


J.A. Plastindustri A/S
Vestervigvej 163
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7755 Bedsted Thy

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J.A. Plastindustri A/S
Annual report 2015

The annual report was presented and adopted at the
Company's annual general meeting

on March 17th 20 16


chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of J.A. Plastindustri A/S for the financial year 1 January – 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.

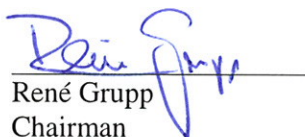
Bedsted, 17 March 2016

Executive Board:



Heine Vangsgaard

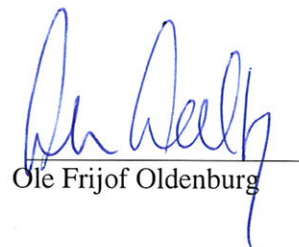
Board of Directors:



René Grupp
Chairman



Axel Alfred Kern



Ole Frijof Oldenburg



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Statsautoriseret Revisionspartnerselskab
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Independent auditor's report

To the shareholders of J.A. Plastindustri A/S

Independent auditor's report on the financial statements

We have audited the financial statements of J.A. Plastindustri A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.


Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.


Aarhus, 17 March 2016

KPMG

Statsautoriseret Revisionspartnerselskab



Steffen S. Hansen
State Authorised
Public Accountant



Mikkel Trabjerg Knudsen
State Authorised
Public Accountant

Management's review

Company details

J.A. Plastindustri A/S
Vestervigvej 163
Hassing
7755 Bedsted Thy

Telephone: +45 98 88 11 11
Website: www.japlast.com
E-mail: japlast@japlast.com
CVR no.: 65 69 98 18
Registered office: Thisted
Financial year: 1 January – 31 December

Executive Board

Heine Vangsgaard

Board of Directors

René Grupp, Chairman
Axel Alfred Kern
Ole Frijof Oldenburg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V

Management's review

Operating review

Principal activities

J. A. Plastindustri A/S sells, develops and produces customised roofing accessory programmes specially tailored to the needs and requirements of manufacturers and importers. The Company sells its products both in Denmark and on a number of export markets.

Development in activities and financial position

Profit for the year amounts to DKK 15,911 thousand (2014: DKK 13,720 thousand).

Equity at year end amounts to DKK 20,309 thousand (2014: DKK 17,651 thousand).

Management is of the opinion that results and the financial position are satisfactory.

Subsequent events

The Company was acquired by Monier Group as of 5 January 2016. There has been no other subsequent events that require disclosure in the annual report.

Financial statements 1 January – 31 December

Accounting policies

The annual report of J.A. Plastindustri A/S for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Financial statements 1 January – 31 December

Accounting policies

Income statement

Revenue

Income from the sale of goods and finished goods, comprising the sale of finished goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

To the extent that customers are offered the right of return, revenue is recognised based on the Company's past experience with returns. When the Company has no experience with similar transactions, revenue is not recognised until the cooling-off period has expired.

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

In addition, write-down for bad debts on contract work is recognised.

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 1 January – 31 December

Accounting policies

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Software

Software is measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the contract period, however, not exceeding 5 years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, energy consumption, staff and depreciation of machinery used.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 January – 31 December

Accounting policies

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Production buildings	30 years
Administration buildings	30 years
Plant and machinery	5-15 years
Fixtures and fittings, tools and equipment	5-10 years

Land is not depreciated.

Non-current assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Financial statements 1 January – 31 December

Accounting policies

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as direct production costs. Indirect production overheads and borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligations are recognised as financial liabilities at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Income statement

	Note	2015	2014
Gross profit		36,628,508	35,357,183
Distribution costs	1	7,899,996	7,611,609
Administrative expenses	1	7,423,208	9,055,829
Operating profit		21,305,304	18,689,745
Other financial income		200,133	22,330
Other financial expenses		828,934	563,836
Profit before tax		20,676,503	18,148,239
Tax on profit for the year	5	-4,765,887	-4,428,524
Profit for the year		15,910,616	13,719,715
Proposed profit appropriation			
Proposed dividends for the financial year		2,000,000	3,500,000
Retained earnings		13,910,616	10,219,715
		15,910,616	13,719,715

Financial statements 1 January – 31 December

Balance sheet

	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets			
Software		2,092,403	2,927,698
Total intangible assets	3	2,092,403	2,927,698
Property, plant and equipment			
Land and buildings		11,902,702	12,654,297
Plant and machinery		10,698,251	11,643,751
Fixtures and fittings, tools and equipment		62,625	107,895
Total property, plant and equipment	4	22,663,578	24,405,943
Total non-current assets		24,755,981	27,333,641
Current assets			
Inventories			
Raw materials and consumables		3,698,172	3,824,235
Work in progress		1,490,198	1,450,957
Finished goods and goods for resale		352,688	602,047
Total inventories		5,541,058	5,877,239
Receivables			
Trade receivables		7,833,812	7,862,946
Other receivables		70,731	4,851
Prepayments		258,454	121,652
Receivables total		8,162,997	7,989,449
Cash at bank and in hand		124,819	99,245
Total current assets		13,828,874	13,965,933
TOTAL ASSETS		38,584,855	41,299,574

Financial statements 1 January – 31 December

Balance sheet

	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Share capital		725,000	725,000
Retained earnings		17,584,481	13,425,891
Proposed dividends for the financial year		2,000,000	3,500,000
Total equity	2	<u>20,309,481</u>	<u>17,650,891</u>
Provisions			
Provisions for deferred tax		2,236,742	2,545,721
Total provisions		<u>2,236,742</u>	<u>2,545,721</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage debt	6	<u>7,373,655</u>	<u>8,022,418</u>
Total non-current liabilities other than provisions		<u>7,373,655</u>	<u>8,022,418</u>
Current liabilities other than provisions			
Mortgage debt		671,983	667,021
Bank loans		51,248	3,344,460
Trade payables		2,306,245	2,400,710
Payables to parent company		0	156,289
Corporation tax		380,834	942,930
Other payables		4,868,887	5,117,628
Prepayments		385,780	451,506
Current liabilities other than provisions total		<u>8,664,977</u>	<u>13,080,544</u>
Total liabilities other than provisions		<u>16,038,632</u>	<u>21,102,962</u>
TOTAL EQUITY AND LIABILITIES		<u><u>38,584,855</u></u>	<u><u>41,299,574</u></u>
Staff costs	1		
Contractual obligations, contingencies, etc.	7		
Subsequent events	8		

Financial statements 1 January – 31 December

Notes

	2015	2014
1 Staff costs		
Wages and salaries	20,792,545	21,885,674
Pensions	1,558,494	1,556,320
Other social security costs	454,274	450,688
Other staff costs	3,570	4,000
	<u>22,808,883</u>	<u>23,896,682</u>
Distribution of staff costs		
Production costs	14,189,889	14,431,821
Distribution costs	5,612,396	5,667,643
Administrative expenses	3,006,598	3,797,218
	<u>22,808,883</u>	<u>23,896,682</u>
Average number of employees	<u>50</u>	<u>49</u>

Financial statements 1 January – 31 December

Notes

2 Equity

	Share capital	Retained earnings	Proposed dividends	Total
Balance at 1 January 2015	725,000	13,425,891	3,500,000	17,650,891
Distributed dividends	0	0	-3,500,000	-3,500,000
Extraordinary dividends distributed	0	-10,000,000	0	-10,000,000
Hedge adjustment (interest swap)	0	247,974	0	247,974
Profit appropriation	0	13,910,616	2,000,000	15,910,616
Balance at 31 December 2015	725,000	17,584,481	2,000,000	20,309,481

The share capital consists of 750 shares of nom. DKK 1,000 each.

The share capital has not undergone any changes the past 5 years.

3 Intangible assets

	Software
Cost at 1 January 2015	4,541,488
Cost at 31 December 2015	4,541,488
Amortisation at 1 January 2015	1,613,750
Amortisation for the year	835,335
Amortisation at 31 December 2015	2,449,085
Carrying amount at 31 December 2015	2,092,403

Financial statements 1 January – 31 December

Notes

4 Property plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	23,052,045	39,479,581	3,075,726	65,607,352
Additions	0	1,156,755	0	1,156,755
Cost at 31 December 2015	23,052,045	40,636,336	3,075,726	66,764,107
Depreciation at 1 January 2015	10,397,748	27,835,830	2,967,831	41,201,409
Depreciation for the year	751,595	2,102,255	45,270	2,899,120
Depreciation at 31 December 2015	11,149,343	29,938,085	3,013,101	44,100,529
Carrying amount at 31 December 2015	11,902,702	10,698,251	62,625	22,663,578

Depreciation

Annual gross depreciation	3,020,521
Less payments received from customer	-121,401
Net depreciation	2,899,120

5 Tax on profit for the year

	2015	2014
Current tax for the year	5,144,833	4,650,930
Deferred tax adjustment for the year	-319,721	-222,406
Adjustment of tax in respect of prior years	-59,225	0
	4,765,887	4,428,524

6 Mortgage debt

An amount of DKK 4,013,740 falls due after 5 years (2014: DKK 4.7 million).

7 Contractual obligations, contingencies, etc.

Lease obligations

The Company has entered into operating leases at the following amounts:

The remaining term of the leases is 36 months with an average monthly lease payment of DKK 13 thousand, totalling DKK 477 thousand.

Financial statements 1 January – 31 December

Notes

7 Contractual obligations, contingencies, etc. (continued)

Collateral

Collateral secured upon property, plant and equipment is specified as follows:

Realkredit Danmark A/S, EUR 1,723 thousand

Spar Nord A/S, DKK 5,000 thousand

Spar Nord A/S, DKK 5,000 thousand

8 Subsequent events

The Monier Group took control of the Company as of 5 January 2016, and from here J.A. Plastindustri A/S is a wholly-owned subsidiary of Monier Roofing Components GmbH, Frankfurter Landstrasse 2-4, D-61440 Oberursel.

No other subsequent events have occurred that require disclosure in the annual report.