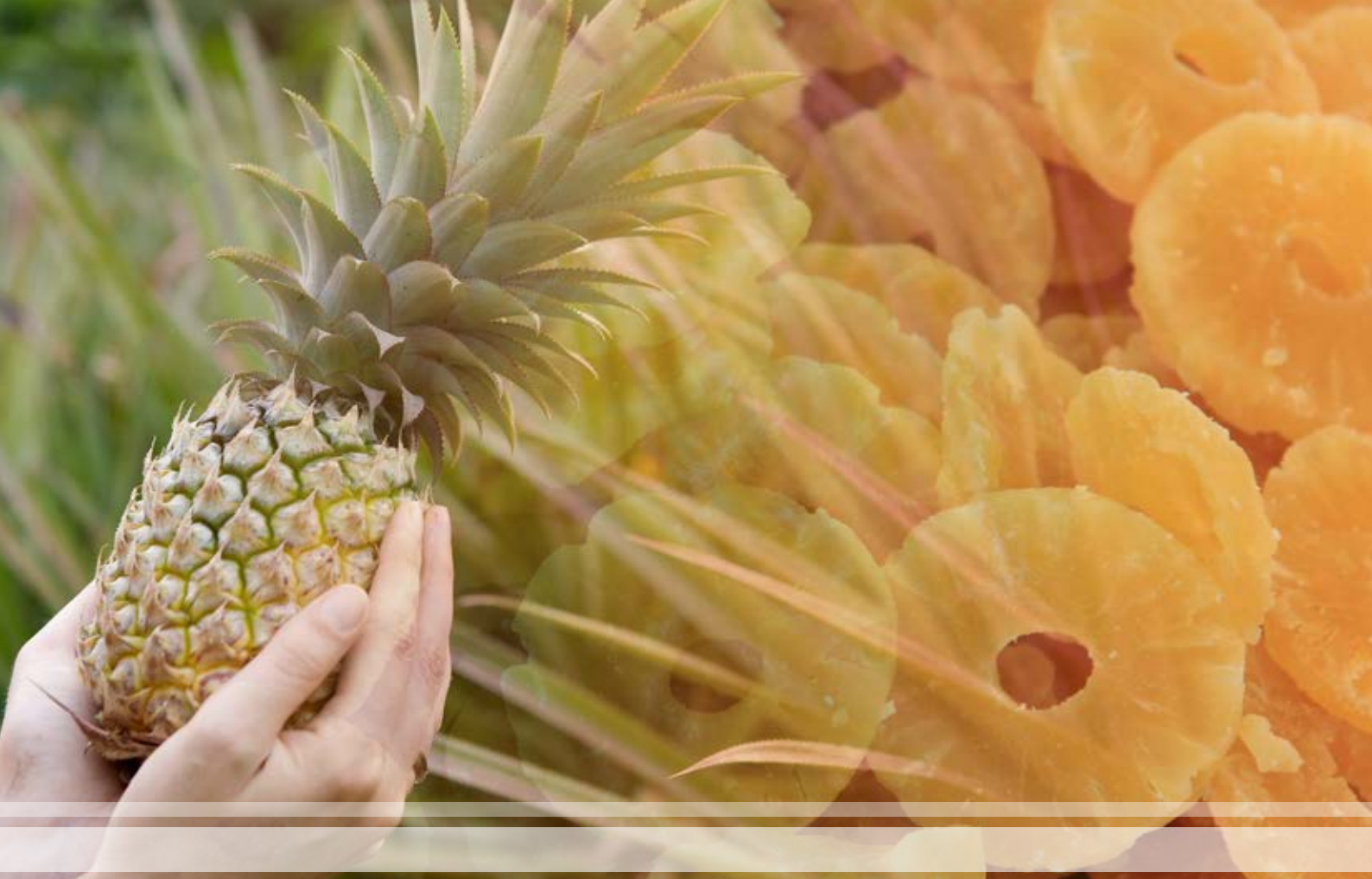


J. Niessen  
(1963), Dutch - Member of the  
Supervisory Board since 2011,  
resigning in 2017  
Private investor



M. Groothuis  
(1970), Dutch - Member of the  
Supervisory Board since 2013,  
resigning in 2019  
Private investor





Bridging the need to manage fluctuations in demand.  
By providing Vendor Managed Inventories solutions.



# Report of the Management Board

## The year 2014

We present to you the activities of Acom in 2014 and the consolidated financial statements for the year ended 31 December 2014.

## Highlights

Consolidated sales reached € 619 million in 2014, an increase of 5.9% compared to last year (2013: € 584 million). Net profit amounted to a record € 33.1 million, exceeding the 2013 net profit of € 27.4 million by 20.7%.

The 2014 results first of all reflect the continued strong performance of companies within the Spices and Nuts segment and Edible Seeds segment. The companies within our Tea segment equaled their results of 2013 and our Food Ingredients segment continued to perform strongly.

In January 2014, Snick EuroIngredients started operating in a new location in Ruddervoorde, Belgium. This new facility is in compliance with all food safety requirements and provides a sound platform for further growth. The new facility became fully operational in the second quarter of 2014.

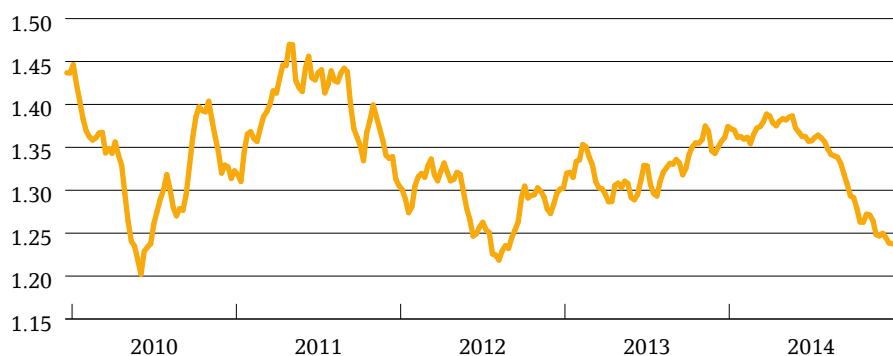
On 7 February 2014, two new bank facilities were arranged with a group of four banks. The new facilities consist of a € 200 million revolving credit facility and a € 50 million stand-by acquisition facility. Interest rates and fee conditions were improved compared to then existing loans. Both facilities have a three-year tenure with options to extend the tenure by an additional two years. In addition, options have been obtained to increase the amounts of both facilities by 30%.

On 11 July 2014, an agreement was signed to acquire 100% of the shares in SIGCO Warenhandel in Hamburg, Germany. With this relatively small acquisition, the Group strengthens its existing activities in the supply chain of edible seeds and specifically poppy, sesame, pumpkin and sunflower seeds.

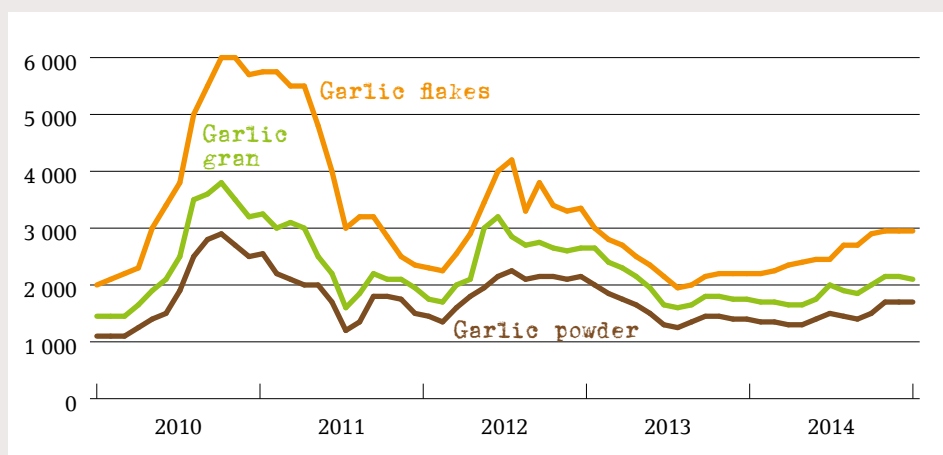
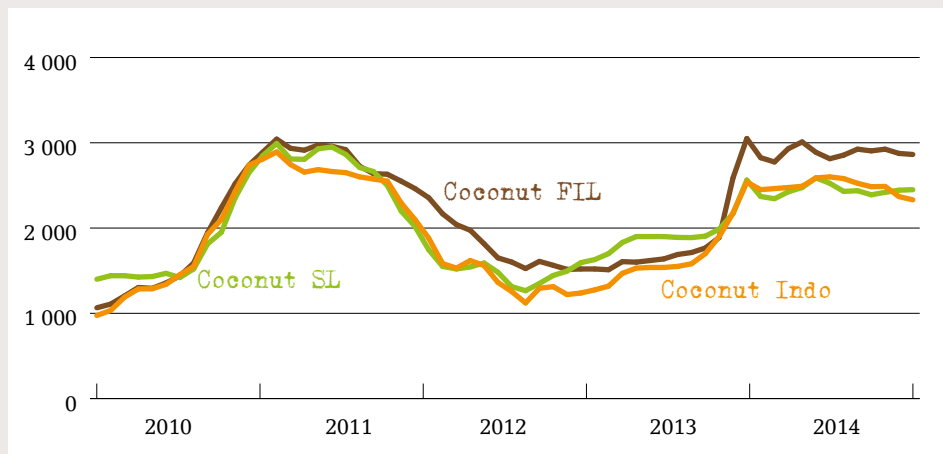
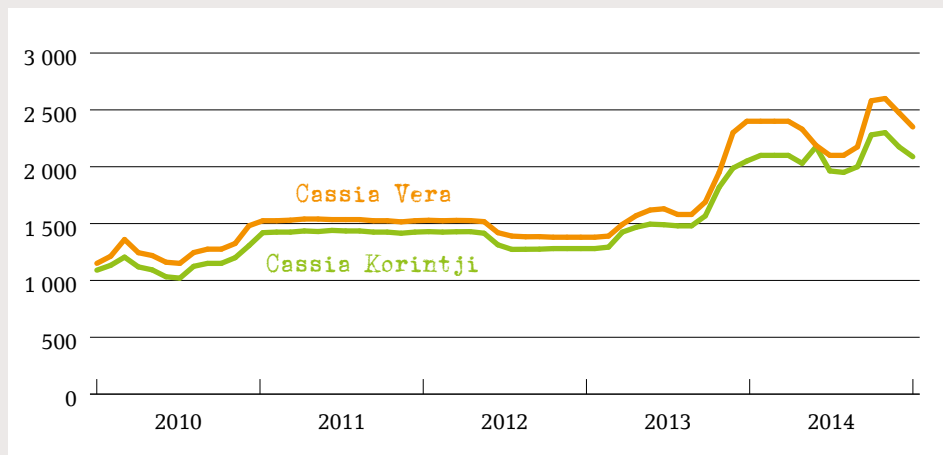
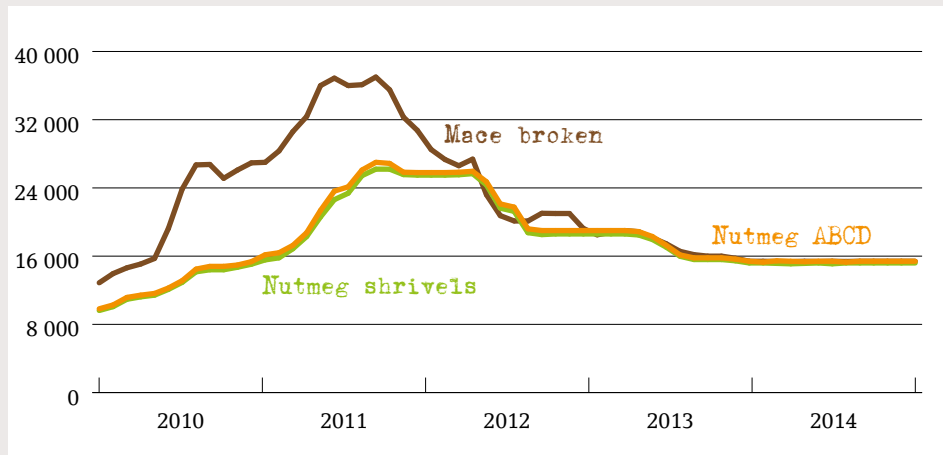
On 1 September 2014, the second vesting (15%) occurred of options granted to selected employees in 2010. In 2014, 235,025 options were executed, 40,000 new options were issued and 24,250 options were withdrawn. As at 31 December 2014, 47,625 vested options were still exercisable and 547,000 options were non-vested.

The average euro / US dollar rate in 2014 was in line with the 2013 average rate being 1.3285 (2013: 1.3284), which implies that the impact on the net result in euros of operating companies with a US dollar functional currency (Edible Seeds in the US and the larger Tea companies) was negligible.

**Euro / US dollar rate 2010-2014**



Price development in US dollar per metric ton





The 2014 results include one-off items consisting of a release of a pension provision due to a change in the pension plan (now with a defined contribution character), refinancing costs and costs relating to resignations of managing directors. In total, these items positively affected the 2014 net result by € 0.3 million. The 2013 results included one-off items consisting of the 16% crisis tax levy in the Netherlands, costs relating to resignations of managing directors and a book profit on the sale of land and buildings. In total, these items negatively affected the 2013 net result by € 1.7 million.

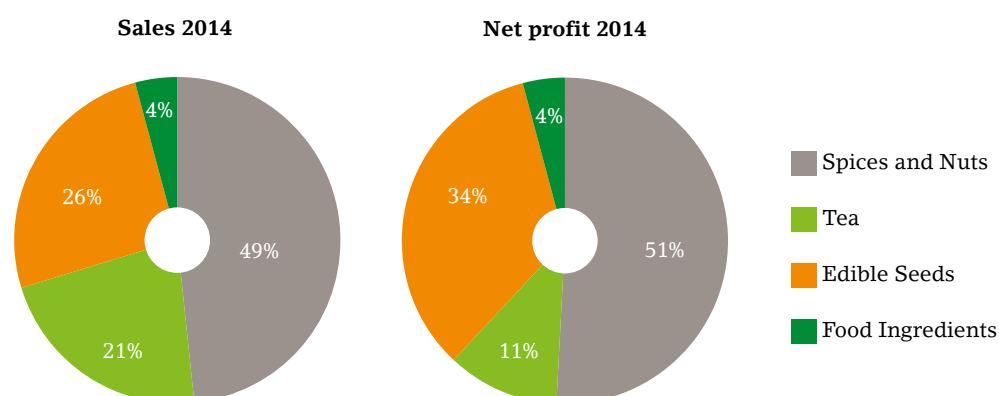
The increase in the last part of 2014 of the US dollar against the euro resulted in a closing euro / US dollar rate of 1.210 which was significantly stronger than the rate at 31 December 2013, which was 1.379. This implied that, compared to the 2013 year-end foreign exchange rates, total consolidated assets were € 18.4 million higher and total shareholders' equity was € 9.3 million higher due to the stronger US dollar against the euro.

## General environment

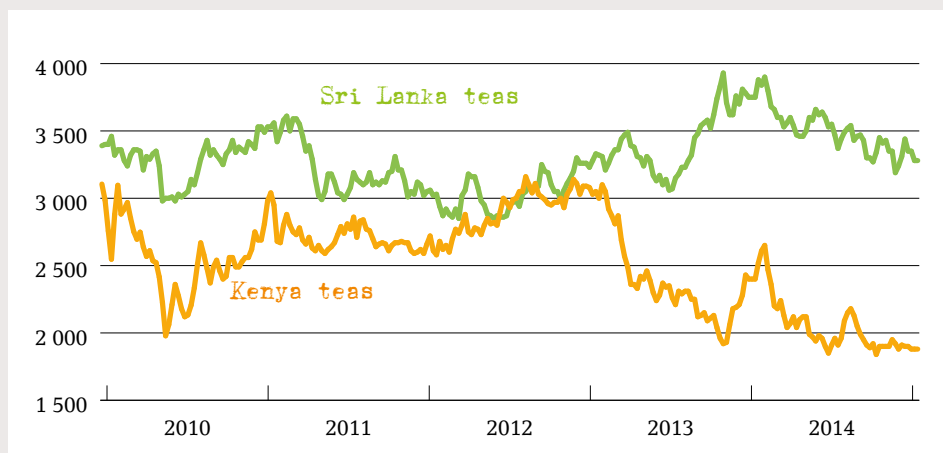
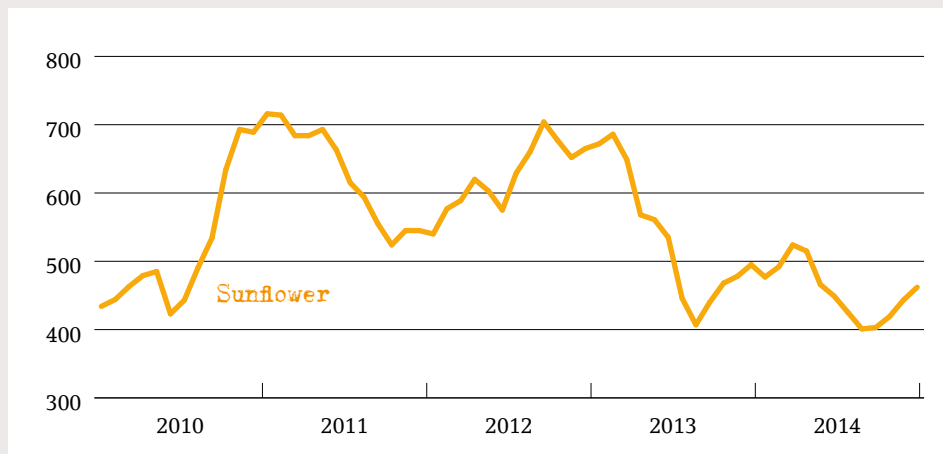
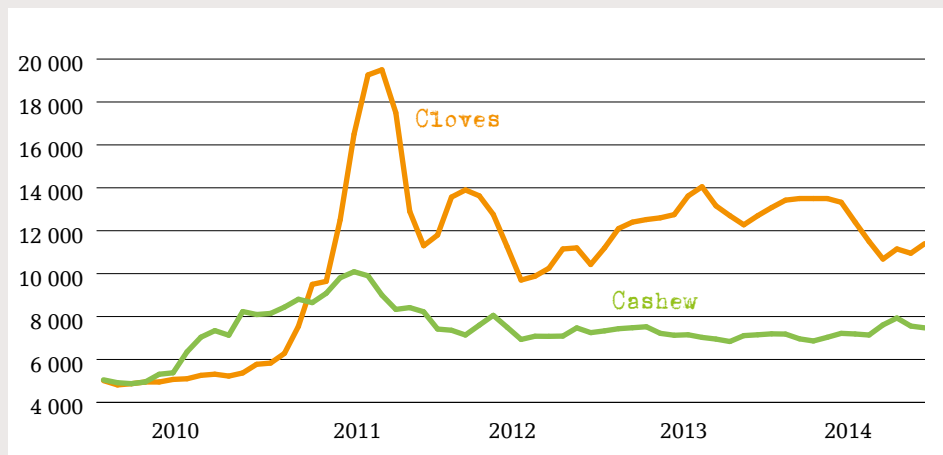
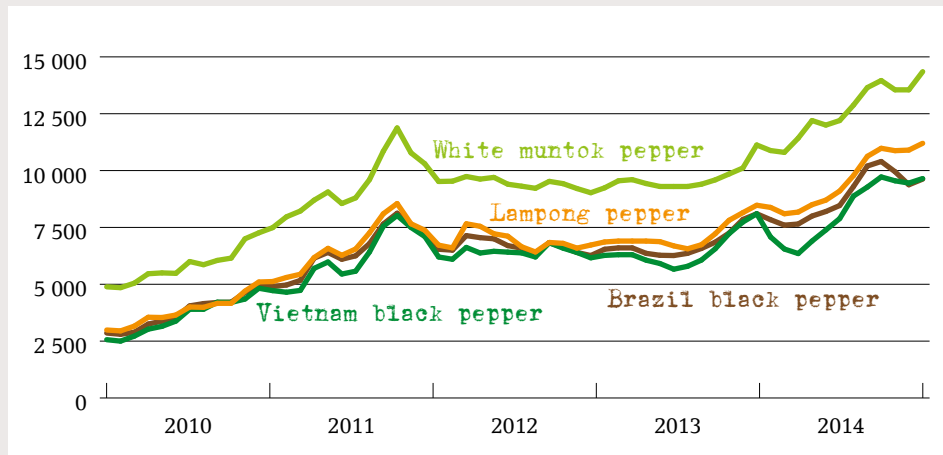
In a challenging economic environment, food commodity markets remained very active, generating high trading activities and opportunities to trade profitably. Business risks required permanent management attention, especially with respect to price volatility, food safety aspects, the financial robustness of suppliers and customers and new forms of intelligent crime.

Various developments were noted during the first six months of 2014 which affected Acom's local activities. Unrest in the Middle East and in Kenya resulted in challenging situations within the respective supply chains. In Europe, the process of economic stabilization continued with signs of growth albeit at low levels. Consumer confidence and consumption in the West also showed some positive trends. Price level developments per product group showed a diverse pattern: whereas various spices experienced increasing price levels, edible seeds price levels were stable to slightly lower and tea prices decreased due to large harvested volumes of tea.

The trend of increasing demand from emerging countries continued with climatic and political developments affecting harvests and traded volumes. It should be noted that in many cases, our food commodities represent only a relatively small part of consumer end products. This has a stabilizing effect on our sales and volumes. Climatic factors, as always, also played an important role in 2014 with, on average, good weather conditions. The year ended with declining commodity prices led by oil prices affecting many quoted food commodities such as grain, wheat, corn and soy beans.



Price development in US dollar per metric ton



## Activity reviews per operating company

### Spices and Nuts

**Catz International** in Rotterdam, the Netherlands, performed at a remarkably high level and continues to be the largest contributor to the Group's results. Sales were significantly higher than in 2013 due to, on average, higher price levels for various larger product groups. Gross margins developed positively. The 2014 net results were above 2013. Many factors created challenging market conditions for suppliers and customers such as climate developments, volatile price patterns with increasing price levels in various product groups, political unrest in sourcing countries and financing issues for many companies in the supply chain. Per region and product group, price and volume changes were significant. As a result suppliers and customers were cautious and covered their forward price and delivery risks with Catz International. Catz International again proved its added value and specific role in such market situations by applying its experience and extensive market knowledge combined with solid financing capacity.

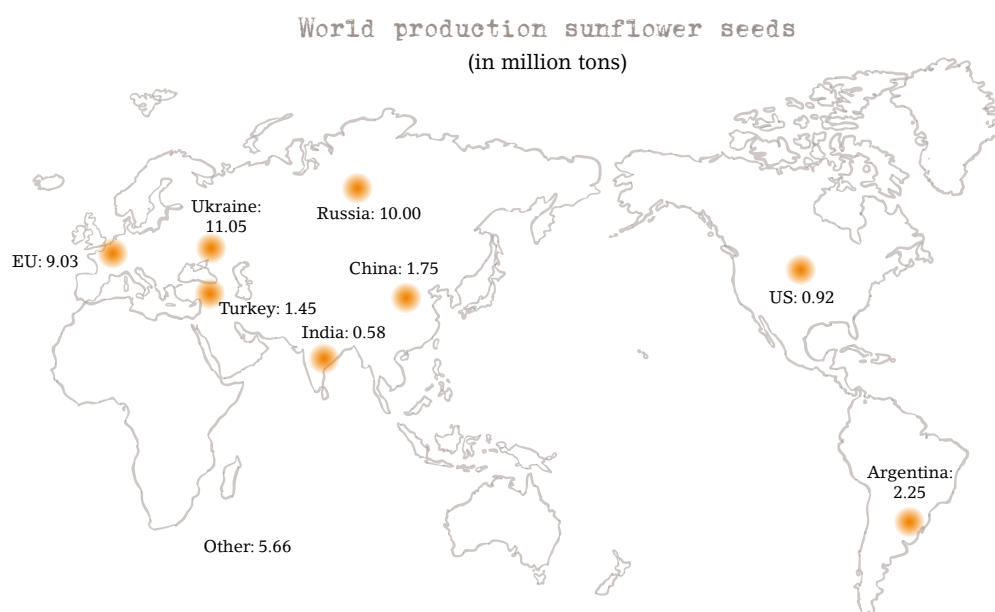
**Tovano** in Maasdijk, the Netherlands, active in packed nuts and dried fruits, had its best year in history with a profit level again exceeding that of the previous year.

**King Nuts & Raaphorst** in Bodegraven, the Netherlands, active in nuts and rice crackers, outperformed the market with volumes and margins that continued to increase, a development that has started in 2013. Average price levels increased, specifically applicable in the higher-priced nuts categories and for so-called superfoods such as quinoa and chia. Distribution activities to merchants selling on weekly open public markets in the Netherlands grew due to an increased number of customers visiting those markets to get the best price/quality offers. As a market leader in this segment, the King Nuts & Raaphorst management team is capitalizing on its reliability, quality and competitiveness.

### Edible Seeds

**Red River Commodities** in Fargo, US, active in sourcing, processing and distribution of edible seeds (mainly sunflower seeds), operated successfully under diverse market circumstances. The American farm belt states, the Dakotas, Kansas and Texas, experienced, on average, stable weather conditions causing crop yields and qualities to be slightly above average levels. Confectionary sunflower seeds price levels were relatively stable in 2014 whereas price levels of other commodities used in bird food activities started to decline, a trend that continued in the beginning of 2015. The current trend of lower price levels of food commodities will also affect the sunflower seeds price levels in 2015.

33



Red River Commodities is active in four main business lines: sunflower kernels, wild bird food, processed sunflower seeds (SunGold) and SunButter®. Activities in in-shell sunflower products were stable despite economic and political developments in major export markets. Bird food sales volumes slightly decreased in total, mainly due to milder weather conditions in the winter months of 2014 compared to 2013. Activities were positively affected by additional business with existing and new accounts. SunGold sales were slightly below 2013 with a stable margin in total; profit levels exceeded those of 2013, mainly due to plant efficiencies and cost savings. Sales of SunButter®, an allergen-free substitute for peanut butter, grew due to further market penetration in retail outlets, school programs and due to SunButter® becoming on offer on the internet. The 2014 net profit of Red River Commodities denominated in US dollar was more than 16% higher than in 2013.

**Red River-van Eck** in Zevenbergen, the Netherlands, made good use of trading opportunities in the poppy seeds market and realized a record profit level since the acquisition in 2010. The new sunflower seeds activities in Europe grew steadily with a small profit being realized.

**SIGCO Warenhandel** in Hamburg, Germany, performed in line with expectations with a positive contribution to the 2014 net profit of the Group. The financials of the acquired company were included in the consolidation as per 1 July 2014.

### Tea

**Van Rees Group** in Rotterdam, the Netherlands, had another challenging year. Record harvested tea volumes around the world including the world's largest tea-producing countries (China and India) caused continued pressure on price levels. Van Rees Group is an important supplier to tea importers in the Mediterranean region, Eastern Europe and the Middle East. All these markets face political and economic developments resulting in logistical challenges, such as the possibility to book vessels, for Van Rees Group and for the global tea market as a whole. As a consequence of oversupply, tea prices showed volatile behavior with declines followed by stabilization at low levels.

Van Rees Group continued its partnerships with suppliers and customers by providing value-added services as part of the value chain through providing combinations of tea blending, transportation and storage. In addition, accredited tea, such as Rainforest-certified tea, is increasingly requested by and supplied to clients globally. Sales volumes decreased slightly due to a focus on margins in order to balance risks versus rewards. In 2014, Van Rees Group rolled out its new ERP system to new countries aiming to create a one-platform supply chain information system. The net profit in 2014 of Van Rees Group denominated in US dollar was more than 4% higher than in 2013.

### Food Ingredients

In 2014, the natural food ingredients activities developed positively. **Snick EuroIngredients** in Ruddervoorde, Belgium, again realized significant sales and margin growth by further developing its distribution channels, by adding new product segments and by actively involving itself in product development for its customers. The new facility in Ruddervoorde became fully operational in the second quarter of 2014 and the state-of-the-art facility and underlying investments proved to be an important step forward. The increased cost base was more than covered by an increased gross margin with ample capacity to further grow the business.

The results of **Tefco EuroIngredients** in Bodegraven, the Netherlands, increased compared to 2013, mainly due to additional cost savings and stable sales and margins. Snick EuroIngredients and Tefco EuroIngredients will fully merge their operations as from 1 April 2015 under one management team into a single EuroIngredients operation for savory and sweet food ingredient applications in the Benelux. The total size brings even more opportunities to develop tailored functional ingredients for customers and attract suppliers for distributor contracts. The 2014 net profit of Food Ingredients excluding one-off items was almost 10% higher than in 2013.



## Financial review

### Consolidated balance sheet

Condensed consolidated balance sheets for the years ended 31 December 2014, 2013 and 2012 are presented below:

Condensed consolidated balance sheet (in € thousands)	31 December		
	2014	2013	2012
<b>Short-term investments</b>			
Inventories	164 537	129 117	117 178
Trade receivables	68 819	60 686	60 845
Creditors	(51 212)	(32 808)	(33 426)
Other assets and liabilities, net	(17 371)	(19 454)	(15 710)
Bank debt, working capital related, net	(80 939)	(58 006)	(52 825)
Total, net	83 834	79 535	76 062
<b>Long-term investments</b>			
Intangible assets, mainly goodwill	55 936	46 477	47 700
Property, plant and equipment	38 894	36 105	33 742
Provisions, mainly long-term	(14 714)	(12 762)	(13 187)
Total, net	80 116	69 820	68 255
Total investments	163 950	149 355	144 317
<b>Long-term financing</b>			
Shareholders' equity	151 920	130 834	121 111
Long-term bank loans	12 030	18 521	23 206
Total	163 950	149 355	144 317

Active working capital management combined with the effect of higher price levels at year-end specifically in the Spices and Nuts segment and with a strong year-end euro / US dollar rate resulted in an increase of the Group's total balance sheet. Total assets as at 31 December 2014 amounted to € 337 million (year-end 2013: € 277 million, + 22%). In 2014, the main financial developments reflected in the consolidated balance sheet were:

- Total working capital increased by € 27.2 million reflecting the net effect of the stronger year-end US dollar and higher price levels of products at year-end combined with active working capital management. As a direct consequence, total net working capital debt, partly being denominated in US dollar, increased by € 22.9 million.
- Goodwill increased by € 9.5 million due to the stronger year-end US dollar affecting the goodwill paid for the seeds and tea businesses in 2010 and the acquisition of SIGCO Warenhandel in July 2014.
- Total fixed assets increased by € 2.8 million mainly due to the stronger year-end US dollar (positive impact approximately € 4.1 million). The final capital investments in the new production and warehouse facility in Ruddervoorde, Belgium, regular replacement investments and investments in the new ERP system at Van Rees Group were lower than the 2014 depreciation charges.
- Provisions increased mainly due to the stronger year-end US dollar (positive impact € 1.0 million) and recording a provision of € 1.6 million relating to deferred payment considerations with respect to the acquisition of SIGCO Warenhandel.

- Shareholders' equity increased by € 21.1 million to € 151.9 million on 31 December 2014 (year-end 2013: € 130.8 million). Main movements were the 2014 net profit amounting to € 33.1 million, dividend payments to shareholders amounting to € 23.7 million (in 2013: € 16.7 million, + 42%) and currency translation effects of € 9.3 million positive following a strong US dollar at year-end. A total of 235,025 new shares were issued relating to the Acomio share option plan, increasing shareholders' equity by € 1.7 million.
- Loans with a long-term character were repaid by € 6.5 million including a full repayment of all outstanding acquisition loans in February as part of arranging the new working capital bank facilities and obtaining a new € 5 million loan for the acquisition of SIGCO Warenhandel.

The consolidated solvency at 31 December 2014 was 45.1% (2013: 47.2%) which significantly exceeds the minimum solvency levels required by Acomio's financial policy.

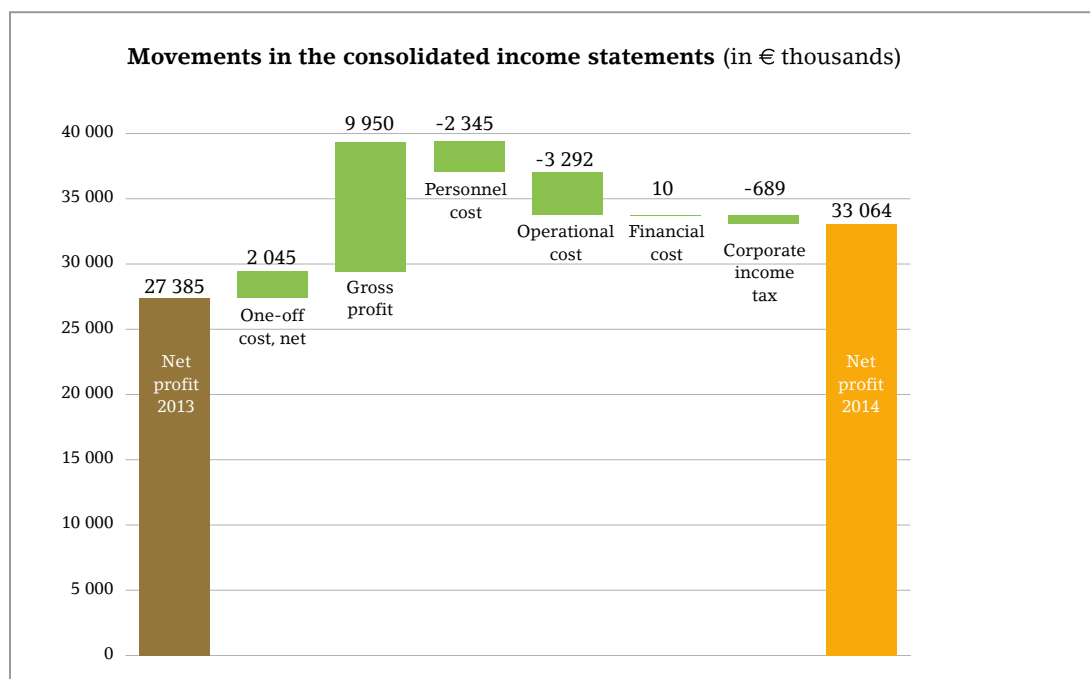
### Consolidated income statement

Condensed consolidated income statements for the years 2014, 2013 and 2012 are presented below:

Condensed consolidated income statement (in € thousands)	2014	2013	2012
Sales	618 871	584 423	593 100
Cost of goods sold	(517 028)	(492 530)	(505 452)
<b>Gross profit</b>	<b>101 843</b>	<b>91 893</b>	<b>87 648</b>
Operating cost excluding specific items	(55 055)	(49 417)	(45 686)
<b>Operating income (EBIT)</b>	<b>47 788</b>	<b>42 476</b>	<b>41 962</b>
Financial income and expenses	(2 598)	(2 609)	(2 721)
Corporate income tax	(11 429)	(10 740)	(11 581)
<b>Net profit from recurring operations</b>	<b>32 761</b>	<b>29 127</b>	<b>27 660</b>
Specific non-recurring items, net	303	(1 742)	(633)
<b>Net profit</b>	<b>33 064</b>	<b>27 385</b>	<b>27 027</b>

The main items were:

- Sales 2014 increased due to price, volume and product mix effects.
- Gross profit reached € 101.8 million (2013: € 91.9 million, + 10.8%) a.o. due to higher price levels in larger product groups.
- Operating cost increased by € 5.6 million driven by higher personnel cost (+ € 2.3 million including profit share) and other operational cost (+ € 3.3 million).
- EBIT margin increased to 7.6% (2013: 7.3%), reflecting margin focus by group companies combined with benefiting from economies of scale and cost control.
- Financial income and expenses were stable despite, on average, higher investments in net working capital of the Group.
- The average corporate income tax rate decreased from 27.1% in 2013 to 25.8% in 2014 due to a change in the country mix of results, the release of some provisions following agreements reached with tax authorities, a lower deferred tax rate used in the US following decreasing state tax rates and due to tax planning. For 2015, the effective tax rate is expected to be between 26% and 30%.
- The 2014 results include a number of one-off items, mainly consisting of a pension provision release after changing the pension scheme into a defined contribution plan, costs relating to resignations of managing directors and interest costs relating to full amortization of acquisition loan costs after early repayment of these loans. In total, these items positively affected the 2014 net result by € 0.3 million (2013: negative € 1.7 million which included the 16% crisis tax levy in the Netherlands).
- Net profit 2014 increased by 20.7% to € 33.1 million.



### Liquidity and cash position

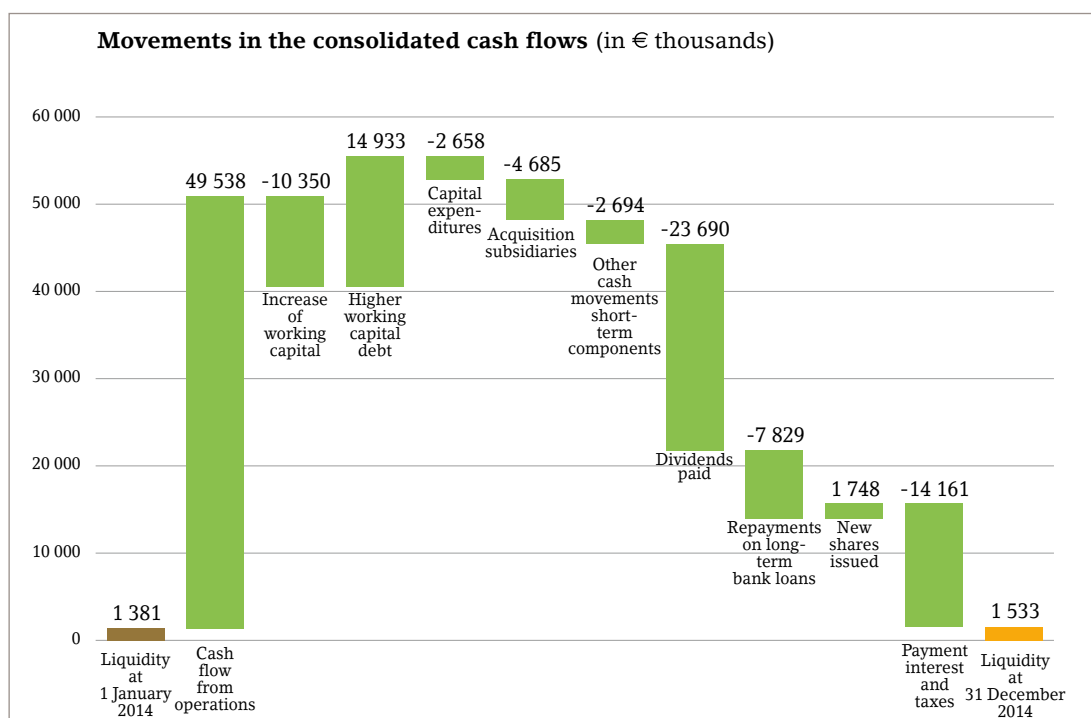
Condensed consolidated cash flows for the years 2014, 2013 and 2012 are presented below:

Condensed consolidated cash flows (in € thousands)	2014	2013	2012
<b>Cash realized</b>			
Profit before tax adjusted for non-cash items	49 538	45 534	43 348
Change in inventories, trade receivables and creditors	(10 350)	(12 858)	19 363
Higher/(lower) working capital financing	14 933	7 279	(22 275)
Capital expenditures	(2 658)	(7 140)	(11 824)
Acquisition subsidiaries	(4 685)	-	-
Other cash movements short-term components	(2 741)	168	1 463
<b>Net cash from operations</b>	<u>44 037</u>	<u>32 983</u>	<u>30 075</u>
<b>Payments to financiers and authorities</b>			
Dividends paid to shareholders	(23 690)	(16 740)	(15 576)
Repayments on long-term bank loans	(11 717)	(6 641)	(7 079)
New long-term bank loans	3 888	2 497	7 066
Proceeds from issuance of new shares	1 748	2 058	-
Payment of interest and taxes	(14 161)	(13 733)	(14 004)
<b>Total payments</b>	<u>(43 932)</u>	<u>(32 559)</u>	<u>(29 593)</u>
<b>Remaining net cash movement</b>	<u>105</u>	<u>424</u>	<u>482</u>
Banks at 1 January	1 381	999	528
Other cash movements	72	(42)	(11)
<b>Banks at 31 December</b>	<u>1 558</u>	<u>1 381</u>	<u>999</u>

The main cash flow items (excluding the foreign exchange effects of a stronger US dollar at year-end) were:

- Cash flow spent on net working capital was € 10.4 million mainly reflecting the effects of higher price levels of various agricultural commodities during the second half year of 2014.
- The increase in working capital was financed by cash obtained from working capital bank facilities of € 15.0 million.
- Investments in the new facility in Ruddervoorde, Belgium, and in other fixed assets represented a cash outflow of € 2.7 million (2013: € 7.1 million).
- Cash from operations increased by 33.5% to € 44.0 million (2013: € 33.0 million).

- Dividends paid amounted to € 23.7 million (2013: € 16.7 million, + 41.5%). This included the final dividend 2013 of € 0.60 per share and an interim dividend 2014 of € 0.40 per share.
- Contractual and early repayments on long-term bank loans – mainly acquisition loans and loans related to the Lubbock facility – amounted to € 11.7 million whereas new bank loans were taken up for net € 3.9 million.
- New shares issued as part of the Acomco share option plan resulted in € 1.7 million cash proceeds.
- The contractual payments of bank interest and paid corporate income taxes amounted to € 14.2 million in total.
- Active treasury resulted in a net cash position of € 1.6 million at the end of 2014.



### Debt position

Total borrowings outstanding at the end of 2014 amounted to € 94.5 million (2013: € 77.9 million) including long-term debts of € 10.4 million (2013: € 9.0 million). Long-term debt is repayable in three years on average. Total short-term bank liabilities amounted to € 84.2 million (2013: € 68.9 million) mainly being bank overdrafts for € 82.5 million and € 2.4 million relating to the short-term part of long-term borrowings repayable in 2015.

### Foreign exchange position

All operating companies are required to hedge foreign exchange risks related to transactions against their functional currency. The consolidated accounts of Acomco are prepared in euros. The Group comprises of several operating companies (Red River Commodities and the larger companies within Van Rees Group) that use the US dollar as their functional currency. The results of these subsidiaries are consolidated in the Group's 2014 results against the average euro / US dollar rate of the year, being 1.3285 (2013: 1.3284), this year causing no material effect on the consolidated euro results of these companies.

The future development of the euro / US dollar rate can have a positive or negative impact on the consolidated results reported in euro. The assets and liabilities of Red River Commodities and Van Rees Group are translated in euro at year-end rate for consolidation purposes, being 1.2100 at 31 December 2014 (1.3789 at 31 December 2013, affecting total consolidated assets of these companies by + 14.0%). Variations in the year-on-year year-end rates on the net investment values of US dollar subsidiaries, after taking into account related long-term borrowings in US dollar, are accounted for directly in equity through the currency translation reserve and will impact total consolidated assets and net shareholders' equity.



## Treasury position

On 7 February 2014, Acomco signed new bank facilities for a total of € 250 million. The facilities will be utilized for working capital financing including acquisitions. The facilities replace existing credit facilities which would have matured in the years 2014 until 2016. The conditions of the new facilities reflect Acomco's sound credit fundamentals. The facilities have a three-year term with options for an additional two years and for an increase of 30% of the total amounts.

The Group's working capital credit facilities including cash positions amounted in total to € 223 million (2013: € 146 million). Short-term financing available to the Company on 31 December 2014 amounted to € 140.7 million compared to € 86.4 million one year earlier.

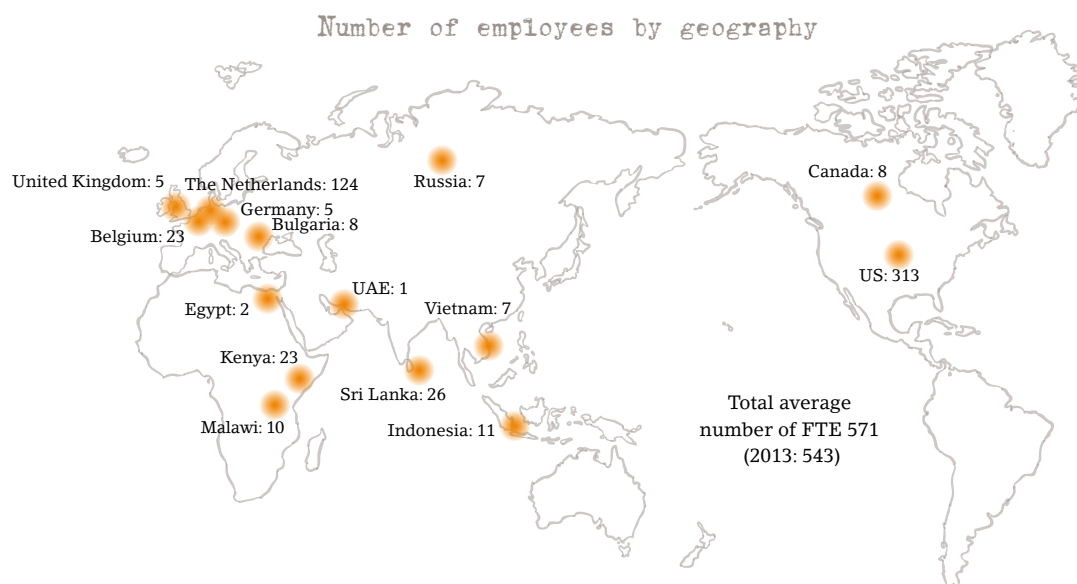
Financing position (in € thousands)	31 December		
	2014	2013	2012
Cash and cash equivalents	1 558	1 381	999
Working capital financing lines	221 618	144 404	148 074
Total financing capacity	223 176	145 785	149 073
Overdrafts used	(82 497)	(59 387)	(53 804)
<b>Total available working capital financing</b>	<b>140 679</b>	<b>86 398</b>	<b>95 269</b>

Working capital credit facilities are managed by treasury at Group level and/or at subsidiary level. These overdrafts are mostly borrowing-based and are secured by either positive or negative pledges on stocks and trade receivables. Financial covenants are linked to a minimum solvency of the Group (30% or 25% minimum on various semi-annual reporting dates) and an interest coverage ratio of 4 to 1. At 31 December 2014, the Company and its subsidiaries were in full compliance with all bank covenants. Acomco pools cash from subsidiaries to the extent legally and economically feasible. Cash not pooled remains available for local operational needs.

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## Developments in people and organization

During 2014, a new managing director at Van Rees Group was employed and two managers left the Van Rees Group. Maarten Obbink was appointed to be the new Van Rees Group CEO as per 1 April 2015, succeeding Philip Miles who will stay active for Van Rees Group for a limited number of years before retiring. In Mombasa, Drew Brown resigned as Managing Director of Van Rees Kenya and was succeeded by Justin Rippon (formerly the Van Rees Blantyre Managing Director). In Jakarta, Emmanuel Varieras became Managing Director of Van Rees Indonesia.



In September 2010, a share option plan (SOP) was introduced aiming to reward and retain key managers and personnel of Acomco and Group subsidiaries. The total options that can be allocated under the SOP amount to 1,200,000 options on newly to be issued Acomco shares. On 1 September 2010, 1,070,000 options were granted to 35 participants in the plan. The options vest over a period of six years. The first vesting started on 1 September 2013. The exercise price of the options is € 7.39 per share. In 2013, 100,000 options were issued with an exercise price of € 13.90 per share. In 2014, 40,000 options were issued with an exercise price of € 17.00 per share.

On 1 September 2014, 119,500 options vested. In 2014, 235,025 vested options were exercised leaving 47,625 vested options to be exercised. In 2014, 24,250 non-vested options were withdrawn due to employees leaving the Group. At the 2014 year-end, the total number of non-vested options was 547,000.

### Corporate Governance

Acomco has aligned its corporate governance policies with the principles and best practice rules of Code Frijns except on matters for which the Company has substantive ground to deviate from the standard recommendation. We refer to pages 48 and 49 of this report and to the website of the Company for further details. During the year, there were no transactions or issues giving rise to a (possible) conflict of interest between Management, members of the Supervisory Board and the Company.

### Risk management

Acomco and its Group subsidiaries are incurring general business and specific trading and financial risks in their daily trading activities. In the Acomco corporate organization, the Management Board has the ultimate responsibility to manage and control the risks associated with the activities and the strategy of the Company, to achieve the Group's financial objectives, to ensure compliance with the corporate governance policies and the law in general and to ensure proper financial reporting.

The Supervisory Board supervises the Management Board on these subjects. The main risks associated with the activities of the Group, as well as the systems to manage and control these risks, are described in Note 3 to the annual accounts and in the Company's Corporate Governance Statement. This enumeration is not exhaustive and there is no absolute guarantee against future losses or failures.

Within the Acomco Group, all managers and traders are responsible for risk management as an integral part of their day-to-day activities and decisions. The effectiveness thereof is strengthened by a high level of individual and collective sense of responsibility which is part of the Company's culture. Daily risk management is further strengthened by a system of internal reporting and controls of the activities, positions and results. These measures and procedures are aimed at providing a reasonable level of assurance that the significant risks have been identified and, as much as possible, managed in compliance with applicable laws and regulations. Embedded in these processes is a system of financial reporting to provide reasonable assurance relative to the correctness and completeness of the information.

The external environment is becoming more complex, requiring day-to-day attention to related business and financial risks. Internal risk management and control systems are continuously being further improved. Specific focus areas in 2014 were the roll-out of a new ERP system at Van Rees Group and bridging interfaces between IT systems at Snick EuroIngredients. First steps were taken to bring business software and data in cloud environments with an aim to even further enhance IT access and security, data storage and system continuity while also keeping capital expenditures to a minimum level. Procedures to even closer monitor the financial position of customers were further enhanced. These developments have been regularly discussed with local management teams and with the Acomco Supervisory Board.

Based on its assessments carried out, the Management Board is of the opinion that the internal risk management and control systems for financial reporting risks have worked properly during the year, thereby providing a reasonable assurance that the financial reporting does not contain any errors of material importance.

Please refer to Note 3 to the annual accounts for a detailed discussion of the general business, market and financial risks.

### Dividend 2014

The Management Board and Supervisory Board propose to the shareholders to increase the total 2014 dividend by 42.9% to € 1.10 per share (2013: € 0.77). This dividend of € 1.10 per share includes a special dividend of € 0.10 because of the strong 2014 results combined with a strong balance sheet. This represents a pay-out of 78.8% of earnings per share. Taking into account the interim dividend paid in August 2014 of € 0.40 per share, the final 2014 dividend would therefore amount to € 0.70 per share, payable in cash.

### Management Board declaration

Acomo's Management Board hereby declares that, to the best of its knowledge:

1. The financial statements for the financial year 2014 give a true and fair view of the assets, liabilities, financial position and the profit of the Company and its consolidated entities.
2. The Management Board report gives a true and fair view of the position of the Company and its related entities whose financial information has been consolidated in the financial statements as at the balance sheet date 31 December 2014 and of their state of affairs during the financial year 2014.
3. The annual report describes the principal risks that the Company faces.

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### Word of thanks

The operating companies, employees and our suppliers have delivered again during 2014. Through their efforts, enthusiasm and commitment, the Group has been able to show its strength in challenging markets, to further strengthen positions and to achieve progress on various fronts. The Management Board thanks them all for their efforts.

Rotterdam, 10 March 2015

#### The Management Board

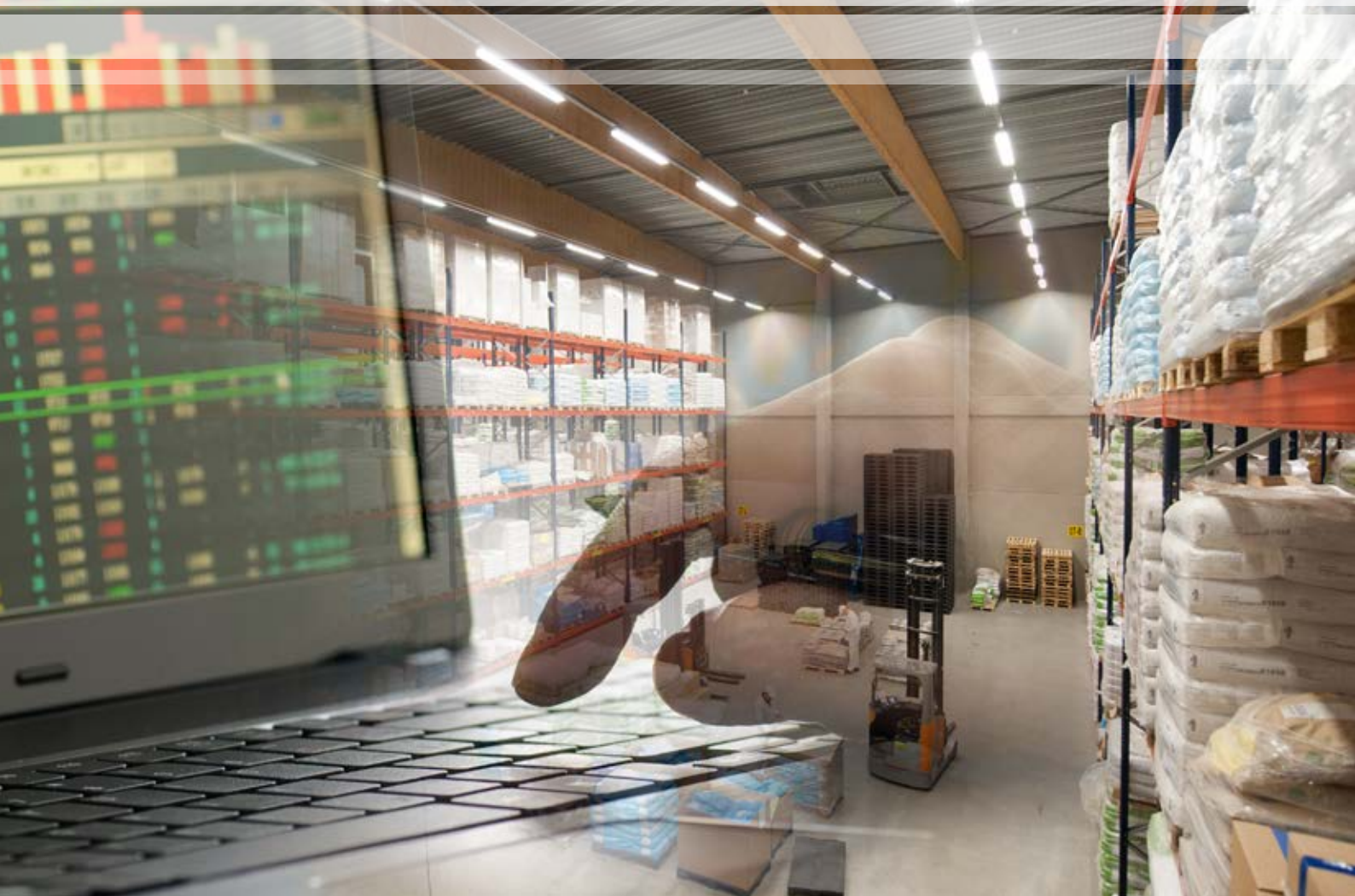
E.P. Rietkerk  
*Chief Executive Officer*

J. ten Kate  
*Chief Financial Officer*





Bridging the need for sound financial results.  
By overcoming trading challenges.





# Report of the Supervisory Board

## Tasks of the Supervisory Board

The task of the Supervisory Board is to supervise the Management Board and the general course of affairs of Acomco. The Supervisory Board supports the Management Board with advice. In the fulfillment of its task, the Supervisory Board looks in the first place at the interests of the Group, taking into consideration the fair interests of all parties concerned.

The supervision of the Supervisory Board includes the following aspects:

- the realization of the Company's objectives and strategy – with attention for the risks related to the Company's activities, strategy and consideration for its corporate social responsibility, in particular with regard to food safety aspects;
- the process of financial reporting;
- the observance of laws and regulations;
- a sound corporate governance;
- the relations with shareholders.

The rules regarding Supervisory Board meetings, decision-making and working procedures can be found in the Articles of Association and the Supervisory Board's Rules of Conduct. Both documents are published on the Company's website: [www.acomco.nl/about-acomco/corporate-governance](http://www.acomco.nl/about-acomco/corporate-governance).

## Activities

2014 was another challenging and successful year. The world in which the Company operates keeps changing rapidly, external developments do have effects on the Group every day and food safety rules and regulations are further strengthened.

The year 2014 was marked by the first full year of the new CEO, Erik Rietkerk. The Supervisory Board worked intensively with him. At Van Rees Group, changes of the Managing Director position took place in Mombasa, Kenya and in Jakarta, Indonesia.

We are confident that the successful development of Acomco under the leadership of the existing and new managers will continue. We are particularly pleased that the Company was able to even exceed its high performance level in 2014, especially bearing in mind the challenging economic business environment.

In 2014 the Supervisory Board convened regularly during the year, five times in formal meetings and much more often informally. Most meetings were held in the presence of the CEO of Acomco, Erik Rietkerk, as well as the CFO, Jan ten Kate. During separate meetings, the functioning of the Supervisory Board and/or the Management Board was discussed. The external auditors PricewaterhouseCoopers Accountants N.V. (hereafter 'PwC') and BDO up to the 2014 Annual General Meeting, joined the meetings when deemed appropriate. During these meetings we reviewed, among other things, the activities and the financial situation of the Company and its subsidiaries, the risk control and management systems, the Company's strategy and allocation of resources, the diversification of the Group, acquisition opportunities and the Corporate Governance Structure. The Acomco Corporate Governance Structure is described in the Corporate Governance Statement ('the Statement') which is published on the Company's website: [www.acomco.nl/about-acomco/corporate-governance](http://www.acomco.nl/about-acomco/corporate-governance).

Through their participation in the supervisory boards at subsidiary level, the Supervisory Board members work actively with the Management Board members and the management of the group companies, encompassing a broad range of subjects such as strategy, human resources, management succession planning, remuneration, risk profile of the activities, analysis and follow-up of major capital investments, financing and bank relations, IT systems, and so on. These Board activities include regular visits to the principal locations where the Group is active and in-depth discussions with local managements.

Every year, the Supervisory Board evaluates its functioning as a whole as well as of its individual members, and the functioning of the Management Board as a whole and of its individual members. This review is held outside the presence of the Management Board members and is held through collective and individual discussions between the Chairman of the Board and its members. In the opinion of the Supervisory Board, the functioning of the Supervisory Board as a whole, as well as of its individual members, and the functioning of the Management Board as a whole, as well as of its individual members, and of the auditor were satisfactory in the light of the current structure, size and strategy of the Company with a view to discharging the Management Board of their duties for the financial year 2014.

### Composition of the Supervisory Board

The desired profile of the members of the Supervisory Board is described in the Statement and is summarized in this annual report. The Statement includes the required declarations with respect to the independence of the individual members of the Supervisory Board.

In 2014, no Supervisory Board member was up for rotation. For the rotation scheme please refer to page 27.

### Corporate governance

The Company aligns its corporate governance policy with the principles and best practice rules of the Code Frijns and the related recommendations of the Monitoring Commission Dutch Corporate Governance Code, except on matters for which the Company has substantive ground to deviate from the standard recommendation. The Company's corporate governance policy and deviations from the Dutch Corporate Governance Code are described in the Statement, as summarized on pages 48 and 49 of this annual report.

The Supervisory Board permanently reviews and evaluates the Company's corporate governance in view of the Company's own development and of Dutch and international social and legal developments. Notwithstanding the significant growth of the Company, especially since 2011, the original choices and principles underlying Acom's corporate governance policies are still deemed sound and the best adapted to the Company's culture, strategy and activities. The existing corporate governance as described in the Statement has therefore been confirmed in general.

### Human resources and remuneration policy

During 2014, two managers left the Acom Group and particularly Van Rees Group companies in Mombasa and Jakarta. There were no further significant changes in the management of the Company and its subsidiaries.

The remuneration policy of the Company is described in the Statement and in this annual report. In 2014, the AGM approved an increase in the standing remuneration of the members of the Supervisory Board. The standing salary of the members of the Management Board was adjusted for inflation only.

The profit share 2014 granted to the CEO is directly related to the actual earnings per share 2014 whereas the bonus of the CFO is related to achieving personal targets and objectives. His bonus was set at 100%.

It is the Company's long-standing policy that the Company does not extend loans or other similar instruments to the members of the Management Board and Supervisory Board or to its personnel.

In 2010, an option plan was introduced with the objective of the long-term retention of key traders and management in the Company. The principal terms and conditions of the option plan are described in Note 17 of the annual report. Details about the facts of the option plan can be found on page 79 of the annual report.

## New external auditor

In the 2014 AGM held on 30 April 2014, PwC was appointed as external auditor succeeding BDO that had been auditing the Acom's annual accounts since 2007 up to 2013. The audit of the 2014 annual accounts has been performed by PwC, their findings were discussed with the Supervisory Board and their opinion is included on pages 102 to 109 of the annual report.

## Conflicts of interest – whistle blower events

The existing whistle blower rules are regularly brought under the attention of the management and employees of the Group, and we guarantee the full protection of a whistle blower for substantiated disclosures. No matters with respect to the so-called 'whistle blower rules' were brought to the attention of the Management Board and/or the Supervisory Board in 2014.

Furthermore, no matters of conflict of interest between individual Supervisory Board and Management Board members and the Company have arisen.

## Financial statements and dividend proposal

We present to you the annual report for the financial year 2014 as well as the report of the Management Board. The Supervisory Board has approved the Annual Accounts 2014. The accounts have been audited by PwC. We refer to their independent auditors' report on pages 102 to 109.

We propose to the General Meeting of Shareholders:

- I. to approve and adopt the accounts as presented;
- II. to approve the appropriation of the result proposed by the Management Board and approved by the Supervisory Board and in view of the results and the financial position of the Company in 2014 to pay a dividend over 2014 of € 1.10 per share in cash. Taking into account the interim dividend of € 0.40 per share paid in August 2014, the proposed dividend will result in the payment of a final dividend of € 0.70 per share in cash;
- III. to approve the proposed discharges of the members of the Supervisory Board and the Management Board as presented to the General Meeting of Shareholders.

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## Word of thanks

The Management Board, the management teams and employees have delivered again during 2014. The Group has shown its strength in challenging markets, positions were further strengthened and progress has been achieved on various fronts. The Supervisory Board thanks them all for their efforts.

Rotterdam, 10 March 2015

### The Supervisory Board

B. Stuivinga, *Chairman*  
M. Groothuis  
Y. Gottesman  
J. Niessen





Bridging the need for liquidity, even when trading is thin.  
By providing prices and volumes in forward markets.



## Risk management

Within our organization, the Management Board and Supervisory Board of Acomomo share the final responsibility for managing and controlling business risks, achieving the Group's (financial) objectives and ensuring compliance with the corporate governance policy and the law in general. They are also responsible for a financial information system which ensures that a reasonable degree of assurance is provided concerning the accuracy and completeness of the financial information.

Risk management of the daily (trading) activities and decisions is an integral part of the responsibility of every trader and manager. The effectiveness hereof is further strengthened by the strong sense of individual and collective responsibility which is embedded within the Group's corporate culture.

Risk management within the Group is carried out on the basis of procedures which have been approved by the Company Management Board and Supervisory Board. The Group's overall risk management focuses primarily on the unpredictability of commodity and financial markets and is aimed at minimizing the potential impact of negative market developments on the Group's financial position and results. Identifying, evaluating and hedging risks are primarily done by the operating companies of the Group. The Management Board and the managements of the operating companies apply procedures which cover specific risk areas including exchange rate risks related to foreign currencies, interest rate risks, credit risks, the use of financial instruments such as derivatives and liquidity management. The most important risks arising from the trading activities and the Group's risk management and control systems are described in the Company's annual report. This description is not exhaustive and risk management and control systems do not offer an absolute guarantee against future losses or mistakes.

The daily risk management is further strengthened by a system of internal reporting about and monitoring of the activities, trading and financial positions and results. These measures and procedures are intended to give a reasonable degree of assurance to the effect that significant risks are identified and controlled as much as possible in accordance with the applicable laws and regulations.

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## Risk profile

Acomomo and its subsidiaries encounter both general business risks and specific market and financial risks in their daily activities. General business risks include customers' credit risks, exchange rate risks and liquidity risks.

Specific risks relating to the sourcing, trading, processing and distribution of food commodities include:

- Agricultural developments, including weather conditions, harvests, long-term planting cycles and so on, which affect the availability, quantity and quality of the products;
- Price volatility, both long-term and short-term, of the various commodities, depending on supply and demand. Price volatility, in terms of both scale and speed, and either long-term or short-term, has a direct impact on the value of the subsidiaries' product positions (long or short). Price fluctuations also affect the behavior of contract counterparties, particularly with regard to the correct execution of signed, but not yet delivered contracts (counterparty risk);
- Food safety aspects and recall risks with regard to imported and delivered products;
- Availability of experienced and professional traders and other staff;
- Political and economic developments in producing countries, usually tropical countries, which can affect both the availability of products and the reliability of supply;
- Economic cycles in purchasing countries, which can impact the demand for our products;
- Currency fluctuations, particularly fluctuations of the US dollar, in which most of the world's commodities are traded;
- Logistical factors, both the availability and cost of transport and storage capacity;
- Availability of financing and interest rates developments.

The Company's own risks relate to the performance of its subsidiaries, the exchange rate risks associated with investments expressed in foreign currency and the risk related to the successful implementation of the

Group strategy. In addition, the Company guarantees loans of subsidiaries and has filed liability disclaimers at the Trade Register of the Chamber of Commerce for some of its Dutch subsidiaries.

Each of these risks individually can have a significant impact on the annual net profit of the Company and its subsidiaries. It is not possible to quantify the effect of each individual risk on the consolidated or statutory results.

The subsidiaries manage these risks continuously using various tools, such as:

- Up-to-date and complete market information;
- Traceability of the products and extensive, state-of-the-art laboratory testing (internal and external) in order to ensure food safety; all our subsidiaries are HACCP-certified, and also have various other certifications related to their specific activities;
- Diversification of the purchases across many countries of origin and reliable suppliers;
- Diversification of the product range;
- Diversification of the industries which are being supplied;
- Research of the solvency and/or the credit insurance of customers;
- Hedging contracts, such as commodity future contracts (if available), currency exchange contracts and interest rate derivatives;
- Long-term contracts with suppliers, customers and shipping companies;
- Strong balance sheet and financial ratios;
- Human resources and remuneration policies aimed at rewarding talent, responsibility and success;
- Trading guidelines for each company and daily internal control on these, aimed at limiting risks with regard to position taking (overall and per product) and with regard to countries, suppliers and customers.

In recent years the Group has been successful in managing the various risks inherent to its trading activities and has been (very) profitable. Nonetheless it is not possible to guarantee that past results will be continued in the future. Nor can it be guaranteed that the activities will not be (materially) affected by one or more of the risk factors described above.

## Corporate governance

The Management and Supervisory Board of Acomó adhere to the principles and best practice guidelines of the Dutch Corporate Governance Code ('the Code') published on 9 December 2003 as modified from time to time. Management and Supervisory Board consider sound corporate governance as essential for the performance of their duties in the best interest of the Company. The corporate governance policy of Acomó is described in the Company's Corporate Governance Statement ('the Statement') as approved by the shareholders and published on the Company's website: [www.acomo.nl/about-acomo/corporate-governance](http://www.acomo.nl/about-acomo/corporate-governance).

The Statement describes, among other things, the structure of the Company, the strategy and financial objectives, the risk profile of the activities and the risk management and control systems, the human resources and remuneration policies and the profile of the Supervisory Board members. The Statement is not a repetition of the best practices of the Code, but describes the specific corporate governance policies of the Company. Starting point is that the best practices apply, except when the Company is of the opinion that it has substantive ground to deviate from the standard guideline. These exceptions are listed and briefly motivated below.

The culture of Acomó has always been open and transparent. Being a listed company, Acomó stands for the following fundamental principles ensuring that the original objectives of the Code are met, in particular with regard to the control and decision powers of the shareholders:

- One share = one vote; no voting restrictions
- No certification of shares
- No anti-takeover mechanism
- No so-called 'structuurvennootschap'.



Exceptions from the application of the Dutch Corporate Governance Code are as follows:

- II.1.1: *Based on the critical importance of long-term relations and expertise with the activities of the Company, Acomodo does not have a maximum term of employment for its Management Board. The Company consists of a small management team and the Group structure is flexible, direct and horizontal. Since May 2011, the Management Board consists of two persons. The task of the Management Board is to achieve the mission, objectives and the (long-term) strategy of the Company as described in the Statement. Future members of the Management Board will be appointed for a period of four years, renewable by the shareholders.*
- II.2.3: *Pages 49 and 50 of this report provide a summary of the Human Resources and Remuneration policies of the Company as set out in the Statement. Long-term objectives are not specifically determined but in practice they play an important role given the long-term relations and the high degree of loyalty of the management and employees with the Group.*
- III.2.1: *Independence of Supervisory Board members: in the opinion of the Company, trading experience and expertise of the members of the Supervisory Board are critical for the effective functioning of the Supervisory Board. Independence and diversity are less relevant as independent criteria. More than one member of the Supervisory Board is not independent in the light of the Code. The motivation thereof is further detailed in the Statement.*
- III.3.5: *Maximum term for members of the Supervisory Board: considering the requirement for experience and in-depth expertise in the sourcing, trade, processing and distribution of food commodities, members of the Supervisory Board are appointed for a term of six years and there is no maximum number of terms determined. A Supervisory Board member can be reappointed at the end of each term after careful consideration of his past performance and the adequacy of his profile with the desired profile of the Board.*
- III.4.3/4: *Considering the size of the Group and the number of Supervisory Board members, the Company has not appointed a Vice-Chairman of the Board nor a formal Secretary to the Board.*
- III.6.5: *The rules with respect to the ownership of, and transactions by Management and Supervisory Board members in shares and other financial instruments other than those issued by the Company are described in the Statement. These rules are less restrictive than a strict interpretation of the Code would suggest.*
- IV.3.1: *Acomodo does not arrange presentations through webcasting to analysts and investors.*
- V.3.3: *Considering the size of the Group, there is no internal audit function in Acomodo.*

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The Dutch law on Management and Supervision, which took effect on 1 January 2013, includes provisions for a well-balanced gender diversity in the Management Board and Supervisory Board, for which purpose a target has been set for at least 30% for both genders. By the end of 2014, in Acomodo, 100% of the Management Board and 75% of the Supervisory Board were male.

In 2014, no new members were appointed to the Management Board or the Supervisory Board, so that the gender diversity has remained unchanged. In the future we will try to realize a balanced gender diversity. It is essential in this context that the quality of potential candidates is foremost.

Considering the size of the Group, there is no Audit Committee; consequently the Supervisory Board performs its tasks, whereas the 'Wet Toezicht Effectenverkeer' prescribes specific tasks to be performed by an Audit Committee.

## Human resources and remuneration

The human resources and remuneration policy of the Company is described in the Statement published on the website: [www.acomodo.nl/about-acomodo/corporate-governance](http://www.acomodo.nl/about-acomodo/corporate-governance). The information relative to the remunerations of Directors and the members of the Supervisory Board is disclosed on pages 98 and 99.

The Supervisory Board is responsible for appointing the Company's statutory directors (subject to the General Meeting's approval) and setting their remuneration. The Company's Management Board consists of two directors and therefore the Company has not had the need to develop a general remuneration policy.

Also, the Supervisory Board's annual remuneration report is relatively brief in the absence of material changes year on year.

### Remuneration policy

The level and structure of the remunerations within the Group are such that people with the required expertise and qualifications can be recruited and retained. In determining the individual remunerations, the effect on the remuneration levels within the Group is taken into account. The total remuneration consists generally of a fixed element and a variable element linked to the annual profit before taxes of the respective entity. The fixed salaries are in line with market salaries. Managers, traders and other personnel of the subsidiaries can earn, in general, an annual profit-sharing compensation based on a fixed percentage of 10% to 15% of the profit before taxes of the (trading) company in which they are employed. This remuneration structure is fairly common in international commodity trading firms. The absence of explicit long-term remuneration criteria is explained by the fast and very short-term cycle of the trading activities.

The remuneration of the Management Board also consists of a fixed and a variable element based on objective targets which are evaluated each year by the Supervisory Board. Evaluation criteria include the level of the annual net profit of the Group, the sustainable growth of the earnings per share and the achievement of the Group strategy.

This clear and simple remuneration structure has significantly contributed to the success of the Group because it strongly focuses on profitability and the related management of the risks and costs related to the activities. All employees are therefore highly committed to the success of the Group. In practice, the absence of any form of subjective profit-sharing calculation has proven to contribute in maintaining the family business culture of Acomco.

Over the past 20 years we have had very low personnel rotation. In return, Acomco expects 100% loyalty, honesty, dedication and a high degree of professionalism from all its employees. The management has always been very loyal and the Group's track record in terms of retaining key employees is excellent.

### Employee and directors' options

At the General Meeting of 27 May 2010, the shareholders approved a share option plan aimed at retaining key managers and employees of the Company and its subsidiaries, including members of the Management Board. The terms and conditions for the allocation and the exercise of share options correspond to the best practice guidelines of the Code and are disclosed in this annual report.

### Directors' shares

The Company does not grant free shares to members of the Management or Supervisory Board. Members of the Management and Supervisory Board may purchase Acomco shares at Euronext Amsterdam, subject to strict compliance with the Company's rules to prevent the use of insider knowledge published on the website of the Company. The purchase, ownership and disposal of Acomco shares must be published in conformity with the law.

The number of shares owned by each member of the Management and the Supervisory Board are disclosed in this annual report.

The Company has not granted any options, shares or any other profit-related securities to members of the Supervisory Board as part of their remuneration. The Company does not provide loans or guarantees or similar instruments to Supervisory or Management Board members. The need to reclaim variable remuneration awarded on the basis of incorrect financial information has never arisen.



## Consolidated financial statements

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Consolidated balance sheet as at 31 December 2014

Consolidated statement of income 2014

Statement of comprehensive income 2014

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Notes to the consolidated financial statements

*All amounts are in euros, unless otherwise stated.*

# Consolidated balance sheet as at 31 December 2014

		31 December	
(before profit appropriation)	Note	2014	2013
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	6	55 935 562	46 477 064
Property, plant and equipment	7	38 894 431	36 105 318
Other investments in companies	8	73 941	256 651
Deferred tax assets	19	214 987	-
Total non-current assets		95 118 921	82 839 033
<b>Current assets</b>			
Inventories	10	164 536 668	129 117 338
Trade receivables	11	68 818 813	60 685 553
Other receivables	12	2 817 512	2 785 871
Derivative financial instruments	13	4 312 400	386 436
Cash and cash equivalents	14	1 557 998	1 381 426
Total current assets		242 043 391	194 356 624
<b>Total assets</b>		<b>337 162 312</b>	<b>277 195 657</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	15	10 695 015	10 589 254
Share premium reserve	15	48 949 325	47 306 893
Other reserves	16	4 652 236	(5 310 776)
Retained earnings		54 558 633	50 863 851
Net profit for the year		33 064 454	27 384 508
Total shareholders' equity		151 919 663	130 833 730
<b>Non-current liabilities and provisions</b>			
Bank borrowings	18	10 355 456	8 999 984
Deferred tax liabilities	19	7 434 703	7 255 342
Retirement benefit obligations	20	1 912 715	2 105 602
Other provisions	21	5 366 188	3 400 717
Total non-current liabilities		25 069 062	21 761 645
<b>Current liabilities</b>			
Bank borrowings	18	84 171 640	68 907 922
Trade creditors		51 211 933	32 807 582
Tax liabilities		5 118 052	6 105 396
Derivative financial instruments	13	1 213 420	1 247 968
Other current liabilities and accrued expenses		18 458 542	15 531 414
Total current liabilities		160 173 587	124 600 282
Total liabilities		185 242 649	146 361 927
<b>Total equity and liabilities</b>		<b>337 162 312</b>	<b>277 195 657</b>

The notes on pages 57 to 91 are an integral part of these consolidated financial statements.



# Consolidated statement of income 2014

	Note	2014	2013
Sales		618 871 184	584 422 659
Cost of goods sold		(517 027 783)	(492 529 164)
<b>Gross profit</b>		<b>101 843 401</b>	<b>91 893 495</b>
Personnel costs	22	(32 390 465)	(33 248 472)
General costs	23	(18 085 946)	(14 994 309)
Depreciation and impairment charges		(4 002 349)	(3 457 062)
Total costs		(54 478 760)	(51 699 843)
<b>Operating income</b>		<b>47 364 641</b>	<b>40 193 652</b>
Interest income	24	30 879	22 294
Interest expense	24	(2 803 549)	(2 555 751)
Other financial income and expenses	24	(16 924)	(74 739)
<b>Profit before income tax</b>		<b>44 575 047</b>	<b>37 585 456</b>
Corporate income tax	25	(11 510 593)	(10 200 948)
<b>Net profit</b>		<b>33 064 454</b>	<b>27 384 508</b>
<b>Profit attributable to shareholders of the Company</b>		<b>33 064 454</b>	<b>27 384 508</b>
<b>Earnings per share</b>			
Basic	26	1.396	1.174
Diluted	26	1.385	1.157

The notes on pages 57 to 91 are an integral part of these consolidated financial statements.

# Statement of comprehensive income 2014

	2014	2013
<b>Net profit</b>	<b>33 064 454</b>	<b>27 384 508</b>
<b>Other comprehensive income (OCI)</b>		
<b>OCI to be reclassified to profit or loss in subsequent periods</b>		
Movement currency translation reserves on equity, net	5 499 463	(1 813 278)
Movement currency translation differences on goodwill	3 778 137	(1 222 748)
Movement on cash flow hedges	914 850	(269 567)
OCI to be reclassified to profit or loss in subsequent periods	10 192 450	(3 305 593)
<b>OCI not to be reclassified to profit or loss in subsequent periods</b>		
Remeasurement gains/(losses) on defined benefit plans	(364 860)	205 036
OCI not to be reclassified to profit or loss in subsequent periods	(364 860)	205 036
<b>Total other comprehensive income</b>	<b>9 827 590</b>	<b>(3 100 557)</b>
<b>Total comprehensive income</b>	<b>42 892 044</b>	<b>24 283 951</b>
<b>Total comprehensive income attributable to shareholders of the parent</b>	<b>42 892 044</b>	<b>24 283 951</b>

Items in the statement above are disclosed net of income tax. The income tax relating to each component of other comprehensive income is disclosed in Note 25.

*The notes on pages 57 to 91 are an integral part of these consolidated financial statements.*

# Consolidated statement of cash flows 2014

	Note	2014	2013
<b>Cash flow from operating activities</b>			
Profit before income tax		44 575 047	37 585 456
Adjustments for:			
- Depreciation and impairment charges		4 002 349	3 457 062
- Net movements in provisions		(2 033 584)	1 797 183
- Interest income	24	(30 879)	(22 294)
- Interest expense	24	2 803 549	2 555 751
- Cost share option plan and other	16	221 047	160 616
<b>Cash flow from operating activities</b>		<b>49 537 529</b>	<b>45 533 774</b>
<b>Changes in working capital and related financing</b>			
- Inventories		(24 507 489)	(14 613 186)
- Trade and other receivables		(1 890 182)	(287 270)
- Derivatives		(2 740 712)	170 055
- Trade and other payables		16 047 386	2 042 276
- Borrowings short-term		14 932 898	7 279 242
Total changes in working capital and related financing, net		1 841 901	(5 408 883)
<b>Cash generated from operations</b>		<b>51 379 430</b>	<b>40 124 891</b>
Interest paid		(2 104 973)	(2 312 729)
Income tax paid		(12 089 604)	(11 444 441)
<b>Net cash generated from operating activities</b>		<b>37 184 853</b>	<b>26 367 721</b>
<b>Cash flow from investing activities</b>			
Investments in property, plant and equipment		(2 658 459)	(7 140 259)
Acquisition of subsidiaries	29	(4 685 255)	-
Interest received		33 879	23 794
<b>Net cash used for investing activities</b>		<b>(7 309 835)</b>	<b>(7 116 465)</b>
<b>Cash flow from financing activities</b>			
Proceeds from new long-term borrowings		3 888 234	2 496 738
Proceeds from new shares issued	15	1 748 193	2 057 787
Repayments of long-term borrowings		(11 716 936)	(6 640 905)
Dividends paid to shareholders		(23 689 726)	(16 739 955)
<b>Net cash used for financing activities</b>		<b>(29 770 235)</b>	<b>(18 826 335)</b>
<b>Net increase in cash and cash equivalents</b>		<b>104 783</b>	<b>424 921</b>
Cash and cash equivalents at the beginning of the year		1 381 426	998 701
Exchange gains/(losses) on cash and cash equivalents		71 789	(42 196)
<b>Cash and cash equivalents at the end of the year</b>		<b>1 557 998</b>	<b>1 381 426</b>

The notes on pages 57 to 91 are an integral part of these consolidated financial statements.

# Statement of changes in equity 2014

	Note	Attributable to owners of the Company					Total equity
		Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the year	
<b>Balance at 1 January 2013</b>		<b>10 461 409</b>	<b>45 376 951</b>	<b>(2 330 681)</b>	<b>40 576 660</b>	<b>27 027 146</b>	<b>121 111 485</b>
Net profit 2013		-	-	-	-	27 384 508	27 384 508
Other comprehensive income 2013		-	-	(3 100 557)	-	-	(3 100 557)
<b>Total comprehensive income 2013</b>		<b>-</b>	<b>-</b>	<b>(3 100 557)</b>	<b>-</b>	<b>27 384 508</b>	<b>24 283 951</b>
Appropriation of net profit		-	-	-	27 027 146	(27 027 146)	-
New shares issued	15	127 845	2 010 022	-	-	-	2 137 867
Transaction costs for issued share capital	15	-	(80 080)	-	-	-	(80 080)
Employee share option scheme:							
- Value of employee services	16	-	-	160 616	-	-	160 616
- Tax credit share option scheme	16	-	-	(40 154)	-	-	(40 154)
Dividends relating to 2012, final		-	-	-	(12 786 167)	-	(12 786 167)
Dividends relating to 2013, interim		-	-	-	(3 953 788)	-	(3 953 788)
<b>Transactions with shareholders</b>		<b>127 845</b>	<b>1 929 942</b>	<b>120 462</b>	<b>10 287 191</b>	<b>(27 027 146)</b>	<b>(14 561 706)</b>
<b>Balance at 31 December 2013</b>		<b>10 589 254</b>	<b>47 306 893</b>	<b>(5 310 776)</b>	<b>50 863 851</b>	<b>27 384 508</b>	<b>130 833 730</b>
Net profit 2014		-	-	-	-	33 064 454	33 064 454
Other comprehensive income 2014		-	-	9 827 590	-	-	9 827 590
<b>Total comprehensive income 2014</b>		<b>-</b>	<b>-</b>	<b>9 827 590</b>	<b>-</b>	<b>33 064 454</b>	<b>42 892 044</b>
Appropriation of net profit		-	-	-	27 384 508	(27 384 508)	-
New shares issued	15	105 761	1 645 506	-	-	-	1 751 267
Transaction costs for issued share capital	15	-	(3 074)	-	-	-	(3 074)
Employee share option scheme:							
- Value of employee services	16	-	-	180 563	-	-	180 563
- Tax credit share option scheme	16	-	-	(45 141)	-	-	(45 141)
Dividends relating to 2013, final		-	-	-	(14 210 896)	-	(14 210 896)
Dividends relating to 2014, interim		-	-	-	(9 478 830)	-	(9 478 830)
<b>Transactions with shareholders</b>		<b>105 761</b>	<b>1 642 432</b>	<b>135 422</b>	<b>3 694 782</b>	<b>(27 384 508)</b>	<b>(21 806 111)</b>
<b>Balance at 31 December 2014</b>		<b>10 695 015</b>	<b>48 949 325</b>	<b>4 652 236</b>	<b>54 558 633</b>	<b>33 064 454</b>	<b>151 919 663</b>

The notes on pages 57 to 91 are an integral part of these consolidated financial statements.



## 1 General information

Amsterdam Commodities N.V. ('Acomco' or 'the Company') and its subsidiaries (together 'the Group') are an international group of companies active in the sourcing, processing and distribution of food raw materials and ingredients for the food industry. The Group's product portfolio broadly encompasses spices, dried fruits, nuts, tea, edible seeds and food ingredients. Acomco is a public limited liability company listed at the Amsterdam stock exchange (Euronext, Amsterdam). The address of its registered office is Beursplein 37, 3011 AA Rotterdam.

These financial statements have been approved by the Management Board and the Supervisory Board on 10 March 2015.

## 2 Summary of 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 otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of Acomco have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union. The consolidated financial statements are presented in euros unless stated otherwise and have been prepared on a historical cost basis except derivative financial instruments which are stated at their fair value. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Profit is determined as the difference between net sales and all expenses (including interest and other financial income) relating to the reporting period. Costs are determined in accordance with the accounting policies applied to the balance sheet. Profit is realized in the year in which the sales are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

Pursuant to Section 402 of Book 2 of the Dutch Civil Code, the Company financial statements contain an abbreviated profit and loss account.

### 2.2 Adoption of new and revised standards

#### (a) First-time applied new standards and interpretations

During the financial year, the Group applied the following new and amended IFRS standards and IFRIC interpretations, as relevant to the Group:

- IFRS 10, 'Consolidated financial statements', effective 1 January 2014.
- IFRS 12, 'Disclosures of interests in other entities', effective 1 January 2014.

#### Nature and impact of new standards and amendments

**IFRS 10**, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Group. The impact on the Group financial statements is not material.

**IFRS 12**, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. IFRS 12 requires additional disclosures and has no impact on the Group financial statements.

**(b) New standards and interpretations not yet adopted**

There has been no early implementation of new standards, amendments to existing standards, new IFRS standards or IFRIC interpretations the application of which is mandatory for the financial years commencing after 1 January 2014. The following new standards, interpretations and amendments could potentially be relevant to the Group:

**IFRS 9**, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities and represents a major overhaul of hedge accounting. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018.

**IFRS 15**, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with customers. The Group is yet to assess IFRS 15's full impact and intends to adopt IFRS 15 no later than the accounting period beginning on or after 1 January 2017.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

**2.3 Consolidation****(a) Subsidiaries**

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control is transferred to the Company until the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expenses as incurred.

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

In the 2014 consolidated financial statements, the Company and the following subsidiaries are included:

• <b>Catz International B.V.</b> , Rotterdam, the Netherlands	100%
- Tovano B.V., Maasland, the Netherlands	100%
• <b>Acom Food Ingredients Holding B.V.</b> , Rotterdam, the Netherlands	100%
- TEFCO EuroIngredients B.V., Bodegraven, the Netherlands	100%
- Snick EuroIngredients N.V., Ruddervoorde, Belgium	100%
• <b>Acom Investments B.V.</b> , Rotterdam, the Netherlands	100%
• <b>Acom Seeds Holding B.V.</b> , Rotterdam, the Netherlands	100%
• <b>Red River Commodities Group:</b>	
- Red River Commodities Inc., Fargo, North Dakota, US	100%
- Red River Commodities International Inc., Fargo, North Dakota, US	100%
- SunGold Foods Inc., Fargo, North Dakota, US	100%

- Sunbutter LLC, Fargo, North Dakota, US	100%
- Red River-van Eck B.V., Zevenbergen, the Netherlands	100%
- Red River Bulgaria EOOD, Varna, Bulgaria	100%
• <b>Van Rees Group:</b>	
- Van Rees Group B.V., Rotterdam, the Netherlands	100%
- Van Rees B.V., Rotterdam, the Netherlands	100%
- Van Rees North America Inc., Toronto, Canada	100%
- Van Rees UK Ltd., London, United Kingdom	100%
- Van Rees Kenya Ltd., Mombasa, Kenya	100%
- Van Rees Middle East Ltd., Dubai, United Emirates	100%
- Van Rees Ceylon B.V., Rotterdam, the Netherlands	100%
- P.T. Van Rees Indonesia, Jakarta, Indonesia	100%
- Van Rees LLC, Moscow, Russia	100%
- Van Rees Ceylon Ltd., Colombo, Sri Lanka	100%
• <b>King Nuts:</b>	
- King Nuts Holding B.V., Bodegraven, the Netherlands	100%
- King Nuts B.V., Bodegraven, the Netherlands	100%
• <b>SIGCO Warenhandels-gesellschaft mbH, Hamburg, Germany (as per 1 July 2014)</b>	100%

In addition several intermediate holding entities and dormant legal entities are included in the consolidation. The full list of subsidiaries is filed at the Trade Register of the Chamber of Commerce in Rotterdam.

## (b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition, if any.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in OCI. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

## 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Acom Management Board. The Management Board is responsible for the allocation of the available resources, the assessment of the operational results and strategic decisions.

## 2.5 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Translation differences on non-monetary financial assets are included in OCI.

### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- (c) all resulting exchange differences are recognized in OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings designated as hedges of such investments, are taken to OCI. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The resulting changes are recognized in OCI.

## 2.6 Intangible assets

### Goodwill

Goodwill represents the excess of the considerations transferred of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU's), being the parts of the business segments benefiting from the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is not amortized but goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstance indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.



**Other intangible assets**

Other intangible assets include order backlog. Intangible assets that are acquired through acquired companies are initially valued at fair value. This fair value is subsequently treated as deemed cost. These identifiable intangibles are then systematically amortized over the estimated useful life.

**2.7 Property, plant and equipment**

Land and buildings are stated at cost less accumulated depreciation on buildings. All other property, plant and equipment is stated at cost less accumulated depreciation based on the estimated useful life of the assets concerned and impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent investments are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The difference between opening and closing balance of assets under construction normally consists of additions and reclassifications to other categories of property, plant and equipment.

For depreciation, the straight-line method is used. The useful life and residual value are reviewed periodically through the life of an asset to ensure that it reflects current circumstances. Depreciation will be applied to property, plant and equipment as soon as the assets are ready for their intended use. The useful lives of the following categories are used for depreciation purposes:

Buildings	20-30 years
Building improvements	5-10 years
Machinery and equipment	5-15 years
Vehicles	3-5 years
Furniture, fittings and equipment	3-8 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount (Note 2.8). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as tangible assets.

Directly attributable costs that are capitalized as part of the software product include employee costs directly related thereto. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Computer software development costs recognized as assets are amortized over their estimated useful lives of three to ten years.

**2.8 Impairment of non-financial assets**

Assets that have an indefinite useful life – for example goodwill – are not subject to amortization and are tested annually for impairments or when impairment triggers arise. Assets that are subject to amortization are also reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which

there are separately identifiable cash flows (CGU's). An impairment loss will be reversed if there is a change in the estimates used to determine the recoverable amount of the assets since the last impairment loss was recognized. The net book amount of the asset will be increased to its recoverable amount. Goodwill is never subject to reversion of impairment losses recognized.

## 2.9 Derivative financial instruments including hedging accounting

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- (a) cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment transaction (cash flow hedge); or
- (b) hedges of a net investment in a foreign operation (net investment hedge).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Hedges that are expected to be highly effective in achieving offsetting changes in cash flows are assessed on an ongoing basis to determine if they actually have been highly effective throughout the financial reporting periods for which they were designated. Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

### (a) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of income within 'Cost of goods sold'.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

### (b) 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 immediately in the income statement within 'Other financial income and expense'. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of income.

The Group uses borrowings arranged at acquisition as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 3.1.1 for more details.

## 2.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and semi-finished products comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## 2.11 Trade and other receivables and trade and other payables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method. If payment is due within one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities.

## 2.12 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and short-term highly liquid investments with an original maturity of three months or less. Bank overdrafts are shown within 'Borrowings' in current liabilities in the consolidated balance sheet.

## 2.13 Share capital

Ordinary issued shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are charged to the share premium reserve as a deduction, net of tax, from the proceeds.

## 2.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid in connection to new loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

## 2.15 Current and deferred corporate income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly within equity or in OCI. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income, and any adjustment to tax payable in respect of previous years.

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.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income 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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities for withholding taxes are recognized for subsidiaries in situations where the income is to be paid out as dividend in the foreseeable future to the extent that these withholding taxes are not expected to be refundable or deductible. Changes in tax rates are reflected in the period when the change has been enacted or substantially enacted by the reporting date.

## 2.16 Employee benefits

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has one defined benefit plan and various defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as personnel expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to



retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in income on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group recognizes a liability and an expense for bonuses and profit sharing, based on a percentage (generally 10% - 15%) of the profit before tax of the respective subsidiary. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2.17 Share-based payments

Since 1 September 2010, the Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense in the income statement, with a corresponding adjustment to equity. The total amount to be expensed is determined by reference to the fair value of the options granted as measured at the date of grant.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

## 2.18 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

## 2.19 Revenue recognition

Revenue is measured at 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 entity and when specific criteria have been met for each of the Group's activities as described below.

**(a) Sales of goods**

Sales of goods are recognized when a Group entity has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery normally does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales are recorded based on the prices specified in the sales contracts.

**(b) Interest income**

Interest income is recognized using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

**(c) Dividend income**

Dividend income is recognized when the right to receive payment has been established, which is generally when shareholders approve the dividend.

**2.20 Cost of goods sold**

Cost of goods sold is recorded in the same period in which the sales are recognized.

**2.21 Operational 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 statement of income on a straight-line basis over the period of the lease.

**2.22 Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

**2.23 Cash flow statement**

The statement of cash flows is prepared using the indirect method. Cash flows in foreign currencies have been translated into euros using the weighted average rates of exchange for the periods involved.

**3 Risk management****3.1 Risk factors**

The Group operates in international commodity trading and is exposed to a variety of market and financial risks (including currency risk, interest rate risk and price risk), credit risks and liquidity risks. The Group's overall risk management focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out under policies approved by the Management Board and Supervisory Board. Risks are identified, evaluated and hedged in close cooperation with the Group's operating units. The Management Board and the management of the operating companies apply policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity. We refer to the Management Board report and our Corporate Governance Statement for a further explanation on risk management.

### 3.1.1 Market risks

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from current and future commercial transactions, current and future costs, recognized assets and liabilities and net investments in foreign operations. The Management Board has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their foreign exchange risk exposure arising from sales and purchase transactions within the respective company in accordance with Group policies. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts, transacted with external banks and net borrowings in foreign currencies. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's risk management policy is to hedge between 90% and 100% of contracted cash flows (mainly export sales and purchases of inventory) in each major foreign currency for the subsequent 12 months. Approximately 95% (2013: 95%) of contracted sales and purchases in each major currency qualify as 'highly probable' transactions for hedge accounting purposes.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

For the year 2014, if the average US dollar currency applied had weakened/strengthened by 5% against the euro with all other variables held constant, net profit for the year would have been approximately € 0.6 million higher/lower (2013: € 0.5 million), mainly as a result of foreign exchange results on translation of US-dollar-denominated income from the Van Rees Group tea business and Red River Commodities seeds business. On 31 December 2014, the total impact on shareholders' equity of a 5% US dollar increase/decrease relating to equity of subsidiaries with a US dollar functional currency would have been approximately € 2.6 million (2013: € 2.2 million). Similarly, total assets would have increased/decreased by approximately € 6.1 million (2013: € 6.5 million) in case of the euro / US dollar rate being 5% higher/lower than the rate at 31 December 2014 that has been used. The Group's exposure to foreign currency changes for all other currencies is not material.

#### Price risk

The Company's results are sensitive to commodity market price movements. In order to manage the effects of price movements of commodities, the group companies apply trading guidelines internally determined and maximum positions per product group and overall positions. From a financing point of view, headroom available within bank facilities is closely monitored in order to be able to finance increased working capital requirements when commodity prices increase.

#### Interest rate risk

The Group's interest rate risk arises from long-term borrowings and working capital financing. Borrowings and working capital financing contracted at variable interest rates expose the Group to

cash flow interest rate risk which is partially offset by cash held at variable interest rates. Borrowings issued at fixed interest rates expose the Group to fair value interest rate risk.

During 2014 and 2013, the Group's borrowings at variable interest rates were denominated in euro and US dollar. The Group analyzes its interest rate exposure on a dynamic basis. Scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

A sensitivity analysis has been made based on the exposure to interest rates for the bank borrowings and current financial bank liabilities at the balance sheet date. If interest rates had been 0.5% or 50 basis points higher/lower and all other variables were held constant, the Group's result before tax for the year ended 31 December 2014 would have been approximately € 432 thousand (2013: € 355 thousand) lower/higher respectively.

### 3.1.2 Credit risk

Credit risk is managed at the subsidiary level. Each local subsidiary is responsible for managing and analyzing the credit risk for each of their customers before standard payment and delivery terms and conditions are offered. Credit risk arises from derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management of the operating companies. The utilization of credit limits is regularly monitored. See Note 11 for further disclosure on credit risk. Management does not expect any undisclosed material losses from non-performance by these counterparties.

### 3.1.3 Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements and calculates ratios to ensure it has sufficient funds to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 18) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, planned capital expenditures, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions. Surplus cash held by the operating entities over and above balances required for working capital purposes are transferred to Group treasury. Group treasury invests surplus cash in interest bearing current accounts at first class banks.

## 3.2 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 ensure the continued financing of the trading activities, to provide adequate long-term returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



The Company monitors capital on the basis of the solvency ratio. This ratio is calculated as total equity plus subordinated debt divided by total assets. During 2014, the Company's objective, which was unchanged from 2013, was to maintain the solvency ratio at a minimum of 30% and preferably around 40%. The solvency ratios at 31 December 2014 and 2013 were as follows:

<b>Solvency</b>	31 December	
	2014	2013
Total shareholders' equity	<u>151 919 663</u>	<u>130 833 730</u>
Total assets	<u>337 162 312</u>	<u>277 195 657</u>
<b>Solvency ratio</b>	45.1%	47.2%

## 4 Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### (a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of CGU's have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 6).

### (b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is inherently uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Additional information is disclosed in Note 19 and Note 25.

### (c) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate, future salary increases, mortality rates and future pension increases. The mortality rate is based on publicly available mortality tables for the specific countries. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

**(d) Trade receivables**

Provisions are made for doubtful debts based on management's estimates of the prospects of recovering the debt. Where management has determined that recovering is doubtful, the amount is provided for.

**(e) Litigations and claims**

The Group is party to various legal proceedings, generally incidental, to its business. In connection with these proceedings and claims, management evaluated, based on the relevant facts and legal principles, the likelihood of an unfavorable outcome and whether the amount of the loss could be reasonably estimated. Subjective judgments were required in these evaluations, including judgments regarding the validity of asserted claims and the likely outcome of legal and administrative proceedings. The outcome of these proceedings, however, is subject to a number of factors beyond the Group's control, most notably the uncertainty associated with predicting decisions by courts and administrative agencies.

## 5 Segment information

The Management Board in its role as chief operating decision maker has determined the operating segments based on the reports used to make management decisions. The Management Board considers the business from a product perspective. Geographically, the Management Board considers the performance of wholesale in the Netherlands, other countries in Europe, the US and other areas. The following reporting segments are identified:

- Spices and Nuts;
- Food Ingredients;
- Tea;
- Edible Seeds which also includes SIGCO Warenhandel since 1 July 2014.

The Management Board assesses the performance of the reporting segments based on a measure of adjusted profit before tax. This measurement basis excludes the effects of non-recurring expenditures from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The segment information for the reportable segments for the year ended 31 December 2014 and 31 December 2013 is as follows:

<b>2014</b> (in thousands)	Spices and Nuts	Food Ingredients	Tea	Edible Seeds	Holdings and intra group	Total
Sales	307 398	22 911	135 654	158 674	(5 766)	618 871
Operating expenses	(284 050)	(20 246)	(129 303)	(138 643)	4 161	(568 081)
<b>EBITDA</b>	23 348	2 665	6 351	20 031	(1 605)	50 790
Depreciation	(266)	(435)	(324)	(2 915)	(62)	(4 002)
Interest income/(expense), net	(713)	(99)	(1 013)	(1 593)	820	(2 598)
Income tax expense	(5 592)	(713)	(1 518)	(4 411)	805	(11 429)
Non-recurring results, net of tax	-	-	244	-	59	303
<b>Net result</b>	<u>16 777</u>	<u>1 418</u>	<u>3 740</u>	<u>11 112</u>	<u>17</u>	<u>33 064</u>
<b>Total assets</b>	<u>113 630</u>	<u>11 905</u>	<u>52 043</u>	<u>107 076</u>	<u>52 508</u>	<u>337 162</u>
<b>Total liabilities</b>	<u>85 395</u>	<u>7 415</u>	<u>31 729</u>	<u>70 394</u>	<u>(9 690)</u>	<u>185 243</u>

2013 (in thousands)	Spices and Nuts	Food Ingredients	Tea	Edible Seeds	Holdings and intra group	Total
Sales	262 797	20 468	148 310	156 201	(3 353)	584 423
Operating expenses	(241 371)	(18 308)	(142 174)	(138 834)	2 197	(538 490)
<b>EBITDA</b>	21 426	2 160	6 136	17 367	(1 156)	45 933
Depreciation	(270)	(100)	(202)	(2 825)	(60)	(3 457)
Interest income/(expense), net	(579)	1	(961)	(1 745)	675	(2 609)
Income tax expense	(5 113)	(624)	(1 279)	(3 888)	164	(10 740)
Non-recurring results, net of tax	(516)	(146)	(111)	(3)	(966)	(1 742)
<b>Net result</b>	<u>14 948</u>	<u>1 291</u>	<u>3 583</u>	<u>8 906</u>	<u>(1 343)</u>	<u>27 385</u>
<b>Total assets</b>	<u>81 651</u>	<u>10 491</u>	<u>56 194</u>	<u>84 920</u>	<u>43 940</u>	<u>277 196</u>
<b>Total liabilities</b>	<u>58 998</u>	<u>6 102</u>	<u>38 100</u>	<u>54 984</u>	<u>(11 822)</u>	<u>146 362</u>

The amounts with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Inter-segment sales are eliminated upon consolidation and reflected in the 'Holdings and intra group' column.

Sales per geography are as follows:

Sales (in millions)	NL	EU other	US	Other	Total
<b>2014</b>	<b>93.9</b>	<b>275.0</b>	<b>169.4</b>	<b>80.6</b>	<b>618.9</b>
2013	82.8	250.8	180.9	69.9	584.4

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## 6 Intangible assets

Intangible assets	Goodwill	Other	Total
<b>At 1 January 2013</b>	47 699 812	-	47 699 812
Currency translation effect	(1 222 748)	-	(1 222 748)
<b>At 31 December 2013</b>	46 477 064	-	46 477 064
Additions	5 634 361	403 000	6 037 361
Amortization	-	(357 000)	(357 000)
Currency translation effect	3 778 137	-	3 778 137
<b>At 31 December 2014</b>	<u>55 889 562</u>	<u>46 000</u>	<u>55 935 562</u>

Other intangible assets consist of intangible assets which arose from acquisitions (Note 29). The total amount relates to forward profits existent at the date of acquisition and which have been amortized for the majority in 2014.

Goodwill is not amortized and is tested for impairment, at least annually. Goodwill relates to the goodwill paid for the acquisition of Tefco EuroIngredients in 2006, Snick EuroIngredients in 2009, Van Rees Group, Red River Commodities and King Nuts in 2010 and SIGCO Warenhandel in 2014.

An operating segment-level summary of the goodwill allocation is presented below.

<b>Goodwill</b>	31 December	
	2014	2013
Food Ingredients	4 104 917	4 104 917
Tea	9 561 864	8 390 641
Edible Seeds	26 917 215	18 675 940
Spices and Nuts	15 305 566	15 305 566
<b>Total goodwill</b>	<b>55 889 562</b>	<b>46 477 064</b>

### Impairment tests for goodwill

For the purpose of the annual impairment testing goodwill is allocated to the Group's CGU's identified at the level of operating segments.

The goodwill impairment test is based on the management judgment that the possible net realizable value of the acquired businesses will not be less than the sum of the goodwill amount plus the net assets of the acquired company.

Given the nature of Acomco being a group of trading companies, the recoverable amounts of all CGU's have been determined based on two different valuation methods: Discounted Cash Flow (DCF) method and multiple analysis:

- The DCF-method uses cash flow projections based on financial budgets approved by management for 2015. The Weighted Average Cost of Capital (WACC) is based on the Capital Asset Pricing Model using a levered beta of 0.67. The WACC varies at different CGU's. Based on the local tax rates, the applied WACC pre-tax varies between 9.2% and 11.0%.
- A five-year forecast period is used (including approved 2015 budgets when applicable) followed by a terminal value based on perpetual 1.5% to 2.5% growth of revenues. Cash flows beyond 2014 are extrapolated using estimated growth rates.
- The multiple analysis is based on corporate price / earnings ratio's and can be applied for trading companies in situations that future cash flows are very dependent on underlying commodity price developments.

Cash flows beyond the five year period are extrapolated taking into account a long-term average growth rate.

The discount rates used are pre-tax and reflect specific risks relating to the relevant parts of the business.

The key assumptions used for value-in-use calculations in 2014 are as follows:

<b>Assumptions</b>	Food Ingredients	Tea	Edible Seeds	Spices and Nuts
Average future growth rates 2015 - 2019	6.7%	3.0%	3.2%	2.5%
Long-term average growth rate (after 5 years)	2.5%	1.5%	2.0%	2.0%
Discount rate, pre-tax, average	9.7%	10.8%	11.0%	9.2%



After conducting impairment tests on all CGU's within the Group, no impairment was deemed necessary since the discounted future cash flows from the CGU's exceeded the value of the carrying amount including goodwill for each CGU.

It is inherent in the method of computation used that a change in the assumptions may lead to a different conclusion on the impairment required. If the discount rate is assumed to be one percentage point higher than assumed in the individual impairment tests, no impairment would have been required. The impairment tests performed separately would also not indicate any impairment if the future cash flows were set 10% lower than assumed.

## 7 Property, plant and equipment

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

<b>Property, plant and equipment</b>	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Assets under construction	Total
<b>At 1 January 2013</b>					
Cost or valuation	19 683 580	17 092 887	2 729 683	507 412	40 013 562
Accumulated depreciation	(1 924 967)	(2 915 135)	(1 431 679)	-	(6 271 781)
<b>Net book amount</b>	<u>17 758 613</u>	<u>14 177 752</u>	<u>1 298 004</u>	<u>507 412</u>	<u>33 741 781</u>
<b>2013</b>					
Opening net book amount	17 758 613	14 177 752	1 298 004	507 412	33 741 781
Investments	503 456	2 673 144	284 779	4 095 023	7 556 402
Disposals	(370 211)	(92 359)	(4 514)	-	(467 084)
Depreciation charge	(720 311)	(2 255 749)	(371 769)	-	(3 347 829)
Exchange differences	(801 733)	(548 388)	(27 831)	-	(1 377 952)
<b>Closing net book amount</b>	<u>16 369 814</u>	<u>13 954 400</u>	<u>1 178 669</u>	<u>4 602 435</u>	<u>36 105 318</u>
<b>At 31 December 2013</b>					
Cost or valuation	18 200 201	17 657 508	2 703 846	4 602 435	43 163 990
Accumulated depreciation	(1 830 387)	(3 703 108)	(1 525 177)	-	(7 058 672)
<b>Net book amount</b>	<u>16 369 814</u>	<u>13 954 400</u>	<u>1 178 669</u>	<u>4 602 435</u>	<u>36 105 318</u>
<b>2014</b>					
Opening net book amount	16 369 814	13 954 400	1 178 669	4 602 435	36 105 318
Acquisition subsidiaries	-	-	12 377	-	12 377
Investments	274 228	1 923 217	408 971	61 272	2 667 688
Disposals	(18 896)	(46 437)	(1 115)	-	(66 448)
Depreciation charge	(913 482)	(2 547 043)	(461 487)	-	(3 922 012)
Assets taken into operation	3 317 242	783 411	520 818	(4 621 471)	-
Exchange differences	2 164 996	1 573 642	333 833	25 037	4 097 508
<b>Closing net book amount</b>	<u>21 193 902</u>	<u>15 641 190</u>	<u>1 992 066</u>	<u>67 273</u>	<u>38 894 431</u>
<b>At 31 December 2014</b>					
Cost or valuation	25 350 668	23 939 936	3 796 799	67 273	53 154 676
Accumulated depreciation	(4 156 766)	(8 298 746)	(1 804 733)	-	(14 260 245)
<b>Net book amount</b>	<u>21 193 902</u>	<u>15 641 190</u>	<u>1 992 066</u>	<u>67 273</u>	<u>38 894 431</u>

The 2014 depreciation charge of € 3.9 million (2013: € 3.3 million) has been recorded in 'Depreciation and impairment charges'.

## 8 Other investments in companies

The movements in other investments in companies (both dormant companies and minority participations) are as follows:

Other investments in companies	2014	2013
<b>At 1 January</b>	256 651	256 651
Impairment	(80 337)	-
Liquidation of dormant companies	(102 373)	-
<b>At 31 December</b>	<u>73 941</u>	<u>256 651</u>

## 9 Financial instruments by category

	Loans and receivables	Derivatives used for hedging	Total
<b>Assets</b>			
<b>31 December 2014</b>			
Derivative financial instruments	-	4 312 400	4 312 400
Trade and other receivables excluding prepayments	70 399 389	-	70 399 389
Cash and cash equivalents	1 557 998	-	1 557 998
<b>Total</b>	<u>71 957 387</u>	<u>4 312 400</u>	<u>76 269 787</u>

	Other financial liabilities at amortized cost	Derivatives used for hedging	Total
<b>Liabilities</b>			
<b>31 December 2014</b>			
Borrowings	10 355 456	-	10 355 456
Bank overdrafts - short-term	84 171 640	-	84 171 640
Derivative financial instruments	-	1 213 420	1 213 420
Trade and other payables	69 670 475	-	69 670 475
<b>Total</b>	<u>164 197 571</u>	<u>1 213 420</u>	<u>165 410 991</u>

<b>Assets</b>	Loans and receivables	Derivatives used for hedging	Total
<b>31 December 2013</b>			
Derivative financial instruments	-	386 436	386 436
Trade and other receivables excluding prepayments	62 807 765	-	62 807 765
Cash and cash equivalents	1 381 426	-	1 381 426
<b>Total</b>	<u>64 189 191</u>	<u>386 436</u>	<u>64 575 627</u>

<b>Liabilities</b>	Other financial liabilities at amortized cost	Derivatives used for hedging	Total
<b>31 December 2013</b>			
Borrowings	8 999 984	-	8 999 984
Bank overdrafts – short-term	68 907 922	-	68 907 922
Derivative financial instruments	-	1 247 968	1 247 968
Trade and other payables	48 338 996	-	48 338 996
<b>Total</b>	<u>126 246 902</u>	<u>1 247 968</u>	<u>127 494 870</u>

The fair values of the financial assets and liabilities do not materially differ from the book value due to the absence of interest related components, the absence of long-term fixed interest rates and the accounting policies used.

## 10 Inventories

<b>Inventories</b>	31 December	
	2014	2013
Raw materials	33 620 657	25 481 545
Semi-finished products	4 295 938	3 633 858
Finished goods	126 620 073	100 001 935
<b>Total inventories</b>	<u>164 536 668</u>	<u>129 117 338</u>

The cost of inventories recognized as expense and included in 'Cost of goods sold' amounted to € 484.9 million (2013: € 467.6 million). As at 31 December 2014, the provision for write-down of inventories to net realizable value amounts to € 2.6 million (2013: € 1.3 million).

As at 31 December 2014, inventories with a book value of € 140.9 million have been pledged as a security for certain bank overdrafts.

## 11 Trade receivables

	31 December	
	2014	2013
<b>Trade receivables</b>		
Trade receivables	70 239 755	62 046 968
Less: provision for impairment	(1 420 942)	(1 361 415)
<b>Total trade receivables, net</b>	<b>68 818 813</b>	<b>60 685 553</b>

As at 31 December 2014, trade receivables were impaired for the total amount of € 1.4 million (2013: € 1.4 million). The individually (partly or fully) impaired receivables mainly relate to customers in the ordinary line of business which are in unexpectedly difficult economic and financial situations.

As at 31 December 2014, trade receivables of approximately € 3.5 million were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables based on due date is as follows:

	31 December	
	2014	2013
<b>Ageing receivables - due dates</b>		
Up to 1 month	65 333 082	58 990 087
1-2 months	1 612 786	1 503 882
2-3 months	1 138 092	705 453
Over 3 months	2 155 795	847 546
<b>Total trade receivables, gross</b>	<b>70 239 755</b>	<b>62 046 968</b>

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	31 December	
	2014	2013
<b>Trade receivables - currency</b>		
Denominated in euros	25 976 850	19 837 344
Denominated in US dollars	43 185 199	41 415 829
Denominated in UK pounds	547 326	401 360
Denominated in other currencies	530 380	392 435
<b>Total trade receivables, gross</b>	<b>70 239 755</b>	<b>62 046 968</b>

Movements in the provisions for impairment of trade receivables are as follows:

	2014	2013
<b>Provision trade receivables</b>		
<b>At 1 January</b>	<b>1 361 415</b>	<b>1 874 978</b>
Write-offs	(254 297)	(742 728)
Unused reversed to the income statement	(569 030)	(216 729)
Charged to the income statement	775 743	474 615
Exchange differences	107 111	(28 721)
<b>At 31 December</b>	<b>1 420 942</b>	<b>1 361 415</b>

The creation and release of provisions for impaired receivables have been included in 'Cost of goods sold' in the income statement. Overdue receivables are generally fully written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain material impaired assets.



The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security. In general, delivery terms dictate that full title of ownership can be withdrawn for unpaid deliveries.

As at 31 December 2014, trade receivables with a book value of € 55.2 million have been pledged as a security for certain bank overdrafts.

## 12 Other receivables

	31 December	
	2014	2013
<b>Other receivables</b>		
Prepayments	1 236 936	663 659
Tax and social securities	1 038 413	1 850 964
Other receivables	542 163	271 248
<b>Total other receivables</b>	<u>2 817 512</u>	<u>2 785 871</u>

All other receivables are due within one year from the end of the reporting period.

## 13 Derivative financial instruments

	31 December 2014		31 December 2013	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives</b>				
Cash flow hedges – forex contracts	4 312 400	1 213 420	386 436	1 247 968
<b>Total derivatives</b>	<u>4 312 400</u>	<u>1 213 420</u>	<u>386 436</u>	<u>1 247 968</u>

Foreign exchange contracts relate for more than 95% to forward US dollar sales and purchases with a term of less than 12 months and relate to hedged items with a maturity of less than 12 months.

Consequently, the net value of these derivatives is classified as a current asset or liability. The forex contracts are so-called Level-2 derivatives with banks which values are derived directly from foreign exchange rates and interest rate levels. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated balance sheet.

### Forward foreign exchange contracts

The total notional principal amounts of the outstanding forward foreign exchange contracts on 31 December 2014 were \$ 67.2 million bought and \$ 57.3 million sold resulting in a total net amount of \$ 9.9 million (2013: \$ 28.4 million) and £ nil sold (2013: £ 0.5 million). Gains and losses recognized in the hedge reserve in equity (Note 16) on forward foreign exchange contracts as at 31 December 2014 are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

### Hedge of net investment in foreign entity

A portion of the Group's US-dollar-denominated borrowing amounting to \$ nil (2013: \$ 7.8 million) was designated as a hedge of the net investment in the Group's US subsidiary. These borrowings were fully repaid in February 2014.

## 14 Cash and cash equivalents

Cash and cash equivalents consist almost entirely of cash held at bank accounts.

## 15 Share capital and share premium reserve

The total authorized number of ordinary shares is 66.7 million shares (2013: 66.7 million shares) with a par value of € 0.45 per share (2013: € 0.45 per share). All issued 23.8 million shares (31 December 2013: 23.5 million) are fully paid. The movements during 2013 and 2014 were as follows:

Share capital and share premium reserve	Number of shares	Share capital	Share premium reserve	Total
<b>At 1 January 2013</b>	23 247 576	10 461 409	45 376 951	55 838 360
New shares issued	284 100	127 845	2 010 022	2 137 867
Transaction costs for issued share capital	-	-	(80 080)	(80 080)
<b>At 31 December 2013</b>	23 531 676	10 589 254	47 306 893	57 896 147
New shares issued	235 025	105 761	1 645 506	1 751 267
Transaction costs for issued share capital	-	-	(3 074)	(3 074)
<b>At 31 December 2014</b>	23 766 701	10 695 015	48 949 325	59 644 340

During the year, the issued share capital was increased by € 105,761 due to issuance of 235,025 new ordinary shares of € 0.45 each as part of the share-based payment (Note 17). The shares issued have the same rights as existing shares issued.

## 16 Other reserves

Other reserves	Currency translation reserve	Share option plan	Hedge reserve	Other reserves	Total
<b>At 1 January 2013</b>	(2 210 031)	226 624	46 792	(394 066)	(2 330 681)
Cash flow hedges	-	-	(269 567)	-	(269 567)
Employee share option scheme:					
- Value of employee services	-	160 616	-	-	160 616
- Tax credit, 25%	-	(40 154)	-	-	(40 154)
Currency translation differences (CTA)	(1 813 278)	-	-	-	(1 813 278)
CTA on goodwill	(1 222 748)	-	-	-	(1 222 748)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	205 036	205 036
<b>At 31 December 2013</b>	(5 246 057)	347 086	(222 775)	(189 030)	(5 310 776)
Cash flow hedges	-	-	914 850	-	914 850
Employee share option scheme:					
- Value of employee services	-	180 563	-	-	180 563
- Tax credit, 25%	-	(45 141)	-	-	(45 141)
Currency translation differences (CTA)	5 499 463	-	-	-	5 499 463
CTA on goodwill	3 778 137	-	-	-	3 778 137
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(364 860)	(364 860)
<b>At 31 December 2014</b>	4 031 543	482 508	692 075	(553 890)	4 652 236

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity of € 14.7 million (2013: € 10.6 million). Such limitations relate to share capital as well as to legal reserves required by Dutch law included under other reserves.

## 17 Share-based payment

Share options are granted to management and to selected employees. The exercise price of the options granted in 2010 is equal to the conversion price of the convertible bonds issued in June 2010, i.e. € 7.39 per share. The exercise price of the 100,000 options granted to management in 2013 is € 13.90 per share. The exercise price of the 40,000 options granted to management in 2014 is € 17.00 per share. All options vest in a six-year period with the first vesting taking place around the third anniversary of the options granted. The vesting and exercise of the options is conditional on the continued employment in the Group. The options have a contractual option term of seven years and expire on respectively 1 September 2017, 8 May 2020 and 1 December 2021. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During 2014, 40,000 new options were issued to management and 24,250 options lapsed after employees left the Group. A total of 165,400 options vested in 2013 were exercised in 2014. A total of 119,500 options vested and 69,625 vested options were exercised, 2,250 vested options lapsed after employees left the Group leaving 47,625 vested options exercisable.

Share options outstanding at the end of the year have the following vesting dates, exercise prices and fair values:

Share-based payment		Exercise price per option in €	31 December	
Vesting date	Expiry date		2014	2013
1 September 2013	1 September 2017	7.39	-	165 400
1 September 2014	1 September 2017	7.39	47 625	119 500
1 September 2015	1 September 2017	7.39	185 000	195 000
1 September 2016	1 September 2017	7.39	222 000	234 000
8 May 2016	8 May 2020	13.90	30 000	30 000
8 May 2017	8 May 2020	13.90	15 000	15 000
8 May 2018	8 May 2020	13.90	25 000	25 000
8 May 2019	8 May 2020	13.90	30 000	30 000
1 December 2017	1 December 2021	17.00	12 000	-
1 December 2018	1 December 2021	17.00	6 000	-
1 December 2019	1 December 2021	17.00	10 000	-
1 December 2020	1 December 2021	17.00	12 000	-
<b>Total</b>			<b>594 625</b>	<b>813 900</b>

The weighted average fair value of options granted in 2010 determined by using the Black-Scholes valuation model was € 0.58 per option. The significant inputs into the model were: share price € 8.25, volatility of 19.0%, dividend yield of 8.2%, annual risk-free rate of 2.63%. The volatility measured at the standard deviation of continuously compound share returns is based on statistical analysis of the Acomo share.

The weighted average fair value of options granted in 2013 determined by using the Black-Scholes valuation model was € 2.31 per option. The significant inputs into the model were: share price € 16.34, volatility of 18.0%, dividend yield of 4.4%, annual risk-free rate of 1.90%. The volatility measured at the standard deviation of continuously compound share returns is based on statistical analysis of the Acomo share.

The weighted average fair value of options granted in 2014 determined by using the Black-Scholes valuation model was € 1.96 per option. The significant inputs into the model were: share price € 18.64, volatility of 22.5%, dividend yield of 5.0%, annual risk-free rate of 0.30%. The volatility measured at the standard deviation of continuously compound share returns is based on statistical analysis of the Acom share, measured over a historic period equal to expected life.

For all options granted, an estimated term of six years was applied.

## 18 Bank borrowings

	31 December	
	2014	2013
<b>Bank borrowings</b>		
<b>Non-current</b>		
Bank borrowings	10 355 456	8 999 984
<b>Current</b>		
Bank overdrafts	82 497 018	59 387 153
Bank borrowings short-term part	2 444 781	9 078 974
Other loans	-	658 000
Less: related bank costs	(770 159)	(216 205)
<b>Total</b>	<b>84 171 640</b>	<b>68 907 922</b>
<b>Total bank borrowings</b>	<b>94 527 096</b>	<b>77 907 906</b>

The carrying amounts of bank borrowings approximate their fair value due to the interest rates being variable. The working capital financing lines are secured through a mix of positive pledges and negative pledges on inventories and trade receivables.

### Bank borrowings

On 31 December 2014, the Group had secured three long-term bank borrowings:

- a € 5 million drawing under the € 50 million acquisition facility, repayable in five years with repayments of 15% per year with a final payment of the remaining borrowing on 31 January 2019;
- a \$ 9 million term loan, repayable in 5 years started at 4 April 2012;
- a € 3 million term loan, repayable in 19 years started at 1 January 2014.

Bank borrowings are secured by pledges on fixed assets of the relating group companies up to € 10 million.

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	31 December	
	2014	2013
<b>Non-current bank borrowings</b>		
Denominated in euros	7 034 386	4 758 753
Denominated in US dollars	3 321 070	4 241 231
<b>Total non-current bank borrowings</b>	<b>10 355 456</b>	<b>8 999 984</b>



The maturity of bank borrowings is as follows:

	31 December	
	2014	2013
<b>Contractual repayments</b>		
2014	-	9 078 974
2015	2 444 781	3 505 166
2016	2 479 782	1 557 921
2017	2 077 023	1 569 256
After 2017	5 798 651	3 025 641
<b>Total contractual repayments</b>	<b>12 800 237</b>	<b>18 736 958</b>

Total interest liabilities based on current interest rates, contractual terms and average 2014 working capital financial levels are approximately € 1.7 million for 2015 and approximately € 7.0 million in total for the years 2016-2019.

### Bank overdrafts

On 31 December 2014, the Group had the following bank overdrafts:

- a € 200 million revolving credit facility (RCF) with a borrowing base character; this facility matures on 31 January 2017. Interest is variable;
- local lines in operating companies, secured by corporate guarantees of Acom parent or intermediate group companies within the Group, in total amounting to \$ 24,600,000 and £ 1,000,000; these lines mature on an annual basis and are rolled over annually. Interest is variable.

For these bank overdrafts, financial covenants were agreed being an Interest Cover Ratio that must exceed 4.0 and minimum solvency that must exceed 25% or 30% at various measurement dates in the periods up until 31 December 2016. The Interest Cover Ratio 2014 exceeded 24.0 and total solvency as calculated in line with the bank agreement exceeded 45%.

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The used and undrawn part of bank overdrafts at 31 December 2014 is as follows:

<b>Working capital overdraft facilities</b>	<b>In local currencies</b>			<b>Available in €</b>
	<b>Total lines</b>	<b>Outstanding</b>	<b>Undrawn</b>	
€ 200 000 000 RCF	200 000 000	75 147 296	124 852 704	124 852 704
Local US dollar lines	24 600 000	8 801 531	15 798 469	13 056 586
Local UK pound lines	1 000 000	58 811	941 189	1 211 935
<b>Total in euro equivalent</b>				
<b>Total</b>	<b>221 618 243</b>	<b>82 497 018</b>	<b>139 121 225</b>	<b>139 121 225</b>

As at balance sheet date, the Group had issued short-term Letters of Credit in favor of third parties in the amount of \$ 2.2 million (2013: \$ 1.1 million). Bank guarantees were issued amounting to \$ nil (2013: \$ 1.5 million).

During the year the Group has capitalized borrowing costs amounting to € 1.1 million (2013: € 0.04 million) on qualifying assets. Borrowing costs were capitalized at the weighted average annual interest rate of 0.14% of its relating borrowings.

## 19 Deferred tax liabilities and assets

	31 December	
	2014	2013
<b>Deferred income tax position</b>		
Deferred tax assets	214 987	-
Deferred tax liabilities	(7 434 703)	(7 255 342)
<b>Deferred tax liabilities, net</b>	<u>(7 219 716)</u>	<u>(7 255 342)</u>

The movement in the total deferred income tax position is as follows:

	2014	2013
<b>Total deferred income tax position</b>		
<b>At 1 January</b>	(7 255 342)	(8 134 041)
Recognized in OCI	(110 285)	(72 081)
Recognized in income	983 826	515 067
Currency translation effects	(593 576)	229 249
Acquisition subsidiaries	(130 076)	-
Other movements	(114 263)	206 464
<b>At 31 December</b>	<u>(7 219 716)</u>	<u>(7 255 342)</u>

The movement in deferred income tax assets and liabilities during the year, without taken into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

<b>Movements 2014</b>	1 January 2014	Recognized in OCI	Recognized in income	Currency translation effects	Acquisition subsidiaries	Other movements	31 December 2014
Intangible assets	-	-	115 229	-	(130 076)	-	(14 847)
Property, plant and equipment	(5 786 763)	-	336 778	(750 193)	-	3 289	(6 196 889)
Inventories	(1 607 637)	(75 864)	516 702	46 926	-	(27 444)	(1 147 317)
Current assets and liabilities, net	495 401	(205 333)	149 320	61 638	-	(76 188)	424 838
Pension provisions	595 259	170 912	(198 838)	78 670	-	(1 434)	644 569
Other provisions	(941 071)	-	214 374	(30 617)	-	19 784	(737 530)
Long-term debt	(10 531)	-	(149 739)	-	-	(32 270)	(192 540)
<b>Total</b>	<u>(7 255 342)</u>	<u>(110 285)</u>	<u>983 826</u>	<u>(593 576)</u>	<u>(130 076)</u>	<u>(114 263)</u>	<u>(7 219 716)</u>

<b>Movements 2013</b>	1 January 2013	Recognized in OCI	Recognized in income	Currency translation effects	Other movements	31 December 2013
Property, plant and equipment	(5 733 814)	-	(371 016)	266 047	52 020	(5 786 763)
Inventories	(2 462 269)	-	903 914	(46 573)	(2 709)	(1 607 637)
Current assets and liabilities, net	355 398	89 856	84 097	(61 072)	27 122	495 401
Pension provisions	866 754	(161 937)	(75 532)	(11 535)	(22 491)	595 259
Other provisions	(1 085 711)	-	(90 264)	82 382	152 522	(941 071)
Long-term debt	(74 399)	-	63 868	-	-	(10 531)
<b>Total</b>	<u>(8 134 041)</u>	<u>(72 081)</u>	<u>515 067</u>	<u>229 249</u>	<u>206 464</u>	<u>(7 255 342)</u>

Deferred tax assets and liabilities relate to the balance sheet captions, as follows:

	31 December 2014			31 December 2013		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible assets	-	(14 847)	(14 847)	-	-	-
Property, plant and equipment	-	(6 196 889)	(6 196 889)	-	(5 786 763)	(5 786 763)
Inventories	403 268	(1 550 585)	(1 147 317)	288 763	(1 896 400)	(1 607 637)
Current assets and liabilities, net	654 822	(229 984)	424 838	514 557	(19 156)	495 401
Pension provisions	644 569	-	644 569	595 259	-	595 259
Other provisions	11 434	(748 964)	(737 530)	21 968	(963 039)	(941 071)
Long-term debt	-	(192 540)	(192 540)	-	(10 531)	(10 531)
Total	1 714 093	(8 933 809)	(7 219 716)	1 420 547	(8 675 889)	(7 255 342)
Set-off	(1 499 106)	1 499 106	-	(1 420 547)	1 420 547	-
<b>Net position</b>	<u>214 987</u>	<u>(7 434 703)</u>	<u>(7 219 716)</u>	<u>-</u>	<u>(7 255 342)</u>	<u>(7 255 342)</u>

As at 31 December 2014 deferred income tax liabilities of € 0.6 million (2013: € 0.3 million) have not been recognized for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totaled € 5.2 million at 31 December 2014 (2013: € 3.3 million).

## 20 Retirement benefit obligations

The retirement benefit positions are as follows:

	31 December	
	2014	2013
<b>Balance sheet obligations</b>		
Pension benefits - defined benefit plans	1 815 818	1 249 967
Pension benefits - defined contribution plans	96 897	855 635
<b>Liability in the balance sheet</b>	<u>1 912 715</u>	<u>2 105 602</u>

	31 December	
	2014	2013
<b>Income statement charges</b>		
Pension costs - defined benefit plans (Note 22)	(434 585)	250 440
Pension costs - defined contribution plans (Note 22)	1 004 942	1 140 146
<b>Pension cost in the income statement</b>	<u>570 357</u>	<u>1 390 586</u>

### Pension benefits - defined benefit plans

Since the acquisition of Van Rees Group and Red River Commodities Group, the Group operated defined benefit pension plans in the Netherlands and the US based on employee pensionable remuneration and length of service. The plan was changed in 2014 into a defined contribution plan. The pension plan in the US was closed in 2008, both for changes in salaries and for new entrants, and therefore serves as a pension fund for existing and former employees of Red River Commodities Group that were eligible up to mid-2008.

The remaining defined benefit plan in the US is externally funded. Plan assets are held in trusts and at the insurance company, governed by local regulations and practice in each country. In addition, some relatively limited selected pension agreements have been arranged within the Group.

The amounts recognized in the balance sheet are determined as follows:

	31 December	
	2014	2013
<b>Net pension liability</b>		
Present value of funded obligations	4 716 045	8 335 255
Fair value of plan assets	(2 900 227)	(7 085 288)
Deficit of funded plans	1 815 818	1 249 967
Other pension liabilities	96 897	855 635
<b>Total net pension liability</b>	<b>1 912 715</b>	<b>2 105 602</b>

The movement in the defined benefit obligations over the year is as follows:

	2014	2013
<b>Actuarial pension obligations</b>		
<b>At 1 January</b>	8 335 255	8 477 913
Provision	406 121	-
Current service cost	-	160 417
Interest cost	165 006	331 422
Effect change to defined contribution scheme	(4 937 245)	-
Employee contributions	-	36 763
Actuarial (gains)/losses	943 198	(373 527)
Benefits paid	(357 224)	(144 767)
Release provision through income	(15 055)	-
Release provision through OCI	(406 473)	-
Settlements	64 692	-
Reclassification to other accruals	(45 486)	-
Exchange differences	563 256	(152 966)
<b>At 31 December</b>	<b>4 716 045</b>	<b>8 335 255</b>

Actuarial results mainly consist of changes in financial assumptions.

The movement in the fair value of plan assets of the year is as follows:

	2014	2013
<b>Value plan assets</b>		
<b>At 1 January</b>	7 085 288	6 566 890
Expected return on plan assets	129 845	261 686
Actuarial gains/(losses)	34 043	(6 555)
Effect change to defined contribution scheme	(4 417 862)	-
Employer contributions	66 245	531 561
Employee contributions	-	36 763
Benefits paid	(357 224)	(144 767)
Expenses paid	-	(35 343)
Exchange differences	359 892	(124 947)
<b>At 31 December</b>	<b>2 900 227</b>	<b>7 085 288</b>

The amounts recognized in the income statement are as follows:

<b>Pension costs</b>	2014	2013
Current service cost	-	160 417
Interest cost	165 006	331 422
Return on plan assets	(129 845)	(261 686)
Settlement result	64 692	-
Release provisions upon change of plan	(534 438)	20 287
<b>Total pension costs, included in personnel costs</b> (Note 22)	<b>(434 585)</b>	<b>250 440</b>

The principal actuarial assumptions were as follows:

	31 December 2014	31 December 2013	
<b>Actuarial assumptions</b>	US dollar	US dollar	euro
Discount rate	3.95 %	4.95%	3.9%
Inflation rate*	-	-	2.0%
Future salary increases*	-	-	2.5%

\* With respect to the US pension plan, the plan is closed for new entrants and non-indexed.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Average remaining life expectancy applicable for the US pension plan is 36 years.

Taking into account the closed status of the US pension plan, the main sensitivity of the overall pension liability to changes in the weighted principal assumptions is linked to the discount rate used. Actuarial calculations indicate that a 1% increase in the discount rate used would affect the total liability with approximately 15%.

Total contributions expected to be paid during 2015 are estimated at € 64,700.

	31 December			
<b>Historical data</b>	2014	2013	2012	2011
Defined benefit obligations	4 716 045	8 335 255	8 477 913	7 263 623
Fair values of plan assets	(2 900 227)	(7 085 288)	(6 566 890)	(5 925 340)
<b>Deficit in the plans in accordance with IAS 19R</b>	<b>1 815 818</b>	<b>1 249 967</b>	<b>1 911 023</b>	<b>1 338 283</b>

Other pension liabilities mainly refer to provisions for retirement benefits by law (gratuity) in various countries including Kenya and Sri Lanka.



## 21 Other provisions

Other provisions	Legal	Other	Total
<b>At 1 January 2014</b>	694 827	2 705 890	3 400 717
Acquired in business combinations	-	1 578 862	1 578 862
Charged to the income statement	289 541	106 249	395 790
Used during the year	(7 515)	-	(7 515)
Exchange differences	26 184	(27 850)	(1 666)
<b>At 31 December 2014</b>	<u>1 003 037</u>	<u>4 363 151</u>	<u>5 366 188</u>
<b>Analysis of total other provisions</b>			
Non-current	1 003 037	3 109 129	4 112 166
Current	-	1 254 022	1 254 022
<b>Total other provisions</b>	<u>1 003 037</u>	<u>4 363 151</u>	<u>5 366 188</u>

### Legal claims

The amounts represent a provision for certain claims brought against the Group by third parties, the outcome of which is uncertain. The provision charge is recognized in profit or loss within 'General cost'. In management's opinion, taken into account all known facts and circumstances on 31 December 2014 and after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2014.

### Other

Other provisions include € 1.6 million related to the unpaid part of the purchase consideration for acquisitions. The remaining part mainly relate to short positions outstanding at year-end of which contract prices of goods to be delivered were lower than the market price of the goods at year-end and to other onerous trading contracts.

## 22 Personnel costs

Personnel costs	2014	2013
Wages and salaries including profit sharing	28 154 446	26 434 169
Social security costs	2 538 887	2 393 504
Pension costs - defined contribution plans (Note 20)	1 004 942	1 140 146
Pension costs - defined benefit plans (Note 20)	(434 585)	250 440
Share options - charge for the year (Note 17)	180 563	160 616
Other (2013: including 16% Dutch crisis tax levy)	946 212	2 869 597
<b>Total personnel costs</b>	<u>32 390 465</u>	<u>33 248 472</u>

On a full-time equivalent basis the total number of employees was:

Number of employees	2014	2013
Average number	571	543
Number at 31 December	577	551

## 23 General costs

General costs	2014	2013
Indirect sales costs	1 592 024	1 071 821
Other production costs	8 136 682	6 896 772
Other general costs	8 357 240	7 025 716
<b>Total general costs</b>	<b>18 085 946</b>	<b>14 994 309</b>

Indirect sales costs and other production costs are costs which are not directly linked to sales transactions.

## 24 Net finance costs

Net finance costs	2014	2013
Interest income on short-term bank deposits	30 879	22 294
Interest expense on bank borrowings	(2 330 228)	(2 300 280)
Amortization arrangement fees	(473 321)	(255 471)
<b>Net interest expense</b>	<b>(2 772 670)</b>	<b>(2 533 457)</b>
Foreign exchange results	(20 967)	(439)
Results on derivatives	4 043	(74 300)
<b>Other financial income and expense</b>	<b>(16 924)</b>	<b>(74 739)</b>
<b>Total net finance costs</b>	<b>(2 789 594)</b>	<b>(2 608 196)</b>

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## 25 Corporate income tax

Current income tax expense	2014	2013
Current income tax on profits for the year	13 131 982	10 947 307
Provisions (releases, net)	(352 556)	(100 946)
Adjustments in respect of prior years	(285 007)	(130 346)
<b>Total current income tax expense</b>	<b>12 494 419</b>	<b>10 716 015</b>
Deferred income tax expense/(income) (Note 19)	(983 826)	(515 067)
<b>Total corporate income tax expense</b>	<b>11 510 593</b>	<b>10 200 948</b>

The effective tax rate on the Group's profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

<b>Corporate income tax expense</b>	2014	2013
Tax calculated at domestic tax rates applicable to profits in the respective countries	12 557 898	10 818 591
Tax effect of:		
- Non-taxable amounts and tax allowances	(197 383)	(324 234)
- Non-deductible expenses	190 626	78 739
- Adjustments previous years	(285 007)	(130 346)
- Provisions (releases, net)	(352 556)	(100 946)
- Effect of changes in tax rates	(235 110)	-
- Other items	(167 875)	(140 856)
<b>Total corporate income tax expense</b>	<b>11 510 593</b>	<b>10 200 948</b>
Average effective tax rate	25.8%	27.1%

The weighted average applicable theoretical corporate income tax rate was 28.2% (2013: 28.8%).

The decrease is mainly caused by a change in the country mix of the Group's source of profits in countries with a relatively higher tax rate, particularly the US, Canada and African countries and by local tax initiatives to support economic growth.

The tax (charge)/credit relating to components of OCI is as follows:

<b>Tax components OCI</b>	2014			2013		
	Before tax	Tax credit	After tax	Before tax	Tax credit	After tax
Cash flow hedges	1 219 800	(304 950)	914 850	(359 423)	89 856	(269 567)
Currency translation differences (CTA)	5 499 463	-	5 499 463	(1 813 278)	-	(1 813 278)
CTA on goodwill	3 778 137	-	3 778 137	(1 222 748)	-	(1 222 748)
Remeasurement gains/(losses) on defined benefit plans	(486 480)	121 620	(364 860)	366 973	(161 937)	205 036
<b>Total tax components OCI</b>	<b>10 010 920</b>	<b>(183 330)</b>	<b>9 827 590</b>	<b>(3 028 476)</b>	<b>(72 081)</b>	<b>(3 100 557)</b>

## 26 Earnings and dividends per share

Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options, a calculation is made to determine the number of shares that could have been issued at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that will be issued assuming the exercise of all issued share options. The excess number of shares is used for calculating diluted earnings per share.

Earnings used to calculate (diluted) earnings per share	2014	2013
Net profit	33 064 454	27 384 508
SOP cost, net	135 422	120 462
<b>Basis for diluted profit</b>	<b>33 199 876</b>	<b>27 504 970</b>

	31 December	
Number of shares, weighted and dilutive	2014	2013
<b>Weighted average number of ordinary shares issued</b>		
Issued at 1 January	23 531 676	23 247 576
Add: new shares issued, weighted part	147 702	85 212
<b>Total number of shares issued, weighted</b>	<b>23 679 378</b>	<b>23 332 788</b>
Add: new shares issued, unweighted part	87 323	198 888
<b>Total number of shares issued</b>	<b>23 766 701</b>	<b>23 531 676</b>
Share options deferred dilution effect	277 717	378 912
<b>Total number of shares, dilutive</b>	<b>24 044 418</b>	<b>23 910 588</b>

It is proposed to distribute a final dividend of € 0.70 per share which includes a special dividend of € 0.10 per share because of the strong 2014 results combined with a strong balance sheet. Together with the 2014 interim dividend of € 0.40 per share paid in August 2014, this brings the total 2014 dividend to € 1.10 per share.

After the issuance in February 2015 of 12,000 new Acomio shares per the Acomio share option plan, the total number of issued shares is 23,778,701. The 2014 interim dividend amounted to € 9,478,830, implying that the proposed dividend would lead to a total dividend 2014 of € 26,123,921 (total 2013: € 18,164,684, + 43.8%). These financial statements do not reflect a liability for this final dividend payable of € 16,645,091.

## 27 Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for (Note 21).

## 28 Contingent liabilities

### Capital commitments

Capital expenditures contracted for at the end of the reporting period were not material.

### Operating lease commitments – Group company as lessee

The Group leases various, offices and warehouses under non-cancelable operating lease agreements. The lease terms generally are between five and ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate. The Group is required to give a six-month notice for the termination of these agreements. Operational lease expenses included in 2014 consolidated income statement amounted to € 2.2 million (2013: € 1.9 million). The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

Lease payment liabilities (in thousands)	31 December	
	2014	2013
Within 1 year	2 346	2 211
Later than 1 year and no later than 5 years	3 605	3 861
Later than 5 years	1 627	827
<b>Total</b>	<b>7 578</b>	<b>6 899</b>

## 29 Business combinations

On 11 July 2014, the Company acquired 100% of the shares of SIGCO Warenhandel based in Hamburg, Germany, active in the German market in the trade and distribution of edible seeds. The existing management will continue to lead the company after the acquisition, in order to expand SIGCO Warenhandel more quickly together with the Company.

The results of SIGCO Warenhandel are consolidated as from 1 July 2014 and contributed directly to the earnings per share. The acquisition is financed from existing credit facilities.



**Fair value and contribution of business combinations**

At acquisition date the fair values of assets, liabilities and cash flow on account of the acquisition were as follows:

<b>Fair value of assets and liabilities arising from business combinations</b>	
Intangible assets	403 000
Property, plant and equipment	12 377
Inventories	1 099 536
Receivables and other current assets	1 658 667
Cash and current borrowings	234 745
Payables and other current liabilities	(2 413 748)
Net deferred tax assets (liability)	(130 076)
<b>Net assets acquired</b>	<b>864 501</b>
Purchase consideration settled in cash	4 920 000
Contingent purchase consideration	1 578 862
<b>Total purchase consideration</b>	<b>6 498 862</b>
<b>Goodwill - total purchase consideration exceeding net assets acquired</b>	<b>5 634 361</b>
Purchase consideration settled in cash	4 920 000
Cash owned by the business combination on 1 July 2014	(234 745)
<b>Cash out flow on business combinations, net</b>	<b>4 685 255</b>

The contingent purchase consideration of € 1.6 million relates to agreed upon additional considerations depending on the 2014 and 2015 results (payable in 2015 and 2016). The contingent purchase consideration relating to these transactions represents its fair value at the acquisition date which is recognized as a liability under Provisions for other liabilities and charges (refer to Note 21).

The goodwill connected with the acquired business mainly consists of knowhow, staff and anticipated potential synergies. Goodwill is not tax deductible.

The increase of the 2014 sales due to the consolidation of the acquired business amounted to € 10.4 million. The contribution to the 2014 operating income amounted to € 0.2 million. The nominal value of the acquired trade receivables amounts to € 1.1 million.

**Acquisition related costs**

The Group incurred limited acquisition related costs such as external legal fees and due diligence costs. These costs have been included in general costs.

**30 Related party transactions**

Management of King Nuts provided a loan to Acomo with an outstanding amount as at 31 December 2013 of € 658,000. This loan was fully repaid in November 2014.

The key management personnel disclosures are included in Note 1.8 of the Company-only financial statements.





## Company balance sheet and income statement

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Company balance sheet as at 31 December 2014

Company income statement 2014

Notes to the Company balance sheet and income statement

*All amounts are in euros, unless otherwise stated.*

# Company balance sheet as at 31 December 2014

		31 December	
(before profit appropriation)	Note	2014	2013
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1.1	50 255 201	46 477 064
Property, plant and equipment		89 998	149 318
Investment in subsidiaries and affiliates	1.2	103 339 154	88 976 370
Total non-current assets		<u>153 684 353</u>	<u>135 602 752</u>
<b>Current assets</b>			
Amounts due from group subsidiaries		488 417	436 672
Other receivables and prepayments	1.3	4 206 333	2 953 049
Cash and cash equivalents		<u>15 493</u>	<u>7 892</u>
Total current assets		<u>4 710 243</u>	<u>3 397 613</u>
<b>Total assets</b>		<u><b>158 394 596</b></u>	<u><b>139 000 365</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		10 695 015	10 589 254
Share premium reserve		48 949 325	47 306 893
Legal reserves		4 031 543	(5 246 057)
Other reserves		55 179 326	50 799 132
Net profit for the year		<u>33 064 454</u>	<u>27 384 508</u>
Total equity	1.4	<u>151 919 663</u>	<u>130 833 730</u>
<b>Provisions</b>			
Provisions for deferred income tax liabilities	1.3	2 155 828	2 623 390
Provisions for other liabilities and charges		<u>135 738</u>	<u>497 585</u>
Total provisions		<u>2 291 566</u>	<u>3 120 975</u>
<b>Current liabilities</b>			
Bank borrowings		2 177 949	2 856 003
Amounts owed to group subsidiaries		50 411	-
Tax liabilities		40 434	600 431
Other liabilities and accrued expenses		<u>1 914 573</u>	<u>1 589 226</u>
Total current liabilities		<u>4 183 367</u>	<u>5 045 660</u>
<b>Total equity and liabilities</b>		<u><b>158 394 596</b></u>	<u><b>139 000 365</b></u>

## Company income statement 2014

		2014	2013
Result subsidiaries and affiliates	1.2	33 774 612	29 566 956
Result Acomio before tax		<u>(1 723 373)</u>	<u>(2 948 026)</u>
		32 051 239	26 618 930
Corporate income tax Acomio		<u>1 013 215</u>	<u>765 578</u>
<b>Net profit</b>		<u><u>33 064 454</u></u>	<u><u>27 384 508</u></u>



# Notes to the Company balance sheet and income statement

## 1 Accounting principles

The Company financial statements of Acomo are prepared in accordance with Generally Accepted Accounting Principles in the Netherlands (Dutch GAAP) and compliant with the requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

The Company prepares its consolidated financial statements according to International Financial Reporting Standards (IFRS) as adopted by the European Union. Use has been made of the possibility to apply the accounting policies used for the consolidated financial statements to the financial statements of the Company. The accounting policies as described in the Notes to the consolidated financial statements also apply to the Company financial statements unless indicated otherwise. The Company income statement has been drawn up using the exemption of article 402 of Part 9, Book 2 of the Netherlands Civil Code.

### Investments in group companies

In accordance with section 2:362, subsection 8 of the Netherlands Civil Code, all subsidiaries are valued at net asset value, in accordance with the accounting principles applied in the consolidated accounts.

## 1.1 Intangible assets

Intangible assets relate to the goodwill paid for the acquisition of Tefco EuroIngredients in 2006, Snick EuroIngredients in 2009, Van Rees Group, Red River Commodities and King Nuts in 2010 and SIGCO Warenhandel in 2014.

Details on goodwill are given in Note 6 to the consolidated financial statements.

## 1.2 Financial fixed assets

Investments in subsidiaries and affiliates	2014	2013
<b>At 1 January</b>	88 976 370	77 251 426
Net profit for the year	33 774 612	29 566 956
Dividends paid out	(26 995 363)	(15 837 774)
Currency translation differences	5 499 463	(1 813 278)
Pension movements through OCI	(364 860)	205 036
Internal restructurings	1 534 082	-
Other equity movements	914 850	(395 996)
<b>At 31 December</b>	<u>103 339 154</u>	<u>88 976 370</u>

Acomo and its Dutch subsidiaries form a fiscal unity for corporate income tax purposes. In accordance with standard conditions, the Company, along with the respective subsidiaries that are part of the fiscal unity, are wholly and severally liable for taxation payable by the fiscal unity. Corporate income tax expense on results of subsidiaries is reported as part of 'Results subsidiaries and affiliates'.

## 1.3 Other receivables and prepayments - Deferred tax liabilities

Other receivables and prepayments mainly comprises prepaid income taxes 2014, which will be charged to the relevant subsidiaries in 2015. The deferred tax liabilities are primarily related to temporary differences of assets in Dutch subsidiaries that are part of the fiscal unity of which the Company is the head.

## 1.4 Shareholders' equity

Note	Attributable to owners of the parent				Net profit for the year	Total equity
	Share capital	Share premium reserve	Legal reserves	Other reserves		
<b>Balance at 1 January 2013</b>	<b>10 461 409</b>	<b>45 376 951</b>	<b>(2 210 031)</b>	<b>40 456 010</b>	<b>27 027 146</b>	<b>121 111 485</b>
Net profit 2013	-	-	-	-	27 384 508	27 384 508
Dividends relating to 2012, final	-	-	-	(12 786 167)	-	(12 786 167)
Dividends relating to 2013, interim	-	-	-	(3 953 788)	-	(3 953 788)
Currency translation differences (CTA) 1.2	-	-	(1 813 278)	-	-	(1 813 278)
CTA on goodwill	-	-	(1 222 748)	-	-	(1 222 748)
Appropriation of net profit	-	-	-	27 027 146	(27 027 146)	-
New shares issued	127 845	1 929 942	-	-	-	2 057 787
Employee share option scheme effects	-	-	-	120 462	-	120 462
Change in cash flow hedges	-	-	-	(269 567)	-	(269 567)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	205 036	-	205 036
<b>Balance at 31 December 2013</b>	<b>10 589 254</b>	<b>47 306 893</b>	<b>(5 246 057)</b>	<b>50 799 132</b>	<b>27 384 508</b>	<b>130 833 730</b>
Net profit 2014	-	-	-	-	33 064 454	33 064 454
Dividends relating to 2013, final	-	-	-	(14 210 896)	-	(14 210 896)
Dividends relating to 2014, interim	-	-	-	(9 478 830)	-	(9 478 830)
Currency translation differences (CTA) 1.2	-	-	5 499 463	-	-	5 499 463
CTA on goodwill	-	-	3 778 137	-	-	3 778 137
Appropriation of net profit	-	-	-	27 384 508	(27 384 508)	-
New shares issued	105 761	1 642 432	-	-	-	1 748 193
Employee share option scheme effects	-	-	-	135 422	-	135 422
Change in cash flow hedges	-	-	-	914 850	-	914 850
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(364 860)	-	(364 860)
<b>Balance at 31 December 2014</b>	<b>10 695 015</b>	<b>48 949 325</b>	<b>4 031 543</b>	<b>55 179 326</b>	<b>33 064 454</b>	<b>151 919 663</b>

The total authorized number of ordinary shares is 66.7 million shares with a par value of € 0.45 per share. As at 31 December 2014, 23.8 million (2013: 23.5 million) shares were issued and fully paid. The issued share capital increased in 2014 by 235,025 shares (2013: 284,000) as a result of employees exercising their vested option under the employee share option scheme.

## 1.5 Employee information

During 2014, the average number of employees employed by the Company was eight full-time equivalents (2013: six), at year-end eight (2013: seven). All employees are positioned in the Netherlands.

## 1.6 Remuneration of the auditors

The following amounts were paid to the Group auditor PwC (2013: BDO) as audit fees and included in other operating expenses.

<b>Fees audit firms</b>	2014	2013
Statutory audit fees	181 000	163 500
Audit fees outside the Netherlands	134 000	45 927
<b>Total fees audit firms</b>	<b>315 000</b>	<b>209 427</b>

The PwC audit scope 2014 relating to companies outside the Netherlands included several companies that were audited in 2013 by external auditors not being BDO.

## 1.7 Contingent liabilities

Contingent liabilities are not expected to give rise to any material loss and include guarantees given for group companies. The Company has issued joint and several liability undertakings, amongst others as defined in Article 403, Book 2 of the Dutch Civil Code, for almost all Dutch group companies in the Netherlands. These written undertakings have been filed with the Trade Register of the Chamber of Commerce in the respective place the group company concerned has its registered office. The Company is the head of a fiscal unity that includes the Dutch wholly-owned group companies. The Company is therefore jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

## 1.8 Remuneration of the Management and Supervisory Board

The remuneration of the members of the Management Board is determined in accordance with the remuneration policy as disclosed in the Report of the Supervisory Board. Key management includes the Management Board consisting of Mr. E.P. Rietkerk and Mr. J. ten Kate, both being statutory directors of the Company and the Supervisory Board consists of Mr. B. Stuivinga, Mrs. M. Groothuis, Mr. Y. Gottesman and Mr. J. Niessen.

The remuneration paid or being payable in 2014 to members of the Management Board is shown below:

	Base salary	Profit share	Bonus	Pension costs
E.P. Rietkerk (CEO)	303 000	387 600	-	45 900
J. ten Kate (CFO)	238 751	-	361 674	50 652
<b>Total</b>	<b>541 751</b>	<b>387 600</b>	<b>361 674</b>	<b>96 552</b>

Mr. Rietkerk and Mr. Ten Kate can earn a profit share based on the profit development of the Group or a bonus when achieving specific targets in their respective roles as CEO and CFO of the Group. The profit share and bonus shown are related to the performance in 2014 and will be paid out in 2015.

Both members have received options as part of the long-term share-based option plan. At year-end Mr. Rietkerk held 100,000 (2013: 100,000) unvested share options which were granted in 2013 with a strike price of € 13.90 per share, for which € 49,347 (2013: € 32,898) was charged to the statement of income in 2014.

At year-end Mr. Ten Kate held 52,500 (2013: 75,000) share options which were granted in 2010 with a strike price of € 7.39 per share, of which 11,250 options were vested at 1 September 2014 and for which € 4,587 (2013: € 8,085) was charged to the statement of income in 2014. Mr. Ten Kate exercised 22,500 options in 2014. For further information see Note 17.

In 2014, the total remuneration of the Management Board amounted to € 1,387,577. The total remuneration 2013 amounted to € 1,767,467 including € 963,217 relating to Mr. S.G. Holvoet who resigned from the Management Board on 7 May 2013. On that day Mr. E.P. Rietkerk was appointed as CEO.

The 2014 Supervisory Board member remuneration amounted to € 46,000 for the Chairman and € 34,500 for each member. Mr. Stuivinga, Chairman of the Supervisory Board, and Mr. Gottesman, member of the Supervisory Board, both received € 10,000 as remuneration for being a member of the Supervisory Board of Catz International.

In 2014, the total remuneration of the Supervisory Board amounted to € 169,500 (2013: € 161,000).

On 31 December 2014, the following Board members directly or indirectly owned Acomio shares: Mr. Stuivinga (40,595) and Mr. Niessen (3,665,008). No loans, advances or guarantees have been granted to the members of the Management Board or the Supervisory Board. No share options have been granted to members of the Supervisory Board.

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Rotterdam, 10 March 2015

#### **The Management Board**

E.P. Rietkerk, *CEO*

J. ten Kate, *CFO*

#### **The Supervisory Board**

B. Stuivinga, *Chairman*

M. Groothuis

Y. Gottesman

J. Niessen



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## Other information

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### Profit appropriation

In accordance with the resolution of the General Meeting held on 30 April 2014, the profit for 2013 has been appropriated in conformity with the proposed appropriation of profit stated in the 2013 Financial Statements.

The net profit for 2014 attributable to the shareholders amounting to € 33,064,454 shall be available in accordance with Article 17 of the Company's Articles of Association.

The Management Board proposes to distribute a final dividend of € 0.70 per share which includes a special dividend of € 0.10 because of the strong 2014 results combined with a strong balance sheet. Together with the 2014 interim dividend of € 0.40 per share paid in August 2014, this brings the total 2014 dividend to € 1.10 per share.

The residual profit shall be added to reserves.

### Subsequent events

After the issuance in February 2015 of 12,000 new Acomio shares per the Acomio share option plan, the total number of issued shares is 23,778,701, implying that the proposed dividend would lead to a total dividend 2014 of € 26,123,921.

# Independent Auditors' Report

To: the Annual General Meeting and Supervisory Board of Amsterdam Commodities N.V.

## Report on the financial statements 2014

### Our opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the financial position of Amsterdam Commodities N.V. as at 31 December 2014 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the company financial statements give a true and fair view of the financial position of Amsterdam Commodities N.V. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### What we have audited

We have audited the financial statements 2014 of Amsterdam Commodities N.V. ('the company', 'Acomco', or collectively with its subsidiaries 'the Group'). 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 2014;
- the consolidated statements of income, comprehensive income, cash flows and changes in equity for the year then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2014;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

### The basis for our opinion

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

We are independent of Amsterdam Commodities N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

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

## Our audit approach

### Overview

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Management Board made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that may represent a risk of material misstatement due to fraud.

Given 2014 was our first year as auditor, we contacted the predecessor auditor, discussed their findings on the 2013 audit, reviewed their reports to the Management and Supervisory Boards and reviewed their working papers. Following our appointment by the Annual General Meeting on 30 April 2014, we commenced obtaining a further understanding of the company's control environment for all entities in Group scope and reported our first observations as well as our audit plan in September 2014 to the Management and Supervisory Boards.

In the third and fourth quarter of 2014, we performed internal control testing and pre-year-end closing procedures for all entities in Group scope. Given the size of the Group and its global operations we have been involved on a continuous basis and had ongoing discussions with the finance functions, local subsidiaries and the Acom Management Board. We have presented our preliminary and final year-end observations to the Supervisory Board in February and March 2015.

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### Materiality

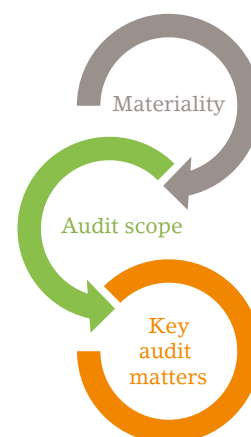
- Overall materiality: € 2 million which represents 5% of profit before tax.

### Audit scope

- We have performed a full scope audit on the significant components within the Group, Catz International B.V., Van Rees Group B.V., Red River Commodities Inc. and a larger component, Snick Euroingredients BVBA.
- For Van Rees Group we selected Van Rees Kenya Ltd. and Van Rees Ceylon Ltd. to perform a full scope audit
- Site visits were conducted by the Group engagement team to all significant components in our scope, except for the Acom component Van Rees Group which consists of multiple components that we visit annually on a rotational basis.

### Key audit matters

- Internal controls and accounting over inventories, commodity trading positions and foreign exchange contracts.
- Focus on existence and collectability of trade receivables and revenue recognition.
- Sigco Warenhandel acquisition.
- Assessment of the carrying value of goodwill.



## Materiality

The scope of our audit is influenced by the application of materiality. Our audit opinion aims on providing reasonable assurance about whether the financial statements are free from material misstatement.

Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall group materiality</b>	€ 2 million
<b>How we determined it</b>	5% of profit before tax
<b>Rationale for benchmark applied</b>	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that profit before tax is an important metric for the financial performance of the company.

We also take misstatements and/or possible misstatements into account that, in our judgment, are material for qualitative reasons.

We agreed with the Supervisory Board that we would report to them misstatements in the income statements identified during our audit above € 100.000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## The scope of our group audit

Amsterdam Commodities N.V., collectively with its subsidiaries, is an international group of companies. The financial information of this Group is included in the consolidated financial statements of Acom.

Considering our ultimate responsibility for the opinion on the Company's financial statements, we are responsible for the direction, supervision and performance of the Group audit. In this context, we tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic and decentralized structure of the Group, the significance and/or risk profile of components or activities, the accounting processes and controls, and the industry in which the group operates. The following factors on Acom's structure are relevant:

- the Group consists of a number of subsidiaries active in trading, international sourcing, processing and selling of international niche food commodities and ingredients for the food industry. The subsidiaries operate to a great extent autonomously under the responsibility of their own management and financial control;
- Acom as the holding company has intentionally been kept small; their role includes but is not limited to monitoring financial performance, financing and assessing and monitoring effective risk management, compliance and control systems with regard to the subsidiaries' activities;
- Acom's subsidiary Van Rees Group manages a number of subsidiaries located across the globe with an oversight role by Van Rees Group head office.

The Group audit is aligned with the decentralized structure of Acom. We have included all significant components (Catz International B.V., Van Rees Group B.V. (on a consolidated basis) and Red River Commodities Inc.) and a larger component Snick Euroingredients BVBA in the Group audit scope. In our view, due to their significance and/or risk characteristics, each of these subsidiaries required a full scope Group audit of their financial information. For the component King Nuts B.V., we performed audit procedures on specific risks to obtain coverage on inventories, cash, debtors and sales.

In order to perform a full scope Group audit on the consolidated financial information of Van Rees Group B.V., we also included Van Rees Kenya Ltd. and Van Rees Ceylon Ltd. in Group audit scope and for Van Rees North America Inc. we performed procedures on major items in the balance sheet and income statement since these contribute significantly to the financial information of Van Rees Group B.V.

We used component auditors from other PwC network firms who are familiar with the local laws and regulations in each of the locations to perform this audit work. We issued specific instructions to these audit teams. These instructions included the Group audit team's risk analysis, materiality and audit approach on similar processes. We determined the level of involvement in the audit work at those entities in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. During the year we had regular individual calls with all (international) component teams in which we discussed, amongst others, recent developments at the respective Acom subsidiary, the scope of our audit, the reports of the component teams, the findings of their procedures, the need for any support or information from a central level and other matters which could be of relevance for the Group financial statements.

In the Netherlands, the audits of all entities are performed under direct responsibility of senior members of the Group audit team and we have visited all significant and smaller components in 2014. For international locations, we have visited, all components in Group audit scope (USA and, Belgium) and for Van Rees Group we visited two subsidiaries (Kenya and Canada) which were selected on a rotation basis.

The Group consolidation, financial statement disclosures and a number of items are audited by the Group audit team at Acom. These include, but are not limited to goodwill impairment testing, derivative financial instruments, hedge accounting, tax accounting, segmentation, purchase price accounting of the Sigco acquisition and share based payments. The Group audit team also performed (limited) analytical review procedures on smaller entities of Acom.

By performing the procedures above at the components, combined with additional procedures at Group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Supervisory Board but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.



**Key audit matter****Internal controls and accounting over inventories, commodity trading positions and foreign exchange contracts**

It is the core business of Acomco to take managed risks by taking positions within different types of commodities and contracts in different currencies. This is to a great extent, done autonomously under the responsibility of local management with separate financial and operational systems. The Group has issued specific trading and financial guidelines and risk limits per operating company, per product and per category, which are monitored by the Acomco Management Board to mitigate the risk of management override of controls (e.g. monthly review of trading positions).

The price and foreign currency volatilities of the commodity market have a direct impact on the value of the subsidiaries' economic trading positions and could therefore result in inventory valuation adjustments and or losses on onerous contracts. In addition Acomco's subsidiaries are trading in non-quoted commodities, the valuation of inventories and onerous contract provisions requires judgement. We consider this a key audit matter.

In addition, certain operating entities use derivative financial instruments to hedge risks associated with foreign currency risk (mainly EUR / USD exposures).

**How our audit addressed the matter**

*In our audit we performed procedures which allowed us to rely, to the extent possible, on internal controls on subsidiary and Group level. We performed, amongst others, procedures designed to identify risks around proper segregation of duties for the trading activities between the front office and back office, authorization of trading transactions and proper accounting of these transactions in the financial and operational system.*

*At subsidiary level we also substantively tested management's analysis of the valuation of inventories and the economic trading positions with contracts and market prices. For inventories we substantively tested the existence by obtaining third party warehouse confirmations, attending inventory counts on all significant locations, testing the inventory pricing, valuation and calculation, and authorisation of onerous contract provisions.*

*We tested the fair value recognition of foreign currency derivatives based on market data and we reviewed, where applicable, the hedge accounting effectiveness documentation with the help of PwC financial instruments specialists at subsidiary level. At the Group level, we assessed the company's hedge policies for commodities future contracts and hedging policies of their foreign exchange risk exposure. For the effects of price movements we assessed the company's trading guidelines, positions per product group and overall positions.*

**Key audit matter****Existence and collectability of trade receivables and revenue recognition**

Trade receivable balances were significant to the Group as they represent 22% of the total of the consolidated balance sheet (note 2.11 and 11 to the financial statements) and is therefore a key audit matter. The collectability of trade receivables is a key element of Acomco's working capital management, which is managed on an ongoing basis by local management. Acomco management supports subsidiaries in setting credit limits for customers and approve such limits above certain thresholds where applicable. Given the nature of the businesses and requirements of both suppliers and customers, various shipping terms are in place which impact the timing of revenue recognition.

**How our audit addressed the matter**

*At subsidiary level we performed audit procedures on existence of trade receivables, which include but are not limited to control testing on sales transactions and tracing back to shipping documents, sending trade receivable confirmations, subsequent receipt testing of bank payments. Assessing the valuation of trade receivables requires judgement and we have challenged the assumptions used to calculate the trade receivables impairment amount, notably through detailed analyses of ageing of receivables, assessment of significant overdue individual trade receivables and assessing specific local risks, combined with legal documentation, where needed.*

*We have also selected samples to test cut off of revenue transactions through verification of shipping documents and invoices at subsidiary level.*

**Sigco Warenhandel acquisition**

On 11 July 2014, Acomco acquired 100% of the shares of Sigco Warenhandel for a total consideration up to EUR 6.5 million. For this acquisition, Acomco made a purchase price allocation in which the consideration was allocated to the various assets and liabilities of the acquired company. This is outlined in note 29 of the financial statements. The audit of the purchase price allocation is a key audit matter given the magnitude of the amount and since significant management judgement is required to determine the allocation of the purchase price to intangible assets, inventories, deferred tax liabilities but also to the deferred and contingent purchase consideration.

*In our audit we considered the purchase agreement, consideration paid and the Company's position paper on the purchase price allocation. An important element of our audit concerned the identification of acquired assets (e.g. valuation of order book, inventories) and liabilities (provisions, deferred and contingent consideration). We have corroborated this identification with our knowledge of the business of Sigco Warenhandel, business plans, and management's explanations on the rationale of the acquisition and future plans. We have tested the fair values of assets and liabilities based on commonly used valuation models with the help of PwC valuation specialists. We further assessed the adequacy of the company's disclosures on this business combination. Reference is made to note 29.*

**Assessment of the carrying value of goodwill**

Acomco has recorded goodwill of EUR 55.9 million in regard to the acquisitions of Tefco EuroIngredients B.V., Snick EuroIngredients BVBA, Van Rees Group B.V., Red River Commodities Inc. and King Nuts B.V. Given its magnitude and the significant judgement involved in the annual impairment test, the annual goodwill impairment test was a key audit matter in our audit. The assumptions and sensitivities in the annual impairment test are disclosed in note 2.6 and 6 to the financial statements. The sensitivity analysis is significant to our audit, because the assessment process is complex and requires management judgement, and are affected by expected future market conditions.

*We have engaged a PwC valuation specialist to assist us in the evaluation of the key assumptions used in the impairment analyses, in particular the cash flows, long term growth rates and the discount rate. We also performed sensitivity analyses around key drivers of the cash flow forecasts, including revenue and EBITDA growth, (country) discount rate for various CGU's and challenged management on the outcomes of the assessment. We further assessed the adequacy of the company's disclosures concerning goodwill. For more information on the carrying value of goodwill reference is made to note 6.*

## Responsibilities of management and the Supervisory Board

The management is responsible for:

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

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

## Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit has been performed with a high but not absolute level of assurance which makes it possible that we did not detect all fraud and errors.

A more detailed description of our responsibilities is set out in the appendix to our report.

## Report on other legal and regulatory requirements

### Our report on the directors' report and the Other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the directors' report and other information):

- we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed; and
- we report that the directors' report, to the extent we can assess, is consistent with the financial statements.

### Our appointment

We were appointed for the first time as auditors of Amsterdam Commodities N.V. in November 2013 by the Supervisory Board subject to the passing of a resolution by the shareholders at the annual meeting held on 30 April 2014.

Amsterdam, 10 March 2015  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by  
drs. J. van Meijel RA

## Appendix to our auditor's report on the financial statements 2014 of Amsterdam Commodities N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgment and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted of, among others:

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

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

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.





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# Five-year overview

Key figures (in € thousands)	2014	2013	2012	2011	2010
Sales	618 871	584 423	593 100	570 987	374 908
Operating income (EBIT)	47 365	40 194	41 118	40 752	29 703
Net profit	33 064	27 385	27 027	26 152	15 476
Working capital	81 100	69 540	68 616	65 821	55 103
Shareholders' equity	151 920	130 834	121 111	111 430	94 704
Liabilities	185 243	146 362	144 738	164 862	143 896
Total assets	337 162	277 196	265 849	276 292	238 600
<b>Ratios</b>					
Solvency - equity / total assets	45.1%	47.2%	45.6%	40.5%	39.7%
Return On Equity	23.4%	21.7%	23.2%	28.0%	27.1%
Dividend pay-out ratio	78.8%	65.6%	60.2%	57.5%	57.8%
<b>Number of shares issued</b>					
Average	23 679 378	23 332 788	23 247 576	23 150 018	17 894 221
Year-end	23 766 701	23 531 676	23 247 576	23 247 576	20 412 673
Diluted	24 044 418	23 910 588	23 649 598	23 523 306	23 428 502
<b>Data per share of nominal € 0.45</b>					
Net profit - basic	€ 1.396	1.174	1.163	1.130	0.865
Dividend in cash	€ 1.10	0.77	0.70	0.65	0.50
Shareholders' equity at year-end	€ 6.39	5.56	5.21	4.81	3.66
<b>Share price Acomio</b>					
Year-end	€ 19.01	16.55	13.90	10.34	11.08
High	€ 19.01	16.95	14.35	11.34	11.15
Low	€ 16.19	13.90	10.00	8.71	5.25
Price Earnings ratio – year-end	13.6	14.1	12.0	9.2	12.9
<b>Exchange rates at year-end</b>					
1 US dollar	€ 0.826	0.725	0.758	0.772	0.755
% change	14.0%	-4.3%	-1.8%	+2.3%	+8.7%
Average US dollar rate	€ 0.753	0.753	0.778	0.718	0.764*)
% change	0.0%	-3.2%	+ 8.4%	- 6.0%	

\*) For the relevant period of consolidating newly acquired companies (1 May - 31 December 2010).

## Definitions

Working capital = current assets – current liabilities

Liabilities = balance sheet total (incl. provisions) – shareholders' equity

Return On Equity = net profit/average equity × 100%

Dividend pay-out ratio = EPS / net profit per share × 100%

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## Bridging your needs

The Acomó Group sources, trades, distributes and sells food products and ingredients to the food and beverage industries in some 90 countries across the world.

We add value to our products by selecting, sorting, processing, mixing and packaging products and by arranging transport around the world. We always comply with the Acomó 'Reliability of Contract' code, we always honor the agreed contract terms.

The activities of our operating companies are bundled in four product segments: Spices and Nuts, Tea, Edible Seeds and Food Ingredients. Each segment has its own role in its own specific value chain, thereby bridging the specific needs of suppliers and customers.

Our global presence and long-standing history put us in a position to recognize the needs of our stakeholders and to find solutions to bridge those needs. All companies within the Acomó Group strive to add value and to realize sustainable profits that give all our stakeholders *peace of mind*.