

Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 30 November 2016  
for  
Lindum Group Limited

THURSDAY



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**Contents of the Consolidated Financial Statements**  
**for the Year Ended 30 November 2016**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Chairman's Report</b>	<b>2</b>
<b>Group Strategic Report</b>	<b>3</b>
<b>Report of the Directors</b>	<b>6</b>
<b>Report of the Independent Auditors</b>	<b>10</b>
<b>Consolidated Income Statement</b>	<b>11</b>
<b>Consolidated Other Comprehensive Income</b>	<b>12</b>
<b>Consolidated Balance Sheet</b>	<b>13</b>
<b>Company Balance Sheet</b>	<b>14</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>15</b>
<b>Company Statement of Changes in Equity</b>	<b>15</b>
<b>Consolidated Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>17</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>
<b>Reconciliation of Equity</b>	<b>31</b>
<b>Reconciliation of Profit</b>	<b>33</b>

**Lindum Group Limited**  
**Company Information**  
**for the Year Ended 30 November 2016**

**DIRECTORS:**

D C Chambers  
K E Damarell  
S J Gregory  
P N P McSorley  
M J Papworth  
R A J Kok  
E C Chambers  
F E Chambers

**SECRETARY:**

H F F Kok

**REGISTERED OFFICE:**

Lindum Business Park  
Station Road  
North Hykeham  
Lincoln  
LN6 3QX

**REGISTERED NUMBER:**

01236338 (England and Wales)

**AUDITORS:**

Wright Vigar Limited  
Statutory Auditors  
Chartered Accountants & Business Advisers  
15 Newland  
Lincoln  
Lincolnshire  
LN1 1XG

**BANKERS:**

Nat West Lincoln  
225 High Street  
Lincoln  
Lincolnshire  
LN2 1AZ

Chairman's Report  
for the Year Ended 30 November 2016

Our 60th year of business in the construction industry was a very good one; in terms of trading performance, but, more importantly, in relation to how well the different construction and related teams worked together to produce good [building] product, in a way that clients liked and appreciated.

Results were really heartening and our profit was largely a continuation of a good construction performance, with few problems, added to an improving performance from our housing division, in a healthier market, as well as some good joint venture partnerships coming to fruition after many years of working together.

For the short to medium term ahead, I do believe that Brexit will slow progress of the economy, though change may be no bad thing in itself and, that like our approach to our business, in general, partnerships and relationships need to be a vital part of keeping in touch and seeking to achieve more together than apart, so that all can benefit from such an objective.

Lindum's workload is good, our balance sheet is strong with no debt and we have a keen and participating workforce that is appreciated and appreciates what needs to be done to do things as well as is possible for a successful future together.

We are pleased to announce that Freddie and Edward Chambers have become main board directors, alongside Robbie Kok from the previous year, which means that the Lindum family feel can be maintained into the future, with some confidence that attention to detail, good building practice and practical, innovative skills remain at the forefront of what and how we do our work.

Lastly, we had some sad news this year in the passing of Mrs Barbara Chambers, 92 and wife of the founder of Lindum, John Chambers. Her interest, historical and current perspective, sense of humour and guidance over many years has been so invaluable to Lindum employees, and me especially, and she will be remembered for her quiet and calm determination, aside a common sense in so many matters.



---

David Chambers

**Group Strategic Report**  
**for the Year Ended 30 November 2016**

The directors present their strategic report of the company and the group for the year ended 30 November 2016.

**REVIEW OF BUSINESS**

**Market Conditions in 2016**

Activity levels and demand in the private sector were good, continuing the trend from 2015. Of course, we were wary of a potential slow down post June 23 but given the various unexpected occurrences in the year (Leicester City, Brexit, Trump), perhaps it shouldn't have been a surprise that enquiry levels and investment confidence actually held up.

The public sector saw continued austerity as the new post-referendum leadership remain committed to eradicating the budget deficit. Housing Associations were pushed towards more market led schemes to help self-fund affordable housing but social housing demand remained high with local authorities also looking to increase their supply.

Low interest rates continued to support investment and also attracted other sources of finance looking for returns from the construction and property sector. The rate of labour inflation steadied slightly and was joined in the latter half of the year by material inflation thanks primarily to the weaker pound.

**Results**

Consolidated Group Profits before Tax amounted to £4.99m compared to £3.05m for 2015 which meant our net profit margin was 3.9% compared with 2.7% for 2015. Dividends declared for 2016 amounted to £1,480k which helps to reward our employees, 380 of whom are also shareholders in the company.

Reported turnover for 2016 was £128m compared with £110m for 2015. This reflects a steady increase in our contracting work (through our Lincoln and Peterborough Divisions mainly) and a year of strong sales and profitability from our Lindum Homes division (increasing house sales from 24 to 44 market units).

As we have said before, turnover is not necessarily a good measure of a construction company's performance in an industry which is known for the pursuit of work simply to maintain turnover (and cash flow) whether profitable or not. At Lindum, we consider that consistently positive returns, stable cash flow and sensible investment are more important measures to be assessed and we try hard to maintain these.

By operating as a single 'group' rather than individual legal entities, our statutory turnover is an amalgamation of all our construction activities despite the fact that each of our trading 'divisions' effectively operate autonomously (albeit benefiting from certain shared group resources and employee shareholdings).

Turnover	2016	2015
Construction Contracting	109,561,249	95,508,390
Land & Development	13,022,880	9,845,169
Plant Hire and Vehicle Servicing	1,742,784	1,665,004
Waste Recycling	3,136,307	2,846,099
Other Construction Services	<u>480,611</u>	<u>393,924</u>
Total	<u>127,943,831</u>	<u>110,258,586</u>

Overhead costs increased during the period primarily on the back of wage increases and training costs as we continue to support the development and training of our teams.

Our cash position stood at £21.3m at the year end which reflects sensible debtor control and contract cash flow management which enables us to focus on delivering a good product and service, wherever we operate. Despite our strong cash position, our trade creditors only increased broadly in line with cost of sales and we continued to invest in the business (fixed asset additions were £2.6m during the year). We remain debt free, as we were in the prior period.

Retained earnings for the year amounted to £2.9m (2015 £ 1.6m) resulting in a Net Worth of the Group of £36.3m (with conservative valuations and no toxic assets).

**Group Strategic Report**  
**for the Year Ended 30 November 2016**

**Investment in our business**

Our people represent our most important asset and for nearly 600 employees and 380 shareholders we continued to invest in direct employment, skills training, health and safety, providing sustainable apprenticeships, encouraging teamwork and promoting employee ownership.

Providing a comprehensive in-house service for our clients differentiates us from our competitors which is why we invest in our own workforce of qualified craftsmen, skilled in brick-laying, plastering, decorating, design, engineering, contract & legal support and even finance support.

During the year we invested in over 2,250 days of training covering over 230 different courses and we directly employ 22 apprentices and 20 technical trainees (as well as facilitating many more apprenticeships through our supply chain).

In our Waste Recycling division we invested in renewable energy (solar panels), new equipment (including a new loading shovel and new skips) and we refurbished our office and workshop. Our clients appreciate the quality and reliable service we offer and the division performed strongly, reflecting our investment over the years.

We continued to renew our fleet in Lindum Plant to maintain the high quality equipment and service we provide to our customers. We invested during the year in new mini diggers, dumpers and telehandlers, among other items.

We invested in our Lincoln Business Park to improve our industrial and commercial spaces for our tenants, as well as improving office space in Lincoln and York for our own use.

The promotion of economic growth in the localities in which we operate is an important feature of our business model. Our 'business parks' are a key element of this philosophy, encouraging and supporting new and existing SME businesses which can use the space surplus to our requirements until such time as we need it (or until such time as they would like a new building themselves!).

**Construction Activity**

A wide range of construction projects were undertaken in the year in both the private and public sector.

We were pleased to work with a variety of clients (new and repeat) on a diverse selection of building projects, including market, affordable and social Housing (as well as flats and passivhaus), Retail (new build, refurb and extensions), Food Factories (new build and extending live environments), Industrial projects (refurb and new build), Commercial developments, Health related projects, Education (primary schools, colleges and universities) and Leisure projects (including race course redevelopment).

Having our own trade teams means we are able to provide a good building service and offer a more practical approach to projects. It also means that we generate additional economic activity in the areas in which we operate. In Lincolnshire alone, our local employment contributed over £14m to the County's GDP. When you factor in our local supply chains, this contribution significantly increases.

The support of our service divisions is important; the ability to add value to our core (construction) activities enables us to provide valuable service to our clients. An average of 42 reactive maintenance calls per day were fielded by our building and maintenance service division. Approximately 43,000 tonnes of material (which includes waste generated by us and our clients) was recycled through our Waste Recycling division - material which would otherwise have ended up at landfill. About 50 sites a month were provided with security monitoring and patrolling services - providing protection not only to our own building sites, but also providing a valuable service to our clients wherever required. We also made, through our in house joinery team, bespoke kitchens, sash windows, door linings, door sets, specialist reception counters, dressage judging huts (!) and a host of other skilfully crafted (but reasonably priced) joinery products.

Private housing sales continued to be strong at our Somerton site and we started work on our Thorpe Lane development, which is proving popular. We completed 44 market housing sales in the year.

Our Joint Venture partnership activity remained busy in the period, with our Long Bennington bungalow development scheme with Lincolnshire Co-operative Society and our commercial development with Greenray, at Teal Park, both good examples of successful local partnership projects.

**The Year Ahead**

The general UK economic outlook is mixed with tentative optimism for the short and near medium term but some uncertainty long term being due to the forthcoming EU exit. Continued austerity measures and changes in the political landscape will add to this uncertainty.

Inflation may be a hurdle for the year ahead, pushing up build costs which will clearly challenge viability of projects as the year progresses. This could also be the trigger for gradually higher interest rates with the subsequent knock on to UK consumers (who have been accruing larger amounts of unsecured debts whilst enjoying historically low mortgage payments).

**Group Strategic Report**  
**for the Year Ended 30 November 2016**

On a positive note, commitment to infrastructure spending should support our industry albeit serious concerns such as power shortages need to be addressed quickly to prevent holding up further investment. Continued government support (primarily via the HCA) for the housing market and, in particular, renewed support for affordable/ social housing projects should be positive for the building industry over the next few years.

For now, conditions in 2017 seem to be satisfactory, our enquiry levels remain strong and we have a good order book and we are vigilant for what may lie ahead.

**PRINCIPAL RISKS AND UNCERTAINTIES**


**Business Risk**

The Board has established a process for identifying, evaluating and managing the business risks faced by the Group during the year. Business Risks are identified and evaluated through senior management's ongoing review of progress against strategic objectives. The Business Risks reviewed include;

- Health and Safety risk
- Operational risks arising from the nature of the work undertaken
- External business risks, including regulatory and compliance obligations
- Design, materials and workmanship risk
- Legal risks; resulting from contracts with suppliers and customers
- Information risks, such as security of data, cyber security and the integrity of IT systems.

Furthermore we assess risks regarding our market sectors, competitors, public and private sector partnerships and the impact of political decisions which may have an effect on our trading activity.

**BY ORDER OF THE BOARD:**



R A J Kok - Director

Date: 17 March 2017

**Report of the Directors**  
**for the Year Ended 30 November 2016**

**Director's Report**

The Directors have pleasure in submitting their annual report including the audited financial statements for the year ended 30th November 2016.

**PRINCIPAL ACTIVITIES**

The principal activity of the Group during the year was Construction and Associated Activities.

**DIVIDENDS**

The Directors recommend the payment of a final dividend of 4.5 pence per share, bringing the total dividend relating to 2016 activities to 8.5 pence per share.

The increase in Share Values combined with Dividend Payments, resulted in a 14.5% yield for individual (employee) shareholders.

At the end of the year 380 Lindum Employees were shareholders and 245 employees had taken advantage of our HMRC approved Employee SAYE Share Incentive Plan.

Dividends paid on the Ordinary share capital during the year are as detailed below:

2015 Final Dividend	Paid April 2016	£431k
2016 Interim Dividend	Paid September 2016	£689k

**DIRECTORS**

The directors who served during the year and their beneficial family interests in the Group's issued share capital were:

	30/11/16	30/11/15
D C Chambers	9,839,200	9,797,200
K E Damarell	663,530	658,580
S J Gregory	350,490	328,140
P N P McSorley	1,030,550	1,028,360
M J Papworth	246,710	243,430
R A J Kok	61,810	58,740
Employee Shareholding (excluding directors) amounted to	5,836,253	5,257,620

F E Chambers was appointed as director on 16/12/16.

E C P Chambers was appointed as director on 16/12/16.

**EMPLOYMENT POLICY**

**Employee Numbers**

The average number of persons employed in the Group, including directors, during the year was 590 (2015 - 560) - an increase of 5%. We try hard for our employees to know each other well and offer secure employment.

**PRP**

The Group operates a Profit Related Pay scheme, which distributes 10% of profits equally between all employees - a unique feature not rivalled by any other UK construction company. We look after our employees so that they are encouraged to look after our clients as well as possible.

**Welfare, Health & Safety**

The Welfare, health and safety of all staff is actively promoted by the provision of good facilities and training and by consulting employees in ways to improve continually.

The Sunday Times 'Best 100 Companies' competition once again awarded Lindum Group a 3-star rating (out of 3!) and a ranking of 38th overall.



**Report of the Directors**  
**for the Year Ended 30 November 2016**

**Stake-holder Culture**

Our employees are genuine stake-holders in the Share Ownership of the Group; 380 employees are shareholders and 245 employees participate in our share saving scheme. All employees are viewed as true partners in the business.

**Lindum Group Employee Share Schemes**

All employees can purchase Lindum Group Ltd shares, which are traded through our Employee Benefit Trust. Share transactions (purchases and sales) during 2016 numbered 2,065,263 thereby creating an active market of £2,354,000 in value. We also operate a SAYE Share Incentive Plan, which is open to all employees.

**Employee Share Ownership Association**

Lindum Group Ltd is a senior member of the Employee Ownership Association (EOA) and actively promotes Employee Share Ownership.

**Equal Opportunities, Training and Education**

Full and fair consideration is given to all employment applications and continued employment and training is provided to any employee who becomes disabled. Training, career development and promotion are available to all employees - this includes support for day-release courses, seminars, ad-hoc training courses, distance-learning, degree and MBA courses, all of which complement regular in-house training events.

**Apprentice Training Schemes**

We pay particular attention to our in-house 'Apprentice Training Schemes' which we hope will continue to deliver talented 'Sock Club' members of the future, as we champion internal promotion whenever possible.

**Taster Events for Students - Working with Schools**

Lindum Group Ltd has been at the forefront of youth training pilot schemes for a number of years and we are seen as a leading employer in the local Construction Training Association, where we play a key-role in providing 'construction industry taster events' for up to 700 young students, offering them the opportunity to gain 'a first-hand experience' from a choice of trade as well as professional activities ranging from joinery, bricklaying, plumbing to quantity surveying, project management and architecture & design.

We offer work experience to students for 48 weeks of each year and Lindum staff visit schools and colleges as 'construction ambassadors' most months.

When working on school, college or university projects, our site-teams fully engaged with students and teaching staff alike, to keep them informed about and engaged with the project.

**Sunday Times Best Companies Competition**

In February 2017, Lindum Group Ltd received an award for being the 38th Best Company to Work for in the Sunday Times Best Companies competition. The result was based on a Best Companies confidential survey of Lindum Group Ltd employees.

**Corporate Social Responsibility**

CSR is an important element of the Ethos of the Lindum Group; we value true partnerships and genuine engagement with the community in which we live and work and above all we believe in investing in our current and future workforce. Over the years Lindum has played a leading part in education/training pilot schemes introduced in Lincolnshire. We offer real apprenticeships underpinned by a good quality training programme - our philosophy is that an apprenticeship is a commitment for the long haul, not just for the duration of a (public sector) contract!

Lindum employees are encouraged to become construction industry 'ambassadors' who promote careers in the construction industry and mentor apprentices who have decided to follow such a career path. Other Lindum employees act as school governors or joined public/private sector joint venture companies such as 'Investors In Lincoln' to assist with development projects which may be commercially 'marginal' but make a difference to the local community and many of our employees serve on Charity Boards and public sector (unpaid) Quangos (GLLEP, Employment & Skills Board etc.).

**Report of the Directors**  
**for the Year Ended 30 November 2016**

Not all our investments are commercially driven; we hold a sizable stake in Lincoln City Football Club because local football has a significant relevance for the local community. We provide workspace and support to a community of businesses in several of our locations some of whom benefit from our in-house Venture Capital support provided through our Lindum Nursery Scheme. We pioneered managed workspace support in Lincolnshire and learned early on that business thrives in a collaborative environment; companies, like human beings, flourish when they work in a community, providing support for, learning from, and networking with each other!

**Our CSR Mission Statement reads as follows:**

"A worthwhile firm must have a purpose for its existence. Not only the everyday purpose to earn a 'just' profit, but beyond that, to improve in some way the quality of the community to which it is committed.

We hope that through the quality of our products and services and the manner in which we conduct our day-to-day contacts (with transparency and a straightforward approach) we do, in some way, communicate to those who may not have been aware of it, that these qualities are critically important; they make for better firms, better citizens and better communities.

We strive to serve our customers, our communities and each-other to the best of our abilities."

**Institute of Family Business**

We are an active member, supporter and proponent of the Institute of Family Business. We value the ability to learn from and (wherever possible) to pass on our knowledge to other family businesses.

**Charitable Donations**

Donations amounted to £24,120 (2015: £20,582). In addition to monetary donations, Lindum Group Ltd employees made significant donations 'in kind' to a number of charities and we regularly carry out 'at cost' work on local charitable and educational projects.

During 2016 directors of Lindum Group Ltd continued to support an entrepreneurial venture capital fund for a deprived area in India (through a UK charity) - where the Lindum Fund offers financial support for community self-start projects, such as Goat Farms, White Goods and Bicycle Repair Centres as well as Local Manufacturing Initiatives. Neither Lindum Group Ltd nor the directors derive any benefit from this initiative during our current incarnations.

**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 the group and of the profit or loss of the group 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 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.

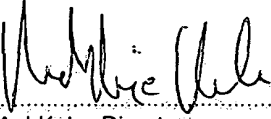
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors  
for the Year Ended 30 November 2016

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**BY ORDER OF THE BOARD:**

  
.....  
R A J Kok - Director

Date: 17 March 2017

**Report of the Independent Auditors to the Members of  
Lindum Group Limited**

We have audited the financial statements of Lindum Group Limited for the year ended 30 November 2016 on pages eleven to thirty five. 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page eight, 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 group's and the parent 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 Chairman's Report the Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 30 November 2016 and of the group's 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.

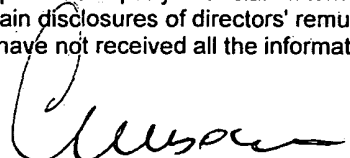
**Other Matter**

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

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Christopher Shelbourne MA FCA (Senior Statutory Auditor)  
for and on behalf of Wright Vigar Limited  
Statutory Auditors  
Chartered Accountants & Business Advisers  
15 Newland  
Lincoln  
Lincolnshire  
LN1 1XG

Date: 17 March 2017

**Consolidated Income Statement**  
**for the Year Ended 30 November 2016**

	Notes	£	2016	£	£	2015	£
<b>TURNOVER</b>	3			127,943,831			110,258,586
Cost of sales				<u>105,717,876</u>			<u>91,680,679</u>
<b>GROSS PROFIT</b>				22,225,955			18,577,907
Administrative expenses				<u>17,844,794</u>			<u>15,667,868</u>
<b>OPERATING PROFIT</b>	6			4,381,161			2,910,039
Income from other participating interests			510,553			89,432	
Interest receivable and similar income	7		<u>115,734</u>			<u>62,459</u>	
				626,287			151,891
				5,007,448			3,061,930
Interest payable and similar expenses	8			<u>15,723</u>			<u>16,504</u>
<b>PROFIT BEFORE TAXATION</b>				4,991,725			3,045,426
Tax on profit	9			<u>1,037,158</u>			<u>493,602</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>				<u>3,954,567</u>			<u>2,551,824</u>
Profit attributable to:							
Owners of the parent				<u>3,954,567</u>			<u>2,551,824</u>

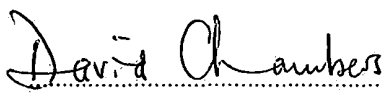
Consolidated Other Comprehensive Income  
for the Year Ended 30 November 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		3,954,567	2,551,824
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,954,567</u>	<u>2,551,824</u>
Total comprehensive income attributable to: Owners of the parent		<u>3,954,567</u>	<u>2,551,824</u>

**Consolidated Balance Sheet**  
**30 November 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	12	14,100,354	14,204,678
Investments	13	319,830	426,379
Investment property	14	<u>1,735,943</u>	<u>1,735,943</u>
		16,156,127	16,367,000
<b>CURRENT ASSETS</b>			
Stocks	15	16,005,521	15,448,973
Debtors	16	25,158,661	24,608,800
Cash at bank		<u>21,377,830</u>	<u>9,811,677</u>
		62,542,012	49,869,450
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>42,106,441</u>	<u>32,598,411</u>
<b>NET CURRENT ASSETS</b>		<u>20,435,571</u>	<u>17,271,039</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		36,591,698	33,638,039
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	<u>304,380</u>	<u>304,380</u>
<b>NET ASSETS</b>		<u><u>36,287,318</u></u>	<u><u>33,333,659</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	173,076	171,973
Share premium	21	1,037,867	919,284
Revaluation reserve	21	1,005,767	1,112,733
Capital redemption reserve	21	52,583	52,583
Retained earnings	21	<u>34,018,025</u>	<u>31,077,086</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>36,287,318</u></u>	<u><u>33,333,659</u></u>

The financial statements were approved by the Board of Directors on 17 March 2017 and were signed on its behalf by:

  
D C Chambers - Chairman

**Company Balance Sheet**  
**30 November 2016**

	Notes	£	2016	£	2015	£
<b>FIXED ASSETS</b>						
Tangible assets	12			14,100,354		14,204,678
Investments	13			320,032		426,581
Investment property	14			<u>1,735,943</u>		<u>1,735,943</u>
				16,156,329		16,367,202
<b>CURRENT ASSETS</b>						
Stocks	15		7,944,079		9,465,744	
Debtors	16		31,834,689		29,679,406	
Cash at bank			<u>21,239,706</u>		<u>9,645,625</u>	
			61,018,474		48,790,775	
<b>CREDITORS</b>						
Amounts falling due within one year	17		<u>41,957,325</u>		<u>32,299,689</u>	
<b>NET CURRENT ASSETS</b>				<u>19,061,149</u>		<u>16,491,086</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				35,217,478		32,858,288
<b>CREDITORS</b>						
Amounts falling due after more than one year	18			<u>304,380</u>		<u>304,380</u>
<b>NET ASSETS</b>				<u><u>34,913,098</u></u>		<u><u>32,553,908</u></u>
<b>CAPITAL AND RESERVES</b>						
Called up share capital	20			173,076		171,973
Share premium	21			1,037,867		919,284
Revaluation reserve	21			1,005,767		1,112,733
Capital redemption reserve	21			52,583		52,583
Retained earnings	21			<u>32,643,805</u>		<u>30,297,335</u>
<b>SHAREHOLDERS' FUNDS</b>				<u><u>34,913,098</u></u>		<u><u>32,553,908</u></u>
 Company's profit for the financial year				<u><u>3,360,098</u></u>		<u><u>2,420,113</u></u>

The financial statements were approved by the Board of Directors on 17 March 2017 and were signed on its behalf by:



D C Chambers - Chairman



**Consolidated Statement of Changes in Equity**  
**for the Year Ended 30 November 2016**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 December 2014	171,973	29,337,404	919,284	1,221,012	52,583	31,702,256
Changes in equity						
Dividends	-	(920,421)	-	-	-	(920,421)
Total comprehensive income	-	2,660,103	-	(108,279)	-	2,551,824
Balance at 30 November 2015	171,973	31,077,086	919,284	1,112,733	52,583	33,333,659
Changes in equity						
Issue of share capital	1,103	-	118,583	-	-	119,686
Dividends	-	(1,120,594)	-	-	-	(1,120,594)
Total comprehensive income	-	4,061,533	-	(106,966)	-	3,954,567
Balance at 30 November 2016	173,076	34,018,025	1,037,867	1,005,767	52,583	36,287,318

**Company Statement of Changes in Equity**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 December 2014	171,973	28,689,364	919,284	1,221,012	52,583	31,054,216
Changes in equity						
Dividends	-	(920,421)	-	-	-	(920,421)
Total comprehensive income	-	2,528,392	-	(108,279)	-	2,420,113
Balance at 30 November 2015	171,973	30,297,335	919,284	1,112,733	52,583	32,553,908
Changes in equity						
Issue of share capital	1,103	-	118,583	-	-	119,686
Dividends	-	(1,120,594)	-	-	-	(1,120,594)
Total comprehensive income	-	3,467,064	-	(106,966)	-	3,360,098
Balance at 30 November 2016	173,076	32,643,805	1,037,867	1,005,767	52,583	34,913,098

**Consolidated Cash Flow Statement**  
**for the Year Ended 30 November 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	14,807,881	2,014,612
Interest paid		(2,026)	(2,807)
Preference dividends paid		(13,697)	(13,697)
Tax paid		<u>(696,782)</u>	<u>(557,724)</u>
Net cash from operating activities		<u>14,095,376</u>	<u>1,440,384</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,560,683)	(3,614,067)
Purchase of fixed asset investments		(1)	(25)
Purchase of investment property		-	(1,735,943)
Sale of tangible fixed assets		299,532	185,664
Realisation of fixed asset investments		106,550	-
Interest received		115,734	62,459
Dividends received		<u>510,553</u>	<u>89,432</u>
Net cash from investing activities		<u>(1,528,315)</u>	<u>(5,012,480)</u>
<b>Cash flows from financing activities</b>			
Loans repaid in the year		-	(432,255)
Share issue		119,686	-
Equity dividends paid		<u>(1,120,594)</u>	<u>(920,421)</u>
Net cash from financing activities		<u>(1,000,908)</u>	<u>(1,352,676)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>11,566,153</u>	<u>(4,924,772)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>9,811,677</u>	<u>14,736,449</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>21,377,830</u></u>	<u><u>9,811,677</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 30 November 2016**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	£	£
Profit before taxation	4,991,725	3,045,426
Depreciation charges	2,557,050	2,288,212
Profit on disposal of fixed assets	(191,575)	(129,010)
Finance costs	15,723	16,504
Finance income	(626,287)	(151,891)
	<u>6,746,636</u>	<u>5,069,241</u>
(Increase)/decrease in stocks	(556,548)	410,018
Increase in trade and other debtors	(549,861)	(2,236,219)
Increase/(decrease) in trade and other creditors	<u>9,167,654</u>	<u>(1,228,428)</u>
Cash generated from operations	<u><u>14,807,881</u></u>	<u><u>2,014,612</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 November 2016**

	30.11.16	1.12.15
	£	£
Cash and cash equivalents	<u><u>21,377,830</u></u>	<u><u>9,811,677</u></u>

**Year ended 30 November 2015**

	30.11.15	1.12.14
	£	£
Cash and cash equivalents	<u><u>9,811,677</u></u>	<u><u>14,736,449</u></u>

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 30 November 2016**

**1. STATUTORY INFORMATION**

Lindum Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements include the company and all its subsidiary undertakings. The group profit and loss account includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss.

**Turnover**

Turnover comprises the value of contracting work executed during the year plus the invoiced value of other sales. The value of contracting work is based on measured valuations, incorporating profit earned to the valuation date and adjusted for any anticipated losses. Other sales are invoiced upon performance of the services provided.

The amount by which recorded turnover on uncompleted contracts is in excess of payments on account is classified as amounts recoverable on contracts and separately disclosed in debtors.

The amount by which payments on account on uncompleted contracts is in excess of recorded turnover is classified as long term contract payments on account and separately disclosed in creditors.

**Depreciation**

Tangible fixed assets are depreciated over their estimated useful lives on the following bases:

Freehold land	- Nil
Freehold buildings	- 4-6% on a straight line basis
Plant & machinery	- 10% - 33% on a straight line basis
Motor vehicles	- 12.5% - 25% on a straight line basis

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Stocks and work in progress**

Work in progress and sites awaiting development and development properties are stated at the lower of cost and net realisable value. Cost comprises costs of land and costs of development. Net realisable value incorporates expected costs to completion and disposal. Provision is made against all categories of work in progress where it is anticipated that cost will not be fully recovered against future disposals.

Raw materials and consumables are stated at the lower of cost and net realisable value.

**Investments**

Fixed asset investments are stated at cost less accumulated impairment losses.

**Pensions**

The pension costs charges in the financial statements represent the contribution payable by the group during the year.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**3. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Construction Contracting	109,561,249	95,508,390
Land and Developments	13,022,880	9,845,169
Plant Hire & Vehicle Servicing	1,742,784	1,665,004
Waste Recycling	3,136,307	2,846,099
Other Construction Services	480,611	393,924
	<u>127,943,831</u>	<u>110,258,586</u>

Group turnover represents sales to external customers, derived from the group's principal activities, conducted within the United Kingdom, and ancillary income from plant hire, property and other operating sources.

All turnover arose within the United Kingdom.

**4. EMPLOYEES AND DIRECTORS**

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

	2016	2015
Directors	6	6
Site based employees	330	319
Office based employees	<u>254</u>	<u>235</u>
	<u>590</u>	<u>560</u>

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	19,814,642	16,762,171
Social security	2,047,342	1,692,269
Other pension costs	<u>966,535</u>	<u>824,981</u>
	<u>22,828,519</u>	<u>19,279,421</u>

**5. DIRECTORS' EMOLUMENTS**

	2016 £	2015 £
Emoluments	<u>1,336,447</u>	<u>885,840</u>
Company pension scheme contributions to defined contribution schemes	<u>144,450</u>	<u>141,859</u>

During the year retirement benefits were accruing to 6 directors (2015 - 6) in respect of defined contribution pension schemes.

The highest paid director received the following amounts during the year:

Aggregate remuneration (excluding pension contributions)	317,672	209,303
Company contributions paid to a defined contribution pension scheme	750	61,800

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**6. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation - owned assets	2,557,050	2,288,210
Profit on disposal of fixed assets	(191,575)	(129,010)
Plant hire payable	1,831,003	1,778,562
Plant hire receivable	(552,856)	(578,763)
Rent receivable	<u>(1,633,710)</u>	<u>(1,416,812)</u>

**Auditors Remuneration**

	2016 £	2015 £
Fees payable to the group's auditor for the audit of the group's annual accounts	30,504	28,600
Fees payable to the group's auditor and its associates in respect of: Preparation of statutory financial statements	<u>285</u>	<u>275</u>

Fees payable for the group's auditor noted above include fees in respect of the parent company of £26,754 (2015: £25,975).

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2016 £	2015 £
Bank interest	43,591	39,475
Other interest	<u>72,143</u>	<u>22,985</u>
	<u>115,734</u>	<u>62,460</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016 £	2015 £
Bank charges and loan interest	2,026	2,482
Other interest	-	325
Dividends paid on shares classed as debt	<u>13,697</u>	<u>13,697</u>
	<u>15,723</u>	<u>16,504</u>

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	1,009,868	602,932
Adjustments in respect of prior periods	<u>27,290</u>	<u>(109,330)</u>
Tax on profit	<u>1,037,158</u>	<u>493,602</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**9. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	<u>4,991,725</u>	<u>3,045,426</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	998,345	609,085
Effects of:		
Expenses not deductible for tax purposes	14,658	12,354
Depreciation in excess of capital allowances deductible	96,865	70,079
Income not taxable/ additional tax relief	(100,000)	(82,433)
Rate differences due to rate changes during the year	-	(572)
Adjustment to the tax charge for prior periods	27,290	(109,329)
FRS102 transitional adjustments	-	(5,582)
Total tax charge	<u>1,037,158</u>	<u>493,602</u>

**10. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**11. DIVIDENDS**

	2016 £	2015 £
Ordinary shares of £0.01 each		
Final 2015	431,058	391,063
Interim 2016	<u>689,536</u>	<u>529,358</u>
	<u>1,120,594</u>	<u>920,421</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**12. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 December 2015	8,528,151	8,393,382	6,372,385	23,293,918
Additions	377,843	1,002,117	1,180,723	2,560,683
Disposals	-	(1,418,322)	(998,004)	(2,416,326)
At 30 November 2016	<u>8,905,994</u>	<u>7,977,177</u>	<u>6,555,104</u>	<u>23,438,275</u>
<b>DEPRECIATION</b>				
At 1 December 2015	435,401	5,698,548	2,955,291	9,089,240
Charge for year	498,630	789,464	1,268,956	2,557,050
Eliminated on disposal	-	(1,367,256)	(941,113)	(2,308,369)
At 30 November 2016	<u>934,031</u>	<u>5,120,756</u>	<u>3,283,134</u>	<u>9,337,921</u>
<b>NET BOOK VALUE</b>				
At 30 November 2016	<u>7,971,963</u>	<u>2,856,421</u>	<u>3,271,970</u>	<u>14,100,354</u>
At 30 November 2015	<u>8,092,750</u>	<u>2,694,834</u>	<u>3,417,094</u>	<u>14,204,678</u>

Land held at 30 November 2016 that has not been depreciated is included at £360,682 (2015: £360,682).

On transition to FRS102 a transitional adjustment 'revaluation as deemed cost' has been made to Freehold buildings whereby the cost model will be adopted with a rate of 4-6% straight line depreciation (previously: Revaluation model and depreciation at 4%).

Prior to adoption of FRS102 historical cost of freehold land and buildings was £12,804,191 (2015 - £12,426,348)

Freehold land and buildings include properties situated on the company's principal operating site let out to tenants with a carrying value of £1,253,405 (2015: £1,305,630).

The cost of plant and vehicles available for hire amounted to £4,653,724 (2015 - £4,846,387). The accumulated depreciation thereon was £2,697,240 (2015 - £2,980,734).

**Company**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 December 2015	8,528,151	8,393,382	6,372,385	23,293,918
Additions	377,843	1,002,117	1,180,723	2,560,683
Disposals	-	(1,418,322)	(998,004)	(2,416,326)
At 30 November 2016	<u>8,905,994</u>	<u>7,977,177</u>	<u>6,555,104</u>	<u>23,438,275</u>
<b>DEPRECIATION</b>				
At 1 December 2015	435,401	5,698,548	2,955,291	9,089,240
Charge for year	498,630	789,464	1,268,956	2,557,050
Eliminated on disposal	-	(1,367,256)	(941,113)	(2,308,369)
At 30 November 2016	<u>934,031</u>	<u>5,120,756</u>	<u>3,283,134</u>	<u>9,337,921</u>
<b>NET BOOK VALUE</b>				
At 30 November 2016	<u>7,971,963</u>	<u>2,856,421</u>	<u>3,271,970</u>	<u>14,100,354</u>
At 30 November 2015	<u>8,092,750</u>	<u>2,694,834</u>	<u>3,417,094</u>	<u>14,204,678</u>



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**12. TANGIBLE FIXED ASSETS - continued**

**Company**

On transition to FRS102 a transitional adjustment 'revaluation as deemed cost' has been made to Freehold buildings whereby the cost model will be adopted with a rate of 4-6% straight line depreciation (previously: Revaluation model and depreciation at 4%).

Prior to adoption of FRS102 historical cost of freehold land and buildings was £12,804,191 (2015 - £12,426,348)

Freehold land and buildings include properties situated on the company's principal operating site let out to tenants with a carrying value of £1,253,405 (2015: £1,305,630).

**13. FIXED ASSET INVESTMENTS**

**Group**

	Interest in other participating interests £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 December 2015	342,651	177,228	519,879
Additions	-	1	1
Disposals	(111,525)	(25)	(111,550)
At 30 November 2016	<u>231,126</u>	<u>177,204</u>	<u>408,330</u>
<b>PROVISIONS</b>			
At 1 December 2015	5,000	88,500	93,500
Eliminated on disposal	(5,000)	-	(5,000)
At 30 November 2016	<u>-</u>	<u>88,500</u>	<u>88,500</u>
<b>NET BOOK VALUE</b>			
At 30 November 2016	<u>231,126</u>	<u>88,704</u>	<u>319,830</u>
At 30 November 2015	<u>337,651</u>	<u>88,728</u>	<u>426,379</u>

**Company**

	Shares in group undertakings £	Interest in other participating interests £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 December 2015	660,385	342,651	177,228	1,180,264
Additions	-	-	1	1
Disposals	-	(111,525)	(25)	(111,550)
At 30 November 2016	<u>660,385</u>	<u>231,126</u>	<u>177,204</u>	<u>1,068,715</u>
<b>PROVISIONS</b>				
At 1 December 2015	660,183	5,000	88,500	753,683
Eliminated on disposal	-	(5,000)	-	(5,000)
At 30 November 2016	<u>660,183</u>	<u>-</u>	<u>88,500</u>	<u>748,683</u>
<b>NET BOOK VALUE</b>				
At 30 November 2016	<u>202</u>	<u>231,126</u>	<u>88,704</u>	<u>320,032</u>
At 30 November 2015	<u>202</u>	<u>337,651</u>	<u>88,728</u>	<u>426,581</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**13. FIXED ASSET INVESTMENTS - continued**

**Participating interests**

The company holds 20% or more of the share capital of the following joint venture (JV) companies:

Name of company	Activity	Class of shares	Proportion held
Kingswater-Lindum (Lincoln) Limited	JV Property development	Ordinary shares	50%
E B (Lincoln) Limited	JV Property development	Ordinary shares	20%
Temple Garth Limited	JV Property development	Ordinary shares	50%
Brayford Development Company Limited	Dormant	Ordinary shares	39.98%
LC Community Projects Limited	JV Property development	Ordinary shares	50%

All the above companies are registered in England.

The aggregate amount of capital and reserves and the results of these undertakings for the latest relevant financial year were as follows:

	Financial Year End	Capital and reserves £	Profit/(loss) for the year £
Kingswater-Lindum (Lincoln) Limited	30/11/2016	7,525	(5,564)
E B (Lincoln) Limited	31/12/2015	930,564	148,388
Temple Garth Limited	30/11/2016	15,569	836,861
Brayford Development Company Limited	30/11/2015	4,175	-
LC Community Projects Limited	31/08/2016	340,000	340,000

**Trading subsidiary undertakings**

Lindum Developments Limited is a 100% owned subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of joint venture property development. Its profit for the year after tax was £69,400 (2015: £58,438) and its total capital and reserves at the year end was £1,284,355 (2015: £1,214,955).

Doddington Estates Limited is a 100% owned subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of property development. Its profit for the year after tax was £49,518 (2015: £20,263) and its deficiency on capital and reserves at the year end was £458,480 (2015: £507,998).

L B Mablethorpe Limited is a 100% owned subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of property development. Its profit for the year after tax was £551 (2015: £53,010) and its total capital and reserves at the year end was £72,775 (2015: £72,224).

**Dormant subsidiary undertakings**

The following companies are wholly owned dormant subsidiaries of Lindum Group Limited:

Lindum Builders Limited, Lindum Construction Company Limited, Lindum Homes Limited, Lindum Group Joinery Limited, Lindum Group Peterborough Limited, Lindum Group Food Projects Limited, Lindum Group KGM Roofing Limited, Lindum Group Plant Hire and Waste Recovery Limited, Lindum Group Green Technology Limited, Lindum Group Trustees Limited, Somerton Meadows Residents Management Company Limited and Elton Wright (1998) Limited.

The capital and reserves of these companies are negligible.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**14. INVESTMENT PROPERTY**

**Group**

	Total £
<b>FAIR VALUE</b>	
At 1 December 2015	
and 30 November 2016	<u>1,735,943</u>
<b>NET BOOK VALUE</b>	
At 30 November 2016	<u>1,735,943</u>
At 30 November 2015	<u>1,735,943</u>

An internal valuation has been conducted on the investment property on an open market basis by a person with relevant professional qualifications and expertise in the type and geographical location of the property.

**Company**

	Total £
<b>FAIR VALUE</b>	
At 1 December 2015	
and 30 November 2016	<u>1,735,943</u>
<b>NET BOOK VALUE</b>	
At 30 November 2016	<u>1,735,943</u>
At 30 November 2015	<u>1,735,943</u>

An internal valuation has been conducted on the investment property on an open market basis by a person with relevant professional qualifications and expertise in the type and geographical location of the property.

**15. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2016 £	2015 £	2016 £	2015 £
Raw materials	27,822	23,692	27,822	23,692
Work-in-progress	5,612,391	6,962,887	5,196,479	6,412,038
Development Properties	<u>10,365,308</u>	<u>8,462,394</u>	<u>2,719,778</u>	<u>3,030,014</u>
	<u>16,005,521</u>	<u>15,448,973</u>	<u>7,944,079</u>	<u>9,465,744</u>

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2016 £	2015 £	2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	16,751,797	13,117,357	16,510,810	13,015,980
Amounts owed by group undertakings	-	-	7,125,159	5,470,365
Amounts recoverable on contracts	5,485,101	7,311,016	5,485,101	7,311,016
Other debtors	997,158	1,804,315	936,857	1,743,243
Prepayments and accrued income	<u>655,516</u>	<u>382,359</u>	<u>654,290</u>	<u>381,224</u>
	<u>23,889,572</u>	<u>22,615,047</u>	<u>30,712,217</u>	<u>27,921,828</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**16. DEBTORS - continued**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due after more than one year:				
Trade debtors	1,023,373	817,738	1,023,373	817,738
Amounts recoverable on contract	-	751,900	-	751,900
Other debtors	<u>245,716</u>	<u>424,115</u>	<u>99,099</u>	<u>187,940</u>
	<u>1,269,089</u>	<u>1,993,753</u>	<u>1,122,472</u>	<u>1,757,578</u>
Aggregate amounts	<u>25,158,661</u>	<u>24,608,800</u>	<u>31,834,689</u>	<u>29,679,406</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Payments on account	5,663,887	3,954,982	5,663,887	3,954,982
Trade creditors	29,151,033	24,021,836	29,144,457	23,996,571
Tax	638,696	298,320	608,828	265,389
Social security and other taxes	1,678,505	1,046,767	1,682,686	933,099
Other creditors	900,194	687,001	822,917	628,698
Accruals and deferred income	<u>4,074,126</u>	<u>2,589,505</u>	<u>4,034,550</u>	<u>2,520,950</u>
	<u>42,106,441</u>	<u>32,598,411</u>	<u>41,957,325</u>	<u>32,299,689</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Preference shares (see note 19)	<u>304,380</u>	<u>304,380</u>	<u>304,380</u>	<u>304,380</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Preference shares	<u>304,380</u>	<u>304,380</u>	<u>304,380</u>	<u>304,380</u>

Details of shares shown as liabilities are as follows:

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**19. LOANS - continued**

Preference shareholders are entitled to a fixed dividend of 4.5% of the nominal value of their shares which is paid out of profits prior to other dividends. In the event of a return on assets or liquidation or otherwise, the preference shares carry the right to repayment of their nominal value and any arrears of dividends prior to any distribution to ordinary shareholders. Voting rights are limited to voting on a resolution to wind up the company and to vote at a general meeting if dividends are in arrears for more than twelve months.

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2016 £	2015 £
304,380	Preference	£1	<u>304,380</u>	<u>304,380</u>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
17,307,600	Ordinary	0.01	<u>173,076</u>	<u>171,973</u>

On 28 January 2016 11,031 Ordinary shares of £0.10 each were allotted as fully paid at a premium of £10.75 per share during the year.

On 19 August 2016 the share capital of Lindum Group Limited was sub divided from £0.10 shares to £0.01 shares.

There is an active market in the shares of Lindum Group Limited with Lindum Group Trustees Limited acting as market maker. During the year 2,065,263 shares were traded, of which 352,192 were transacted as part of the HMRC approved share incentive plan. 245 employees participated in the SAYE scheme during 2016. The scheme provides a major (share) benefit to all Lindum employees.

Overall 380 employees were shareholders at the year end. By virtue of shareholdings retained within the Chambers family, the Chairman, Mr D Chambers, can be identified as the ultimate controlling party of the company.

**21. RESERVES**

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2015	31,077,086	919,284	1,112,733	52,583	33,161,686
Profit for the year	3,954,567				3,954,567
Dividends	(1,120,594)				(1,120,594)
Cash share issue	-	118,583	-	-	118,583
Realisation of depreciation on the revalued assets	<u>106,966</u>	<u>-</u>	<u>(106,966)</u>	<u>-</u>	<u>-</u>
At 30 November 2016	<u>34,018,025</u>	<u>1,037,867</u>	<u>1,005,767</u>	<u>52,583</u>	<u>36,114,242</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 November 2016**

**21. RESERVES - continued**

**Company**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2015	30,297,335	919,284	1,112,733	52,583	32,381,935
Profit for the year	3,360,098				3,360,098
Dividends	(1,120,594)				(1,120,594)
Cash share issue	-	118,583	-	-	118,583
Realisation of depreciation on the revalued assets	106,966	-	(106,966)	-	-
At 30 November 2016	<u>32,643,805</u>	<u>1,037,867</u>	<u>1,005,767</u>	<u>52,583</u>	<u>34,740,022</u>

**22. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £966,535 (2015: £824,981).

**23. CAPITAL COMMITMENTS**

Lindum Group Limited entered into a contract to purchase land at Fen Road, Heighington prior to the year end for £1,665,000. The purchase was completed in December 2016 shortly after the year end.

**24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30 November 2016 and 30 November 2015:

	2016 £	2015 £
<b>K E Damarell</b>		
Balance outstanding at start of year	14,987	14,987
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>14,987</u>	<u>14,987</u>
<b>S J Gregory</b>		
Balance outstanding at start of year	14,970	14,970
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>14,970</u>	<u>14,970</u>
<b>M J Papworth</b>		
Balance outstanding at start of year	14,970	14,970
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>14,970</u>	<u>14,970</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**R A J Kok**

Balance outstanding at start of year	14,993	-
Amounts advanced	-	14,993
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>14,993</u>	<u>14,993</u>

The above loans, which are for the purchase of company shares, have no fixed repayment dates. Loans to other employees amount to £500,711 (2015: £389,109).

Directors purchased goods and services from the company at market value as follow:

D C Chambers £74,037 (2015: £29,746), K E Damarell £2,524 (2015: £4,760), S J Gregory £991 (2015: £2,036), R A J Kok £489 (2015: £897), P N P McSorley £326 (2015: £489), M J Papworth £1,014 (2015: £1,470).

Directors' interests in share capital in the parent company are disclosed in the directors report.

During the year E Chambers purchased goods at market value from the company totalling £2,975 (2015: £121,631). F Chambers also purchased goods at market value from the company totalling £nil (2015: £1,686). Both E Chambers and F Chambers are sons of director D Chambers and became directors of the company shortly after the year end. There were no balances outstanding at the year end.

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Transactions and balances with companies in which Lindum Group Limited has a participating interest are as follows:

**Kingswater Lindum (Lincoln) Limited**

During the year the group made sales of £nil (2015: £221,913) to Kingswater Lindum (Lincoln) Limited. No amounts were outstanding at the year end.

During the year the group made a loan advance of £nil (2015: £85,000) to Kingswater Lindum (Lincoln) Limited. There were repayments of £71,675 (2015: £76,825) made by Kingswater Lindum (Lincoln) Limited. There was £26,500 (2015: £98,175) outstanding at the year end due from Kingswater Lindum (Lincoln) Limited.

**E B (Lincoln) Limited**

During the year the group made sales of £8,322 (2015: £nil) to E B (Lincoln) Limited. No amounts were outstanding at the year end.

There is a loan outstanding included within investments of which £106,500 (2015: £nil) was repaid during the year. There was £228,300 (2015: £334,880) due from E B (Lincoln) Limited at the year end.

There is also a loan included within other debtors. The balance remaining is £345,000 (2015: £345,000) due from E B (Lincoln) Limited.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2016**

**24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**Temple Garth Limited**

During the year the group made sales of £120,814 (2015: £26,883) to Temple Garth Limited. There was £18,780 (2015: £21,022) due from Temple Garth Limited at the year end.

The group also incurred costs on the Temple Garth Limited contract of £7,200 (2015: £24,926) and undertook work with construction value of £nil (2015: £nil). The balance due to the group at the year end was £nil (2015: £2,524).

During the year the group made a loan advance of £nil (2015: £55,000) to Temple Garth Limited. There were repayments of £135,000 (2015: £nil) during the year. There was a balance of £nil (2015: £135,000) due from Temple Garth Limited at the year end.

During the year, the group received dividend income of £500,000 (2015: £nil) from Temple Garth Limited.

**Bookminder Limited**

During the year, the group made sales of £2,132 (2015: £2,064) to Bookminder Limited, a company in which D C Chambers, H F F Kok and P N P McSorley hold indirect interests.

Other related party transactions:

**Brook & Mayo Limited**

During the year, the group received income of £61,318 (2015: £63,548) from Brook & Mayo Limited, a company in which D C Chambers is a director and in which the group hold a minority interest. The Group also paid sub-contract costs of £1,362,088 (2015: £1,808,616) to Brook & Mayo Limited. There was a net creditor of £297,170 (2015: £188,773) due to Brook & Mayo Limited at the year end.

During the year, the group received dividend income of £10,553 (2015: £7,478) from Brook & Mayo Limited.

**LC Community Projects Limited**

During the year, the group made an interest free loan of £nil (2015: £454,944) to LC Community Projects Limited, a company in which D C Chambers and P N P McSorley are directors and in which the group hold 50% of the share capital. This was fully repaid in the year. The Group also received income in the period of £152,473 (2015: £1,464,398) from L C Community Projects Limited. There was a debtor of £nil (2015: £13,900) due from LC Community Projects Limited at the year end.

**Investors In Lincoln Limited**

During the year, the group made sales of £115,021 (2015: £1,395,443) to Investors in Lincoln Limited, a company in which D C Chambers and P N P McSorley are directors. There was £nil due from Investors in Lincoln Limited at the year end (2015: £345,718).



**Reconciliation of Equity**  
**1 December 2014**  
**(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets	(1)	12,935,477	-	12,935,477
Investments		<u>426,354</u>	-	<u>426,354</u>
		<u>13,361,831</u>	-	<u>13,361,831</u>
<b>CURRENT ASSETS</b>				
Stocks		15,858,991	-	15,858,991
Debtors		22,372,581	-	22,372,581
Cash at bank		<u>14,736,449</u>	-	<u>14,736,449</u>
		<u>52,968,021</u>	-	<u>52,968,021</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(34,323,216)</u>	-	<u>(34,323,216)</u>
<b>NET CURRENT ASSETS</b>		<u>18,644,805</u>	-	<u>18,644,805</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		32,006,636	-	32,006,636
<b>CREDITORS</b>				
Amounts falling due after more than one year		<u>(304,380)</u>	-	<u>(304,380)</u>
<b>NET ASSETS</b>		<u>31,702,256</u>	-	<u>31,702,256</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		171,973	-	171,973
Share premium		919,284	-	919,284
Revaluation reserve		1,221,012	-	1,221,012
Capital redemption reserve		52,583	-	52,583
Retained earnings		<u>29,337,404</u>	-	<u>29,337,404</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>31,702,256</u>	-	<u>31,702,256</u>
		<u>31,702,256</u>	-	<u>31,702,256</u>

**Reconciliation of Equity - continued**  
**30 November 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets	(1)	15,912,711	(1,708,033)	14,204,678
Investments		426,379	-	426,379
Investment property	(1)	-	1,735,943	1,735,943
		<u>16,339,090</u>	<u>27,910</u>	<u>16,367,000</u>
<b>CURRENT ASSETS</b>				
Stocks		15,448,973	-	15,448,973
Debtors		24,608,800	-	24,608,800
Cash at bank		9,811,677	-	9,811,677
		<u>49,869,450</u>	<u>-</u>	<u>49,869,450</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(32,598,411)</u>	<u>-</u>	<u>(32,598,411)</u>
<b>NET CURRENT ASSETS</b>		<u>17,271,039</u>	<u>-</u>	<u>17,271,039</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		33,610,129	27,910	33,638,039
<b>CREDITORS</b>				
Amounts falling due after more than one year		<u>(304,380)</u>	<u>-</u>	<u>(304,380)</u>
<b>NET ASSETS</b>		<u>33,305,749</u>	<u>27,910</u>	<u>33,333,659</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		171,973	-	171,973
Share premium		919,284	-	919,284
Revaluation reserve		1,137,291	(24,558)	1,112,733
Capital redemption reserve		52,583	-	52,583
Retained earnings		<u>31,024,618</u>	<u>52,468</u>	<u>31,077,086</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>33,305,749</u>	<u>27,910</u>	<u>33,333,659</u>
		<u>33,305,749</u>	<u>27,910</u>	<u>33,333,659</u>

**Notes to the reconciliation of equity**

(1) On transition to FRS102, Investment properties previously held within Tangible assets have been reallocated to Investment properties.

Depreciation on Investment properties have been reversed and valued at fair value.

On transition to FRS102 a transitional adjustment 'revaluation as deemed cost' has been made to Freehold buildings whereby the cost model will be adopted. The revaluation reserve transfer has therefore also been amended.

**Reconciliation of Profit**  
**for the Year Ended 30 November 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>TURNOVER</b>	110,258,586	-	110,258,586
Cost of sales	(91,680,679)	-	(91,680,679)
<b>GROSS PROFIT</b>	18,577,907	-	18,577,907
Administrative expenses	(15,695,778)	27,910	(15,667,868)
<b>OPERATING PROFIT</b>	2,882,129	27,910	2,910,039
Income from other participating interests	89,432	-	89,432
Interest receivable and similar income	62,459	-	62,459
Interest payable and similar expenses	(16,504)	-	(16,504)
<b>PROFIT BEFORE TAXATION</b>	3,017,516	27,910	3,045,426
Tax on profit	(493,602)	-	(493,602)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>2,523,914</u>	<u>27,910</u>	<u>2,551,824</u>
Profit attributable to: Owners of the parent			<u>2,551,824</u>