BRANDT
revision & rådgivning

Statsautoriseret
Revisionspartnerselskab

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Simonsen A/S

Møgelvangs Plads 7, 7900 Nykøbing Mors

Company reg. no. 12 64 63 72

Annual report

1 January - 31 December 2018

The annual report have been submitted and approved by the general meeting on the 29 January 2019.

Anders Borg
Chairman of the meeting

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Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Simonsen A/S for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Nykøbing Mors, 29 January 2019

Managing Director

Morten Simonsen

Board of directors

Anders Borg Chairman	Morten Simonsen	Klaus Simonsen
Tove Simonsen	Jens Broberg	

Independent auditor's report

To the shareholders of Simonsen A/S

Opinion

We have audited the annual accounts of Simonsen A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Nykøbing Mors, 29 January 2019

BRANDT

Company reg. no. 25 49 21 45

Flemming Hansen State Authorised Public Accountant mne32244	Søren Yde State Authorised Public Accountant mne34101

Company data

The company	Simonsen A/S Møgelvangs Plads 7 7900 Nykøbing Mors	
	Phone	96691300
	Fax	96691301
	Web site	www.simonsen.eu
	Company reg. no.	12 64 63 72
	Financial year:	1 January - 31 December
Board of directors	Anders Borg, Chairman Morten Simonsen Klaus Simonsen Tove Simonsen Jens Broberg	
Managing Director	Morten Simonsen	
Auditors	BRANDT, Statsautoriseret Revisionspartnerselskab Limfjordsvej 42 7900 Nykøbing Mors	
Bankers	Danske Bank, Åboulevarden 69, 8100 Aarhus C	
Parent company	Morten Simonsen Holding ApS	
Subsidiary	Simonsen Recycling ApS, Nykøbing Mors	

Financial highlights

DKK in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Net turnover	231.970	175.372	156.347	224.587	193.547
Gross profit	24.616	22.267	15.149	23.905	21.913
Results from operating activities	6.599	5.484	-1.458	5.188	5.328
Net financials	116	109	54	-105	-122
Results for the year	5.203	4.303	-1.134	3.834	3.864
Balance sheet:					
Balance sheet sum	53.778	53.429	35.341	45.075	55.836
Equity	17.289	16.376	12.073	16.207	16.372
Employees:					
Average number of full time employees	14	14	13	13	12
Key figures in %:					
Gross margin	10,6	12,7	9,7	10,6	11,3
Profit margin	2,8	3,1	-0,9	2,3	2,8
Solvency ratio	32,1	30,7	34,2	36,0	29,3
Return on equity	30,9	30,3	-8,0	23,5	23,5

The key figures appearing from the survey have been calculated as follows:

Gross margin $\frac{\text{Gross results x 100}}{\text{Net turnover}}$

Profit margin (EBIT margin) $\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Net turnover}}$

Equity share $\frac{\text{Equity, closing balance x 100}}{\text{Assets in total, closing balance}}$

Return on equity $\frac{\text{Results for the year x 100}}{\text{Average equity}}$

The principal activities of the company

The company was established on 1st. December 1984 by the late Mr. Jorgen Simonsen and is 100% privately owned by Klaus and Morten Simonsen, the two sons of the founder. The company is a global supplier of insulating refractories, specialised refractories and carbon materials to the primary aluminium industry and the WtE industry.

Development in activities and financial matters

The company realised a satisfactory result, well above budget and the highest turnover to date. Profit margins slightly lower but are well balanced by the higher turnover. Cashflow has been in full focus and has been positive throughout the year.

The primary aluminium industry has seen a steady growth with higher LME (Light Metal Exchange). This has also resulted in an increase in relining activities globally. The company has not been adversely impacted by trade disputes. Sales to the US have been strong and have returned due to opening of idle smelters (customers) and focus on production returning to the US. The company is not selling to China but are pure exporters from China which have experienced the best year to date over the full portfolio of materials.

A strong growth area has been sales of carbon related materials due to shortage in market, the company has a very good position for global supply. The environmental policies in China are remaining and have impact on raw material pricing and availability. The partners of the company have all the highest environmental technologies in place and are approved for production by the Chinese government.

The company has made new strides into the WtE market, where the future is predicted to be strong, as demand and focus on waste recycling is equally increasing as the demand for aluminium, equally recyclable. The company has the organization in place and has invested in the future.

Comparison of result versus expectation outlined

The result exceeds budget positively on results spurred by high turnover.
The aluminum market has a growth potential and demand for aluminium globally of +10% p.a. for the next 5 to 10 years minimum.

The WtE market has even higher growth figures with new plants being built in all corners of the globe.

Environmental issues

The company also associates with partners and suppliers who are green and adhering to the most stringent laws of environment. The main partner in China has a unique position for green production and is complying with the new, very stringent, environmental policies. The company head office is focusing on minimum waste, recycling of paper and energy source using clean wind energy as power source for electricity.

The expected development

The company expects a strong year with higher turnover and equally profit margin. The company entered with a yet again record backlog of orders, very much in new product segment which is higher value and profit margins.

The competition for certain markets as India has led to new ventures for sourcing in the sub-continent for specific markets for certain product ranges. Strong focus on expanding the carbon related business from China, where the company is very strong positioned with the highest number for sales in the fiscal year.

WtE will be showing positive results and be fully incorporated in the Simonsen family brand and name.

The LME has shown a steady decline from Q4 of 2018. All as impact and uncertainty from global trade disputes. The company expects an added competitive pressure and pressure on margins.

Accounting policies used

The annual report for Simonsen A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Simonsen A/S and its group enterprises are included in the consolidated annual accounts for Morten Simonsen Holding ApS, Nykøbing Mors, CVR nr. 10 15 50 10.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Derived financial instruments

At the first recognition, derived financial instruments are recognised at cost in the balance sheet. Afterwards they are measured at fair value. Positive and negative fair values of derived financial instruments are recognised under other debtors and other creditors respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the profit and loss account together with any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging future cash flows are recognised under amounts owed or other debt in the equity.

If the future transaction results in the recognition of assets or liabilities, amounts which have been recognised in the equity previously, are transferred to the cost for the asset or the liability, respectively. If the future transaction results in income or costs, amounts which have been recognised in the equity currently, are transferred to the profit and loss account in the period in which the hedged item influenced the profit and loss account.

As regards any derived financial instruments which do not meet the criteria for being treated as hedging instruments, changes in the fair value are recognised currently in the profit and loss account.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Distribution costs

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Leasehold improvements	10 years
Cars	3 years
Computer-equipment	4 years
Office furniture and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Accounting policies used

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Receivables

Receivables are measured at amortised cost which usually corresponds to nomonal value. In order to meet expected losses, writedown takes place at the net realisable value. Net realisable value is determined based on an individual assessment of each receivable.

Deferred expenses

Accrued income recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Simonsen A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Received payments concerning income during the following years are recognised under and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Net turnover	231.969.990	175.372.380
	Production costs	-207.353.715	-153.105.029
	Gross results	**24.616.275**	**22.267.351**
	Distribution costs	-4.849.338	-4.421.065
	Staff costs	-9.765.240	-8.863.308
	Other Cost	-2.689.557	-2.783.858
	Other operating costs	-712.916	-715.242
	Operating profit	**6.599.224**	**5.483.878**
	Income from equity investments in group enterprises	14.262	13.778
2	Other financial income	196.393	135.980
3	Other financial costs	-94.426	-41.239
	Financing, net	116.229	108.519
	Results before tax	**6.715.453**	**5.592.397**
4	Tax on ordinary results	-1.512.857	-1.289.036
5	**Results for the year**	**5.202.596**	**4.303.361**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
6	Other plants, operating assets, and fixtures and furniture	1.135.703	931.346
	Tangible fixed assets in total	1.135.703	931.346
7	Equity investments in group enterprises	1.064.429	1.050.167
8	Other securities and equity investments	154.425	154.425
9	Other debtors	288.212	288.212
	Financial fixed assets in total	1.507.066	1.492.804
	Fixed assets in total	**2.642.769**	**2.424.150**
	Current assets		
	Manufactured goods and trade goods	0	104.699
	Inventories in total	0	104.699
	Trade receivables	41.029.792	37.385.602
	Amounts owed by group enterprises	7.180.446	7.344.026
10	Receivable corporate tax	109.922	0
	Other receivables	733.439	495.394
11	Deferred expenses	557.332	373.088
	Receivables in total	49.610.931	45.598.110
	Available funds	1.524.541	5.301.974
	Current assets in total	**51.135.472**	**51.004.783**
	Assets in total	**53.778.241**	**53.428.933**

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

Note		2018	2017
	Equity		
	Contributed capital	500.000	500.000
	Reserves for net revaluation as per the equity method	64.429	50.167
	Results brought forward	11.524.710	11.536.376
12	Proposed dividend for the financial year	5.200.000	4.289.583
	Equity in total	**17.289.139**	**16.376.126**
	Provisions		
13	Provisions for deferred tax	97.100	93.337
	Provisions in total	**97.100**	**93.337**
	Liabilities		
	Trade payables	32.109.920	32.864.911
	Debt to group enterprises	1.060.901	1.432.728
14	Corporate tax	0	305.782
	Other payables	3.221.181	1.731.741
15	Deferred income	0	624.308
	Short-term liabilities in total	36.392.002	36.959.470
	Liabilities in total	**36.392.002**	**36.959.470**
	Equity and liabilities in total	**53.778.241**	**53.428.933**

1 Staff matters

16 Contingencies

17 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Other reserves	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2017	500.000	0	165.395	11.407.370	0	12.072.765
Share of results	0	13.778	0	0	4.289.583	4.303.361
Adjustment of net revaluation	0	36.389	0	0	0	36.389
Change	0	0	-165.395	0	0	-165.395
Adjustment	0	0	0	129.006	0	129.006
Equity 1 January 2018	500.000	50.167	0	11.536.376	4.289.583	16.376.126
Distributed dividend	0	0	0	0	-4.289.583	-4.289.583
Share of results	0	14.262	0	-11.666	5.200.000	5.202.596
	500.000	**64.429**	**0**	**11.524.710**	**5.200.000**	**17.289.139**

Notes

All amounts in DKK.

		2018	2017
1.	**Staff matters**		
	Salaries	7.146.631	6.413.930
	Pensions	2.102.640	1.995.108
	Social costs	515.969	454.270
		9.765.240	**8.863.308**
	Executive board	380.000	371.676
	Board of directors	0	0
		380.000	**371.676**
	Average number of employees	14	14
2.	**Other financial income**		
	Interest, banks	31.602	8.279
	Interest, group interprises	162.376	125.262
	Market value adjustment, securities that are current assets	2.415	2.439
		196.393	**135.980**
3.	**Other financial costs**		
	Financial costs, group enterprises	25.698	31.510
	Other financial costs	68.728	9.729
		94.426	**41.239**
4.	**Tax on ordinary results**		
	Income tax expense	1.508.078	1.073.468
	Adjustment for the year of deferred tax	3.763	215.568
	Adjustment of tax for previous years	1.016	0
		1.512.857	**1.289.036**

Notes

All amounts in DKK.

	2018	2017
5. Proposed distribution of the results		
Reserves for net revaluation as per the equity method	14.262	13.778
Dividend for the financial year	5.200.000	4.289.583
Allocated from results brought forward	-11.666	0
Distribution in total	**5.202.596**	**4.303.361**

	31/12 2018	31/12 2017
6. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2018	3.163.004	4.442.103
Additions during the year	417.936	66.855
Disposals during the year	0	-1.345.954
Cost 31 December 2018	**3.580.940**	**3.163.004**
Depreciation and writedown 1 January 2018	-2.231.658	-2.364.477
Depreciation for the year	-213.579	-417.267
Depreciation and writedown, assets disposed of	0	550.086
Depreciation and writedown 31 December 2018	**-2.445.237**	**-2.231.658**
Book value 31 December 2018	**1.135.703**	**931.346**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
7.	**Equity investments in group enterprises**		
	Acquisition sum, 1 January 2018	1.000.000	1.000.000
	Cost 31 December 2018	**1.000.000**	**1.000.000**
	Revaluations, 1 January 2018	50.167	36.389
	Results for the year	14.262	13.778
	Revaluation 31 December 2018	**64.429**	**50.167**
	Book value 31 December 2018	**1.064.429**	**1.050.167**

Group enterprises:

	Domicile	Share of ownership
Simonsen Recycling ApS	Nykøbing Mors	100 %

		31/12 2018	31/12 2017
8.	**Other securities and equity investments**		
	Cost 1 January 2018	154.425	121.286
	Cost 31 December 2018	**154.425**	**121.286**
	Revaluation 1 January 2018	0	33.139
	Revaluation 31 December 2018	**0**	**33.139**
	Book value 31 December 2018	**154.425**	**154.425**
9.	**Other debtors**		
	Cost 1 January 2018	288.212	288.212
	Cost 31 December 2018	**288.212**	**288.212**
	Book value 31 December 2018	**288.212**	**288.212**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
10.	**Receivable corporate tax**		
	Calculated corporate tax for the present year	-1.508.078	-1.073.468
	Paid tax on account for the present year	1.618.000	767.686
		109.922	**-305.782**
11.	**Deferred expenses**		
	Prepayments	557.332	373.088
		557.332	**373.088**
12.	**Proposed dividend for the financial year**		
	Dividend 1 January 2018	4.289.583	0
	Distributed dividend	-4.289.583	0
	Dividend for the financial year	5.200.000	4.289.583
		5.200.000	**4.289.583**
13.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2018	93.337	-122.231
	Change in deferred tax for the year	3.763	215.568
		97.100	**93.337**
14.	**Corporate tax**		
	Calculated corporate tax for the present year	0	1.073.468
	Paid tax on account for the present year	0	-767.686
		0	**305.782**
15.	**Deferred income**		
		0	624.308
		0	**624.308**

Notes

All amounts in DKK.

16. Contingencies

Contingent liabilities

	DKK in thousands
Leasing liabilities	602
Performance guarantee	2.320
Contingent liabilities in total	**2.922**

Joint taxation

Morten Simonsen Holding ApS, company reg. no 10155010 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

17. Related parties

Consolidated annual accounts

The company is included in the consolidated annual accounts of Morten Simonsen Holding ApS, Møgelvangs Plads 7, 7900 Nykøbing Mors