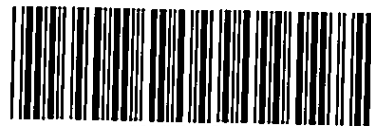


Lindab Limited

Report and Financial Statements

31 December 2008

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COMPANIES HOUSE

Registered No: 1641399

Directors

C-G Nilsson
H O Paitula
I T Robertson
M J Goodspeed

Secretary

Goodwille Corporate Services Limited

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Beds
LU1 3LU

Bankers

Svenska Handelsbanken AB
Park Row
Nottingham
NG1 6EE

Registered office

Units 9-10 Carousel Way
Riverside Business Park
Northampton
NN3 9HG

Directors report

The directors present their report and financial statements for the year ended 31 December 2008.

Results and dividends

The profit for the year amounted to £1,204,000 (2007: £2,467,000 profit). No dividends were paid nor are proposed.

Principal activities and review of the business

The company is principally engaged in the manufacture and distribution of steel ducting, associated fittings and other sheet metal products.

Business review

Lindab Limited manufactures, markets and distributes products and system solutions in sheet metal for simplified construction and improved indoor climate. Its products are distinguished by their high quality, ease of assembly, energy efficiency and environmentally friendly design.

Lindab Limited is a wholly owned subsidiary of Lindab AB which is listed on Stockholm's stock exchange. Details of the group review of the year is available on www.lindabgroup.com

The majority of the company's customers are other distributors, installation companies and building contractors in the construction industry. The products that the company distributes are mainly for commercial buildings with a smaller proportion sold to residential construction.

The company experienced significant growth during the first three quarters of 2008 in both sales and profit reflecting the network established in the UK and favourable commodity prices. In the fourth quarter this trend was interrupted due the effects of weakening demand in the non residential construction sector as the "credit crunch" started to take effect. A cost reduction program was implemented in the later part of 2008 with costs affecting the 2008 result amounting to £312,000. Total turnover amounted to £60,409,000 (2007: £53,059,000). The gross profit increased to 33.1% (2007: 32.3%).

Outlook for 2009, risks and opportunities

Lindab is dependent on the market conditions for the Construction Industry and investments in commercial and public buildings. In light of the analysis from Euroconstruct for the UK Construction Industry we anticipate market conditions for 2009 to be affected by the fall in investments that will lead to a fall in demand. Improved building regulations and legislation within the energy efficiency area, already implemented and planned, will favour Lindabs' products in the mid to long term. The directors are mindful of the impact of the credit crunch on the construction industry, the impact of which is likely to take full effect 2009.

Lindab is dependant on the supply of steel and so the price of steel has a direct impact on the company's cost of goods sold. The price of steel increased during 2008 due to increased demand globally, however continues to fluctuate significantly. The increase in fuel prices is a long term risk factor due to the proportion of freight cost to product value increasing due to the nature of the products imported from mainly Lindab Group manufacturing facilities in Scandinavia and Czech Republic. A further deterioration in the availability and cost of credit to companies could have a negative impact on Lindab with increased risk of bad debt. However, management carefully maintain the debtor book and only provide credit on agreed terms.

Disabled employees and Employee involvement

The company's policies for recruitment, training, career development and promotion of employees are based on the suitability of the individual and give those who are disabled equal treatment with the able-

Directors report

bodied. Where appropriate, employees disabled after joining the company are given suitable training for employment with the company or elsewhere.

During the year the policy of providing employees with information about the company has been continued. The directors are committed to the involvement of all employees in matters affecting performance of the company.

Directors

The directors who served the company during the year were as follows:

C-G Nilsson
D G Barker (Resigned 26th June 2009)
H O Paitula
I T Robertson
M J Goodspeed

There are no directors' interests requiring disclosure under the Companies Act 1985.

Directors' statement as to disclosure of information to auditors

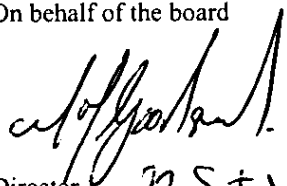
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board


Director 22 September 2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Lindab Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

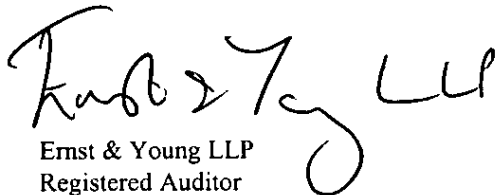
Independent auditors' report

to the members of Lindab Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


Ernst & Young LLP
Registered Auditor
Luton

22 September 2009

Profit and loss account

for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Turnover	2	60,409	53,059
Cost of sales		(40,405)	(35,941)
Gross profit		20,004	17,118
Distribution costs		(2,037)	(2,009)
Administrative expenses		(15,344)	(13,722)
Operating profit	3	2,623	1,387
Interest payable	6	(1,347)	(1,398)
Profit on ordinary activities before taxation		1,276	(11)
Tax on profit on ordinary activities	7	(72)	2,478
Profit for the financial year transferred from reserves		1,204	2,467

All results relate to continuing activities.

Statement of total recognised gains and losses

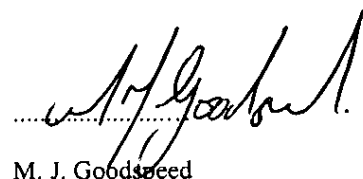
There are no recognised gains or losses other than the profit of £1,204,000 attributable to the shareholders for the year ended 31 December 2008 (2007 - profit of £2,467,000).

Balance sheet

at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Investments	8	2,789	2,789
Intangible assets	9	16,916	17,851
Tangible assets	10	3,056	2,999
		<u>22,761</u>	<u>23,639</u>
Current assets			
Stocks	11	6,658	6,309
Debtors	12	18,867	20,596
Cash at bank and in hand		164	234
		<u>25,689</u>	<u>27,139</u>
Creditors: amounts falling due within one year	13	(30,437)	(33,846)
Net current liabilities		<u>(4,748)</u>	<u>(6,707)</u>
Total assets less current liabilities		<u>18,013</u>	<u>16,922</u>
Provision for liabilities	14	(963)	(1,086)
Total assets less current assets		<u>17,050</u>	<u>15,846</u>
Capital and reserves			
Called up share capital	17	16,525	16,525
Capital contribution	17	10,000	10,000
Profit and loss account	18	(9,475)	(10,679)
		<u>17,050</u>	<u>15,846</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2009.



M. J. Goodspeed

Director

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

As a wholly owned subsidiary of Lindab AB, incorporated in Sweden, the company is exempt from preparing consolidated financial statements under s228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	- 25 years
Short leasehold improvements	- Period of lease
Plant, machinery, fixtures and equipment	- 5 to 10 years
Motor vehicles	- 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme for the benefit of one director. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are administered by Trustees in a fund independent from those of the company.

2. Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Turnover is attributable to the manufacture and distribution of steel ducting and associated fittings and other steel metal products within the UK.

Notes to the financial statements

at 31 December 2008

3. Operating profit/(loss)

This is stated after charging/(crediting):

	2008 £000	2007 £000
Auditors' remuneration - audit services	48	60
- taxation services	34	21
	<u> </u>	<u> </u>
Depreciation of owned fixed assets	525	826
	<u> </u>	<u> </u>
Operating lease rentals - land and buildings	1,755	1,608
- plant and machinery	23	29
- vehicles	593	612
Net loss on foreign currency translation	549	117
Exceptional costs - restructuring costs	492	-
	<u> </u>	<u> </u>

4. Staff costs

	2008 £000	2007 £000
Wages and salaries	8,762	7,823
Social security costs	849	873
Staff pension contributions	250	258
	<u> </u>	<u> </u>
	9,861	8,954
	<u> </u>	<u> </u>

The monthly average number of employees during the year was as follows:

	2008 No.	2007 No.
Production staff	68	73
Warehouse staff	119	104
Administrative staff	165	151
	<u> </u>	<u> </u>
	352	328
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2008

5. Directors' emoluments

	2008 £000	2007 £000
Emoluments	404	335
Value of company pension contributions to money purchase schemes	30	-
	2008 No.	2007 No.
Members of money purchase pension schemes	2	-

The highest paid director received remuneration of £158,000 (2007: £167,000).

6. Interest payable

	2008 £000	2007 £000
Bank interest payable	74	99
Interest payable to parent company	1,273	1,299
	1,347	1,398

Notes to the financial statements

at 31 December 2008

7. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2008 £000	2007 £000
<i>Current tax:</i>		
UK corporation tax	-	-
Total current tax (note 7(b))	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(120)	2,478
Effect of changes in tax rate on opening asset	48	-
Tax on profit on ordinary activities	(72)	2,478

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28.5% (2007 - 30%).

The differences are reconciled below:

	2008 £000	2007 £000
Profit on ordinary activities before tax	1,276	(11)
Profit on ordinary activities multiplied by the standard rate of corporation tax	363	(3)
Expenses not deductible for tax purposes	376	288
Depreciation in excess of capital allowances	(122)	236
Utilisation of brought forward losses	(459)	(527)
Short term timing differences	(158)	6
Total current tax (note 7(a))	-	-

Notes to the financial statements

at 31 December 2008

7. Tax on profit on ordinary activities (continued)

(c) Deferred tax

The deferred taxation asset recognised in the financial statements is as follows:

	2008 £000	2007 £000
At 1 January	2,558	-
Recognised during the year	-	2,478
Transfer from CCL Lindab Limited	-	80
Profit and loss account	(334)	-
Adjustments in respect of prior years	262	-
	<u>2,486</u>	<u>2,558</u>

The deferred tax asset recognised in the financial statements consists of:

	2008 £000	2007 £000
Depreciation in advance of capital allowances/(capital allowances in advance of depreciation)	150	138
Tax losses available	2,336	2,295
Other timing differences	-	125
	<u>2,486</u>	<u>2,558</u>

8. Fixed assets investments

Investments in subsidiary undertakings:

	<i>Shares in subsidiary undertaking £'000</i>
Cost less amounts written off	
At 1 January 2008 and 31 December 2008	<u>2,789</u>

Subsidiary undertakings

The company holds 100% of the voting rights in the following wholly owned subsidiary undertakings at 31 December 2008.

<i>Company</i>	<i>Principal activity</i>
CCL Lindab Limited	Non trading
The company is incorporated in England and Wales. The company ceased trading in 2007 when the business transferred to Lindab Limited.	

Notes to the financial statements

at 31 December 2008

9. Intangible fixed assets

	<i>Goodwill</i> <i>£'000</i>
Cost	
At 1 January 2008 and 31 December 2008	18,709
Depreciation	
At 1 January 2008	858
Charge for the year	935
At 31 December 2008	1,793
Net book value	
At 31 December 2008	16,916
At 1 January 2008	17,851

Notes to the financial statements

at 31 December 2008

10. Tangible fixed assets

	<i>Freehold land and buildings £000</i>	<i>Leasehold improvements £000</i>	<i>Plant, machinery, fixtures and equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost:					
At 1 January 2008	53	641	10,874	49	11,617
Additions	-	267	338	-	605
Disposals	-	(26)	(13)	(12)	(51)
At 31 December 2008	53	882	11,199	37	12,171
Depreciation:					
At 1 January 2008	20	320	8,251	27	8,618
Provided during the year	2	60	447	16	525
Disposals	-	(8)	(6)	(14)	(28)
At 31 December 2008	22	372	8,692	29	9,115
Net book value:					
At 31 December 2008	31	510	2,507	8	3,056
At 1 January 2008	33	321	2,623	22	2,999

11. Stocks

	<i>2008 £000</i>	<i>2007 £000</i>
Raw materials	819	717
Finished goods	5,839	5,592
	6,658	6,309

Notes to the financial statements

at 31 December 2008

12. Debtors

	2008 £000	2007 £000
Trade debtors	15,382	16,911
Amounts owed by group undertakings	24	86
Other debtors	11	10
Prepayments and accrued income	964	1,031
Deferred tax asset (see note 7(c))	2,486	2,558
	<u>18,867</u>	<u>20,596</u>

13. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank overdraft	1,023	1,721
Trade creditors	5,302	6,048
Amounts owed to group undertakings	19,766	20,911
Amounts owed to subsidiary undertakings	2,789	2,789
Other taxation and social security	499	1,279
Other creditors	28	214
Accruals and deferred income	1,030	884
	<u>30,437</u>	<u>33,846</u>

The bank overdraft is secured by a fixed and floating charge over the company and all property and assets present and future.

14. Provisions for liabilities

	<i>Restructuring £000</i>
At 1 January 2008	1,086
Utilised during the year	(435)
Charged in the year	312
At 31 December 2008	<u>963</u>

Restructuring provision

With the acquisition of CCL Veloduct Limited (now CCL Lindab Limited) a restructuring has been undertaken within the two companies. This includes the closure of certain depots with related redundancy, lease commitments, fixed asset write offs, as well as some head office restructuring costs. The majority of the costs were incurred during 2007. Some of the lease obligations extend beyond 2008 and represent the majority of the remaining balance. These will be utilised over the next year.

A new provision for restructuring the company's production and distribution network was posted in the accounts after a decision by the board in December 2008 to take the necessary action in light of the change in demand that is predicted in the commercial property market.

Notes to the financial statements

at 31 December 2008

15. Commitments under operating leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	2008		2007	
	<i>Land and buildings £000</i>	<i>Other £000</i>	<i>Land and buildings £000</i>	<i>Other £000</i>
Operating leases which expire:				
Within one year	49	69	302	120
In two to five years	936	403	473	716
In over five years	686	-	1,423	-
	<u>1,671</u>	<u>472</u>	<u>2,198</u>	<u>836</u>

16. Related party transactions

As a wholly owned subsidiary of Lindab AB, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Lindab AB.

17. Share capital

	2008		<i>Authorised</i> 2007	
	£000		£000	
Ordinary shares of £1 each		16,525		16,525
		<u>16,525</u>		<u>16,525</u>
	<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	2008 £000	<i>No.</i>	2007 £000
Ordinary shares of £1 each	16,525,000	<u>16,525</u>	16,525,000	<u>16,525</u>

Notes to the financial statements

at 31 December 2008

18. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i> £000	<i>Capital contribution</i> £000	<i>Profit and loss account</i> £000	<i>Total shareholders' funds</i> £000
At 1 January 2007	2,025	–	(13,146)	(11,121)
Profit for the year	–	–	2,467	2,467
Capital contribution	–	10,000	–	10,000
New share capital issued	14,500	–	–	14,500
At 31 December 2007	16,525	10,000	(10,679)	15,846
Profit for the year	–	–	1,204	1,204
At 31 December 2008	16,525	10,000	(9,475)	17,050

19. Ultimate parent company

The ultimate holding company and the controlling related party is its parent company Lindab AB which is incorporated in Sweden.

The only group of undertakings for which group accounts have been drawn up is that headed by Lindab AB and copies of the group accounts may be obtained from Lindab Intressenter AB, SE-269 82 Bastad, Sweden.