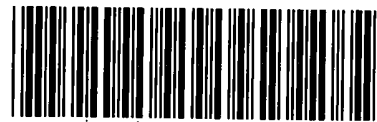


Company Registration No. 01641399 (England and Wales)

**LINDAB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

TUESDAY



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**LINDAB LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	F Liedholm I T Robertson M J Goodspeed E K T Ackeby
<b>Joint company secretary</b>	Goodwille Limited R H Evans
<b>Company number</b>	01641399
<b>Registered office</b>	Units 9-10 Carousel Way Riverside Business Park Northampton Northamptonshire NN3 9HG
<b>Auditors</b>	Deloitte LLP Statutory Auditors 4 Brindley Place Birmingham B1 2HZ
<b>Bankers</b>	Nordea Bank Finland Plc 8th Floor, City Place House 55 Basinghall Street London EC2V 5NB

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# **LINDAB LIMITED**

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# **LINDAB LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present the strategic report for the year ended 31 December 2016, in compliance with s414C of the Companies Act 2006.

#### **Review of Business**

Lindab Limited is principally engaged in the manufacturing and distribution of steel ducting, associated fittings and other sheet metal products to the construction industry. Its products are distinguished by their high quality, ease of assembly, energy efficiency and environmentally friendly design.

Lindab is wholly owned subsidiary of Lindab International AB which is listed on Stockholm's stock exchange. Details of the group review of the year are 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 primarily for the commercial building sector with a small 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 improvement throughout 2016 reflected in the modest increase in demand for Lindab products. Total turnover increased to £55,228,000 (2015 - £53,796,000) whilst gross profit margin dropped to 34% (2015 - 35%). The important national distribution network was kept intact and all possible measures were taken to cut cost without affecting 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.

The company's key financial and other performance indicators were as follows:

	<b>2016</b>	<b>2015</b>	<b>Change</b>
	<b>£000</b>	<b>£000</b>	<b>%</b>
Turnover	55,228	53,796	+3
Gross profit	18,893	18,640	+1
Profit before tax	2,243	3,334	-33
Average number of employees	288	276	+4

#### **Future Developments**

Lindab is dependent on the market conditions for the construction industry and investment in commercial and public buildings. In light of the analysis from Euroconstruct for the UK Construction Industry we anticipate market conditions for 2017 to continue to be affected by the fairly low level of investment that has led to a historically comparable low level of demand. Improved building regulations and legislation within the energy efficiency environment area, already implemented and planned, will favour Lindab 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 2017 and an improvement is not likely until the latter part of 2017. This is due to Lindab products not being required until the latter stages of construction project, during the time the building is fitted out and systems commissioned.

**LINDAB LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Principal Risks and Uncertainties**

**Competitive risks**

Lindab Limited operates in competitive markets but the directors are confident that since the turnover of the company is spread over multiple product lines and geographical regions, there is a minimal risk to the business.

**Legislative Risks**

In a number of the areas in which the company operates there are high levels of legislation. Examples of such legislation would include Health & Safety and Environmental legislation. The company has processes in place that ensure compliance with such legislation.

**Financial Risks**

The business is currently in a strong financial position and is able to meet debts as they become due. The current economic difficulties are challenging but the directors are confident that as a result of the strong balance sheet and actions taken the business can withstand these pressures. In the current economic climate there is an increased risk of bad debts, where a customer is unable to pay for the products sold by the company, but the company is confident that through a policy of credit insurance and prudent bad debt provision procedures the risk of bad debt is minimised.

**Exposure to Price, Credit, Liquidity and Cash Flow Risks**

Lindab Limited is dependent on the supply of steel and therefore, the price of steel has a direct impact on the company's cost of goods sold. The price of steel has increased in second half of 2016 and is expected to continue increasing into 2017. These price pressures are a well-known global market issue, not unique to Lindab, and the company expects to be able to pass on these increases.

The spread of different product lines and varied customer base reduces the potential adverse impact of any of the above risks having an effect on the stability of the business. The directors believe that the company has sufficient funds available to withstand and difficulties which may arise in the next 12 months.

On behalf of the board



I.T. Robertson

Director

05/09/2017

**LINDAB LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their annual report and financial statements for the year ended 31 December 2016.

**Principal activities**

The principal activities of the company are set out in the Strategic Report.

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

F Liedholm  
I T Robertson  
M J Goodspeed  
E K T Aceby

**Results and dividends**

The results for the year are set out on page 7.

The directors declared a dividend during the year of £2,400,000.

**Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

**Financial risk management objectives**

Potential risks affecting the performance and financial position of the company are set out in the Strategic Report.

**Going concern**

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

**Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Employee involvement**

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company.

**Auditors**

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

**LINDAB LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". 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 accounting 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; 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 adequate 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.

**Statement of disclosure to auditors**

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

On behalf of the board



I.T. Robertson

Director

05/09/2017

**LINDAB LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF LINDAB LIMITED**

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We have audited the financial statements of Lindab Limited for the year ended 31 December 2016 set out on which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 25. 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), including Financial Reporting Standard 102.

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, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2016 and of its profit 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**LINDAB LIMITED**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF LINDAB LIMITED**

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**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.



Peter Gallimore FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom  
Date: *6 September 2017*

**LINDAB LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £000	2015 £000
Revenue	3	55,228	53,796
Cost of sales		(36,335)	(35,156)
<b>Gross profit</b>		18,893	18,640
Distribution costs		(466)	(418)
Administrative expenses		(16,171)	(14,888)
<b>Operating profit</b>	4	2,256	3,334
Investment income	7	12	17
Finance costs	8	(25)	(17)
<b>Profit before taxation</b>		2,243	3,334
Taxation	9	(663)	(879)
<b>Profit for the financial year</b>		1,580	2,455

The income statement has been prepared on the basis that all operations are continuing operations.

The company has no items of comprehensive income in the current period or the prior period other than the profits reported in the periods. Accordingly, no statement of comprehensive income is presented.

**LINDAB LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

		2016		2015	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Goodwill	13		9,433		10,369
Property, plant and equipment	14		776		880
			<u>10,209</u>		<u>11,249</u>
<b>Current assets</b>					
Inventories	15	4,497		4,192	
Trade and other receivables	16	13,884		14,122	
Cash at bank and in hand	17	205		345	
		<u>18,586</u>		<u>18,659</u>	
<b>Current liabilities</b>	18	(10,406)		(10,610)	
Net current assets			<u>8,180</u>		<u>8,049</u>
<b>Total assets less current liabilities</b>			18,389		19,298
<b>Provisions for liabilities</b>	20		(229)		(318)
<b>Net assets</b>			<u>18,160</u>		<u>18,980</u>
<b>Equity</b>					
Called up share capital	23		16,525		16,525
Other reserves			5,212		7,612
Retained earnings			(3,577)		(5,157)
<b>Total equity</b>			<u>18,160</u>		<u>18,980</u>

The financial statements were approved by the board of directors and authorised for issue on 5<sup>th</sup> September 2017 and are signed on its behalf by:



I.T. Robertson

Director

05/09/2017

Company Registration No. 01641399

**LINDAB LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Notes	Share capital £000	Other reserves £000	Retained earnings £000	Total £000
<b>Balance at 1 January 2015</b>		16,525	17,000	(7,612)	25,913
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Period ended 31 December 2015:</b>					
Profit and total comprehensive income for the year		-	-	2,455	2,455
Dividend paid in year		-	(9,388)	-	(9,388)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance at 31 December 2015</b>		16,525	7,612	(5,157)	18,980
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Period ended 31 December 2016:</b>					
Profit and total comprehensive income for the year		-	-	1,580	1,580
Dividend paid in year		-	(2,400)	-	(2,400)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance at 31 December 2016</b>		16,525	5,212	(3,577)	18,160
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 Accounting policies**

**Company information**

Lindab Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Units 9-10 Carousel Way, Riverside Business Park, Northampton, Northamptonshire, NN3 9HG.

Lindab Limited is a wholly owned subsidiary of Lindab International AB and therefore the company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. The results of Lindab Limited are included in the consolidated financial statements of this group which are available to the public and may be obtained from Lindab International AB, Järnväsgatan 41, Grevie Bastad, Sweden 269-82.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention, modified to certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The principal accounting policies adopted are set out below.

Lindab Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of disclosure exemptions available to it in respect of its own financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management.

**1.2 Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 Accounting policies (continued)**

**1.4 Intangible fixed assets - goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

The company are satisfied that the profits generated since the introduction of the goodwill, at the point of acquisition of CCL Veloduct Ltd, fully supports the useful economic life of 20 years as stated and any impairments tests will be satisfied.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

**1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	- 25 years
Leasehold improvements	- period of lease
Plant, machinery, fixtures and equipment	- 5 to 10 years
Motor vehicles	- 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.6 Impairment of non-current assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1 Accounting policies (continued)**

**1.6 Impairment of non-current assets (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial assets**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 Accounting policies (continued)**

**1.9 Financial assets (continued)**

***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

***De-recognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**1.10 Financial liabilities**

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

***Other financial liabilities***

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

***De-recognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 Accounting policies (continued)**

**1.11 Taxation (continued)**

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

**1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**LINDAB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key accounting estimates or assumptions outside of the accounting policies described in note 1.

**3 Revenue**

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

An analysis of the company's revenue is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Turnover</b>		
Sale of goods	<u>55,228</u>	<u>53,796</u>

**4 Operating profit**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	440	
Fees payable to the company's auditors for the audit of the company's financial statements	26	24
Depreciation of owned property, plant and equipment	297	
Amortisation of intangible assets	935	366
Cost of inventories recognised as an expense	31,187	935
Operating lease charges	<u>2,487</u>	<u>30,397</u>

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Production staff	38	40
Warehouse staff	107	103
Administrative staff	143	133
	<u>288</u>	<u>276</u>

Their aggregate remuneration comprised:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	7,545	7,210
Social security costs	702	711
Pension costs	244	244
	<u>8,491</u>	<u>8,165</u>

**6 Directors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	259	286
Company pension contributions to defined contribution schemes	34	33
	<u>293</u>	<u>319</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	132	145
Company pension contributions to defined contribution schemes	17	17

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>7</b>	<b>Investment income</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	<b>Interest income</b>		
	Interest on bank deposits	1	8
	Interest receivable from group companies	-	8
	Other interest income	11	1
		<u>          </u>	<u>          </u>
	Total income	12	17
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Finance costs</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Interest payable to group undertakings	25	17
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Taxation</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	625	879
	Adjustments in respect of prior periods	(18)	-
		<u>          </u>	<u>          </u>
	Total current tax	607	879
		<u>          </u>	<u>          </u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	34	-
	Adjustment in respect of prior periods	22	-
		<u>          </u>	<u>          </u>
	Total deferred tax	56	-
		<u>          </u>	<u>          </u>
	Total tax charge	663	879
		<u>          </u>	<u>          </u>

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**9 Taxation (continued)**

The charge for the year can be reconciled to the profit per the income statement as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation	2,243	3,334
Expected tax charge based on a corporation tax rate of 20%	449	683
Tax effect of expenses that are not deductible in determining taxable profit	176	203
Adjustments in respect of prior years	(18)	-
Capital allowances in excess of depreciation	56	(3)
Other short term timing differences	-	(4)
Adjustments in respect of deferred tax	-	-
Tax expense for the year	663	879

The reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantially enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 28 October 2015. This will reduce the company's future tax charge accordingly.

**10 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Assets</b>	<b>Assets</b>
	<b>2016</b>	<b>2015</b>
<b>Balances:</b>	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	75	132
Other timing differences	8	7
	83	139

Deferred tax asset reduced due to utilisation of previous year timing differences and current year offset against annual investment allowance.

**11 Dividends**

The directors paid a dividend during the year of £2,400,000.

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**12 Investments**

The company holds 100% of the voting rights in the following wholly owned subsidiary undertakings at 31 December 2016.

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 the investment value was reduced to £nil.

**13 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£000</b>
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	18,709
<b>Amortisation and impairment</b>	
At 1 January 2016	8,340
Amortisation charged for the year	936
At 31 December 2016	9,276
<b>Carrying amount</b>	
At 31 December 2016	9,433
At 31 December 2015	10,369

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**14 Property, plant and equipment**

	Land and buildings Freehold	Leasehold improvements	Plant, machinery, fixtures and equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 January 2016	53	1,441	11,911	27	13,432
Additions	-	117	86	-	203
Disposals	-	-	(72)	-	(72)
At 31 December 2016	53	1,558	11,925	27	13,563
<b>Depreciation and impairment</b>					
At 1 January 2016	36	1,086	11,403	27	12,552
Depreciation charged in the year	2	99	195	-	296
Depreciation on Disposals	-	-	(61)	-	(61)
At 31 December 2016	38	1,185	11,537	27	12,787
<b>Carrying amount</b>					
At 31 December 2016	15	373	388	-	776
At 31 December 2015	17	355	508	-	880

**15 Inventories**

	2016 £000	2015 £000
Raw materials and consumables	369	183
Finished goods and goods for resale	4,128	4,009
	4,497	4,192

**16 Trade and other receivables**

	2016 £000	2015 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	13,254	13,073
Amount due from parent undertaking	61	55
Other receivables	1	1
Prepayments and accrued income	485	854
	13,801	13,983
Deferred tax asset	83	139
	13,884	14,122

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>17</b>	<b>Cash and cash equivalents</b>		<b>2016</b>	<b>2015</b>
			<b>£000</b>	<b>£000</b>
	Cash		205	345
	Cash equivalents		-	-
			<u>205</u>	<u>345</u>
<b>18</b>	<b>Current liabilities</b>		<b>2016</b>	<b>2015</b>
		<b>Notes</b>	<b>£000</b>	<b>£000</b>
	Borrowings	<b>19</b>	1,397	1,225
	Corporation tax payable		173	343
	Other taxation and social security		452	511
	Trade payables		4,564	4,741
	Amount due to parent undertaking		3,103	2,958
	Other payables		95	79
	Accruals and deferred income		622	753
			<u>10,406</u>	<u>10,610</u>
<b>19</b>	<b>Borrowings</b>		<b>2016</b>	<b>2015</b>
			<b>£000</b>	<b>£000</b>
	Loans from parent undertaking		<u>1,397</u>	<u>1,225</u>
	Payable within one year		<u>1,397</u>	<u>1,225</u>

This borrowing relates to Lindab Group cash pool arrangement, and given the nature of profits generated by Lindab Ltd the directors are confident this borrowing will not be recalled in the foreseeable future.



**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>20 Provisions for liabilities</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Restructuring provision	229	318
	<u>          </u>	<u>          </u>
Movements on provisions:		<b>Restructuring provision</b>
		<b>£000</b>
At 1 January 2016		318
Utilisation of provision		(89)
		<u>          </u>
At 31 December 2016		229
		<u>          </u>

With the acquisition of CCL Veloduct Limited in 2007 (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 2016 and represent a proportion of the remaining balance. These will be utilised over the next 1-5 years.

**21 Retirement benefit schemes**

**Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £244,000 (2015 - £244,000).

**22 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Within one year	95	264
Between two and five years	1,729	1,095
In over five years	674	801
	<u>          </u>	<u>          </u>
	2,498	2,160
	<u>          </u>	<u>          </u>

**LINDAB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**23 Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
16,525,000 of £1 each	<u>16,525</u>	<u>16,525</u>

**24 Related party transactions**

As a wholly owned subsidiary of Lindab International AB, the company meets the exemption requirements of FRS102, to disclose transactions with other wholly owned members of the group headed by Lindab International AB.

**25 Controlling party**

The company's immediate parent undertaking is Lindab AB, a company incorporated in Sweden.

The ultimate parent undertaking and controlling party is Lindab International AB, a company incorporated in Sweden.

The largest and smallest group in which the results of the company are consolidated is Lindab International AB, a company incorporated in Sweden. The consolidated financial statements of this group are available to the public and may be obtained from Lindab International AB, Järnväsgatan 41, Grevie Bastad, Sweden 269-82.