Notes to the balance sheet

22. Intangible assets

Development of intangible assets

in € thousand	Goodwill	Software	Internally developed software	Other intangible assets	Payments made on account	Total
Carrying amount as of 1 January 2018	**38,930**	**6,421**	**22,013**	**858**	**1,457**	**69,679**
Acquisition or production cost						
1 January 2018	38,930	64,870	66,524	2,261	1,457	174,042
Additions	7,587	1,901	7,676	93	1,440	18,697
Disposals		- 4,456	- 18		- 6	- 4,480
Reclassifications		366		1,160	- 366	1,160
Changes in scope of consolidation/consolidation method		3		8,004		8,007
Effects of changes in exchange rates		91		- 39		52
31 December 2018	**46,517**	**62,775**	**74,182**	**11,479**	**2,525**	**197,478**
Accumulated depreciation, amortisation and impairment						
1 January 2018	0	58,449	44,511	1,403	0	104,363
Additions		3,505	3,605	388		7,498
Disposals		- 4,456				- 4,456
Reclassifications				267		267
Changes in scope of consolidation/consolidation method						0
Effects of changes in exchange rates		56		- 3		53
31 December 2018	**0**	**57,554**	**48,116**	**2,055**	**0**	**107,725**
Carrying amount as of 31 December 2018	**46,517**	**5,221**	**26,066**	**9,424**	**2,525**	**89,753**
Carrying amount as of 1 January 2019	**46,517**	**5,221**	**26,066**	**9,424**	**2,525**	**89,753**
Acquisition or production cost						
1 January 2019	46,517	62,775	74,182	11,479	2,525	197,478
Additions	9,019	1,365	6,933	666	997	18,980
Disposals		- 3,762	- 8,784			- 12,546
Reclassifications		2,001		298	- 2,415	- 116
Changes in scope of consolidation/consolidation method		47		4,001		4,048
Effects of changes in exchange rates		458		- 12	37	483
31 December 2019	**55,536**	**62,884**	**72,331**	**16,432**	**1,144**	**208,327**
Accumulated depreciation, amortisation and impairment						
1 January 2019	0	57,554	48,116	2,055	0	107,725
Additions		3,162	3,994	1,133		8,289
Disposals		- 3,758	- 8,784			- 12,542
Reclassifications						0
Changes in scope of consolidations/consolidation method						0
Effects of changes in exchange rates		346		3		349
31 December 2019	**0**	**57,304**	**43,326**	**3,191**	**0**	**103,821**
Carrying amount as of 31 December 2019	**55,536**	**5,580**	**29,005**	**13,241**	**1,144**	**104,506**

In the Container segment, goodwill of € 35,525 thousand is attributable to the cash-generating unit (CGU) CTT/Rosshafen and further goodwill of € 1,893 thousand is attributable to the CGU HCCR. Of the CGU CTT/Rosshafen's goodwill, € 30,929 thousand was generated by the acquisition of all the shares in HHLA Rosshafen Terminal GmbH, Hamburg, in 2006. Goodwill is primarily derived from additional strategic options to expand the Group's handling activities at the sites rented long-term by the company. Derived goodwill of € 7,587 thousand from the acquisition of HHLA TK Estonia AS, Tallinn, Estonia, in 2018 is also attributable to the Container segment.

The derived goodwill attributable to the Logistics segment in the amount of € 9,019 thousand arising from the acquisition of Bionic Production GmbH, Lüneburg, reflects the further technological development and the planned establishment and expansion of customer relations in light of the anticipated market penetration of 3-D printing technologies. HHLA can therefore share in new technologies which have the potential to be deployed in the wider port and logistics sector in the future. For further details, please refer to Note 3.

Carrying amounts for goodwill by segments

in € thousand	**31.12.2019**	31.12.2018
Container	45,005	45,005
Intermodal	1,512	1,512
Logistics	9,019	0
	55,536	**46,517**

The changes in the scope of consolidation of other intangible assets in the amount of € 4,001 thousand mainly include acquired technologies of Bionic Production GmbH of € 3,505 thousand. These technologies relate to 3-D printing and intelligent welding solutions. The previous year's figure mainly includes customer-related intangible assets (customer relations) in the amount of € 7,361 thousand relating to the simplified access of HHLA TK Estonia AS to an existing customer base.

Additions and disposals of internally developed software mainly relate to the migration of a new terminal management system and the associated replacement of the previous terminal management system.

23. Property, plant and equipment

Development of property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2018	**430,952**	**307,038**	**184,528**	**52,033**	**974,551**
Acquisition or production cost					
1 January 2018	794,883	877,057	512,736	52,033	2,236,709
Additions	8,984	16,341	28,274	66,415	120,014
Disposals	- 1,818	- 6,130	- 16,651	- 168	- 24,767
Reclassifications	13,760	- 4,665	37,161	- 47,416	- 1,160
Changes in scope of consolidation/consolidation method	32,395	23,010	62	10,583	66,050
Effects of changes in exchange rates	608	553	117	57	1,335
31 December 2018	**848,812**	**906,166**	**561,699**	**81,504**	**2,398,181**
Accumulated depreciation, amortisation and impairment					
1 January 2018	363,931	570,019	328,208	0	1,262,158
Additions	31,261	39,409	28,009		98,679
Disposals	- 1,670	- 5,368	- 15,921		- 22,959
Reclassifications	2,060	- 4,229	1,902		- 267
Changes to scope of consolidation/consolidation method					0
Effects of changes in exchange rates	30	240	37		307
31 December 2018	**395,612**	**600,071**	**342,235**	**0**	**1,337,919**
Carrying amount as of 31 December 2018	**453,200**	**306,095**	**219,464**	**81,504**	**1,060,262**
Carrying amount as of 1 January 2019[1]	**955,605**	**306,303**	**268,996**	**72,237**	**1,603,140**
Acquisition or production cost					
31 December 2018	848,812	906,166	561,699	81,504	2,398,181
Adjustment due to first-time adoption of IFRS 16	502,405	208	49,532	- 9,267	542,878
1 January 2019	1,351,217	906,374	611,231	72,237	2,941,059
Additions	54,055	19,943	65,479	73,890	213,367
Disposals	- 3,713	- 42,792	- 30,621	- 606	- 77,732
Reclassifications	8,961	12,361	17,770	- 38,976	116
Changes in scope of consolidation/consolidation method	328	84	142		554
Effects of changes in exchange rates	5,699	3,443	961	1,836	11,939
31 December 2019	**1,416,547**	**899,413**	**664,962**	**108,381**	**3,089,303**
Accumulated depreciation, amortisation and impairment					
1 January 2019	395,612	600,071	342,235	0	1,337,919
Additions	61,975	40,384	41,952		144,311
Disposals	- 3,501	- 41,879	- 28,529		- 73,909
Reclassifications					0
Changes to scope of consolidation/consolidation method					0
Effects of changes in exchange rates	1,162	2,139	425		3,726
31 December 2019	**455,248**	**600,715**	**356,083**	**0**	**1,412,046**
Carrying amount as of 31 December 2019	**961,299**	**298,698**	**308,879**	**108,381**	**1,677,257**

1 Including the adjustment due to first-time adoption of IFRS 16

For more information on adjustment due to first-time adoption of IFRS 16, see Note 5. See Note 45 for further details regarding the existing restrictions in connection with leases.

Additions result largely from investments for the procurement of yard cranes and heavy machinery for horizontal transport at the container terminals in Hamburg, investments to expand the terminal network, and investments to extend intermodal transport capacities through the acquisition of wagons and locomotives in the METRANS Group.

Disposals in the financial year under review mainly relate to the sale/scrapping of handling equipment.

Changes to the consolidated group in the financial year relate solely to the subsidiary Bionic Production GmbH, Lüneburg, which was included in the Consolidated Financial Statements for the first time (previous year: HHLA TK Estonia AS, Tallinn, Estonia).

The effects of changes in exchange rates mainly include the exchange rate changes of the Ukrainian currency.

No write-downs were made on property, plant and equipment in the year under review (previous year: € 2 thousand).

Buildings, surfacing and movable non-current assets with a carrying amount of € 5,251 thousand (previous year: € 7,333 thousand) have been pledged as collateral in connection with loans taken up by the Group.

As of the balance sheet date, the Group had obligations of € 70,398 thousand (previous year: € 69,550 thousand) from outstanding purchase commitments attributable to investments in property, plant and equipment.

Development of rights of use included in property, plant and equipment (in previous year: assets from leases)

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Total
Carrying amount as of 1 January 2018	**93,450**	**7,343**	**36,416**	**137,209**
Acquisition or production cost				
1 January 2018	108,176	8,010	45,969	162,155
Additions		332	2,071	2,403
Disposals			- 2,422	- 2,422
Reclassifications		612		612
Changes in scope of consolidation/consolidation method		7,906		7,906
Effects of changes in exchange rates	21			21
31 December 2018	**108,197**	**16,860**	**45,618**	**170,675**
Accumulated depreciation, amortisation and impairment				
1 January 2018	14,726	667	9,553	24,946
Additions	2,181	1,597	3,962	7,740
Disposals			- 2,422	- 2,422
Reclassifications				0
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	5			5
31 December 2018	**16,912**	**2,264**	**11,093**	**30,268**
Carrying amount as of 31 December 2018	**91,285**	**14,596**	**34,525**	**140,407**
Carrying amount as of 1 January 2019[1]	**593,690**	**14,804**	**84,057**	**692,552**
Acquisition or production cost				
31 December 2018	108,197	16,860	45,618	170,675
Adjustment due to first-time adoption of IFRS 16	502,405	208	49,532	552,145
1 January 2019	610,602	17,068	95,150	722,820
Additions	46,334	495	9,577	56,406
Disposals			- 2,562	- 2,562
Reclassifications		2,036		2,036
Changes in scope of consolidation/consolidation method	328			328
Effects of changes in exchange rates	1,352	11	97	1,460
31 December 2019	**658,617**	**19,609**	**102,262**	**780,488**
Accumulated depreciation, amortisation and impairment				
1 January 2019	16,912	2,264	11,093	30,268
Additions	31,013	1,928	17,318	50,259
Disposals			- 1,679	- 1,679
Reclassifications		- 197		- 197
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	72		36	108
31 December 2019	**47,997**	**3,995**	**26,768**	**78,760**
Carrying amount as of 31 December 2019	**610,620**	**15,614**	**75,494**	**701,729**

1 Including the adjustment due to first-time adoption of IFRS 16

24. Investment property

Development of investment property

in € thousand	Investment property	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2018	**172,838**	**7,046**	**179,884**
Acquisition or production cost			
1 January 2018	324,818	7,046	331,864
Additions	10,537	2,359	12,896
Disposals			0
Reclassifications	5,740	- 5,740	0
31 December 2018	**341,095**	**3,665**	**344,760**
Accumulated depreciation, amortisation and impairment			
1 January 2018	151,980	0	151,980
Additions	8,056		8,056
Disposals			0
Reclassifications			0
31 December 2018	**160,036**	**0**	**160,036**
Carrying amount as of 31 December 2018	**181,059**	**3,665**	**184,724**
Carrying amount as of 1 January 2019	**181,059**	**3,665**	**184,724**
Acquisition or production cost			
1 January 2019	341,095	3,665	344,760
Additions	2,478	6,743	9,221
Disposals		- 8	- 8
Reclassifications			0
31 December 2019	**343,573**	**10,400**	**353,973**
Accumulated depreciation, amortisation and impairment			
1 January 2019	160,036	0	160,036
Additions	8,788		8,788
Disposals			0
Reclassifications			0
31 December 2019	**168,824**	**0**	**168,824**
Carrying amount as of 31 December 2019	**174,749**	**10,400**	**185,149**

Investment property mainly relates to warehouses converted to office space and other commercial real estate in Hamburg's Speicherstadt historical warehouse district, as well as logistics warehouses and surfaced areas.

As in the previous year, additions mainly result from conversion costs in connection with changes of use.

Rental income from investment property at the end of the financial year was € 52,870 thousand (previous year: € 50,870 thousand). The direct operating expenses for investment property, which are fully attributable to rental income, amounted to € 18,919 thousand (previous year: € 17,082 thousand).

Fair value is calculated and measured annually by HHLA's Real Estate segment. The associated inputs are classified as level 3 in the fair value hierarchy, see Note 7.

Fair value reconciliation

in € thousand	2019	2018
As of 1 January	618,616	651,292
Change in fair value (not realised)	6,390	- 32,676
As of 31 December	**625,006**	**618,616**

The valuation method used to measure the fair value of investment property as well as the key unobservable input factors applied

Valuation method	Key unobservable input factors	Relationship between key unobservable input factors and measurement at fair value The estimated fair value would increase (fall) if
Fair values are measured by applying the discounted cash flow method (DCF method) to the forecast net cash flows from managing the properties. This method is based on detailed forecasts of ten years or up to the end of the useful lives of properties with a remaining useful life of less than ten years. The cash flows are discounted using standard market interest rates. Property-specific fair value is determined on the basis of property-specific measurement criteria.	Contractually agreed rental income	the contractually agreed rental income was (higher) lower
	Expected rent increases	the expected rent increases were higher (lower)
	Vacancy periods	the vacancy periods were shorter (longer)
	Level of occupancy	the level of occupancy was higher (lower)
	Rent-free periods	the rent-free periods were shorter (longer)
	Possible termination of the tenancy agreement	tenancy agreements were not terminated (were terminated)
	Re-leasing	the property was re-leased sooner (later)
	Operating, management and maintenance costs	operating, management and maintenance costs were lower (higher)
	Rent for the land	the rent was lower (higher)
	Discount rate (3.61 to 7.01 % p.a.)	the risk-adjusted discount rate was lower (higher)

Regarding existing restrictions on the disposal and use of buildings in connection with the renting of the associated properties from the Free and Hanseatic City of Hamburg, see the explanatory remarks on leases in Note 45.

25. Associates accounted for using the equity method

Associates accounted for using the equity method

in € thousand	31.12.2019	31.12.2018
Interests in joint ventures	12,848	12,211
Interests in associates companies	4,345	4,252
	17,193	**16,463**

Interests in joint ventures comprise Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, HHLA Frucht- und Kühl-Zentrum GmbH, Ulrich Stein Gesellschaft mit beschränkter Haftung, ARS-UNIKAI GmbH, Kombi-Transeuropa Terminal Hamburg GmbH and HVCC Hamburg Vessel Coordination Center GmbH. From the first quarter of 2019 onwards, Spherie UG (haftungsbeschränkt) was included in the HHLA Consolidated Financial Statements, with Hyperport Cargo Solutions GmbH i.G. included from the fourth quarter of 2019 onwards.

Interests in associated companies include the shares in CuxPort GmbH and the shares in DHU Gesellschaft Datenverarbeitung Hamburger Umschlagsbetriebe mbH.

The interests reported are higher than in the previous year, due largely to the earnings recorded in financial income for the various companies at equity less the dividends received, see Note 16.

For more information, please refer to Note 3.

26. Non-current financial assets

Non-current financial assets

in € thousand	**31.12.2019**	31.12.2018
Securities	5,677	2,414
Shares in affiliated companies	54	59
Other equity investments	309	661
Other non-current financial assets	10,137	10,484
	16,177	**13,618**

In the reporting year – as in the previous year – the securities relating to insolvency insurance for phased early retirement entitlements were netted out against the corresponding phased early retirement obligations because they fulfil the conditions for plan assets as per IAS 19 (revised 2011). The securities portfolio recognised as plan assets in the financial year amounted to € 173 thousand (previous year: € 316 thousand), see Note 37. Before offsetting, this results in a securities portfolio of € 5,850 thousand (previous year: € 2,730 thousand).

The shares in affiliated companies include shares in Group companies which are of minor importance for giving a true and fair view of the Group's results of operations, net assets and financial position and are therefore not consolidated.

Other non-current financial assets primarily include receivables from a graduated rent totalling € 4,273 thousand (previous year: € 4,079 thousand), as well as receivables from relief funds totalling € 2,625 thousand (previous year: € 2,441 thousand).

27. Inventories

Inventories

in € thousand	**31.12.2019**	31.12.2018
Raw materials, consumables and supplies	22,005	20,026
Work in progress	2,579	2,554
Finished products and merchandise	658	417
	25,242	**22,997**

Impairment losses on inventories recognised as an expense amount to € 1,111 thousand (previous year: € 991 thousand). This expense is reported under cost of materials, see Note 12.

28. Trade receivables

Trade receivables

in € thousand	**31.12.2019**	31.12.2018
	168,127	179,824

Trade receivables are receivables from customers that are fulfilled in connection with normal business operations. In respect of the overwhelming majority of customers, they are usually due within 30 days and are therefore classed as current. Trade receivables are initially recognised at fair value in the amount of the unconditional consideration unless they contain significant financing components. The Group holds trade receivables for the purpose of generating the contractually agreed cash flows and therefore subsequently measures them at amortised cost, applying the effective interest rate method.

Due to the short-term nature of the recognised trade receivables, the carrying amount is the same as the fair value.

No trade receivables were assigned as collateral for financial liabilities, either in the year under review or in the previous year. Collateral for trade receivables is only held to a minor extent (e.g. rental guarantees).

Details of impairment allowances for trade receivables can be found in Note 47.

29. Receivables from related parties

Receivables from related parties

in € thousand	**31.12.2019**	31.12.2018
Receivables from HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV)	95,000	95,000
Receivables from Kombi-Transeuropa Terminal Hamburg GmbH	1,194	1,331
Receivables from HHLA Frucht- und Kühl-Zentrum GmbH	952	1,748
Receivables from Free and Hanseatic City of Hamburg (FHH)	464	1,402
Other receivables from related parties	1,195	763
	98,805	**100,244**

Receivables from HGV include € 95,000 thousand from existing cash clearing (previous year: € 95,000 thousand).

30. Current financial assets

Current financial assets

in € thousand	**31.12.2019**	31.12.2018
Current receivables from employees	1,393	1,366
Current reimbursement claims against insurers	250	115
Other	1,936	2,581
	3,579	**4,062**

31. Other assets

Other assets

in € thousand	**31.12.2019**	31.12.2018
Current tax credit	17,051	19,914
Payments on account	3,061	3,034
Other	9,560	7,810
	29,672	**30,758**

Current tax credits were lower than in the previous year. This was largely because value added tax receivables were down.

32. Income tax receivables

Income tax receivables

in € thousand	31.12.2019	31.12.2018
	2,201	6,656

Income tax receivables consist of tax receivables resulting from tax assessments and advance tax payments.

33. Cash, cash equivalents and short-term deposits

Cash, cash equivalents and short-term deposits

in € thousand	31.12.2019	31.12.2018
Cash and cash equivalents with a maturity of up to 3 months	23,131	25,683
Short-term deposits with a maturity of 4–12 months	45,000	22,450
Bank balances and cash in hand	89,910	133,327
	158,041	**181,460**

Cash, cash equivalents and short-term deposits are made up of cash in hand and various bank balances in different currencies.

Cash and short-term deposits of € 9,147 thousand (previous year: € 14,507 thousand) are subject to foreign exchange outflow restrictions.

As of the balance sheet date, the Group had unused lines of credit amounting to € 3,063 thousand (previous year: € 2,713 thousand) and had met all the conditions for their use. HHLA is confident that the Group has sufficient credit lines at its disposal whenever required.

34. Non-current assets held for sale

There were no non-current assets held for sale either in the reporting period or in the previous year.

35. Equity

Changes in the individual components of equity for the 2019 and 2018 financial years are shown in the statements of changes in equity.

Subscribed capital

As of the balance sheet date, HHLA's share capital consists of two different classes of share: Class A shares and Class S shares. Subscribed capital totals € 72,753 thousand, divided into 70,048,834 Class A shares and 2,704,500 Class S shares; each no-par-value share represents € 1.00 of share capital on paper. The share capital has been fully paid in.

In the course of the stock flotation on 2 November 2007, 22,000,000 Class A shares were placed on the market. This corresponds to a free float of approx. 30 % of HHLA's share capital. As of the balance sheet date, the Free and Hanseatic City of Hamburg holds 69.58 % of the voting rights through the company HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg.

Authorised capital

As of the balance sheet date, the company has Authorised Capital I for the issue of Class A shares and Authorised Capital II for the issue of Class S shares.

Using Authorised Capital I (cf. Article 3 [4] of the articles of association), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's share capital until 20 June 2022 by up to € 35,024,417.00 by issuing up to 35,024,417 new registered Class A shares for subscription in cash and/or in kind in one or more stages. The statutory subscription rights of the holders of Class S shares shall be excluded. The Executive Board is additionally authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of holders of Class A shares in those cases covered in more detail in the resolution, such as issue for contributions in kind. Furthermore, the issue of new Class A shares while excluding the subscription rights of Class A shareholders is limited to a total of 20 % of the share capital attributable to Class A shares. All Class A shares issued or that could be issued under other authorisations with the exclusion of subscription rights count towards this 20 % limit.

Using Authorised Capital II (cf. Article 3 [5] of the articles of association), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's share capital until 20 June 2022 by up to € 1,352,250.00 by issuing up to 1,352,250 new registered Class S shares for subscription in cash and/or in kind in one or more stages. The statutory subscription rights of holders of Class A shares shall be excluded. The Executive Board is authorised, with the approval of the Supervisory Board, to exclude the statutory subscription rights of holders of Class S shares as is necessary to equalise fractional amounts.

Other authorisations

The Annual General Meeting of HHLA held on 18 June 2019 authorised the Executive Board, subject to the approval of the Supervisory Board, to issue on one or more occasions up to 17 June 2024 bearer or registered bonds with warrants and/or convertible bonds or combinations of these instruments (hereinafter known collectively as "debenture bonds") with a total nominal value of up to € 300,000,000.00 and to grant the bearers or creditors of the debenture bonds warrants or conversion rights for up to 10,000,000 new registered Class A shares in the company, each representing € 1.00 of the share capital, subject to the detailed terms of the bonds with warrants and/or convertible bonds. The respective terms may also provide for a warrant or conversion obligation as well as an issuer put option to provide Class A shares in the company as of the end of the term or at an earlier date. The detailed terms of the resolution state that shareholders' subscription rights may also be excluded when the debenture bonds are issued. As per Article 3 (6) of the articles of association, conditional capital of € 10,000,000.00 is available to service warrants and conversion rights and obligations as well as any tender rights. This is made up of 10,000,000 new registered Class A shares.

The Annual General Meeting held on 16 June 2016 additionally authorised the company's Executive Board to purchase Class A treasury shares up to a maximum of 10 % of the portion of the company's share capital accounted for by Class A shares at the time of the resolution or, if lower, at the time the authorisation is exercised. In addition to being sold on the stock exchange or offered to all shareholders in line with their shareholdings, the Class A treasury shares acquired under this authorisation or previous authorisations may – subject to the approval of the Supervisory Board – be used in the cases stipulated by the resolution excluding other shareholders' subscription rights and/or be redeemed either in whole or in part without the need for an additional resolution by the Annual General Meeting. This authorisation expires on 15 June 2021. This authorisation may be used for any legally permissible purpose, except for trading in treasury shares.

HHLA does not currently hold any treasury shares. There are no plans to buy back shares.

Capital reserve

The Group's capital reserve includes premiums from share issues and the associated costs of issue, which are deducted from the capital reserve. It also comprises premiums from capital increases at subsidiaries with non-controlling interests and a reserve increase from an employee stock purchase plan.

As of the reporting date, the HHLA Group had capital reserves of € 141,584 thousand (previous year: € 141,584 thousand).

Retained earnings

Retained earnings include net profits from prior years for companies included in the Consolidated Financial Statements, as far as these were not distributed as dividends. This item also encompasses differences between HGB and IFRS as of 1 January 2006 (the transitional date).

Other comprehensive income

In accordance with the currently applicable version of IAS 19 (revised 2011), the HHLA Group's other comprehensive income includes all actuarial gains and losses from defined benefit pension plans. This item additionally comprises changes in the fair value of hedging instruments (cash flow hedges) and the corresponding tax effects.

The reserve for translation differences enables the recognition of differences arising on the translation of financial statements for foreign subsidiaries.

Non-controlling interests

Non-controlling interests comprise outside interests in the Group companies' consolidated equity and totalled € - 10,880 thousand at the end of the financial year (previous year: € - 8,812 thousand).

As per IAS 32, non-controlling interests are reduced by the reclassification of a minority shareholder's future estimated entitlements to financial settlements as other financial liabilities for the term of the profit and loss transfer agreement, see Note 6 and Note 38. The effects of the first-time application of IFRS 16 also resulted in a reduction in non-controlling interests. This was offset by the inclusion of current earnings.

Notes on capital management

Capital management at HHLA aims to ensure the Group's long-term financial stability and flexibility in order to safeguard the Group's growth and enable its shareholders to reasonably participate in its success. Balance sheet equity is the primary benchmark in this regard. The key value-oriented performance indicator at the HHLA Group is the return on capital employed (ROCE). The equity ratio is also monitored in order to maintain a stable capital structure.

Equity ratio

in %	**31.12.2019**	31.12.2018
Equity in € thousand	578,862	614,841
Total assets in € thousand	2,610,019	1,972,947
	22.2 %	**31.2 %**

The reduction in equity is primarily due to the effects of the first-time application of IFRS 16 to the amount of € 58.5 million and due to the distribution of dividends and the reclassification of a future financial settlement as long-term liabilities. This was countered by the total comprehensive income for the reporting period. The increase in total assets resulting from the initial application of IFRS 16 led to a much lower equity ratio than in the previous year.

External minimum capital requirements were fulfilled at all agreed audit points throughout the reporting year. See Note 38 for more information.

36. Pension provisions

Pension obligations

Provisions for pensions and similar obligations are formed for commitments arising from both vested rights to future pension payments and current payments to active and former members of HHLA Group companies in Germany and any surviving dependants who are entitled to receive such benefits. A distinction is made between defined benefit and defined contribution company pension plans.

Defined benefit pension plans

In the case of defined benefit plans, the Group is obliged to make the agreed payments to current and former employees. HHLA's pension scheme is financed by both provisions and funds.

Company retirement benefits are paid on the basis of various entitlements. As well as individual agreements, this is primarily the collective company pension agreement (BRTV). As part of the harmonisation of existing pension schemes, the "HHLA capital plan" labour agreement has also been introduced with effect from 1 January 2018.

The BRTV is a total benefit plan. HHLA guarantees the participating employees a certain amount of benefits, which are made up of the statutory pension and the company pension. The amount of total benefits is determined by a variable percentage (according to years of service) of a fictitious net payment in the final wage or salary band based on the applicable social security data contribution levels for the year 1999. The current contribution assessment ceiling is always taken into account.

As part of the harmonisation of existing pension schemes, which was completed in 2018, the pension obligations attributable to the company's active employees (which originally comprised so-called "port pensions") were transferred to the HHLA capital plan.

The HHLA capital plan provides employees with a uniform and transparent pension scheme that offers a high degree of flexibility, both in terms of paying in and in the payout/benefit phase. Payments made into the HHLA capital plan are funded from gross income (deferred compensation). As such, the employees forgo a part of their untaxed income at the time they pay into the scheme in favour of future retirement savings. 27.50 % is added to the contributions paid in as part of the deferred compensation scheme. Furthermore, an annual interest rate of 3.00 % is guaranteed in respect of the contributions. The resulting initial components as of 1 January 2018 result from the aforementioned transfer of port pensions and the transfer of existing funds from working lifetime accounts.

Based on these pension plans, the Group forms provisions for pensions and similar obligations for the amount of expected future retirement and surviving dependants' pensions and/or savings for future retirement and surviving dependants. External actuaries calculate the amount of the obligation using the projected unit credit method.

Amounts recognised for benefit commitments

in € thousand	**31.12.2019**	31.12.2018
Present value of pension commitments	502,874	448,161
Obligations from working lifetime accounts	365	769
	503,239	**448,930**

Pension commitments

The balance sheet shows the full present value of pension obligations including actuarial gains and losses. The reported pension obligation relates to an unfinanced plan.

Development of the present value of pension obligations

in € thousand	**2019**	2018
Present value of pension obligations as of 1 January	**448,161**	**426,943**
Transfer capital plan	0	36,513
Contributions of capital plan participants	6,247	2,416
Current service expense	12,627	6,887
Past service expense	2,466	0
Interest expense	7,191	6,532
Pension payments	- 19,781	- 19,762
Actuarial gains (-), losses (+) due to amendments in experience-based assumptions	- 12,077	- 5,708
Actuarial gains (-), losses (+) due to amendments in financial assumptions	58,040	- 10,865
Actuarial gains (-), losses (+) due to amendments in demographic assumptions	0	5,205
Present value of pension obligations as of 31 December	**502,874**	**448,161**

Present value of the defined benefit pension obligations split by various groups of beneficiaries

in %	**2019**	2018
Current employees	40.3	37.9
Former employees	1.3	1.4
Pensioners	58.4	60.7
	100.0	**100.0**

As of 31 December 2019, the weighted average term of the defined benefit obligation was 13.9 to 18.3 years (previous year: 14.1 to 19.2 years).

In addition, reimbursement rights of € 2,625 thousand (previous year: € 2,441 thousand) were concluded to cover the corresponding pension obligations. The expected income from these reimbursement rights amounts to € 38 thousand in the year under review, whereas the actual income amounts to € 311 thousand. In the 2019 financial year, € 126 thousand was paid out in reimbursement rights.

Pension obligations recognised in the income statement

in € thousand	2019	2018
Current service expense	12,627	6,887
Past service expense	2,466	0
Interest expenses	7,191	6,532
	22,284	**13,419**

Development of actuarial gains / losses from pensions obligations

in € thousand	2019	2018
Actuarial gains (+), losses (-) as of 1 January	**- 68,694**	**- 75,424**
Transfer capital plan	0	- 4,638
Changes in the financial year due to amendments in experience-based assumptions	12,077	5,708
Changes in the financial year due to amendments in financial assumptions	- 58,040	10,865
Changes in the financial year due to amendments in demographic assumptions	0	- 5,205
Actuarial gains (+), losses (-) as of 31 December	**- 114,657**	**- 68,694**

Key actuarial assumptions to determine pension obligations

in %	31.12.2019	31.12.2018
Discount rate (capital plan)	0.80	1.80
Discount rate (others)	0.70	1.60
Projected salary increase	3.00	3.00
Adjustment of social security pension according to pension insurance report of the year	2019	2018

The biometric data is drawn from the 2018 G mortality tables by Prof. Klaus Heubeck.

For shorter maturities, HHLA derives the interest rates used for discounting from high-quality corporate bonds. For longer maturities, the forward projection of the interest rate curve reflects the Deutsche Bundesbank's curve for German government bonds.

Sensitivity analysis: pension obligations

	Change in parameter			Effect on present value		
		31.12.2019	31.12.2018	in € thousand	**31.12.2019**	31.12.2018
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	32,990	27,762
	Decrease of	0.5 %	0.5 %	Increase of	36,781	30,828
Payment trend	Increase of	0.5 %	0.5 %	Increase of	2,675	2,858
	Decrease of	0.5 %	0.5 %	Decrease of	2,634	2,809
Adjustment to social security	Decrease of	20.0 %	20.0 %	Increase of	1,145	1,251
Expected mortality	Decrease of	10.0 %	10.0 %	Increase of	12,696	11,064
Contributions of capital plan participants	Increase of	50.0 %	50.0 %	Increase of	7,490	2,189
	Decrease of	50.0 %	50.0 %	Decrease of	7,306	2,198

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Payments for pension obligations

In the 2019 financial year, HHLA made pension payments for plans totalling € 19,781 thousand (previous year: € 19,762 thousand). HHLA anticipates the following payments for pension plans over the next five years.

Expected pension payments

in years in € thousand	
2020	20,296
2021	22,860
2022	22,231
2023	22,259
2024	22,822
	110,468

Obligations from working lifetime accounts

In the 2006 financial year, the affiliated companies in Germany undertook to set up working lifetime accounts due to collective labour agreements. Staff could elect to have time and remuneration components deposited in money market or investment funds by the Group until 31 December 2013. Capital has been invested within the company since 1 January 2014. The funds saved in the employee's account are used to give them paid leave before they enter retirement. The amount of pay to which employees are entitled during their early retirement depends on the amount of funds saved, which in turn depends on the performance of the fund assets – based on the model for contributions up to 31 December 2013 and taking the 3.00 % return guaranteed in the collective labour agreement into account for contributions as of 1 January 2014 – plus other contractually agreed social benefits during the early retirement phase.

The portion of the obligation covered by the funds saved is reported at the funds' fair value. The additional benefits arising from collective labour agreements which are not covered by the funds saved are reported at the full present value of the obligation including actuarial gains and losses.

As part of the harmonisation of existing pension schemes, which was completed in 2018, the existing funds from working lifetime accounts were largely transferred to the HHLA capital plan. The obligations arising from the remaining existing funds will fall steadily over time.

Allocation of benefit commitments

in € thousand	**31.12.2019**	31.12.2018
Present value of obligations	626	1,124
Present value of plan assets (fund shares)	- 261	- 355
Uncovered allocations	**365**	**769**

Development of the present value of the obligations from working lifetime accounts

in € thousand	**2019**	2018
Present value of the obligations from working lifetime accounts as of 1 January	**1,124**	**35,272**
Transfer capital plan	0	- 33,462
Current service expense	4	11
Interest expenses	7	26
Actuarial gains (-), losses (+) due to amendments in experience-based assumptions	- 229	- 304
Actuarial gains (-), losses (+) due to amendments in financial assumptions	8	28
Actuarial gains (-), losses (+) due to amendments in demographic assumptions	0	19
Capital payments	- 288	- 466
Present value of the obligations from working lifetime accounts as of 31 December	**626**	**1,124**

As of 31 December 2019, the weighted average term of the defined benefit obligation was 6.3 years (previous year: 5.0 years).

Development of the fair value of plan assets from working lifetime accounts

in € thousand	2019	2018
Fair value of plan assets from working lifetime accounts as of 1 January	**355**	**13,290**
Release due to transfer capital plan	0	- 12,419
Expected income from plan assets	2	11
Actuarial gains (+), losses (-) due to amendments in experience-based assumptions	46	- 105
Capital payments	- 142	- 422
Fair value of plan assets from working lifetime accounts as of 31 December	**261**	**355**

The plan assets consist solely of shares in money market and investment funds. Losses of € 93 thousand were recorded on the plan assets in the financial year (previous year: gains of € 140 thousand).

Obligations from working lifetime accounts recognised in the income statement

in € thousand	2019	2018
Current service expense	4	11
Interest expenses	7	26
Expected income from the plan assets	- 2	- 11
	9	**26**

Development of actuarial gains/losses of obligations from working lifetime accounts

in € thousand	2019	2018
Actuarial gains (+), losses (-) as of 1 January	**- 89**	**- 4,879**
Transfer capital plan	0	4,638
Changes in the financial year due to amendments in experience-based assumptions	275	199
Changes in the financial year due to amendments in financial assumptions	- 8	- 28
Changes in the financial year due to amendments in demographic assumptions	0	- 19
Actuarial gains (+), losses (-) as of 31 December	**178**	**- 89**

Key actuarial assumptions to determine obligations from working lifetime accounts

in %	31.12.2019	31.12.2018
Discount rate	0.30	0.70
Projected salary increase	3.00	3.00

The biometric data is drawn from the 2018 G mortality tables by Prof. Klaus Heubeck, taking into account age-related fluctuation.

Sensitivity analysis: obligations from working lifetime accounts

	Change in parameter			Effect on present value			
		31.12.2019	31.12.2018	in € thousand	31.12.2019		31.12.2018
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	10	Decrease of	15
	Decrease of	0.5 %	0.5 %	Increase of	11	Increase of	16
Expected mortality	Decrease of	10.0 %	10.0 %	Decrease of	18	Decrease of	19

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Until 31 December 2013, the obligations from working lifetime accounts were financed by paying a portion of employees' remuneration into the unit-linked pension plan. Capital has been invested within the company since 1 January 2014.

Portfolio for obligations from working lifetime accounts

in %	2019	2018
Money market funds/Annuity funds	99	99
Mixed funds	1	1
	100	**100**

Payments for obligations from working lifetime accounts

In the financial year under review, HHLA made payments for plans totalling € 288 thousand (previous year: € 466 thousand). In return, the company acquired corresponding securities holdings worth € 142 thousand (previous year: € 422 thousand). The outflow of funds therefore totalled € 146 thousand in the year under review (previous year: € 44 thousand).

Expected payments for obligations from working lifetime accounts related to the existing pension scheme which are not hedged by securities

in years in € thousand	
2020	243
2021	24
2022	29
2023	22
2024	16
	334

Defined contribution pension plans

In the case of defined contribution plans, the relevant companies merely make payments to dedicated funds. There are no further obligations. HHLA does not incur any financial or actuarial risks arising from these commitments.

The costs incurred in connection with pension funds which are to be regarded as defined contribution pension plans amounted to € 3,518 thousand in the reporting year (previous year: € 4,639 thousand).

HHLA paid € 29,759 thousand (previous year: € 28,286 thousand) into the state pension system as its employer's contribution.

37. Other non-current and current provisions

Other non-current and current provisions

	Non-current provisions		Current provisions		Total	
in € thousand	**31.12.2019**	31.12.2018	**31.12.2019**	31.12.2018	**31.12.2019**	31.12.2018
Demolition obligations	83,100	74,417	0	0	83,100	74,417
Restructuring reserve	15,475	14,167	6,030	7,456	21,505	21,623
Bonuses and single payments	0	0	8,832	8,036	8,832	8,036
Anniversaries	3,262	2,808	167	281	3,429	3,089
Expected increases in rents	0	0	3,095	3,808	3,095	3,808
Insurance excesses	0	0	2,496	3,156	2,496	3,156
Legal fees and litigation expenses	0	620	620	0	620	620
Phased early retirement	81	149	67	308	148	457
Provisions for contingent losses	0	5,919	0	371	0	6,290
Other	12,175	12,058	2,698	4,629	14,873	16,687
	114,093	**110,138**	**24,005**	**28,045**	**138,098**	**138,183**

Demolition obligations

The demolition obligations relate to HHLA's Container, Logistics and Real Estate segments and are discounted at a rate of 1.5 % p.a. (previous year: 2.0 % p.a.). In the reporting year, an anticipated price increase of 2.0 % (previous year: 2.0 %) was used to calculate the provisions shown. This rate is derived from the German construction cost index. The outflow of these resources is expected in the period 2025–2036.

Restructuring provisions

The restructuring provisions relate to reorganising the Logistics segment and organisational restructuring in the Container segment. The outflow of funds will take place between 2020 and 2028.

Bonuses and single payments

Provisions for bonuses and one-off payments largely consist of provisions for Executive Board members and other senior staff. The funds will become payable in the 2020 financial year.

Anniversaries

The provisions for anniversaries relate to Group employees' contractual entitlement to anniversary gratuities. The amount recognised is determined by an actuarial opinion. A discount rate of 0.70 % p.a. (previous year: 1.60 % p.a.) was used for the calculation. The outflow of these resources is expected to take place in the period 2020–2059.

Expected increases in rents

The provision for expected increases in rents was formed for future changes in rents. The funds will become payable in the 2020 financial year.

Insurance excesses

This obligation relates to provisions largely created by the Group's parent company to allow for potential cases of damage or loss which go beyond the existing insurance cover. The funds will become payable in the 2020 financial year.

Legal fees and litigation expenses

As of the balance sheet date and as in the previous year, the obligations reported consisted mainly of provisions for legal risks associated with pending proceedings. The outflow of these resources is expected in the 2020 financial year.

Phased early retirement

Provisions for phased early retirement consist of HHLA's obligations from the entitlements accrued during the beneficiaries' working period, plus a supplementary amount added pro rata temporis.

The securities holdings acquired in connection with phased early retirement contracts are classified as plan assets under IAS 19 (revised 2011). They were therefore offset against the phased early retirement obligations included in the provisions. The corresponding figure of € 173 thousand (previous year: € 316 thousand) therefore reduces the provisions reported, see Note 26. In addition to this, pledged bank balances serve to cover the obligations in existence as of the balance sheet date. The amount of the provision was determined using a discount rate of - 0.2 % p.a. (previous year: 0.0 % p.a.). The outflow of these resources is expected in the period 2020–2026.

Provisions for impending losses

The provisions for impending losses from the previous year related to expenses arising from an onerous lease for a terminal site. As a result of the initial application of IFRS 16, an impairment on the rights of use for property, plant and equipment and the transfer of provisions were recognised directly in equity.

Other

Other provisions relate largely to obligations arising from individual contractual agreements with members of staff. The main outflow of funds will take place between 2020 and 2028.

Development of other non-current and current provisions

in € thousand	01.01.2019	Additions	Transfer IFRS 16	Accured interest	Used	Reversed	Currency translation effects	31.12.2019
Demolition obligations	74,417	8,122		1,670	650	459		83,100
Restructuring reserve	21,623	3,791		76	3,335	650		21,505
Bonuses and single payments	8,036	8,832			7,861	175		8,832
Anniversaries	3,089	596		49	305			3,429
Expected increases in rents	3,808	1,080			1,779	14		3,095
Insurance excesses	3,156	1,871			2,416	115		2,496
Legal fees and litigation expenses	620							620
Phased early retirement	457	232			541			148
Provisions for contingent losses	6,290		- 6,290					0
Other	16,687	4,549		31	4,799	1,665	70	14,873
	138,183	**29,073**	**- 6,290**	**1,826**	**21,686**	**3,078**	**70**	**138,098**

38. Non-current and current financial liabilities

Non-current and current financial liabilities as of 31 December 2019

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	**Total**
Liabilities from bank loans	22,771	115,071	193,945	331,787
Lease liabilities	26,017	98,924	157,842	282,783
Other loans	0	282	15,500	15,782
Liabilities towards employees	10,223	0	0	10,223
Other financial liabilities	43,340	44,610	161	88,111
	102,351	**258,887**	**367,448**	**728,686**

Non-current and current financial liabilities as of 31 December 2018

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	**Total**
Liabilities from bank loans	26,386	125,504	217,766	369,656
Lease liabilities	5,124	10,839	22,946	38,909
Other loans	0	374	17,250	17,624
Liabilities towards employees	10,858	0	0	10,858
Other financial liabilities	40,316	34,958	249	75,523
	82,684	**171,675**	**258,211**	**512,570**

Liabilities to banks also include interest of € 1,017 thousand accrued up to the balance sheet date (previous year: € 1,077 thousand). In the previous year, transaction costs of € 71 thousand, incurred by taking out loans, increased the liabilities to banks for the duration of the loan.

The liabilities from leases represent the discounted value of future payments for movable non-current assets. The increase was a result of the initial application of IFRS 16.

Other loans comprise a € 6.0 million loan granted to a minority shareholder (previous year: € 7.8 million) as well as promissory note loans of € 9.5 million (previous year: € 9.5 million) issued to other creditors.

Buildings, surfacing and movable non-current assets with a carrying amount of € 5,251 thousand (previous year: € 7,333 thousand) have been pledged as collateral for interest-bearing loans. The collateral agreements provide that the assets are transferred to the banks until the loans and interest have been repaid in full and that they have a right to dispose of the assets if the borrower is in arrears with payments of interest and principal.

The liabilities towards employees consist primarily of wages and salaries.

The other financial liabilities include a settlement obligation to other shareholders. This entitlement to a financial settlement amounts to € 65,662 thousand for the financial years 2019 and 2020 (previous year: € 61,300 thousand for the financial years 2018 and 2019), see also Note 6 and Note 35.

Terms of liabilities from bank loans

Interest condition	Interest rate	Currency	Remaining fixed interest period	Nominal value in TCU[1]	**Carrying amount as of 31.12.2019 in € thousand**
fixed	0.78 - 2.36 %	EUR	2024 and later	177,093	167,262
fixed	1.46 %	EUR	2023	15,000	15,000
fixed	1.28 - 4.22 %	EUR	2022	102,926	49,169
fixed	2.83 %	EUR	2021	34,257	15,073
fixed	2.76 %	EUR	2020	16,873	7,424
floating	floating + margin	EUR	2020	123,791	76,842
					330,770

1 TCU = Thousand Currency Units

The floating interest rates are EURIBOR rates with maturities of one to six months.

Financial liabilities for which fair value is not equivalent to the carrying amount

	Carrying amount		Fair value	
in € thousand	**31.12.2019**	31.12.2018	**31.12.2019**	31.12.2018
Long-term interest-bearing loan	253,927	279,209	267,627	280,893

Interest rates of 0.5 to 1.4 % p.a. (previous year: 1.0 to 2.3 % p.a.) were used to measure the fair value of fixed interest-bearing loans. The interest rates are derived from the risk-free rate depending on maturity plus a premium according to the credit rating and maturity. They therefore constitute market rates. The average interest rate for the reported liabilities from bank loans was 1.6 % in the reporting year (previous year: 1.7 %).

As a result of borrowing, certain affiliates have covenants linked to key balance sheet figures and collateral. Violating these covenants would authorise the lender to demand additional collateral, a change to the conditions or the repayment of the loan. In order to prevent such steps, HHLA constantly monitors compliance with the covenants and, where required, implements measures to ensure that all conditions of the loan are met. As of the balance sheet date, the corresponding borrowings totalled € 72,401 thousand (previous year: € 84,861 thousand).

Maturity of bank loans

in € thousand	
Up to 1 year	21,754
1 year to 2 years	25,125
2 years to 3 years	42,208
3 years to 4 years	31,417
4 years to 5 years	16,321
Over 5 years	193,945
	330,770

39. Trade liabilities

Trade liabilities

in € thousand	**31.12.2019**	31.12.2018
	74,879	87,043

Trade liabilities from the financial year are only owed to third parties. As in the previous year, the total amount is due within one year.

40. Non-current and current liabilities to related parties

Non-current and current liabilities to related parties as of 31 December 2019

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	**Total**
Liabilities from leases to HPA	21,897	94,306	374,102	490,305
Liabilities from leases to Landesbetrieb Immobilienmanagement und Grundvermögen	1,741	5,871	3,947	11,559
Liabilities from leases to FEG Fischereihafenentwicklungsgesellschaft mbH & Co. KG	848	3,522	3,694	8,064
Other liabilities to HPA	3,691	0	0	3,691
Other Liabilities to HHLA Frucht- und Kühl-Zentrum GmbH	3,044	0	0	3,044
Other liabilities to related parties	5,931	0	0	5,931
	37,152	**103,699**	**381,743**	**522,594**

Non-current and current liabilities to related parties as of 31 December 2018

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	**Total**
Liabilities from leases to HPA	471	2,796	102,203	105,470
Other liabilities to related parties	7,469	0	0	7,469
	7,940	**2,796**	**102,203**	**112,939**

The increase in lease liabilities was the result of the initial application of IFRS 16. For more details, see Note 45 and Note 48.

41. Other liabilities

Other liabilities

in € thousand	**31.12.2019**	31.12.2018
Liabilities to employees	13,817	11,837
Tax liabilities	9,931	9,221
Employers' liability insurance premiums	4,663	4,466
Social security payables	2,618	1,963
Advance payments received for orders	2,104	2,316
Port workers' welfare fund (Hafenfonds)	1,342	1,281
Other	2,292	1,716
	36,767	**32,800**

The development of liabilities towards employees is primarily linked to the increased number of employees. Liabilities towards employees includes liabilities arising from accrued leave and outstanding bonus payments.

All other liabilities have a remaining term of up to one year.

42. Income tax liabilities

Income tax liabilities

in € thousand	**31.12.2019**	31.12.2018
	6,190	4,937

Income tax liabilities result from expected additional payments for corporation tax, solidarity surcharge and trade tax.

When preparing the Annual Financial Statements, provisions are made for the corresponding amounts of corporation tax, solidarity surcharge and trade tax on the basis of the tax and legal situation known at the time of preparation.