

# **Lindab Limited**

## **Report and Financial Statements**

31 December 2009



Lindab Limited

Registered No 1641399

---

**Directors**

C-G Nilsson

I T Robertson

M J Goodspeed

N-J E Andersson

**Secretary**

Goodwill 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 2009

### Results and dividends

The loss for the year amounted to £110,000 (2008 – profit of £1,204,000) No dividends were paid nor are proposed

### Principal activities

The company is principally engaged in the manufacture and distribution of steel ducting, associated fittings and other sheet metal products. Its products are distinguished by their high quality, ease of assembly, energy efficiency and environmentally friendly design.

### Business review

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](http://www.lindabgroup.com). The group has a strong financial position and is committed to the development of Lindab Limited in the UK market.

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 the residential construction market. Lindab Limited has a market leading position within the supply of circular ventilation products with an unrivalled national distribution network.

The general economic downturn and uncertainty in the financial markets have negatively affected demand for Lindab's products throughout 2009. The effect of the sharp decrease in new construction within the non residential market segment had a major impact on the turnover. Total turnover amounted to £48,612,000 (2008 – £60,409,000). Despite this drop the company managed to uphold the gross profit margin at 33%. The cost programme implemented in 2008 was successfully finalised in 2009 although further actions were taken during 2009 to reflect the market conditions. The important national distribution network is kept intact but a few outlets are merged and all possible measures were taken to cut cost without effecting customer value or distribution capability. In this way the company safeguards a reasonable profitability through the current tough market conditions without sacrificing future opportunity for growth.

### Outlook for 2010, 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 2010 to continue to be severely affected by the low level in investments that will lead to a historically comparable low level in demand. Improved building regulations and legislation within the energy efficiency area, already implemented and planned, will favour Lindab's 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 continue to affect 2010 and an improvement is not likely until the latter part of 2011. This is due to Lindab's products not being needed until the end of a construction project, during the time the building is fitted out and systems commissioned.

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 decreased during 2009 due to lower demand globally but continues to fluctuate significantly. New significant increases are predicted for Q2-Q3 2010. 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.

## Directors' report (continued)

### Going concern

The company's business activities, together with the factors likely to affect its' future performance and its financial position, are described above

The company has strong financial resources and well-established relationships with a wide network of customers across the UK resulting in a strong market presence. Further, it operates within a strong global group that provides further security for the operation. As a consequence, the directors believe that the company is well placed to successfully manage its business risks in a challenging market environment.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for preparing the annual report and accounts.

### 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-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

I T Robertson

M J Goodspeed

N-J E Andersson (appointed 22 December 2009)

H O Partula (left the board 10 November 2009)

D G Barker (left the board 30 June 2009)

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Ernst & Young LLP offer themselves for reappointment as auditors in accordance with s485 of the Companies Act 2006.

On behalf of the board



M J Goodspeed  
Director

3 September 2010

## Statement of directors' responsibilities

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 financial statements of Lindab Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APBs) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

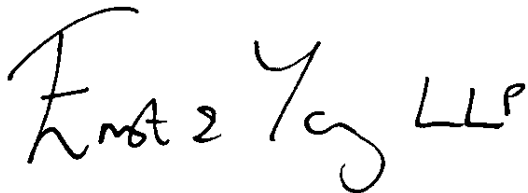
## Independent auditors' report

to the members of Lindab Limited (continued)

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'Fraser Bull' followed by 'Ernst & Young LLP'.

Fraser Bull (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Luton

3 September 2010

## Profit and loss account

for the year ended 31 December 2009

|   | Notes | 2009<br>£000 | 2008<br>£000 |
|---|-------|--------------|--------------|
| <b>Turnover</b>   | 2     | 48,612       | 60,409       |
| Cost of sales   |       | (32,555)     | (40,405)     |
| <b>Gross profit</b>   |       | 16,057       | 20,004       |
| Distribution costs  |       | (1,599)      | (2,037)      |
| Administrative expenses   |       | (13,774)     | (15,344)     |
| <b>Operating profit</b>   | 3     | 684          | 2,623        |
| Interest payable  | 6     | (330)        | (1,347)      |
| <b>Profit on ordinary activities before taxation</b>                |       | 354          | 1,276        |
| Tax on profit on ordinary activities                                | 7     | (464)        | (72)         |
| <b>(Loss)/profit for the financial year transferred to reserves</b> |       | (110)        | 1,204        |

All results relate to continuing activities

## Statement of total recognised gains and losses

for the year ended 31 December 2009

There are no recognised gains or losses other than the loss of £110,000 attributable to the shareholders for the year ended 31 December 2009 (2008 – profit of £1,204,000)



## Balance sheet

at 31 December 2009

|   | Notes | 2009<br>£      | 2008<br>£      |
|---|-------|----------------|----------------|
| <b>Fixed assets</b>                                   |       |                |                |
| Investments   | 8     | 2,789          | 2,789          |
| Intangible assets                                     | 9     | 15,981         | 16,916         |
| Tangible assets                                       | 10    | 2,899          | 3,056          |
|   |       | <u>21,669</u>  | <u>22,761</u>  |
| <b>Current assets</b>                                 |       |                |                |
| Stocks  | 11    | 4,521          | 6,658          |
| Debtors   | 12    | 18,676         | 18,867         |
| Cash at bank and in hand                              |       | 60             | 164            |
|   |       | <u>23,257</u>  | <u>25,689</u>  |
| <b>Creditors: amounts falling due within one year</b> | 13    | (27,294)       | (30,437)       |
| <b>Net current liabilities</b>                        |       | <u>(4,037)</u> | <u>(4,748)</u> |
| <b>Total assets less current liabilities</b>          |       | <u>17,632</u>  | <u>18,013</u>  |
| Provisions for liabilities                            | 14    | (692)          | (963)          |
| <b>Total assets less current liabilities</b>          |       | <u>16,940</u>  | <u>17,050</u>  |
| <b>Capital and reserves</b>                           |       |                |                |
| Called up share capital                               | 17    | 16,525         | 16,525         |
| Capital contribution                                  | 17    | 10,000         | 10,000         |
| Profit and loss account                               | 18    | (9,585)        | (9,475)        |
|   |       | <u>16,940</u>  | <u>17,050</u>  |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 September 2010.



M J Goodspeed  
Director

## Notes to the financial statements

at 31 December 2009

### 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 s400 of the Companies Act 2006. 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              | – twenty-five years |
| Short leasehold improvements             | – period of lease   |
| Plant, machinery, fixtures and equipment | – five to ten years |
| Motor vehicles                           | – five 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.

#### ***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.

## Notes to the financial statements

at 31 December 2009

### 1. Accounting policies (continued)

#### *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. 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 2009

### 3. Operating profit

This is stated after charging

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| Auditors' remuneration – audit services      | 46           | 48           |
| – taxation services                          | 26           | 34           |
| Depreciation of owned fixed assets           | 645          | 525          |
| Amortisation of intangible fixed assets      | 935          | 935          |
| Operating lease rentals – land and buildings | 1,940        | 1,755        |
| – plant and machinery                        | 32           | 23           |
| – vehicles                                   | 577          | 593          |
| Net loss on foreign currency translation     | 155          | 549          |
| Exceptional costs – restructuring costs      | 38           | 492          |

### 4. Staff costs

|                             | 2009<br>£000 | 2008<br>£000 |
|-----------------------------|--------------|--------------|
| Wages and salaries          | 7,110        | 8,762        |
| Social security costs       | 769          | 849          |
| Staff pension contributions | 247          | 250          |
|                             | 8,126        | 9,861        |

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

|                      | 2009<br>No | 2008<br>No |
|----------------------|------------|------------|
| Production staff     | 43         | 68         |
| Warehouse staff      | 112        | 119        |
| Administrative staff | 153        | 165        |
|                      | 308        | 352        |

## Notes to the financial statements

at 31 December 2009

### 5. Directors' emoluments

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| Emoluments   | 421          | 404          |
| Value of company pension contributions to money purchase schemes | 30           | 30           |
|  | 2009<br>No   | 2008<br>No   |
| Members of money purchase pension schemes                        | 2            | 2            |

The highest paid director received remuneration of £197,500 (2008 – £158,000)

### 6. Interest payable

|                                    | 2009<br>£000 | 2008<br>£000 |
|------------------------------------|--------------|--------------|
| Bank interest payable              | 19           | 74           |
| Interest payable to parent company | 311          | 1,273        |
|                                    | 330          | 1,347        |

### 7. Tax on profit on ordinary activities

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| <i>Current tax</i>                             |              |              |
| UK corporation tax                             | –            | –            |
| Total current tax (note 7(b))                  | –            | –            |
| <i>Deferred tax</i>                            |              |              |
| Origination and reversal of timing differences | (464)        | (120)        |
| Effect of changes in tax rate on opening asset | –            | 48           |
| Tax on profit on ordinary activities           | (464)        | (72)         |

## Notes to the financial statements

at 31 December 2009

### 7. Tax on profit on ordinary activities (continued)

#### (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 28.0% (2008 – 28.5%)

The differences are reconciled below

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax   | 354          | 1,276        |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.0% (2008 – 28.5%) | 99           | 363          |
| Expenses not deductible for tax purposes   | 378          | 376          |
| Depreciation in excess of capital allowances   | (113)        | (122)        |
| Utilisation of brought forward losses  | (364)        | (459)        |
| Short term timing differences  | –            | (158)        |
| Total current tax (note 7(a))  | –            | –            |

#### (c) Deferred tax

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

|                                       | 2009<br>£000 | 2008<br>£000 |
|---------------------------------------|--------------|--------------|
| At 1 January                          | 2,486        | 2,558        |
| Profit and loss account               | (487)        | (334)        |
| Adjustments in respect of prior years | 23           | 262          |
| At 31 December                        | 2,022        | 2,486        |

The deferred tax asset recognised in the financial statements consists of

|   | 2009<br>£000 | 2008<br>£000 |
|---|--------------|--------------|
| Depreciation in advance of capital allowances/<br>(capital allowances in advance of depreciation) | 260          | 150          |
| Tax losses available  | 1,762        | 2,336        |
|   | 2,022        | 2,486        |

## Notes to the financial statements

at 31 December 2009

### 8. Fixed assets investments

Investments in subsidiary undertakings

*Shares in  
subsidiary  
undertaking  
£000*

Cost less amounts written off  
At 1 January 2009 and 31 December 2009

2,789

#### *Subsidiary undertakings*

The company holds 100% of the voting rights in the following wholly owned subsidiary undertakings at 31 December 2009

*Company*

*Principal activity*

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.

### 9. Intangible fixed assets

*Goodwill  
£000*

Cost  
At 1 January 2009

18,709

Amortisation  
At 1 January 2009  
Charge for the year

1,793  
935

At 31 December 2009

2,728

Net book value  
At 31 December 2009

15,981

At 31 December 2008

16,916

## Notes to the financial statements

at 31 December 2009

### 10. Tangible fixed assets

|                          | <i>Freehold<br/>land &amp;<br/>buildings<br/>£000</i> | <i>Leasehold<br/>improve-<br/>ments<br/>£000</i> | <i>Plant,<br/>machinery,<br/>fixtures &amp;<br/>equipment<br/>£000</i> | <i>Motor<br/>vehicles<br/>£000</i> | <i>Total<br/>£000</i> |
|--------------------------|---|--|--|------------------------------------|-----------------------|
| Cost                     |   |  |  |                                    |                       |
| At 1 January 2009        | 53  | 882  | 11,199   | 37                                 | 12,171                |
| Additions                | –   | 251  | 240  | –                                  | 491                   |
| Disposals                | –   | –  | (39)   | (10)                               | (49)                  |
| At 31 December 2009      | 53  | 1,133  | 11,400   | 27                                 | 12,613                |
| Depreciation             |   |  |  |                                    |                       |
| At 1 January 2009        | 22  | 372  | 8,692  | 29                                 | 9,115                 |
| Provided during the year | 2   | 118  | 521  | 4                                  | 645                   |
| Disposals                | –   | (39)   | –  | (7)                                | (46)                  |
| At 31 December 2009      | 24  | 451  | 9,213  | 26                                 | 9,714                 |
| Net book value           |   |  |  |                                    |                       |
| At 31 December 2009      | 29  | 682  | 2,187  | 1                                  | 2,899                 |
| At 31 December 2008      | 31  | 510  | 2,507  | 8                                  | 3,056                 |

### 11. Stocks

|                | <i>2009<br/>£000</i> | <i>2008<br/>£000</i> |
|----------------|----------------------|----------------------|
| Raw materials  | 190                  | 819                  |
| Finished goods | 4,331                | 5,839                |
|                | 4,521                | 6,658                |



## Notes to the financial statements

at 31 December 2009

### 12. Debtors

|                                    | 2009<br>£000  | 2008<br>£000  |
|------------------------------------|---------------|---------------|
| Trade debtors                      | 15,708        | 15,382        |
| Amounts owed by group undertakings | 115           | 24            |
| Other debtors                      | 11            | 11            |
| Prepayments and accrued income     | 1,040         | 964           |
| Deferred tax asset (see note 7(c)) | 2,022         | 2,486         |
|                                    | <u>18,896</u> | <u>18,867</u> |

### 13. Creditors: amounts falling due within one year

|   | 2009<br>£000  | 2008<br>£000  |
|---|---------------|---------------|
| Bank overdraft                          | 1,103         | 1,023         |
| Trade creditors                         | 4,348         | 5,302         |
| Amounts owed to group undertakings      | 18,279        | 19,766        |
| Amounts owed to subsidiary undertakings | 2,789         | 2,789         |
| Other taxation and social security      | 391           | 499           |
| Other creditors                         | 29            | 28            |
| Accruals and deferred income            | 575           | 1,030         |
|   | <u>27,514</u> | <u>30,437</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</i><br>£000 |
|--------------------------|------------------------------|
| At 1 January 2009        | 963                          |
| Utilised during the year | (309)                        |
| Charged in the year      | 38                           |
| At 31 December 2009      | <u>692</u>                   |

#### *Restructuring provision*

With the acquisition of CCL Veloduct Limited (now CCL Lindab Limited) a restructuring was undertaken within the two companies. This included 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 2009 and represent the majority of the remaining balance. These will be utilised over the next 1-5 years.

## Notes to the financial statements

at 31 December 2009

### 15. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

|                               | 2009                        |              | 2008                        |              |
|-------------------------------|-----------------------------|--------------|-----------------------------|--------------|
|                               | <i>Land &amp; buildings</i> | <i>Other</i> | <i>Land &amp; buildings</i> | <i>Other</i> |
|                               | £000                        | £000         | £000                        | £000         |
| Operating leases which expire |                             |              |                             |              |
| Within one year               | 422                         | 261          | 49                          | 69           |
| In two to five years          | 761                         | 242          | 936                         | 403          |
| In over five years            | 688                         | –            | 686                         | –            |
|                               | <u>1,871</u>                | <u>503</u>   | <u>1,671</u>                | <u>472</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

|   |            | 2009          | 2008          |
|---|------------|---------------|---------------|
|   |            | £000          | £000          |
| <i>Authorised</i>                         |            |               |               |
| Ordinary shares of £1 each                |            | 16,525        | 16,525        |
|   |            | <u>16,525</u> | <u>16,525</u> |
|   |            |               |               |
|   |            | 2009          | 2008          |
|   |            | £000          | £000          |
| <i>Allotted, called up and fully paid</i> | <i>No</i>  |               |               |
| Ordinary shares of £1 each                | 16,525,000 | 16,525        | 16,525        |
|   |            | <u>16,525</u> | <u>16,525</u> |

### 18. Reconciliation of shareholders' funds and movement on reserves

|                     | <i>Share capital</i> | <i>Capital contribution</i> | <i>Profit &amp; loss account</i> | <i>Total shareholders' funds</i> |
|---------------------|----------------------|-----------------------------|----------------------------------|----------------------------------|
|                     | £000                 | £000                        | £000                             | £000                             |
| At 1 January 2008   | 16,525               | 10,000                      | (10,679)                         | 15,846                           |
| Profit for the year | –                    | –                           | 1,204                            | 1,204                            |
| At 31 December 2008 | <u>16,525</u>        | <u>10,000</u>               | <u>(9,475)</u>                   | <u>17,050</u>                    |
| Loss for the year   | –                    | –                           | (110)                            | (110)                            |
| At 31 December 2009 | <u>16,525</u>        | <u>10,000</u>               | <u>(9,585)</u>                   | <u>16,940</u>                    |

## **Notes to the financial statements**

**at 31 December 2009**

### **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