Vanderlande Industries B.V.

Annual Report

31 March 2022

PricewaterhouseCoopers Accountants N.V.
For identification purposes only

Management Board Report

General information
Vanderlande Industries B.V. ("Vanderlande Industries") and its subsidiaries are part of Vanderlande Industries Holding B.V. ("Vanderlande"), which is ultimately controlled by Toyota Industries Corporation. Vanderlande is a market-leading, global partner for future-proof logistic process automation in the warehousing, airports and parcel sectors. Its extensive portfolio of integrated solutions – innovative systems, intelligent software and life-cycle services – results in the realisation of fast, reliable and efficient automation technology.

Vanderlande focuses on the optimisation of its customers' business processes and competitive positions. Through close cooperation, it strives for the improvement of their operational activities and the expansion of their logistical achievements.

Vanderlande's warehousing solutions are the first choice for many of the largest global e-commerce players and retailers in food, fashion and general merchandise across the globe. Vanderlande helps them to fulfil their promise of same-day delivery for billions of orders, with nine of the 15 largest global food retailers relying on its efficient and reliable solutions.

As a global partner for future-proof airport solutions, Vanderlande's market-leading baggage handling systems and related passenger solutions are capable of moving over 4 billion pieces of baggage around the world per year. These are active in more than 600 airports, including 12 of the world's top 20.

Vanderlande is also a leading supplier of process automation solutions that address the challenges in the parcel market. More than 52 million parcels are sorted by its systems every day, which have been installed for the world's leading parcel handling companies.

Established in 1949, Vanderlande has approximately 9,000 employees, more than 3,000 of whom work for Vanderlande Industries. They are all committed to moving customers' businesses forward at diverse locations on every continent. Vanderlande has established a worldwide reputation over the past seven decades as a global partner for future-proof logistic process automation.

Vanderlande was acquired in 2017 by Toyota Industries Corporation, which helps it to continue its sustainable profitable growth. The two companies have a strong strategic match, and the synergies include cross-selling, product innovations, and research and development.

Reflecting on the past financial year
Vanderlande Industries achieved another strong year of revenue growth in FY2022, despite a challenging market environment. This was characterised by an increase in inflation rates, scarcities in and disruption to the supply chain, and geopolitical instability. As always, the "customer-first" philosophy guided the entire organisation and enabled it to effectively secure and support its key customer base. The Vanderlande Industries team not only kept its global operations running across the three business segments – Warehousing, Airports and Parcel – but also executed all ongoing projects.

The financial results show a EUR 37.4 million profit, which was lower than the previous financial year (EUR 93.7 million). Vanderlande Industries realised higher revenue and gross profit, but also higher business support costs and lower net operating income. The higher revenues were visible in all segments except for Airports as its business remained affected by the unprecedented market conditions. Business support expenses, mainly R&D and personnel expenses, have increased to support Vanderlande Industries' strategic ambitions, as well as to facilitate our continuous improvement programmes that will prepare us for the future. The decrease in other income is mainly caused by lower transfer pricing income from group companies due to increased costs.

Principal risks and uncertainties
Most risk management activities are performed centrally for Vanderlande to monitor strategic exposure through diversification in the customer base, geography and solutions. The company invests extensively in long-term customer relations to consolidate its well-established brand and retain a market-leading position through extensive expertise in, and knowledge of, end-to-end logistic solutions. By continuously investing in research and development (R&D), it also designs and builds software in-house, and manufactures critical parts in its own factories, supported by a loyal and diversified supplier base.

Vanderlande has closely integrated operations with one way of working, and by developing an IT landscape and internal control framework. Many day-to-day financial processes are managed through a global shared service centre, located in Pune, India. Compliance and legal matters are also managed through the relevant departments.

The company has sufficient liquidity to meet financing shortfalls through short-term borrowing facilities. At the end of FY2022, the company has short-term borrowings of EUR 100 million.

Vanderlande is exposed to a variety of financial risks, including those generated by foreign exchange rates, interest rates, cash flows and credit. These are managed by the Treasury department, based on policies approved by the Board of Directors. It identifies, evaluates and hedges financial risks in close cooperation with the business.

The Treasury department's policies provide written principles for overall risk management, including guidelines for the use of derivative and non-derivative financial instruments. For further details, please reference the financial risk management paragraph in note 20 of the financial statements.

Corporate social responsibility
Vanderlande believes that sustainability is an integral part of corporate strategy and provides a strong, long-term basis for doing good business with its customers. Therefore, the company has placed "people, planet and prosperity" commitments at the core of its strategy and business values. Vanderlande has developed a sustainability framework, including a new strategy, to provide clear guidance about the steps that are being taken in the four core areas of: zero carbon footprint, circular economy, good business and fulfilling experience. The Vanderlande Sustainability Report FY2022 provides more details and is available on www.vanderlande.com.

People
People are Vanderlande's greatest asset, and for this reason the company has invested in creating the best possible employee experience. The company attracts, retains and develops talent to foster a culture of expertise and knowledge sharing. This results in smart solutions, which are an ideal match for the challenging material handling sector.

In previous financial years, Vanderlande was ranked as one of the best Dutch employers in the manufacturing and industry category. The feedback provided by employees is taken into consideration, and where possible updates are made to policies and guidelines in relevant areas to improve the company's way of working. The organisation has a strong sense of responsibility and integrity, and its code of conduct contains a philosophy for doing business to the highest ethical standards.

The Board of Directors consists of one female and one male member as per the end of the financial year, making a diverse Board in both age and gender.

Research and development
Vanderlande's R&D activities aim to achieve the vision of its Technology department: to create value for our customers through competitive innovative platforms leveraging cutting-edge technology.

The platforms are based on modules (equipment, software and digital), which are combined and configured to deliver material handling solutions with high quality in a short lead time. This enables Vanderlande to accommodate fast-changing market needs by moving from an engineer-to-order to a configure-to-order approach.

In the past financial year, Vanderlande has developed, or is developing:
- the latest software and digital modules, enabling the company to play a key role in today's supply chains
- high-speed transport and sorting modules for airports, such as baggage handling systems
- high-speed storage modules (e.g. ADAPTO) and sorters (e.g. POSISORTER III and AIRTRAX) for the warehousing sector
- high-speed sorters for the parcel market, such as SPOX and CROSSORTER XXL
- and robotics and autonomous vehicle-based solutions for both the airport and warehousing markets.

Vanderlande is fully committed to sustainability and embeds circular design principles in its modular designs.

R&D activities and governance are centered in The Netherlands and supported by a few global technology hubs across the world. The Technology department keeps developing its internal R&D footprint (to be close to customers and leverage local capabilities) while building a collaborative ecosystem (with universities, suppliers and partners) based on a balanced allocation of core and non-core activities. This balance of internal R&D and external ecosystem enables the Technology department to develop and access the right capabilities, and increase effectiveness and speed in delivering technical solutions, while optimising R&D expenditure.

Outlook

Due to the challenges facing the world at large and related uncertainty for the future, FY2023 will be a year of stabilisation for Vanderlande as it continues to adapt to market conditions. The company's strategic priorities – multiple segments, key customer focus and reliable partnerships – will remain unchanged to highlight the strong resilience and flexibility of its business model.

The company will continue to invest significantly in improving its logistic solutions through the development of powerful platforms. In addition, the company's high-performance culture enables the realisation of its long-term sustainable profitable growth.

Vanderlande's business segments have different exposures to the overall market conditions. Airports is expected to show recovery from the downturn in the last couple of financial years. Furthermore, Parcel and Warehousing are expected to be stable for the financial year 2023, except for e-commerce logistics solutions due to signs of overcapacity in the respective logistics networks.

To maintain and improve profitability, the company has also initiated various improvement programmes to make the business more flexible to cope with changing circumstances. This also involves employee and cost-reduction measures. The aim is to optimise the sharing of resources and downsize activities heavily affected by lower volumes.

In addition, Vanderlande's Continuous Acceleration programmes have strengthened the supply chain. This has been achieved by rethinking the company's design model, increasing levels of automation and digitalisation, and reinforcing its customer focus and key account management strategy.

From a financing perspective, Vanderlande will be able to provide sufficient funds for the working capital necessary to expand existing businesses and support new projects. For further details, please reference the liquidity risk and capital management paragraphs in note 20 of the financial statements.

On 24 February 2022, Russian troops invaded Ukraine. This has had certain consequences for Vanderlande's business in the territories directly affected by this conflict, namely Russia, Ukraine and Belarus.

As a result of the invasion of Ukraine, European Union sanctions prohibit any direct or indirect economic interactions, as well as with all companies that are directly or indirectly controlled by these persons or entities (Art. 2 of Regulation 269/2014).

The Board of Vanderlande has installed a crisis team and is involved in decision-making regarding compliance with these sanctions. On 21 April 2022, the Board decided to cease all activities in Russia. The company made this decision based on sanctions and SDNs (Specially Designated Nationals and Blocked Persons List) – and considering Russian countersanctions – to protect the safety of the (former) Vanderlande Russia employees. The revenue of the Russian subsidiary was approximately 5% of the total revenue of Vanderlande Industries in FY2021 and FY2022. The costs and losses related to winding down the operation including contract settlements in Russia did significantly impact profit or loss in full year FY2023.

The conflict also led to a freeze of all ongoing projects by Vanderlande's local Ukraine branch. One project has been restarted carefully with a reduced scope. It is still unclear what the exact effects will be going forward. However, major exposure or damages are not expected.

Financial Statements

Consolidated statement of profit or loss and comprehensive income

For the year ended 31 March 2022
(Amounts x € 1.000)

Consolidated statement of profit or loss	Notes	2022	2021
Revenue from contracts with customers	5	506.631	411.488
Cost of sales of goods and providing services	6	-350.726	-287.192
Gross profit		**155.905**	**124.296**
Selling, general and administrative expenses	6	-141.874	-95.929
Research and development expenses	6	-30.781	-15.051
Net operating income	7	64.083	98.455
Operating profit		**47.333**	**111.771**
Finance income	8	5.375	884
Finance costs	8	-	-2.356
Profit before income tax		**52.708**	**110.299**
Income tax expense	9	-15.661	-17.904
Profit for the period		**37.047**	**92.395**

Consolidated statement of comprehensive income	Notes	2022	2021
Profit for the period		**37.047**	**92.395**
Remeasurements of defined benefit plans	16	-	-896
Total of items not to be reclassified to profit or loss		**-**	**-896**
Foreign currency translation adjustments	16	-470	-766
Movement in equity hedge reserve	16	867	2.923
Total of items that may be reclassified to profit or loss		**397**	**2.157**
Other comprehensive income / (expense) for the year, net of tax		**397**	**1.261**
Comprehensive income for the year		**37.444**	**93.656**

The accompanying notes form an integral part of these financial statements.

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Consolidated statement of financial position

As of 31 March 2022

(Amounts x € 1.000)

	Notes	31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	10	122.764	106.141
Right-of-use assets	11	9.504	10.479
Intangible assets	12	76.011	62.186
Deferred tax assets	9	14.616	13.192
Other non-current assets		268	208
Total non-current assets		**223.163**	**192.206**
Current assets			
Inventories	13	101.479	86.377
Trade and other receivables	14	260.100	232.427
Current tax assets	9	3.396	81
Derivative financial instruments	21	2.435	2.064
Cash and cash equivalents	15	82.810	31.711
Total current assets		**450.220**	**352.660**
Total assets		**673.383**	**544.866**
Equity			
Share capital	16	238	238
Share premium	16	2.472	2.472
Reserves	16	70.498	-22.294
Retained earnings	16	37.047	92.395
Total equity		**110.255**	**72.811**
Non-current liabilities			
Lease liabilities	11	5.797	6.273
Deferred tax liabilities	9	20.015	14.672
Provisions	17	8.861	7.251
Total non-current liabilities		**34.673**	**28.196**
Current liabilities			
Trade and other payables	19	409.134	220.927
Current tax liabilities	9	1.514	13.320
Derivative financial instruments	21	184	158
Borrowings	18	100.000	-
Lease liabilities	11	3.707	4.206
Bank overdrafts	15	-	196.701
Provisions	17	13.916	8.548
Total current liabilities		**528.455**	**443.860**
Total liabilities and equity		**673.383**	**544.866**

The accompanying notes form an integral part of these financial statements.

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Consolidated statement of changes in equity

For the year ended 31 March 2022

(Amounts x € 1.000)

	Attributable to owners of Vanderlande Industries B.V.				
	Share capital	Share premium	Reserves	Retained earnings	**Total equity**
Balance – 1st April 2020	**238**	**2.472**	**-20.678**	**24.123**	**6.155**
Profit for the period	-	-	-	92.395	92.395
Movement in equity hedge reserve	-	-	2.923	-	2.923
Foreign currency translation adjustments	-	-	-766	-	-766
Remeasurement of defined benefit plan	-	-	-896	-	-896
Total comprehensive income for the period	-	-	1.261	92.395	93.656
Other movements	-	-	24.123	-24.123	-
Transactions with owners in their capacity as owners					
Dividends	-	-	-27.000	-	-27.000
Balance – 31st March 2021	238	2.472	-22.294	92.395	72.811
Profit for the period	-	-	-	37.047	37.047
Movement in equity hedge reserve	-	-	867	-	867
Foreign currency translation adjustments	-	-	-470	-	-470
Total comprehensive income for the period	-	-	397	37.047	37.444
Other movements	-	-	92.395	-92.395	-
Transactions with owners in their capacity as owners					
Dividends	-	-	-	-	-
Balance – 31st March 2022	**238**	**2.472**	**70.498**	**37.047**	**110.255**

For further information on equity, refer to note 16 accompanying these financial statements

Consolidated statement of cash flows

For the year ended 31 March 2022

(Amounts x € 1.000)

	Notes	2022	2021
Cash flows from operating activities			
Profit after tax		37.047	92.395
Adjustments for non-cash items:			
Amortisation and depreciation		45.888	39.887
Loss/(profit) on sale of asset		-18	93
Provisions	17	6.979	-2.956
Income tax expense	9	15.661	17.904
Movements in working capital:			
Inventories	13	-15.101	-32.112
Trade and other receivables	14	47.080	-3.302
Other current assets		-5.746	-1.818
Trade and other payables	19	18.774	-91.670
Other current liabilities		2.733	1.336
Cash generated from operations		**153.297**	**19.757**
Movement in other non-current assets		-58	-179
Interest received	8	5.375	884
Interest paid	8	-	50
Income tax paid	9	-25.382	-3.091
Net cash generated from operating activities		**133.232**	**17.421**
Cash flows from investing activities			
Investments of intangible assets	12	-45.450	-25.957
Investments of property, plant and equipment	10	-26.550	-29.651
Proceeds from sale of property, plant and equipment		278	12
Net cash used in investing activities		**-71.722**	**-55.596**
Cash flows from financing activities			
Dividends paid to company's shareholders	16	-	-27.000
Usage of short-term loan facility	18	100.000	-100.000
Repayments of lease liabilities	11	-4.603	-4.508
Cash pool transactions		90.893	-
Net cash generated/(used in) from financing activities		**186.290**	**-131.508**
Net increase/(decrease) in cash and cash equivalents		**247.800**	**-169.683**
Balance at the beginning of the period	**15**	**-164.990**	**4.693**
Movements during the period		247.800	-169.683
Effects of exchange rate changes on cash and cash equivalents		-	-
Balance at the end of the period	**15**	**82.810**	**-164.990**

The accompanying notes form an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 March 2022
(Amounts x € 1.000)

1. General information

1.1. Operations

The activities of Vanderlande Industries B.V. ('the company') and its owned subsidiary (together 'the group') mainly comprise the design and implementation of logistic process automation solutions and related services in the market segments airports, warehousing and parcel. Revenue is mainly realised in foreign markets.

1.2. Group structure

Vanderlande Industries B.V. is a limited liability company incorporated and domiciled in the Netherlands and is registered in the Commercial Register of The Netherlands Chamber of Commerce under no. 16017956. The address of its registered office is Vanderlandelaan 2, Veghel.

Vanderlande Industries B.V. is a 100% participating interest of Vanderlande Industries Holding B.V. Vanderlande Industries Holding B.V. is a 100% participating interest of Toyota Industries Europe AB. Toyota Industries Europe AB has issued a liability statement pursuant to article 403, Book 2 of the Dutch Civil Code in respect of Dutch subsidiaries, including Vanderlande Industries B.V. The company forms a fiscal unity for corporate income tax and VAT with Vanderlande Industries Holding B.V.

1.3. Going concern assumption

The consolidated financial statements have been prepared on a going concern basis.

2. Basis of preparation

2.1. Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee as adopted by the European Union (IFRSs) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements of the group were authorized by the Board of Directors for issue on December 6, 2022.

2.2. Basis of measurement

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the accounting policies below. All amounts in the notes to the financial statements are stated in euros (Amounts x €1.000), unless otherwise stated.

These consolidated financial statements reflect all the assets, liabilities, revenues, expenses and cash flows of the group and its subsidiaries.

3. Summary of significant accounting policies

3.1. Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. There are no new standards / amendments that are expected to have an impact on the group.

3.2. Consolidation

General

The consolidation includes the financial information of Vanderlande Industries B.V. and its subsidiary. The company controls an entity where 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 to direct the activities of the entity.

Group companies in which Vanderlande Industries B.V. exercises control or whose central management it conducts are consolidated in full. They are deconsolidated from the date on which control ceases. Non-controlling interests in group equity and group profit are disclosed separately.

Intercompany

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated. Unrealised losses on intercompany transactions are also eliminated, unless such losses qualify as impairments. The accounting policies of group companies and other consolidated entities have been changed where necessary, to align them with the prevailing group accounting policies.

Company financial statements

The company presents an abridged statement of profit and loss in the Company financial statements,
using the facility of Article 402 of Part 9, Book 2, of the Dutch Civil Code.

3.3. Related-party transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements. A related-party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related party transactions are at arm's length.

3.4. Notes to the consolidated statement of cash flows

The statement of cash flows has been prepared using the indirect method. The cash items disclosed in the cash flow statement consist of cash and cash equivalents and bank overdrafts (if applicable). Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the statement of cash flows. Interest paid and received, dividends received and income taxes are included in cash from operating activities.

Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities.

3.5. Estimates and judgements

If necessary for the purposes of providing the view required under Section 362(1), Book 2 of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Financial line items with most significant estimates are:

- Contract asset and liabilities
- Deferred tax asset and liabilities
- Right of use assets and lease liabilities
- Provisions
- Revenue from contracts with customers

Financial line items with most significant judgements are:

- Intangible assets (capitalization of development expenses)
- Derivative financial instruments

3.6. Foreign currencies

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 euros, which is the company's functional and the group's presentation currency.

Transactions, receivables and debts

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance income or finance costs. All other foreign exchange gains and losses are presented in profit or loss within the cost of sales and/or net operating income and expense.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

Group companies

The results and financial positions of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date;
b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the exchange rates at the dates of the transactions, in which case income and expense items are translated at the exchange rates at the dates of the transactions); and
c) all resulting exchange differences are recognised in other comprehensive income. These differences are included in the foreign currency translation reserve as part of the equity. This reserve is a legal reserve and hence not freely distributable.

Translation differences on intra-group long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in equity as a component of the legal reserve for translation differences.

4. Accounting policies for the financial statements

4.1. Revenue from contracts with customers

Revenue is measured at the amount of consideration promised in a contract with the customer, net of discounts, incentives to distributors and other items.

For construction and maintenance contracts the group recognises revenue based on the fulfilment of the distinct performance obligations in the contract. The method the group applies for the performance obligations that are satisfied over-time, the method that best depicts the transfer of control to the customer, is an output method, because such method measures the value transferred to the customer. The duration of these contracts mostly varies from a couple of months to multiple years. Most often contracts in the Airport segment are multi-year projects, whereas projects in the Warehousing and Parcel segment have a duration of a couple of months to a year. Contract modifications are common as design specifications or scope are changed during the project based on the customer's request. Revenue recognition is then based on the agreed contract modifications.

Often a contract consists of multiple performance obligations. The revenue recognised in a period is based on the percentage of completion of the performance obligation, being the actual costs relative to the total expected costs. The group makes significant estimates and judgements to determine those expected costs.

For sales of products, since the customer obtains control over the product when a customer accepts goods after inspection, and therefore the performance obligation is judged to have been satisfied, the group normally recognises revenue when a customer accepts goods after inspection.

A provision is recognised when a contract becomes onerous. These provisions are classified as part of trade and other payables, refer to note 19, or as part of trade and other receivables, refer to note 14.

Warranty costs and related revenues are recognised over the duration of the project. Revenue on extended warranty on the other hand is recognised over the warranty period itself. For further details on the warranty provision refer to note 17.

4.2. Employee benefits

Short-term employee benefits

Salaries, wages and social security contributions are taken to the profit and loss account based on the terms of employment, where they are due to employees.

For bonuses, if the group has the present legal and constructive obligation to pay them as the result of past services provided by employees and the amount can be reliably estimated, the amount estimated to be paid is recognised as a liability.

Post-employment benefits

The group has a defined contribution plan. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity, and 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.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Other long-term employee benefits

The amount of an obligation in respect of the long-service award scheme (jubilee provision) is calculated by estimating the amount of future benefits earned by employees in the current and prior fiscal years and discounting that amount to the present value.

The amount of an obligation in respect of the long-term incentive bonus is calculated by estimating the amount granted related to defined target in the target year and accrued over the period up to the end of the target year.

4.3. Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the group has complied with all the associated conditions. Grants received where the group has yet to comply with all the associated conditions are recognised as liabilities (and included in deferred income within trade and other payables) and are released to income when all the associated conditions have been complied with.

When a grant is received for acquisition of an asset, the carrying amount of the asset is calculated by deducting the amount of the grant from the acquisition cost of the asset. Government grants are presented in other operating income & expenses.

4.4. Dividend distribution

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

4.5. Borrowing costs

All borrowing costs are charged to profit or loss in the period in which they are incurred.

4.6. Taxes

Income taxes comprise current taxes and deferred taxes. These are recognised in profit or loss except taxes that arise from items that are recognised either in other comprehensive income or directly in equity or from business combinations.

Taxes for the fiscal year under review are the expected taxes payable or receivable on the taxable profit or loss for the year, using the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.
Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax basis. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction not related to a business combination and affects neither accounting profit nor taxable profit. Also, deferred tax liabilities are not recognised if the taxable temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and affiliates. However, deferred tax liabilities are not recognised if the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period in which the asset realised or the liability is settled based on tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when income taxes are levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that taxable profits will be available against which they can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be earned to allow related tax benefits to be realised.

4.7. Finance income and finance costs

Financial income includes interest income, dividends income, gains on foreign currency translation and gain on derivatives (excluding gain or loss on hedging instruments that are recognised in other comprehensive income). Interest income is recognised as earned using the effective interest method. Dividend income is recognised on the date of the group's vesting.

Financial expenses include interest expense, losses on foreign currency translation and loss on derivatives (excluding loss on hedging instruments that are recognised in other comprehensive income.

4.8. Intangible assets

Intangible assets are measured using the cost model and stated at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired
Separately acquired intangible assets are recorded at historical cost. The cost of intangible assets acquired in a business combination is measured at fair value at the acquisition date.
Intangible assets with finite useful lives are subsequently carried at cost less accumulated amortisation and impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses, without being amortised but tested for impairment.

Internally generated intangible assets
Expenditure on research is recognised as an expense in the consolidated statements of profit or loss in the financial year in which it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following can be demonstrated:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
b) its intention to complete the intangible asset and use or sell it
c) its ability to use or sell the intangible asset

d) how the intangible asset will generate probable future economic benefits
e) the availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset
f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria above to the completion of its development. If an internally generated asset is not recognised, a development cost is recognised as an expense in profit or loss.

After initial recognition, an internally generated intangible assets are carried at cost less accumulated amortisation and impairment losses.

Amortisation of intangible assets
Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives.

The estimated useful lives of major classes of assets are as follows:

- software: 3 to 5 years
- development assets: 2 to 10 years
- other intangible assets: 5 to 10 years

Estimated useful lives and amortisation methods are reviewed at each reporting date, and any revisions are applied as revisions to accounting estimates prospectively.

Derecognition of intangible assets
An item of intangible assets is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of an item of intangible assets is included in profit or loss when it is derecognised.

Transfer of assets
Assets are transferred from Assets under Construction to the correct category when completely finalized and amortization can start.

4.9. Property, plant and equipment

Property, plant and equipment are measured using the cost model and stated at cost less accumulated depreciation and accumulated impairment losses.

Estimated useful lives and the method of depreciation are reviewed at every reporting year end. Changes in estimated useful lives or depreciation methods are accounted for on a prospective basis as a change in accounting estimate. Property, plant and equipment, excluding land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives.

The estimated useful lives for major classes of assets are as follows:

- land and buildings: 5 to 25 years
- machinery and equipment: 3 to 10 years
- tools, furniture and fixture: 3 to 10 years

An item of property, plant and equipment is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when it is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Transfer of assets
Assets are transferred from Assets under Construction to the correct category when completely finalized and depreciation can start.

4.10. Impairment losses

Financial assets
Financial assets measured at amortized cost are assessed for impairment losses based on expected credit losses. At the end of the reporting period, if credit risk has not increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from default events that are possible within 12 months after the reporting date (12-month expected credit losses). On the other hand, at the end of the reporting period, if credit risk has increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from all possible default events over the life of the financial instrument (lifetime expected credit losses).

However, regardless of the above, lifetime expected credit loss measurement always applies to trade receivables and lease investment assets without a significant financing component

Non-financial assets
The group reviews carrying amounts of non-financial assets, excluding inventories and deferred tax assets, at every reporting year end to determine whether there is any indication of impairment. If there is any indication of impairment, impairment testing is conducted based

on the recoverable amount of the asset. Intangible assets with indefinite useful lives are tested annually for impairment regardless of whether there is any indication of impairment.

An impairment charge is recognised when the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount.

The recoverable amount of an asset or cash generating unit is the greater of its value in use or its fair value less cost to sell. In calculating the value in use, estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and risks specific to the asset not considered in estimating future cash flows.

Impairment charges are recognised in the statement of profit or loss. Impairment charges recognised in respect of a cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to that cash-generating unit and, if applicable, subsequently to reduce the carrying amounts of the other assets of that cash-generating unit on a pro rata basis.

An impairment charge is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment charge had been recognised.

4.11. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories includes purchase costs, processing costs and all other costs incurred in bringing them to their existing location and condition, is calculated primarily using the moving average method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sell.

4.12. Trade and other receivables

Trade receivables are recognised initially at the transaction price and are subsequently measured at amortised cost using the effective interest method, less a provision for expected credit losses. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

4.13. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised in profit or loss within net operating income and expense.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss within net operating income and expense.

4.14. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and reported as net amounts in the consolidated statements of financial position only if the group currently has a legally enforceable right to set off the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.15. Deposits with maturity over three months

Deposits are measured at amortized costs. Interest income is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss together with foreign exchange gains and losses.

4.16. Cash and cash equivalents

Cash and cash equivalents consist of highly liquid assets, such as bank deposits, and interest-bearing bank accounts with remaining maturities of three months or less at the date of acquisition. Bank overdrafts are shown within current liabilities on the balance sheet. Cash and cash equivalents are recognised initially at fair value and are subsequently measured at amortised cost.

4.17. Equity

Share capital
Ordinary shares are classified as equity.

Non-controlling interest
The group applies a policy of treating transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity and attributed to equity holders of the parent. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.18. Provisions

General
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount 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 recognised as other finance cost.

Reimbursement
Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. In such a case the reimbursement is treated as a separate asset.

4.19. Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

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 reporting date.

4.20. Trade and other payables

Trade payables are recognised initially at the fair value and subsequently measured at amortised cost using the effective interest method.

4.21. Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Variable lease payments, extension and/or termination options are included based on management judgement.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life (refer to 4.9. Property, plant and equipment) and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

5. Revenue from contracts with customers

Disaggregation and timing of revenue from contracts with customers

The group generates revenue through the sales of logistic solutions and services. The group distinguishes logistic solutions between three segments: airports, warehousing and parcel. Logistic solutions often involve design, manufacturing and installation and consist of both hardware and software components which are designed and build by the group or purchased through other group entities or third parties and integrated with the customer's operations. Logistic solutions may either replace an existing solution or create a new or expand a logistic solution. Revenue is recorded over time based on project's progress. In limited cases the group sells specific stand-alone logistic components or solutions for which revenue is recorded at a point in time. Life cycle services involve the servicing and maintenance of logistic systems and solutions and are often multi-year contracts for which revenue is recorded over time as the services are provided.

	2022	2021
Airports	81.751	102.219
Warehousing	196.273	112.286
Parcel	71.447	59.613
Life-cycle services	157.160	137.370
Total revenue	**506.631**	**411.488**

At a point in time	22.049	18.228
Over time	484.582	393.260
Total revenue	**506.631**	**411.488**

Critical estimates in recognising revenue

The group applies significant estimates in recognising revenue through estimation of the remaining costs for each revenue generating activity for which revenue is recognised over time. The estimated remaining cost determines the progress of the revenue generating activity per balance sheet date and therefore the portion of contractual revenues recognised in the financial year. These estimation processes are a key element of the group's system of internal controls.

Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	31 March 2022	31 March 2021
Contract assets	29.808	35.525
Loss allowance	-1.565	-381
Total contract assets	**28.243**	**35.144**
Contract liabilities	120.467	115.952
Loss allowance	10.519	9.399
Total contract liabilities	**130.986**	**125.351**

Significant changes in contract assets and liabilities

Contract assets have increased due to increased number of ongoing projects over the years. The group also recognised a loss allowance for contract assets in accordance with IFRS 9, see note 21 for further information.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

Revenue recognised that was included in the contract liability balance at the beginning of the period	2022	2021
Airports	30.463	43.138
Warehousing	54.906	45.764
Parcel	18.164	28.456

Life-cycle services	21.818	16.404
Total contract liabilities	**125.351**	**133.762**

Geographic information

The following table shows the geographic information of the revenue recognised in the current reporting period. In presenting the geographic information, segment revenue has been based on the geographic location of customers:

	2022	**2021**
Europe	417.263	355.511
Middle East	58.796	42.604
Asia	26.415	9.558
Other	4.157	3.775
Total revenue	**506.631**	**411.448**

6. Breakdown of expenses by nature

	2022	**2021**
Purchase of raw materials and goods	218.220	168.518
Other direct costs	61.916	42.828
Personal Expenses	264.283	236.840
Selling, general and administrative expenses	126.328	64.717
Depreciation and amortisation	45.888	39.881
Other indirect costs	33.759	17.319
Overhead cross charged	-227.013	-171.927
Total expenses	**523.381**	**398.176**

The personnel expenses for the periods are as follows:

	2022	**2021**
Salaries and wages	200.029	176.990
Social security contributions	27.552	25.582
Pension contributions	15.721	14.260
Other personnel expenses	20.981	20.008
Total personnel expenses	**264.283**	**236.840**

Average number of employees

The average number of employees of the group calculated on a full-time-equivalent basis was:

	2022	**2021**
Execution	803	854
Sales	127	168
Services	1.003	928
Others	1.080	836
Total number of employees	**3.013**	**2.786**

Ultimo March 2022 a total of 652 employees were employed outside the Netherlands (2021: 629).

7. Net operating income

The breakdown of net operating income and expense is as follows:

	2022	**2021**
Government grants received*	4.547	3.326
Net foreign exchanges gains / (losses) on operating activities	3.380	-1.768
Transfer pricing adjustment	55.519	96.249
Other income	637	690
Other expenses	-	-42
Net operating income	**64.083**	**98.455**

*Government grants received in 2022 are related to R&D activities. In 2021 these are related to COVID-19 and R&D activities (WBSO).

Audit fees

The following audit fees were expensed in the statement of profit or loss in the reporting period:

	2022	2021
Audit of the financial statements	85	82
Other audit procedures	-	-
Tax services	954	1.603
Other non-audit services	-	-
Total audit fees	**1.039**	**1.685**

The audit fees relate to the procedures applied to the group by accounting firms and independent external auditor as referred to in Section 1 subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties') as well as by other Dutch legal entities of PricewaterhouseCoopers Accountants N.V,, including their tax services and advisory groups. The fees for tax services are related to VAT, transfer pricing, corporate income tax, and various other services for the company and all its branches.

The fees listed above relate to services rendered by accounting firms and independent external auditor related to the financial year.

8. Finance income and costs

	2022	2021
Finance income		
Interest income	1.246	884
Foreign exchange gains on financing activities	4.129	-
Finance income	**5.375**	**884**
Finance costs		
Interest expense	-	50
Foreign exchange losses on financing activities	-	-2.406
Total finance costs	**-**	**-2.356**
Net finance income / (costs)	**5.375**	**-1.472**

9. Income tax expense and deferred taxes

	2022	2021
Current tax		
Current tax on profits for the period	9.089	16.945
Withholding tax on dividend payment	1.329	-
Adjustments for current tax of prior periods	1.625	-976
Total current tax expense	**12.043**	**15.969**
Deferred tax		
Temporary differences	3.438	950
Changes in income tax rates	174	1.841
Adjustments for deferred tax of prior periods	6	-856
Total deferred tax expense	**3.618**	**1.935**
Income tax expense	**15.661**	**17.904**

The income tax expense is attributable to profit from continuing operations for the periods presented.

The reconciliation of the applicable income tax rate to the effective income tax rate for the periods is as follows:

	2022	%	2021	%
Profit before income tax	52.708		110.299	

Income tax expense	15.661		17.904	
Applicable income tax (rate)	**12.767**	**24.22%**	**27.048**	**24.5%**
Tax effects of:				
Non-taxable items	42	0.08%	-737	-0.67%
Changes in income tax rates	174	0.33%	1.841	1.67%
Adjustments for income tax of prior periods	1.631	3.09%	-1.844	-1.67%
Innovation box	-3.339	-6.34%	-9.088	-8.24%
Transfer pricing adjustment	3.062	5.81%	209	0.19%
Other effects	7	0.01%	338	0.31%
Change in deferred tax	-12	0.02%	137	0.12%
Withholding tax on dividend payment	1.329	2.52%	-	-
Total tax effects	**2.894**	**5.49%**	**-9.144**	**-8.29%**
Effective income tax (rate)	**15.661**	**29.71%**	**17.904**	**16.71%**

The adjustments for income tax of prior periods mainly relate to differences between the corporate income tax returns submitted with the tax authorities and the tax accruals recorded in the books.

Starting in 2011 Vanderlande has entered into an agreement with the Dutch Tax Authorities about the application of the innovation box regime. Under this regime, R&D activities are incentivised through reduced tax rate at 9.0% in the so-called ‘innovation box’ instead of the normal rate of 25.0%.

The transfer pricing adjustments result from the fact that the tax authorities in a few jurisdictions do not accept the transfer pricing methodology as applied by Vanderlande. The Vanderlande transfer pricing methodology is based on OECD transfer pricing guidelines and has been agreed with the Dutch tax authorities. A one-sided adjustment is made in the Netherlands resulting in double taxation.

The deferred tax assets movement for the periods is as follows:

	2022	**2021**
Balance at beginning of the period	13.192	15.053
Recognized in profit or loss	1.406	425
Reclass of DTA-DTL	-	-1.459
Recognised in other comprehensive income	18	-827
Balance at end of the period	**14.616**	**13.192**

The deferred tax liabilities movement for the periods is as follows:

	2022	**2021**
Balance at beginning of the period	-14.672	-13.742
Recognized in profit or loss	-5.024	-2.389
Reclass of DTA-DTL	-	1.459
Recognised in other comprehensive income	-319	-
Balance at end of the period	**-20.015**	**-14.672**

There are no aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity.

Current tax assets

The current tax assets amount to EUR 3.396 (2021: EUR 81). The increase in current tax assets in comparison with last year is due to prepaid corporate income tax during FY2022.

Current tax liabilities

The current tax liabilities amount to EUR 1.514 (2021: EUR 13.319). The decrease in current tax liabilities in comparison with last year is due to prepaid corporate income tax and lower profitability in FY2022.

10. Property, plant and equipment

	Land and buildings	*Machinery and equipment*	*Tools, furniture and fixture*	*Assets under construction*	*Total*
Carrying amount 1 April 2020	**63.378**	**4.784**	**9.166**	**8.913**	**86.241**
Year ended 31 March 2021					
Additions	177	330	786	28.358	29.651
Transfers	8.365	190	391	-8.946	-
Other movements	46	-3	-43	-	-
Exchange differences	5	-3	-3	1	-
Disposals	-117	-20	-	-	-137
Depreciation	-3.719	-1.694	-4.201	-	-9.614
Closing carrying amount	**68.135**	**3.584**	**6.096**	**28.326**	**106.141**
As at 31 March 2021					
At cost	105.041	23.140	52.606	28.326	209.113
Accumulated depreciation and impairment losses	-36.906	-19.556	-46.510	-	-102.972
Carrying amount	**68.135**	**3.584**	**6.096**	**28.326**	**106.141**
Year ended 31 March 2022					
Additions	-	94	2.204	24.252	26.550
Transfers	33.979	28	6.330	-40.337	-
Exchange differences	-	-	-6	-	-6
Disposals	-191	-44	-23	-	-258
Depreciation	-4.797	-1.456	-3.410	-	-9.663
Closing carrying amount	**97.126**	**2.206**	**11.191**	**12.241**	**122.764**
As at 31 March 2022					
At cost	138.753	23.140	61.117	12.241	235.251
Accumulated depreciation and impairment losses	-41.627	-20.934	-49.926	-	-112.487
Carrying amount	**97.126**	**2.206**	**11.191**	**12.241**	**122.764**

11. Leases

The Group leases various offices and vehicles. Rental agreements are typically agreed for fixed periods of several years. Some rental contracts for offices contain extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts related to leases:

	31 March 2022	**31 March 2021**
Right-of-use assets		
Buildings	2.255	4.002
Vehicles	7.248	6.475

Others	1	2
Total right-of-use assets	**9.504**	**10.479**
Lease liabilities		
Current	3.707	4.206
Non-current	5.797	6.273
Total lease liabilities	**9.504**	**10.479**

Additions to the right-of-use assets during the period 2022 were 3.626 (2021: 4.095). The maturity analysis of lease liabilities is disclosed in note 20.

Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts related to leases:

	2022	**2021**
Depreciation charge for right-of-use assets		
Buildings	1.853	1.869
Vehicles	2.747	2.571
Others	1	59
Total depreciation charge for right-of-use assets	**4.601**	**4.499**

Other items related to leases (interest, variable lease payments, income from subleases) are all not material.

The total cash outflow for leases during the period 2022 was 4.603 (2021: 4.508) and are classified as cash flows from financing activities in the cash flow statement.

12. Intangible assets

	Capitalised Development Cost	*Intangible assets under development*	*Software*	*Total*
Carrying amount on 1 April 2020	**18.634**	**37.352**	**5.979**	**61.965**
Year ended 31 March 2021				
Additions	-	25.043	914	**25.957**
Transfers	54.751	-54.751	-	**-**
Disposals	32	-	-	**32**
Amortisation	-23.262	-	-2.506	**-25.768**
Closing carrying amount	**50.155**	**7.644**	**4.387**	**62.186**
As at 31 March 2021				
At cost	87.418	7.644	21.464	**116.526**
Accumulated amortisation and impairment losses	-37.263	-	-17.077	**-54.340**
Carrying amount	**50.155**	**7.644**	**4.387**	**62.186**
Year ended 31 March 2022				
Additions	-	44.406	1.043	**45.449**
Transfers	24.345	-24.345	-	**-**
Disposals	-	-	-	**-**
Amortisation	-29.609	-	-2.015	**-31.624**
Closing carrying amount	**44.891**	**27.705**	**3.415**	**76.011**
As at 31 March 2022				
At cost	111.763	27.705	22.507	**161.975**
Accumulated amortisation and impairment losses	-66.872	-	-19.092	**-85.964**

Carrying amount	**44.891**	**27.705**	**3.415**	**76.011**

13. Inventories

The composition of inventories is as follows:

	31 March 2022	31 March 2021
Raw materials and supplies	50.197	35.687
Work in process	49.437	48.500
Consignment stock	6.673	7.175
Provision obsolete stock	-4.829	-4.985
Total inventories	**101.478**	**86.377**

Inventories recognised as an expense during the year amounted to 218.220 (2021: 168.518). These were included in cost of sales of goods and providing services. Write-downs of inventories to net realizable value amounted to 149 (2021: 744).

14. Trade and other receivables

The composition of trade and other receivables is as follows:

	31 March 2022	31 March 2021
Trade receivables from contracts with customers	61.179	89.586
Retentions	2.884	11.181
Contract assets	28.243	35.144
Receivables from group companies	133.514	66.296
Social security and other taxes	19.383	16.791
Other receivables	14.897	13.429
Total trade and other receivables	**260.100**	**232.427**

The trade and other receivables are financial assets measured at amortised cost. The trade and other receivables are expected to be settled within the next 12 months and hence they are presented as current. Information about the impairment of these receivables and the company's exposure to credit risk and currency risk can be found in note 20.

15. Cash and cash equivalents

	31 March 2022	31 March 2021
Cash at bank and in hand	82.810	31.711
Cash and cash equivalents as per balance sheet	**82.810**	**31.711**
Bank overdrafts	-	-196.701
Total net cash and cash equivalents as per cash flow statements	**82.810**	**-164.990**

The group has uncommitted credit facility of EUR 800 million, of which EUR 450 million is available for borrowing. Group treasury monitors liquidity risk on an ongoing basis, refer to liquidity risk in note 20 for further information.

The balance of cash and cash equivalents and bank deposits on the consolidated statement of financial position as of the end of the financial years ended 31 March 2022 and 31 March 2021 are consistent with the balances of cash and cash equivalents on the consolidated statement of cash flows, including the adjustment for bank overdrafts.

The cash and cash equivalents are financial assets measured at amortised cost.

Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition or are repayable with 24 hours' notice with no loss of interest. Refer to note 4.16 for the company's other accounting policies on cash and cash equivalents.

16. Equity

Share capital and share premium

The authorised share capital of Vanderlande Industries B.V. amounts to €375 and consists of 1.500 ordinary shares of €0.25 each in the financial year ended 31 March 2022. Of these, 950 ordinary shares have been issued. All issued shares are fully paid and have equal rights to vote at general meetings and receive dividends. There were no movement during the periods.

Retained earnings

The retained earnings item comprises the net results for the period before profit appropriation.

Reserves

	Remeasurement of defined benefit plan	Hedging reserve	Translation reserve	Reserve development costs	Other reserves	Total reserves
Balance 1 April 2020	**1.981**	**-4.209**	**-1.630**	**55.986**	**-72.806**	**-20.678**
Year ended 31 March 2021						
Appropriated result of prior year	-	-	-	-	24.123	24.123
Remeasurements	-896	1.364	-	-	-	468
Cost of hedging	-	1.559	-	-	-	1.559
Currency translation differences	-	-	1.090	-	-1.856	-766
Dividends previous year paid	-	-	-	-	-27.000	-27.000
Other movements	-1.085	-	-	1.813	-728	-
Closing balance	**-**	**-1.286**	**-540**	**57.799**	**-78.267**	**-22.294**
Year ended 31 March 2022						
Appropriated result of prior year	-	-	-	-	92.395	92.395
Remeasurements	-	2.320	-	-	-	2.320
Cost of hedging	-	-1.453	-	-	-	-1.453
Currency translation differences	-	-	-470	-	-	-470
Other movements	-	-	-	14.797	-14.797	-
Closing balance	**-**	**-419**	**-1.010**	**72.596**	**-669**	**70.498**

Hedging reserve

The hedging reserve reflects the effective portion of changes in the fair value of foreign currency forward exchange contracts and other monetary items that qualify for hedge accounting. This reserve, which has the nature of a revaluation reserve, is a legal reserve according to Dutch law and is therefore not freely distributable.

Translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy on foreign currency translation. This reserve is a legal reserve according to Dutch law and is therefore not freely distributable.

Reserve development costs

The reserve for development costs is a legal reserve that is equal to the development costs as capitalised under intangible assets.

Dividends

No dividend has been proposed to be paid out related to the current reporting period.

17. Provisions

	Employee benefit obligation	Jubilee provision	Warranty provision	Other provisions	Total
Carrying amount 1 April 2020	**5.440**	**2.734**	**3.768**	**5.917**	**17.859**
Additions	387	440	2.551	5.580	8.958
Amounts charged against the provision	-7.011	-253	-3.659	-1.279	-12.202
Accretion expense	30	-	-	-	30
Remeasurements	1.154	-	-	-	1.154
Closing carrying amount	**-**	**2.921**	**2.660**	**10.218**	**15.799**
Year ended 31 March 2022					
Additions	-	736	3.992	14.237	18.965
Amounts charged against the provision	-	-238	-3.990	-7.759	-11.987
Remeasurements	-	-	-	-	-
Closing carrying amount	**-**	**3.419**	**2.662**	**16.696**	**22.777**

	31 March 2022	31 March 2021
Current amount of provision	13.916	8.548
Non-current amount of provision	8.861	7.251
Total provision	**22.777**	**15.799**

The current portion of the provisions mainly consist of the long term incentive, the current portion of the warranty provision, the claims provision and restructuring provision.

Warranty provision

The warranty provision reflects the terms and increasing complexity of the projects involved, and is based on warranty experience, excluding warranty at procurement. The change in the warranty provision is the result of the use and additional provisions made. The warranty expenses are expected to materialise within a period of 0 to 2 years. This provision is predominantly current.

Jubilee provision

The provision for jubilee benefits has been formed for expected benefits payable to current employees. The obligation is measured at the net total of the present value of the benefit obligation minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly. The calculation of the provision is based on expectations of retirement, employment at jubilee date, and mortality tables. The jubilee expenses are expected to materialise within a period of 0 to 40 years. This provision is predominantly non-current (current part is approximately 180).

Other provisions

The other provisions consist of restructuring, claims and long-term bonus incentive plans.

18. Borrowings

The borrowings are financial liabilities measured at amortised cost. Borrowings consist of a short term loan of EUR 100 million with one external bank at -0.20% interest rate. On 31 March 2021, there were no outstanding borrowings.

19. Trade and other payables

	31 March 2022	31 March 2021
Trade payables	48.934	44.581
Contract liabilities	130.986	125.351
Advance received for contract work	1.553	335
Payables to group companies	170.479	-
Employee related accruals	22.158	17.349
Social security and other taxes	7.694	6.761
Other payables	27.330	26.550
Total trade and other payables	**409.134**	**220.928**

All trade and other payables fall due in less than one year. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

20. Financial risk management

The group is exposed to a variety of financial risks, including foreign exchange rate risk, interest rate risk, liquidity risk and credit risk. These risks are managed by group treasury, the central treasury department, based on policies approved by the CFO on behalf of the Vanderlande Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the business.

The treasury policies provide written principles for overall risk management, as well as for specific areas, such as, foreign exchange risk, interest rate risk, liquidity risk and credit risk, including guidelines for the use of derivative and non-derivative financial instruments.

Market risk

Market risk is the risk that changes in market prices will adversely affect the group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable boundaries. Market risk for the group comprises currency risk and interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The group is exposed to:

- Transaction risk: The group conducts transactions in foreign currencies and is exposed to exchange rate fluctuations. Such transactions mostly comprise sale and purchasing transactions resulting from projects. The risks of transactions executed in foreign currencies are identified and measured, whereby group treasury hedges significant transaction risks.
- Translation risk: The group has subsidiaries in countries with currencies other than the euro. As a result, the group is exposed to translation risks related to the equity and earnings of foreign subsidiaries. The translation risk is inherent to the global business activities and is not hedged. Non-functional currency denominated working capital and monetary assets and liabilities are converted into an entity's functional currency as part of the closing process at period-end exchange rates. Any gains and losses resulting from revaluation of these positions are reflected in the consolidated statement of profit or loss.

To mitigate the impact of fluctuations in foreign currencies, the group constantly monitors its currency exposure and uses a combination of foreign currency options and foreign currency forwards to hedge accordingly. The foreign currency derivatives are designated in cash flow accounting and the effective portion of changes in the fair value of the hedging instrument is recognized in the cash flow hedge reserve within equity. The sensitivity of the profit or loss or equity to changes in the exchange rates arising from financial instruments is considered not material for the group.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There are no items carried at fair value, therefore no interest risk on these items. The group is exposed to the risk in changes in the interest rates relating to the short-term borrowings. An increase of 100 basis points in interest rates on our financial instruments has an impact of approximately EUR 1 million and is considered not material for the group.

Liquidity risk

Liquidity risk is the risk that the group is unable to meet its financial obligations once due. The primary objective of liquidity management is providing sufficient funds to enable the group to meet its financial obligations without incurring unacceptable losses. Group treasury monitors liquidity risk on an ongoing basis. Per March 31, 2022 VI BV (together with VI Holding BV) was party to a EUR 800 million uncommitted revolving credit facility agreement with 7 banks. Of this facility EUR 450 million was available for cash borrowings/liquidity management. At March 31, 2022 EUR 100 million borrowings were in place in the form of short term loan.

The contractual maturities of financial liabilities are as follows:

	Contractual undiscounted cash flows					
Contractual maturities of financial liabilities	*Less than 1 year*	*Between 1 and 2 years*	*Between 2 and 5 years*	*More than 5 years*	**Total**	**Carrying amount**
At 31 March 2021						
Non-derivatives						
Lease liabilities	4.226	2.951	3.369	-	10.546	10.546
Trade payables	44.581	-	-	-	44.581	44.581
Total non-derivatives	**48.807**	**2.951**	**3.369**	**-**	**55.127**	**55.127**
Derivatives						
Financial instruments liabilities	158	-	-	-	158	158
Total derivatives	**158**	**-**	**-**	**-**	**158**	**158**
At 31 March 2022						
Non-derivatives						
Lease liabilities	3.725	3.003	2.802	10	9.540	9.504
Trade payables	48.157	-	-	-	48.157	48.157
Borrowings	100.000	-	-	-	100.000	100.000
Total non-derivatives	**151.882**	**3.003**	**2.802**	**10**	**157.697**	**157.661**
Derivatives						
Financial instruments liabilities	184	-	-	-	184	184
Total derivatives	**184**	**-**	**-**	**-**	**184**	**184**

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is exposed to credit risk principally from the group's receivables from customers. The group's customers are subjected to creditworthiness tests. The group uses bank guarantees, letters of credit and credit insurances to mitigate cash flow mismatches on contracted projects. To minimise counterparty risk, the group's liquidity is spread among several financial institutions that have good credit ratings (all minimum A rating). The group has no significant concentrations of credit risk with any counterparty.

The credit risk on trade receivables is assessed mainly based on information relating to overdue amounts. The aging of trade receivables, excluding loss allowance, is as follows:

	31 March 2022	**31 March 2021**
Not overdue	35.124	70.923
1-30 days overdue	13.185	6.369
31-90 days overdue	9.406	4.749
More than 90 days overdue	8.227	11.920
Total	**65.942**	**93.961**

The group has trade receivables and contract assets which are subject to the expected credit loss model. The impairment allowances on trade receivables and contract assets developed as follows:

	Contract assets		Trade receivables	
	2022	2021	2022	2021
Opening loss allowance	-381	-550	-4.376	-2.658
Increase in loss allowance recognised in profit or loss during the year	-1.565	-	-2.109	-3.938
Receivables written off during the year as uncollectible	-	-	-	-
Unused amount reversed	381	169	1.722	2.220
Closing loss allowance at 31 March	**-1.565**	**-381**	**-4.763**	**-4.376**

Impairment losses on trade receivables and contract assets are presented within cost of sales of goods and providing services. In case of losses on collectability the impairment loss is presented in selling, general and administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

The majority of the impairment losses on trade receivables and contract assets are amounts which are more than 90 days due.

Capital management

Group treasury is to ensure sufficient financing and liquidity for the business activities and to maintain a strong financial position. Through the use of current assets such as cash and cash equivalents, as well as cash flows from operating activities and borrowings from financial institutions, the group believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and support new projects. The group is not subject to external capital requirements other than the legal reserves as of 31 March 2022.

21. Derivative financial instruments

The group uses derivative financial instruments solely for the purpose of hedging exposures, which are mainly the result of foreign exchange and interest rate risks arising from the group's business operations and its sources of financing. The group does not enter into speculative derivative transactions. Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item.

The derivative financial instruments included in the statement of financial position are as follows:

	31 March 2022	31 March 2021
Current assets		
Foreign currency forwards – cash flow hedges	2.435	2.064
Total derivative financial instruments assets	**2.435**	**2.064**

	31 March 2022	31 March 2021
Current liabilities		
Foreign currency forwards – cash flow hedges	184	158
Total derivative financial instruments liabilities	**184**	**158**

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. The group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency exposures, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated. There was no recognised ineffectiveness in relation to the foreign currency derivatives during the periods FY2022 and FY2021.

Fair value hierarchy

The carrying amounts of the group's financial assets and financial liabilities are a reasonable approximation of their fair values. The derivative financial instruments are subsequently measured at fair value. The fair value of derivative financial instruments is based on market observable inputs and qualifies as level 2 in the fair value hierarchy. There are no changes between fair value levels during the periods FY2022 and FY2021.

22. Related-party transactions

Parent-company of the group is Vanderlande Industries Holding B.V. Ultimate parent of the group is Toyota Industries Corporation.

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Group are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

The group has normal business transactions with related parties within the total Vanderlande Group related to:

- Direct hours on customer projects outside the Group
- Allocation of Business Support fees outside the Group
- Allocation of R&D fees outside the Group
- Transfer price adjustments outside the Group

The following transactions outside normal business occurred with related parties:

Other transactions	**2022**	**2021**
Dividends paid to Vanderlande Industries Holding B.V. entity	-	27.000
Total other transactions	**-**	**27.000**

Key management compensation

Key management personnel comprises of the Board of Directors having authority and responsibility for planning, directing and controlling the activities of the entity.

The compensation paid or payable to key management for employee services is shown below:

	2022	**2021**
Short-term employee benefits	3.118	2.265
Post-employment benefits	172	181
Other long-term benefits	355	-
Compensation paid or payable to key management	**3.645**	**2.446**

23. Commitments and contingencies not included in the balance sheet

Capital commitments

Regarding the acquisition of property, plant and equipment, significant capital expenditures (commitments) which are contracted but not yet recognized on the consolidated financial statements are as follows:

	31 March 2022	**31 March 2021**
Property, plant and equipment	-	16.489

Bank overdraft facilities

The company (together with Vanderlande Industries Holding B.V.) had an uncommitted credit facility of EUR 800 million with 7 (high credit rating) banks per 31 March 2022. Of this facility EUR 450 million was available for borrowings ('cash limit'), which can be done in the form of bank overdrafts and short-term loans (dependent on the bank) and EUR 640 million was available for bank guarantee issuances. At any point in time the total combined value of the two usage options as described above cannot exceed the overall limit of EUR 800 million.

Guarantees

The company had EUR 70 million of bank guarantees outstanding per 31 March 2022 (31 March 2021: EUR 75 million). These consist mainly of Performance Bonds, Warranty Bonds and Advance Payment Bonds.

Claims

The company has contingent liabilities in respect of legal claims arising in the ordinary course of business. However, no material adverse effect on net equity or income is expected.

Tax liability

The company is part of a fiscal entity for VAT purposes with Vanderlande Industries Holding B.V. (parent). The company is part of a corporate income tax group with the parent of the fiscal unity. Under the Tax Collection Act, the members of the tax group are jointly and severally liable for any corporate income taxes payable by the group.

24. Subsequent events

As a result of the invasion of Ukraine, European Union sanctions prohibit any direct or indirect economic interactions, as well as with all companies that are directly or indirectly controlled by these persons or entities (Art. 2 of Regulation 269/2014).

The Board of Vanderlande has installed a crisis team and is involved in decision-making regarding compliance with these sanctions. On 21 April 2022, the Board decided to cease all activities in Russia. The company made this decision based on sanctions and SDNs (Specially Designated Nationals and Blocked Persons List) – and considering Russian countersanctions – to protect the safety of the (former) Vanderlande Russia employees. The revenue of the Russian subsidiary was approximately 5% of the total revenue of Vanderlande Industries in FY2021 and FY2022. The costs and losses related to winding down the operation including contract settlements in Russia did significantly impact profit or loss in full year FY2023.

The conflict also led to a freeze of all ongoing projects by Vanderlande's local Ukraine branch. One project has been restarted carefully with a reduced scope. It is still unclear what the exact effects will be going forward. However, major exposure or damages are not expected.

Vanderlande Industries B.V.

Company financial statements

31 March 2022

Company statement of income

For the year ended 31 March 2022

(Amounts x € 1.000)

Company statement of profit or loss		2022	2021
Share of result of participations	28	5.578	5.252
Income from operations after income tax		31.469	87.143
Result after taxation		**37.047**	**92.395**

The accompanying notes form an integral part of these financial statements.

Company statement of financial position

As of 31 March 2022 (before profit appropriation)

(Amounts x € 1.000)

	Notes	31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	10	122.707	106.104
Right-of-use assets	11	9.504	10.479
Intangible assets	12	76.011	62.186
Deferred tax assets	9	13.210	13.192
Participations in group companies	28	6.866	19.256
Other non-current assets		249	191
Total non-current assets		**228.547**	**211.408**
Current assets			
Inventories	13	101.404	85.956
Trade and other receivables	29	251.495	209.752
Current tax assets	9	3.396	81
Derivative financial instruments	21	2.435	2.064
Cash and cash equivalents	30	72.392	25.547
Total current assets		**431.122**	**323.400**
Total assets		**659.669**	**534.808**
Equity			
Share capital	31	238	238
Share premium	31	2.472	2.472
Reserves	31	70.498	-22.294
Retained earnings	31	37.047	92.395
Total equity		**110.255**	**72.811**
Non-current liabilities			
Lease liabilities	11	5.797	6.273
Deferred tax liabilities	9	20.015	14.330
Provisions	17	8.463	6.783
Total non-current liabilities		**34.275**	**27.386**
Current liabilities			
Trade and other payables	32	395.814	211.678
Current tax liabilities	9	1.518	13.320
Derivative financial instruments	21	184	158
Borrowings	18	100.000	-
Lease liabilities	11	3.707	4.206
Bank overdrafts	15	-	196.701
Provisions	17	13.916	8.548
Total current liabilities		**515.139**	**434.611**
Total liabilities and equity		**659.669**	**534.808**

The accompanying notes form an integral part of these financial statements

Notes to the company financial statements

For the year ended 31 March 2022

(Amounts x € 1.000)

25. General information

The company financial statements are part of the financial statements of Vanderlande Industries B.V. (hereafter: the company).

As the financial data of the company are included in the consolidated financial statements, the statement of profit or loss in the company financial statements is presented in its condensed form (in accordance with article 402, Book 2 of the Dutch Civil Code).

All amounts in the notes to the financial statements are stated in EUR (Amounts x €1.000), unless otherwise stated.

26. Basis of preparation

The company financial statements of Vanderlande Industries B.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub article 8 of article 362, Book 2 of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements, unless otherwise stated. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

27. Accounting policies which have not been included in the notes to the consolidated financial statements

Participations in group companies

Participations in group companies are stated at net asset value. The net asset value is determined by applying the same accounting policies as those applied in the consolidated financial statements.

Participations in group companies with a negative net asset value are valued at nil. If the company has given a liability undertaking or any other guarantee to enable the group company to settle its liabilities, a provision is recognised.

Share in results of participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to the company.

Receivables from group companies

The company makes use of the option to eliminate intragroup expected credit losses against the carrying value of loans and receivables from the company to group companies, instead of elimination against the net asset value of the group companies.

28. Participations in group companies

	31 March 2022	31 March 2021
Balance at beginning of the period	**19.256**	**14.623**
Investments	-	-
Net income / (loss) from participations	5.578	5.252
Dividend	-17.454	-
Foreign currency translation reserve	-514	-619
Balance at end of the period	**6.866**	**19.256**

The company has a direct interest in the following participations:

Register of participations	Ownership interest (%)
Vanderlande Industries LLC, Moscow, Russia	100

There were no changes in ownership interest during all reporting periods presented.

29. Trade and other receivables

The composition of trade and other receivables is as follows:

	31 March 2022	31 March 2021
Trade receivables from contracts with customers	59.252	87.666
Retentions	2.884	11.181
Contract assets	24.163	15.603
Receivables from group companies	133.514	66.566
Social security and other taxes	19.384	16.791
Other receivables	12.298	11.945
Total trade and other receivables	**251.495**	**209.752**

The trade and other receivables are financial assets measured at amortised cost. The trade and other receivables are expected to be settled within the next 12 months and hence they are presented as current. Information about the impairment of these receivables and the company's exposure to credit risk and currency risk can be found in note 20 of the consolidated financial statements.

30. Cash and cash equivalents

Cash at bank and in hand are freely disposable.

31. Equity

The equity movements are disclosed in the consolidated statement of changes in equity and note 17 in the consolidated financial statements.

32. Trade and other payables

The composition of trade and other payables is as follows:

	31 March 2022	31 March 2021
Trade payables	47.215	42.996
Contract liabilities	120.068	117.697
Advance received for contract work	1.553	335
Payables to group companies	169.953	-
Employee related accruals	21.905	17.113
Social security and other taxes	7.695	6.763
Other payables	27.425	26.775
Total trade and other payables	**395.814**	**211.678**

All trade and other payables fall due in less than one year. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

33. Related-party transactions

The related-party transactions of key management compensation are disclosed in note 22 of the consolidated financial statements.

34. Commitments and contingencies not included in the balance sheet

The commitments and contingencies are disclosed in note 23 of the consolidated financial statements.

35. Audit fees

The audit fees are disclosed in note 7 of the consolidated financial statements.

36. Average number of employees

As of 31 March 2022, the average number of employees of the company calculated on a full-time-equivalent basis was 2.932 (2021: 2.721). Of these employees 564 (2021: 564) were employed outside the Netherlands.

37. Subsequent events

The subsequent events are disclosed in note 24 of the consolidated financial statements.

Veghel December 6, 2022
Vanderlande Industries B.V.

The Board of Statutory Directors

A. van Druten
December 6, 2022

Other information

Statutory profit appropriation

In accordance with article 23 of the Articles of Association of Vanderlande Industries B.V. the profit appropriation is at the disposal of the Annual General Meeting of Shareholders.

Independent auditors report