

Monjasa A/S

Strevelinsvej 34
7000 Fredericia
CVR No. 26480531

Annual report 2023

The Annual General Meeting adopted the annual report on 30.04.2024

Rasmus Ravnholdt Knudsen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	11
Balance sheet at 31.12.2023	12
Statement of changes in equity for 2023	14
Notes	15
Accounting policies	20

Entity details

Entity

Monjasa A/S
Strevelinsvej 34
7000 Fredericia

Business Registration No.: 26480531
Registered office: Fredericia
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Anders Østergaard
Rasmus Ravnholdt Knudsen
Flemming Edvard Ipsen

Executive Management

Rasmus Ravnholdt Knudsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Monjasa A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Fredericia, 30.04.2024

Executive Management

Rasmus Ravnholdt Knudsen

Board of Directors

Anders Østergaard

Rasmus Ravnholdt Knudsen

Flemming Edvard Ipsen

Independent auditor's report

To the shareholder of Monjasa A/S

Opinion

We have audited the financial statements of Monjasa A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent 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 internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Lars Siggaard Hansen

State Authorised Public Accountant

Identification No (MNE) mne32208

Muhammad Ismaeel Rasul

State Authorised Public Accountant

Identification No (MNE) mne46641

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	USD'000	USD'000	USD'000	USD'000	USD'000
Key figures					
Revenue	663,396	1,157,387	744,123	580,052	674,700
Gross profit/loss	17,724	38,536	15,379	15,063	13,173
Operating profit/loss	13,288	34,722	3,156	3,507	2,617
Net financials	4,497	3,799	1,041	(388)	(2,470)
Profit/loss for the year	19,559	29,939	3,051	2,346	(2,693)
Total assets	106,770	131,226	99,172	78,955	118,702
Investments in property, plant and equipment	60	53	221	273	142
Equity	59,289	56,730	32,791	36,741	24,405
Ratios					
Gross margin (%)	2.67	3.33	2.07	2.60	1.95
EBIT margin (%)	2.00	3.00	0.42	0.60	0.39
Return on equity (%)	33.73	66.89	8.78	7.67	(10.46)
Equity ratio (%)	55.53	43.23	33.06	46.53	20.56

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Primary activities

The main activity of the Company comprises sale, purchase, and transportation of oil products primarily for the maritime industry. Monjasa focuses on providing value-added services such as in-depth product knowledge, geographical knowledge, granting of fuel credit and issuing technical and commercial advice.

Development in activities and finances

Monjasa operating profit reached USD 13m in 2023 (2022: USD 35m). The Company experienced continued demand for maritime services and products.

Profit/loss for the year in relation to expected developments

The net result after tax for 2023 amounts to USD 20m (2022: USD 30m), which is considered positive and above expectations set in the Annual Report 2022.

Overall, Management expresses satisfaction with the set of results.

Uncertainty relating to recognition and measurement

Trade receivables are recognized at amortized cost less provisions for bad and doubtful debts. The receivables in the balance sheet are not insured in full and residual risk hence exists.

Management assesses that there are no further items in the financial statements which are subject to uncertainty that may have significant impact on results, and therefore, on the true and fair view.

Unusual circumstances affecting recognition and measurement

The Company's financial position at 31 December 2023 as well as the results of the Company's operations for the financial year 2023 are not affected by any significant unusual circumstances.

Outlook

By using our experience in matching supply and demand at any volatility and oil price levels, we expect another strong year for Monjasa with a positive financial result in the range of USD 0-10m.

The 2024 expectations on financial performance are naturally subject to uncertainty and in particular in regard to the development in global shipping markets, including geopolitical turmoil, the world economy, exchange rates, oil prices and freight levels.

Mitigating oil price risks

At Monjasa, we take a structured approach in hedging the exposure towards oil price volatility while allowing adequate operational flexibility to service our customers efficiently.

Exposure arises when the buying and selling prices are not fixed at the same time. This is the case for a part of our physical activities and a limited part of our reselling business. Hedging is done using financial instruments negatively correlating the value of the risk.

We have a dedicated department in place with advanced systems allowing them to continuously forecast, monitor and report the exposure from each business unit. This allows us to ensure consistent compliance with the Oil Price Risk Management Policy approved by the Board of Directors of Monjasa Holding. Hedging is performed in our sister company in Dubai, Monjasa DMCC, for the entire group, and the hedging in Monjasa A/S is therefore intercompany hedging made towards Monjasa DMCC.

Environmental performance

Monjasa A/S does not have stand-alone policies to accommodate the Danish Financial Statements Act, 99 (a), (b) and (d), and thus reference is made to the Monjasa Holding A/S Responsibility Report 2023, which represents Monjasa A/S' compliance with the Danish Financial Statements Act, 99 (a), (b) and (d). The report is available on https://issuu.com/monjasa/docs/monjasa_group_responsibility_2023_issue. We have also summarized some of the policies included in the Remuneration Report herein:

Environment

Since 2002, Monjasa has been fuelling global trade by being closely connected to shipowners and market developments. We want to be part of shipping's green transition by helping pave the way for new low-carbon fuels in the industry and improving our own environmental impact through energy efficiency improvement in our operation.

Social

Anchored by our purpose and values, Monjasa embraces the diversity of people, backgrounds and perspectives to attract and develop talent that can strengthen our business and form the backbone of sustainable evolution. This is why we always have, and will continue to, put health and safety, inclusion, equal opportunities for everyone and opportunities for development high on our agenda.

Governance

Monjasa operates across jurisdictions and cultures in compliance with all current legislation. Our work is rooted in our strong company culture based on open dialogues, trust and transparency as the foundation for our leading industry governance position.

Anti-corruption

Since 2016, Monjasa has actively engaged and worked with peers in the bunkering and maritime industries in the Maritime Anti-Corruption Network (MACN).

As active members, Monjasa is present in meetings where we engage, discuss and present our point of views on anti-corruption in our industry. As a bunker company, we offer our perspectives, inspiration and share experiences on common challenges and risk exposures.

MACN is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. It includes over 190 companies globally and has become one of the preeminent examples of collective action to tackle corruption.

Statutory report on corporate social responsibility

Since we published our first Responsibility report in 2020, we have been working tirelessly on pushing forward on our Responsibility agenda. With a corporate purpose guiding us to challenge the status quo, it is our second nature to ask questions and be curious on how we can do better.

To keep momentum in our work, our focus in 2023 was to initiate a larger strategic work on how Monjasa can meet the coming demands of the EU's Corporate Sustainability Reporting Directive (CSRD) by formulating an overarching strategy for our ESG agenda.

Statutory report on the underrepresented gender

2023

Supreme management body

Total number of members	3
Underrepresented gender (%)	0.00
Target figures (%)	34.00
Year of expected achievement of target figures	2028

We concluded the year with an decrease in the composition of female employees in the Company. Overall, the female representation diminished to 29% (2022: 32%).

As several factors go into the slight decrease, we are still pleased to see our progress in a balanced gender representation overall, but there is still room for improvement in terms of increasing the underrepresented gender across management levels which is currently 13%.

Looking at our Board of Directors, there are currently no female gender representation with three males in 2023. It is our ambition to reach a more balanced representation between genders with a firm target of at least 34% of the underrepresented gender by 2028.

2023

Other management levels

Total number of members	2
Underrepresented gender (%)	0.00
Target figures (%)	N/A
Year of expected achievement of target figures	N/A

No specific targets are set for Upper Management, as it currently consists of only 2 members.

As part of our ongoing efforts, we will offer cultural awareness workshops and continue to work on improving procedural fairness when it comes to attracting, promoting and retaining our people, as well as helping level out the playing field for both females and males.

Monjasa is committed to providing equal opportunities at the workplace – we recruit and promote employees based solely on merit rather than focusing on gender equality.

Statutory report on data ethics policy

We refer to the description of the data ethics in Monjasa Holding A/S Responsibility Report 2023 at https://issuu.com/monjasa/docs/monjasa_group_responibility_2023_issue

Events after the balance sheet date

As of the date of signing this annual report, Management is not aware of any material changes in the business.

Management acknowledges increased uncertainty related to the geopolitical situation arising from the ongoing Russian/Ukrainian war, the Red Sea situation, continued global trade volumes, flows and supplies, which may affect our activity level as the situation develops. Furthermore, we have not seen any material negative development in our customers' ability to pay or changes to our financing.

Income statement for 2023

	Notes	2023 USD'000	2022 USD '000
Revenue	1	663,396	1,157,387
Other operating income		221	269
Cost of sales		(640,799)	(1,110,903)
Other external expenses	2	(5,094)	(8,217)
Gross profit/loss		17,724	38,536
Staff costs	3	(4,265)	(3,613)
Depreciation, amortisation and impairment losses		(171)	(201)
Operating profit/loss		13,288	34,722
Other financial income	4	5,251	4,647
Other financial expenses	5	(754)	(868)
Profit/loss before tax		17,785	38,501
Tax on profit/loss for the year	6	1,774	(8,562)
Profit/loss for the year	7	19,559	29,939

Balance sheet at 31.12.2023

Assets

	Notes	2023 USD'000	2022 USD'000
Land and buildings		1,054	1,074
Other fixtures and fittings, tools and equipment		171	254
Leasehold improvements		59	68
Property, plant and equipment	8	1,284	1,396
Deposits		599	540
Financial assets	9	599	540
Fixed assets		1,883	1,936
Raw materials and consumables		6,289	16,670
Inventories		6,289	16,670
Trade receivables		54,006	61,037
Receivables from group enterprises		42,021	46,658
Deferred tax	10	1,235	619
Other receivables		929	3,892
Prepayments	11	81	148
Receivables		98,272	112,354
Cash		326	266
Current assets		104,887	129,290
Assets		106,770	131,226

Equity and liabilities

	Notes	2023 USD'000	2022 USD'000
Contributed capital	12	68	68
Retained earnings		26,221	39,662
Proposed dividend		33,000	17,000
Equity		59,289	56,730
Other payables		8	739
Non-current liabilities other than provisions		8	739
Trade payables		14,928	36,687
Payables to group enterprises		28,813	21,486
Tax payable		3,363	15,245
Other payables		369	339
Current liabilities other than provisions		47,473	73,757
Liabilities other than provisions		47,481	74,496
Equity and liabilities		106,770	131,226
Financial instruments	13		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Non-arm's length related party transactions	18		
Group relations	19		

Statement of changes in equity for 2023

	Contributed capital USD'000	Retained earnings USD'000	Proposed dividend USD'000	Total USD'000
Equity beginning of year	68	39,662	17,000	56,730
Ordinary dividend paid	0	0	(17,000)	(17,000)
Profit/loss for the year	0	(13,441)	33,000	19,559
Equity end of year	68	26,221	33,000	59,289

Notes

1 Revenue

The Company's activities are perceived as one segment.

2 Fees to the auditor appointed by the Annual General Meeting

	2023 USD'000	2022 USD'000
Statutory audit services	85	79
Tax services	58	101
Other services	2	8
	145	188

3 Staff costs

	2023 USD'000	2022 USD'000
Wages and salaries	3,925	3,322
Pension costs	289	244
Other social security costs	51	47
	4,265	3,613
Average number of full-time employees	48	47

The Board of Directors and Executive Management is remunerated in Monjasa Holding A/S.

4 Other financial income

	2023 USD'000	2022 USD'000
Financial income from group enterprises	1,725	194
Other interest income	3,526	23
Exchange rate adjustments	0	517
Other financial income	0	3,913
	5,251	4,647

5 Other financial expenses

	2023	2022
	USD'000	USD'000
Financial expenses from group enterprises	66	190
Other interest expenses	346	450
Exchange rate adjustments	265	0
Other financial expenses	77	228
	754	868

6 Tax on profit/loss for the year

	2023	2022
	USD'000	USD'000
Current tax	3,018	7,267
Change in deferred tax	(515)	(1,039)
Adjustment concerning previous years	(4,277)	2,334
	(1,774)	8,562

Current tax for 2023 relates to the income tax for the year. In 2022, current tax is compiled of the income tax for the year and recognition of tax loss carry forward utilised within the Endeavour Invest ApS-group.

The adjustment concerning previous years relates primarily to the adjustment in the taxation calculation for prior years, including impact from settled tax cases.

7 Proposed distribution of profit and loss

	2023	2022
	USD'000	USD'000
Ordinary dividend for the financial year	33,000	17,000
Retained earnings	(13,441)	12,939
	19,559	29,939

8 Property, plant and equipment

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000	Leasehold improvements USD'000
Cost beginning of year	1,395	2,688	988
Additions	0	39	21
Disposals	0	(1)	0
Cost end of year	1,395	2,726	1,009
Depreciation and impairment losses beginning of year	(321)	(2,439)	(920)
Depreciation for the year	(20)	(117)	(30)
Reversal regarding disposals	0	1	0
Depreciation and impairment losses end of year	(341)	(2,555)	(950)
Carrying amount end of year	1,054	171	59

9 Financial assets

	Deposits USD'000
Cost beginning of year	540
Exchange rate adjustments	19
Additions	40
Cost end of year	599
Carrying amount end of year	599

10 Deferred tax

	2023 USD'000	2022 USD'000
Changes during the year		
Beginning of year	619	2,916
Recognised in the income statement	515	1,039
Adjustment concerning previous years	101	(3,336)
End of year	1,235	619

Deferred tax assets

Deferred tax is relating to intangible assets, tangible assets and derivative financial instruments.

11 Prepayments

Prepayments comprises prepaid costs relating to subsequent financial years as freight, insurance etc.

12 Share capital

	Number	Par value USD'000	Nominal value USD'000
Shares	578,431	0,12	68
	578,431		68

The share capital is registered as DKK 578,431.

There has not been changes to the contributed capital in the last 5 years.

13 Financial instruments

The Company has entered into derivative financial instruments used for fair value hedging of inventory and fair value hedging of firm commitments.

The derivative transactions are considered as intercompany transactions in the Monjasa A/S financial statements. The net value of open intercompany derivatives at 31 December 2023 is presented within other receivables in the financial statements.

Derivatives used for fair value hedging of inventory

Derivatives maturing within 0-3 months with a net volume of -4 MTS'000 amount to USD 326t at 31 December 2023 (2022: USD -192t).

Derivatives used for fair value hedging

Derivatives maturing within 0-3 months with a net volume of 30 MTS'000 amount to USD 256t at 31 December 2023 (2022: USD 223t).

Derivatives maturing within 3-12 months with a net volume of 80 MTS'000 amount to USD 1,725t at 31 December 2023 (2022: USD -45t).

Derivatives maturing within 12-18 months with a net volume of 14 MTS'000 amount to USD 82t at 31 December 2023 (2022: USD 0).

Firm commitments

The Company has no unhedged firm commitments.

14 Unrecognised rental and lease commitments

	2023 USD'000	2022 USD'000
Liabilities under rental or lease agreements until maturity in total	7,530	7,876
Liabilities under rental agreements or leases with group enterprises until expiry	3,750	4,255

15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Endeavour Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

16 Assets charged and collateral

Collateral provided for group enterprises

The Company has issued a guarantee for the debt to financial institutions of the parent company, Monjasa Holding A/S, in respect of loans which amount to USD 34m (2022: USD 21.5m).

17 Related parties with controlling interest

Controlling interest

Endeavour Invest ApS, Fredericia, Denmark, controlling shareholder (ultimate)

Monjasa Holding A/S, Fredericia, Denmark, controlling shareholder

Downstream Holding A/S, Fredericia, Denmark, immediate controlling shareholder

Other related parties

Anders Østergaard, Chairman of the Board of Directors

Rasmus Ravnholdt Knudsen, member of the Board of Directors

Flemming Ipsen, member of the Board of Directors

Endeavour Invest ApS and related companies

18 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Endeavour Invest ApS, Fredericia

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Monjasa Holding A/S, Fredericia

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

The functional and presentation currency is USD with the applied exchange rate for 2023: 6.89 (2022: 6.97).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability or a firm commitment are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability. Firm commitments are confirmed sales contracts for delivery of oil at a predefined volume, port, period and price.

Income statement

Revenue

Revenue from the sale of goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property and plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme, and settlements of and unrealised fair value adjustments from derivatives, hedge oil inventories and firm commitments.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Danish Parent company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	2-8 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost under the weighted average method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion.

The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum. The cost price of inventories whose fair value is effectively hedged from derivative financial instruments is adjusted for the change in fair value attributable to the hedged risk.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Cash flow statement has been omitted in pursuance of the Danish Financial Statements Act section 86, subsection 4. Cash flows are included in the Consolidated Cash Flow Statement for Monjasa Holding A/S, Business Registration No. 33 15 07 09.