Schoeller-Plast-Enterprise A/S

Hovedgaden 21, Nr. Jernløse, 4420 Regstrup

Company reg. no. 15 60 10 19

Annual report

2017

The annual report have been submitted and approved by the general meeting on the 24 May 2018

John Korsø Jensen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the executive board have today presented the annual report of Schoeller-Plast-Enterprise A/S for the financial year 1 January to 31 December 2017.

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 consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 December 2017, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2017.

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.

Regstrup, 9 May 2018

Executive board

Michael Schoeller	Nicholas Schoeller	Jan Bybjerg Pedersen

Board of directors

John Korsø Jensen	Philipp Kahlenberg	Michael Schoeller
Siegfried von Saucken	Flemming Lindeløv	

Independent auditor's report

To the shareholders of Schoeller-Plast-Enterprise A/S

Opinion

We have audited the consolidated annual accounts and the annual accounts of Schoeller-Plast-Enterprise A/S for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2017 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2017 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 consolidated annual accounts and 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 consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and 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 consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and 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 consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or 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 consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and 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 consolidated annual accounts and the annual accounts.

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 consolidated annual accounts and 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 group’s and 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 consolidated annual accounts and 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 group’s and 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 consolidated annual accounts and 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 group and the company to cease to continue as a going concern.

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated annual accounts and 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.

In connection with our audit of the consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts or 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.

Holbæk, 9 May 2018

RIR REVISION
Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 78 05 24

Thomas Skinbjerg
State Authorised Public Accountant
MNE-nr. 23296

Company data

The company	Schoeller-Plast-Enterprise A/S Hovedgaden 21 Nr. Jernløse 4420 Regstrup	
	Phone	59 16 01 60
	Fax	59 16 01 61
	E mail	spe@schoeller-plast.dk
	Company reg. no.	15 60 10 19
	Established:	21 February 1966
	Domicile:	Holbæk
	Financial year:	1 January - 31 December
Board of directors	John Korsø Jensen Philipp Kahlenberg Michael Schoeller Siegfried von Saucken Flemming Lindeløv	
Executive board	Michael Schoeller Nicholas Schoeller Jan Bybjerg Pedersen	
Auditors	RIR REVISION Statsautoriseret Revisionspartnerselskab	
Bankers	Nykredit Bank A/S, Kalvebod Brygge 1-3, 1780 København V	
Lawyer	Advokat John Korsø Jensen, Sankt Annæ Plads 13, 3., 1250 København K	
Subsidiary	Schoeller-Plast UK Ltd., London, GB	

Consolidated financial highlights

DKK in thousands.	2017	2016	2015	2014	2013
Profit and loss account:					
Gross profit	31.091	44.821	47.802	38.190	33.936
Results from operating activities	2.129	10.461	15.204	8.951	5.469
Net financials	-1.080	-1.238	-833	-328	-844
Results for the year	817	7.199	10.985	6.660	3.695
Balance sheet:					
Balance sheet sum	103.703	92.162	88.429	80.256	70.649
Investments in tangible fixed assets represent	4.347	506	9.941	11.004	3.407
Equity	47.034	48.952	43.029	34.034	31.161
Cash flow:					
Operating activities	15.184	20.652	21.082	12.348	9.148
Investment activities	-4.967	-421	-9.874	-10.809	-3.407
Financing activities	-6.187	-1.373	-7.974	617	-6.634
Cash flow in total	4.030	18.858	3.234	2.156	-893
Employees:					
Average number of full time employees	42	47	44	42	44
Key figures in %:					
Solvency ratio	45,2	53,1	48,7	42,4	44,1
Return on equity	1,7	15,7	28,5	20,4	12,3

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

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

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

Return on equity $$\frac{\text{*Results x 100}}{\text{Average equity exclusive of minority interests}}$$

***Results** Results for the year with deduction of minority interests' share of same

The principal activities of the group

Schoeller-Plast-Enterprise A/S develops, manufactures and delivers quality products of plastic material to Scandinavia, the UK and Ireland. The company also has related activities in the form of development of boxes and other plastic products in cooperation with the customers.

Consolidated financial statements for the group

The consolidated statements for the group comprise the following companies:

- Schoeller-Plast-Enterprise A/S, parent company
- Schoeller-Plast UK Limited, England, stake 67 %

The English company is inactive.

The former subsidiaries Drawin Recycling GmbH and SPE Recycling ApS were dissolved by a merger with the parent company Schoeller-Plast-Enterprise A/S with effect by 1 January 2017.

Following the divestment of activities in Drawin Recycling GmbH, only the parent company has activities, and the remainder of the management's review therefore addresses the parent company.

Development in activities and financial matters

The result for the parent company for 2017 was a profit of DKK 817k after tax. The equity hereafter amounts to DKK 46.888k.

The result from primary operations has been on a modest level as expected. The year has been characterized by a low level of activity, apart from 4Q 2017.

The company's cash and cash equivalents have increased by DKK 4.036k, i.e. from DKK 25.399k to DKK 29.435k.

The result from primary operations is in line with the expectations presented in the management's review for 2016.

The development of new solutions and negotiating with existing and new clients for new business areas have continued in the year.

Furthermore, as of October 2017, Schoeller Plast took over the injection moulding assets and activities of FC Plast A/S with the intention to move these to Schoeller Plast’s site and integrate in the course of 2018.

Capital ressources

The company continues to have a sound cash position and existing credit lines are sufficient for the activities that are expected in 2018.

Special risks

Operating risks and financial risks:

Due to the company's own storage capacity and entering into/securing long-term contracts at receipt of major orders, we have in general no operating risks due to the lack of raw materials. Breakdowns in case of fire are minimised by local separation of production machinery from the moulds. Our fire preventions strategy are reviewed on a continuous basis, and improvements are carried out when necessary.

As regards foreign exchange risks relating to investments in subsidiaries and associates abroad, these are not hedged, as it is the company's opinion that current hedging of such long-term investments will not be optimal from an overall risk and cost point of view.

The company has no material risks concerning one individual customer or cooperation partner. The company's policy of assuming credit risks means that all major customers and cooperation partners are assessed individually as regards the need for external credit rating, and usually credit rating is obtained for new customers.

Environmental issues

Schoeller-Plast-Enterprise A/S complies with all legal requirements relating to environmental approvals. Schoeller Plast is far below the maximum levels set for discharges into the environment. In 2018 Schoeller Plast will continue to successfully implement measures to reduce the company's total energy consumption, such as investments into new, more energy efficient injection moulding machines.

Schoeller Plast produces in plastic raw materials that can be recycled. We have agreements with several customers on the collection of used plastic boxes, after which we grind boxes and recycle the material for non-food products. We can offer our customers to grind on location with our large mobile grinder, thus avoiding transportation of empty boxes. We reuse the heat which is generated during the production to warm up the premises.

Know how resources

Intellectual capital resources play an important part in the company's future earnings and development possibilities. The reason is the company's employees, who have considerable experience, extensive product knowledge and important cooperation relations with longtime customers. Due to the company's ownership relations with the Schoeller Plast Group, the company has access to the newest production technology and knowledge within plastic production. The affiliation with the Schoeller Plast Group also provides the Group with effective access to an international sales network. The Group has a number of important patents which are part of the basis of the high development standard of the products. The Schoeller Group is both nationally and internationally well known for manufacture of sophisticated high quality products of plastics, and therefore the company's name is an important part of the company's brand.

The expected development

There will be continued focus in 2018 on Schoeller Plast's strategic path set out in 2017 to strengthen the company's leadership, improve overall productivity/efficiency of current operations as well as finding new growth paths and business development opportunities. It is expected that a slightly increased activity will provide a profit that is on the same level compared to 2017.

Events subsequent to the financial year

The past months of 2018 was characterized by a normal level of activity and results. No events have occurred after year-end that could significantly affect the company's financial position.

Profit and loss account 1 January - 31 December

DKK in thousands.

Note		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
	Gross profit	**31.091**	**44.821**	**31.092**	**44.856**
1	Staff costs	-22.645	-26.264	-22.645	-26.264
2	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-6.317	-8.096	-6.318	-8.096
	Operating profit	**2.129**	**10.461**	**2.129**	**10.496**
	Income from equity investments in group enterprises	0	0	0	-25
	Other financial income	3	0	3	0
3	Other financial costs	-1.083	-1.238	-1.083	-1.238
	Results before tax	**1.049**	**9.223**	**1.049**	**9.233**
4	Tax on ordinary results	-232	-2.024	-232	-2.030
	Results from ordinary activities after tax	**817**	**7.199**	**817**	**7.203**
5	**Results for the year**	**817**	**7.199**	**817**	**7.203**
	The group's results are as follows:				
	Shareholders in Schoeller-Plast-Enterprise A/S	817	7.199		
		817	**7.199**		

Balance sheet 31 December

DKK in thousands.

Assets

Note		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
	Fixed assets				
6	Acquired concessions, patents, licenses, trademarks and similar rights	146	0	146	0
7	Goodwill	512	309	512	309
	Intangible fixed assets in total	658	309	658	309
8	Land and property	18.672	17.230	18.672	17.230
9	Production plant and machinery	10.583	13.689	10.584	13.689
10	Other plants, operating assets, and fixtures and furniture	816	851	816	851
	Tangible fixed assets in total	30.071	31.770	30.072	31.770
11	Equity investments in group enterprises	0	0	293	179
	Financial fixed assets in total	0	0	293	179
	Fixed assets in total	**30.729**	**32.079**	**31.023**	**32.258**
	Current assets				
	Raw materials and consumables	5.815	4.466	5.815	4.466
	Manufactured goods and trade goods	5.138	8.403	5.138	8.403
	Inventories in total	10.953	12.869	10.953	12.869
	Trade debtors	29.950	21.614	29.950	21.614
	Other debtors	1.580	60	1.580	60
12	Accrued income and deferred expenses	1.056	135	1.056	135
	Debtors in total	32.586	21.809	32.586	21.809
	Available funds	29.435	25.405	29.435	25.399
	Current assets in total	**72.974**	**60.083**	**72.974**	**60.077**
	Assets in total	**103.703**	**92.162**	**103.997**	**92.335**

Balance sheet 31 December

DKK in thousands.

Equity and liabilities

Note		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
	Equity				
13	Contributed capital	10.000	10.000	10.000	10.000
14	Results brought forward	36.888	35.952	36.888	35.952
15	Proposed dividend for the financial year	0	3.000	0	3.000
	Equity before non-controlling interest.	46.888	48.952	46.888	48.952
	Minority interests	146	152	0	0
	Equity in total	**47.034**	**49.104**	**46.888**	**48.952**
	Provisions				
16	Provisions for deferred tax	1.026	1.138	1.026	1.138
	Provisions in total	**1.026**	**1.138**	**1.026**	**1.138**
	Liabilities				
17	Mortgage debt	16.922	18.060	16.922	18.060
18	Leasing liabilities	1.933	3.797	1.933	3.797
	Long-term liabilities in total	18.855	21.857	18.855	21.857
19	Short-term part of long-term liabilities	2.697	2.882	2.697	2.882
	Prepayments received from customers	22	206	22	206
	Trade creditors	30.543	9.052	30.543	9.052
	Debt to group enterprises	0	0	439	455
	Corporate tax	380	580	380	587
	Other debts	3.146	7.343	3.147	7.206
	Short-term liabilities in total	36.788	20.063	37.228	20.388
	Liabilities in total	**55.643**	**41.920**	**56.083**	**42.245**
	Equity and liabilities in total	**103.703**	**92.162**	**103.997**	**92.335**

20 Mortgage and securities

21 Contingencies

22 Related parties

Consolidated statement of changes in equity

DKK in thousands.

	Contributed capital	Results brought forward	Proposed dividend for the financial year	Minority interests	In total
Equity 1 January 2016	10.000	31.909	1.120	152	43.181
Distributed dividend	0	0	-1.120	0	-1.120
Profit or loss for the year brought forward	0	4.199	3.000	0	7.199
Exchange rate adjustment of subsidiary	0	-50	0	0	-50
Adjustment of hedging	0	-110	0	0	-110
Adjustments re. minority interests	0	4	0	0	4
Equity 1 January 2017	10.000	35.952	3.000	152	49.104
Distributed dividend	0	0	-3.000	0	-3.000
Profit or loss for the year brought forward	0	817	0	0	817
Exchange rate adjustment of subsidiary	0	-10	0	0	-10
Adjustment of hedging	0	129	0	0	129
Minority interests	0	0	0	-6	-6
	10.000	**36.888**	**0**	**146**	**47.034**

Statement of changes in equity of the parent enterprise

DKK in thousands.

	Contributed capital	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2016	10.000	31.909	1.120	43.029
Distributed dividend	0	0	-1.120	-1.120
Profit or loss for the year brought forward	0	4.203	3.000	7.203
Adjustment of hedging	0	-110	0	-110
Exchange rate adjustment of subsidiary	0	-50	0	-50
Equity 1 January 2017	10.000	35.952	3.000	48.952
Distributed dividend	0	0	-3.000	-3.000
Profit or loss for the year brought forward	0	817	0	817
Adjustment of hedging	0	129	0	129
Exchange rate adjustment of subsidiary	0	-10	0	-10
	10.000	**36.888**	**0**	**46.888**

Cash flow statement 1 January - 31 December

DKK in thousands.

Note		Group 2017	2016
	Results for the year	817	7.199
23	Adjustments	7.629	11.358
24	Change in working capital	8.403	6.302
	Cash flow from operating activities before net financials	16.849	24.859
	Interest received and similar amounts	3	0
	Interest paid and similar amounts	-1.083	-1.238
	Cash flow from ordinary activities	15.769	23.621
	Corporate tax paid	-585	-2.969
	Cash flow from operating activities	**15.184**	**20.652**
	Purchase of intangible fixed assets	-651	0
	Purchase of tangible fixed assets	-4.346	-506
	Sale of tangible fixed assets	30	85
	Cash flow from investment activities	**-4.967**	**-421**
	Repayments of long-term debt	-3.187	-253
	Dividend paid	-3.000	-1.120
	Cash flow from financing activities	**-6.187**	**-1.373**
	Changes in available funds	**4.030**	**18.858**
	Available funds 1 January 2017	25.405	6.547
	Available funds 31 December 2017	**29.435**	**25.405**
	Available funds		
	Available funds	29.435	25.405
	Available funds 31 December 2017	**29.435**	**25.405**

DKK in thousands.

		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
1.	**Staff costs**				
	Salaries and wages	19.469	22.831	19.469	22.831
	Pension costs	2.300	2.482	2.300	2.482
	Other costs for social security	367	402	367	402
	Other staff costs	509	549	509	549
		22.645	**26.264**	**22.645**	**26.264**
	Executive board	5.473	4.011	5.473	4.011
	Board of directors	312	299	312	299
		5.785	**4.310**	**5.785**	**4.310**
	Average number of employees	42	47	42	47
2.	**Depreciation, amortisation and writedown relating to tangible and intangible fixed assets**				
	Amortisation of concessions, patents and licences	4	0	4	0
	Amortisation of goodwill	298	286	298	286
	Depreciation on buildings	945	1.325	946	1.325
	Depreciation on production plants and machinery	4.598	5.117	4.598	5.117
	Depreciation on plants, operating assets, fixtures and furniture	504	518	504	518
	Profit/loss on sale of tangible assets	-32	850	-32	850
		6.317	**8.096**	**6.318**	**8.096**
3.	**Other financial costs**				
	Other financial costs	1.083	1.238	1.083	1.238
		1.083	**1.238**	**1.083**	**1.238**
4.	**Tax on ordinary results**				
	Tax of the results for the year, parent company	343	2.255	343	2.261
	Adjustment for the year of deferred tax	-111	-221	-111	-221
	Adjustment of tax for previous years	0	-10	0	-10
		232	**2.024**	**232**	**2.030**

DKK in thousands.

	Parent enterprise 2017	Parent enterprise 2016
5. Proposed distribution of the results		
Dividend for the financial year	0	3.000
Allocated to results brought forward	817	4.203
Distribution in total	**817**	**7.203**

	Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
6. Acquired concessions, patents, licenses, trademarks and similar rights				
Cost 1 January 2017	2.238	2.238	2.238	2.238
Additions during the year	150	0	150	0
Cost 31 December 2017	**2.388**	**2.238**	**2.388**	**2.238**
Amortisation and writedown 1 January 2017	-2.238	-2.238	-2.238	-2.238
Amortisation for the year	-4	0	-4	0
Amortisation and writedown 31 December 2017	**-2.242**	**-2.238**	**-2.242**	**-2.238**
Book value 31 December 2017	**146**	**0**	**146**	**0**
7. Goodwill				
Cost 1 January 2017	2.000	2.000	2.000	2.000
Additions during the year	500	0	500	0
Cost 31 December 2017	**2.500**	**2.000**	**2.500**	**2.000**
Amortisation and writedown 1 January 2017	-1.690	-1.405	-1.690	-1.405
Amortisation for the year	-298	-286	-298	-286
Amortisation and writedown 31 December 2017	**-1.988**	**-1.691**	**-1.988**	**-1.691**
Book value 31 December 2017	**512**	**309**	**512**	**309**

DKK in thousands.

		Group		Parent enterprise	
		2017	2016	2017	2016
8.	**Land and property**				
	Cost 1 January 2017	38.178	38.142	38.178	38.142
	Additions during the year	2.388	36	2.388	36
	Cost 31 December 2017	**40.566**	**38.178**	**40.566**	**38.178**
	Depreciation and writedown 1 January 2017	-20.948	-19.623	-20.948	-19.623
	Depreciation for the year	-946	-1.325	-946	-1.325
	Depreciation and writedown 31 December 2017	**-21.894**	**-20.948**	**-21.894**	**-20.948**
	Book value 31 December 2017	**18.672**	**17.230**	**18.672**	**17.230**
	Public land assessment value as at 1 October 2017	33.139	33.139	33.169	33.169
9.	**Production plant and machinery**				
	Cost 1 January 2017	99.732	101.136	99.732	101.136
	Additions during the year	1.492	332	1.492	332
	Disposals during the year	0	-1.736	0	-1.736
	Cost 31 December 2017	**101.224**	**99.732**	**101.224**	**99.732**
	Depreciation and writedown 1 January 2017	-86.043	-81.830	-86.042	-81.830
	Depreciation for the year	-4.598	-5.117	-4.598	-5.117
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	904	0	904
	Depreciation and writedown 31 December 2017	**-90.641**	**-86.043**	**-90.640**	**-86.043**
	Book value 31 December 2017	**10.583**	**13.689**	**10.584**	**13.689**
	Leased assets are included with a book value of	6.003	7.370	6.003	7.370

DKK in thousands.

	Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
10. Other plants, operating assets, and fixtures and furniture				
Cost 1 January 2017	4.296	4.512	4.296	4.512
Additions during the year	467	137	467	137
Disposals during the year	-319	-353	-319	-353
Cost 31 December 2017	**4.444**	**4.296**	**4.444**	**4.296**
Depreciation and writedown 1 January 2017	-3.445	-3.172	-3.445	-3.172
Depreciation for the year	-504	-517	-504	-517
Depreciation, amortisation and writedown for the year, assets disposed of	321	0	321	0
Reversal of depreciation, amortisation and writedown, assets disposed of	0	244	0	244
Depreciation and writedown 31 December 2017	**-3.628**	**-3.445**	**-3.628**	**-3.445**
Book value 31 December 2017	**816**	**851**	**816**	**851**
Leased assets are included with a book value of	0	76	0	76

DKK in thousands.

		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
11.	**Equity investments in group enterprises**				
	Acquisition sum, opening balance 1 January 2017	0	0	907	907
	Disposals during the year	0	0	-84	0
	Cost 31 December 2017	**0**	**0**	**823**	**907**
	Revaluations, opening balance 1 January 2017	0	0	-727	-8.815
	Adjustment to rate at the year end	0	0	-10	-50
	Results for the year before goodwill amortisation	0	0	0	-21
	Reversal of prior revaluations	0	0	207	0
	Other movements in capital	0	0	0	73
	Revaluation 31 December 2017	**0**	**0**	**-530**	**-8.813**
	Offsetting against debtors	0	0	0	8.085
	Set off against debtors and provisions for liabilities	**0**	**0**	**0**	**8.085**
	Book value 31 December 2017	**0**	**0**	**293**	**179**

The financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	**Share of ownership**	**Equity**	**Results for the year**	**Book value at Schoeller-Plast-Enterprise A/S**
Schoeller-Plast UK Ltd., London, GB	66,67 %	439	0	293
		439	**0**	**293**

		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
12.	**Accrued income and deferred expenses**				
	Prepayments	1.056	135	1.056	135
		1.056	**135**	**1.056**	**135**

Notes

DKK in thousands.

		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
13.	**Contributed capital**				
	Contributed capital 1 January 2017	10.000	10.000	10.000	10.000
		10.000	**10.000**	**10.000**	**10.000**

The share capital consists of;
5 shares, each with a nominal value of DKK 500.
5 shares, each with a nominal value of DKK 900.
9.993 shares, each with a nominal value of DKK 1.000.
No shares hold particular rights.

		Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
14.	**Results brought forward**				
	Results brought forward 1 January 2017	35.952	31.909	35.952	31.909
	Profit or loss for the year brought forward	817	4.199	817	4.203
	Adjustment of hedging	129	-110	129	-110
	Adjustments re. minority interests	0	4	0	0
	Exchange rate adjustment of subsidiary	-10	-50	-10	-50
		36.888	**35.952**	**36.888**	**35.952**
15.	**Proposed dividend for the financial year**				
	Dividend 1 January 2017	3.000	1.120	3.000	1.120
	Distributed dividend	-3.000	-1.120	-3.000	-1.120
	Dividend for the financial year	0	3.000	0	3.000
		0	**3.000**	**0**	**3.000**
16.	**Provisions for deferred tax**				
	Provisions for deferred tax 1 January 2017	1.137	1.359	1.137	1.359
	Deferred tax of the results for the year	-111	-221	-111	-221
		1.026	**1.138**	**1.026**	**1.138**

DKK in thousands.

	Group 2017	Group 2016	Parent enterprise 2017	Parent enterprise 2016
17. Mortgage debt				
Mortgage debt in total	18.042	19.177	18.042	19.177
Share of amount due within 1 year	-1.120	-1.117	-1.120	-1.117
	16.922	**18.060**	**16.922**	**18.060**
Share of liabilities due after 5 years	12.823	13.965	12.823	13.965
18. Leasing liabilities				
Leasing liabilities in total	3.510	5.562	3.510	5.562
Share of amount due within 1 year	-1.577	-1.765	-1.577	-1.765
	1.933	**3.797**	**1.933**	**3.797**
19. Short-term part of long-term liabilities				
Short-term part of mortgage debt (balance sheet)	1.120	1.117	1.120	1.117
Short-term part of leasing debts (balance sheet)	1.577	1.765	1.577	1.765
	2.697	**2.882**	**2.697**	**2.882**

DKK in thousands.

20. Mortgage and securities

As security for mortgage debts, DKK 18.042, mortgage has been granted on land and buildings representing a book value of DKK 18.672 at 31 December 2017

For bank debts, DKK 0, and a credit line DKK 8.125 and EUR 250k, the company has provided security in company assets representing a nominal value of DKK 15.500. This security comprises the below assets, stating the book values in DKK:

Goodwill and rights	DKK 658
Machinery and equipment	DKK 5.397
Inventories	DKK 10.953
Receivable from sales and services	DKK 29.950

For the aforementioned banking facilities, the company has also provided collateral for bank deposits of DKK 19.000.

Machinery and equipment, all representing a book value of DKK 6.003 at 31 December 2017, have been financed by means of financial leasing. At 31 December 2017, the liabilities of this financial leasing amount to DKK 3.510.

21. Contingencies

Contingent liabilities

Potential tax re. foreign deficits used in international joint taxation, DKK 4.408

Recognised deferred tax re. foreign deficits, DKK 0.

The company has entered into an operating lease agreement with an annual lease payment of DKK 45. The leases have a maximum residual maturity of 34 months and a total residual lease payment of DKK 252 incl. takeover obligation on leased assets.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

DKK in thousands.

22. Related parties

Transactions

Transactions with related parties are deemed to be undertaken at normal market conditions and are therefore not disclosed further in accordance to the Danish Financial Statements Act § 98d.

	Group 2017	Group 2016
23. Adjustments		
Depreciation and amortisation	6.349	7.246
Profit from sale of fixed assets	-32	850
Other financial income	-3	0
Other financial costs	1.083	1.238
Tax on ordinary results	232	2.024
	7.629	**11.358**

24. Change in working capital		
Change in inventories	1.916	-264
Change in debtors	-10.777	7.708
Change in trade creditors and other liabilities	17.264	-1.142
	8.403	**6.302**

Accounting policies used

The annual report for Schoeller-Plast-Enterprise 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).

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 group 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 group 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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

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.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Schoeller-Plast-Enterprise A/S and those group enterprises of which Schoeller-Plast-Enterprise A/S directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Minority interests

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

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.

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

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses 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, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. 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 parent enterprise and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent enterprise acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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 parent enterprise has chosen optional international joint taxation with the foreign group enterprises. The joint taxation affects the current tax for the year and the changes in deferred tax for the parant enterprise.

The balance sheet

Intangible fixed assets

Acquired concessions, patents, licenses, trademarks and similar rights

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 7 years.

Goodwill

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 25 years. The amortisation period is determined on the basis of an expected payback period, being the longer for strategical acquirees with a strong market position and an expected long-term earnings profile.

Tangible fixed assets

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

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

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

	Useful life
Buildings	25-50 years

Technical plants and machinery	7-10 years
Other plants, operating assets, fixtures and furniture	2-10 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 loss is recognised in the profit and loss account under depreciation.

Leasing contracts
At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group 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 group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets
The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

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.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

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.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

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

Available funds

Available funds comprise cash at bank and in hand.

Equity

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.

Schoeller-Plast-Enterprise A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Schoeller-Plast-Enterprise A/S is unlimited, jointly and severally 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.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities
Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities
Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities
Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds
Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.