

REGISTERED NUMBER: 01236338 (England and Wales)

Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 30 November 2019  
for  
Lindum Group Limited



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**for the Year Ended 30 November 2019**

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**Lindum Group Limited**  
**Company Information**  
**for the Year Ended 30 November 2019**

<b>DIRECTORS:</b>	D C Chambers K E Damarell S J Gregory R A J Kok F E Chambers E C Chambers S D Mitchell J P Sizer
<b>SECRETARY:</b>	H F F Kok
<b>REGISTERED OFFICE:</b>	Lindum Business Park Station Road North Hykeham Lincoln LN6 3QX
<b>REGISTERED NUMBER:</b>	01236338 (England and Wales)
<b>AUDITORS:</b>	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln Lincolnshire LN1 1XG
<b>BANKERS:</b>	Nat West Lincoln 225 High Street Lincoln Lincolnshire LN2 1AZ

**2019 Chairman's Report**  
**for the Year Ended 30 November 2019**

2019 was Lindum's 64th year in business and we continue to try and provide a good service wherever we can and wherever we operate.

Our motto is 'The difference is our people' and, this year, we were 36th in the Sunday Times Best Companies To Work For [with] list, our 16th top 50 ranking in the Award in a row, the only construction company in the UK to do so. Having people work for us who are skilled and with a good attitude remains a big plus for us in looking after our clients as well as we can.

Our business is now spread between York, Lincoln and Peterborough, essentially carrying out most of our work in construction and related services, mainly but not exclusively, east of the M1.

With 689 direct employees, and 60% of those site based, we need to stay close to our locations, so that journeys are reasonable and we can support those sites properly rather than remotely.

We are fortunate in having an excellent employee share scheme, and with our workforce genuinely involved, this means that there is a loyalty and commitment at Lindum which is quite a rare quality in construction.

Today, we have 403 employee shareholders, making Lindum, truly, a 'Lindum family' business, and 327 of those shareholders are also regular and monthly investors in Lindum by SAYE.

We have found that this commitment has improved the cost efficiency of what we do, as well as the number of ideas generated and the willingness to undertake things differently and more willingly, which can help teamwork so much.

The financial results show a good year, less good than last, but still in the black in each division, as the group offers plant, construction, joinery, waste recycling, maintenance, homes and joint ventures from all three locations as above. These services can be delivered independently or as a comprehensive service, as a client chooses.

We remain debt free and with a healthy balance sheet, which can give confidence to our partners.

The year ahead, 2020, promises to be competitive, as we always expect, perhaps with less investment and activity by the private sector and more by the public sector, as infrastructure is clearly needed up and down the country and that will help businesses do business better.

We will continue to try and manage what we do, and how we do our work, as carefully as possible, which means that we can provide a reliable, effective and competitive service, across a wide construction spectrum, in a wide geographical area [eastern, mainly], for people we know or have got to know, so that we can provide what we know clients need us to do.

May I thank our clients, employees, advisers, suppliers, subcontractors and all the families who provide support too, in helping Lindum move forward with confidence, in good and less good times ahead.



David Chambers

**Group Strategic Report**  
**for the Year Ended 30 November 2019**

The directors present their strategic report of the company and the group for the year ended 30 November 2019.

**REVIEW OF BUSINESS**

**Market Conditions in 2019**

Economic conditions became more challenging during the year as fears over international trading restrictions continued, led globally by US/ China tensions and, closer to home, the uncertainty surrounding the EU withdrawal agreement and continued political change in the UK.

UK GDP was still in positive territory for the year (albeit the weakest growth for a decade) as the UK consumer continued to spend and the UK housing market posted a small increase in the year, with the 'regions' performing better than the South.

Business investment was generally weaker, with spending either being deferred due to uncertainty [from Brexit] or diverted from capital investment to bolster stock levels in case of supply chain shocks. The logistics and commercial/ industrial sectors did benefit from investment in reaction to the changing economy (online deliveries and more 'entrepreneurial spirit') and there was continued investment in house building (both private and public sector) but the retail sector remained quiet, as social and technological changes continued to take effect.

The construction industry had a narrow escape when the VAT domestic reverse charge was deferred for a year at the very last minute, which would likely have seen the construction supply chain experience some cash flow concerns.

Enhanced scrutiny continued with regard to fire protection [mainly due to the Grenfell tragedy], resulting in refurbishment and rectification works taking priority over new build work in some cases in the industry. This is, clearly, a good thing although there is significant risk of scaremongering sales tactics combined with a lack of independence between fire protection inspectors and fire protection installation specialists which has scope to cause difficulty for clients in the future.

There were some failures once more of construction companies in the year, including two regional companies in the East Midlands, affected mainly by large and complex jobs and their own poor balance sheets proving too weak to weather the storms. It continues to be surprisingly common, that too little regard is being given by professional people, and clients, in properly assessing a company's financial position, its operating performance and its way of working, when choosing a construction partner. Lindum tries hard to retain earnings from any profits, employ people [direct employees on site and in the office] with skill and a good attitude, so that a project can be delivered efficiently and carefully with confidence to a client and to build that relationship for the long term with trust.

**Results**

*Profit and loss account*

Total group profits before tax amounted to £4.22m compared to £7.83m for 2018 which meant our net profit margin was 2.5% compared to 4.8% in 2018. Dividends declared during 2019 amounted 6.65 pence per share which helped benefit the 403 of our 689 employees who are also shareholders in the company (all employees can request to buy shares in the company if they wish and over 300 do so on a monthly basis).

Overhead costs increased during the period primarily due to a larger payroll, wage increases and higher training costs (since the introduction of the Apprenticeship Levy, we haven't been able to claim as much financial support for training from the CITB, nor are we able to access our Apprenticeship Levy funds to fully support the apprentices we do employ). We continue to support the development and training of our directly employed teams, which supports our important USP of employing a substantial direct labour force, which means that clients receive a practical and timely service wherever possible. During the year our depreciation costs also increased which reflected our investment in plant and machinery to support our business.

**Lindum Group Limited (Registered number: 01236338)**

**Group Strategic Report**  
**for the Year Ended 30 November 2019**

Reported turnover for 2019 was £170.6m compared with £163.8m for 2018 detailed as follows between the activities of the group.

Activity	2019	2018
Construction Contracting	145,611,227	132,620,874
Land & Development	19,560,282	25,497,530
Plant Hire and Vehicle Servicing	1,738,399	1,986,620
Waste Recycling	3,334,513	3,159,202
Other Construction Services	<u>326,561</u>	<u>578,758</u>
Total	<u>170,570,982</u>	<u>163,842,984</u>

There was a steady increase in our core construction work with sales in the Commercial and Industrial sectors increasing during the year as well as additional work being undertaken in the Private Housing sector (mainly student accommodation in Lincoln), the local Retail sector (mainly in central Lincoln) and the leisure sector in particular.

In absolute terms we undertook more private sector work than public sector work during the year, although the actual number of building contracts for the latter sector was greater and was influenced by our continued involvement in the very effective Scape and Pagabo frameworks.

We continued to work across a diverse range of other sectors including  
Social Housing (new build, refurb, extensions and JV projects);  
Food (new build factories and extending live environments);  
Health (new build medical centres and refurbishment of surgeries and hospitals); and  
Education (new build, refurb and extensions)  
Industrial (new build and reorganising business lines)

From a development perspective, in the year we sold about 28% fewer Lindum Homes than in the prior year (which also saw the sale of a large swathe of land for social and market housing purposes) but we completed the joint development of a retail park in Lincoln and a service station complex in Sutterton.

Sales in our service divisions (plant, waste, joinery and security) were more or less similar to the prior year but approximately 50% of this activity is 'internal' so is not reflected in our reported ('external') turnover. We undertook more bespoke joinery work (a service which is highly appreciated by our clients) and more operated plant activity ('muckshifting') in particular during the year which emphasises the importance we place on being a practical company that can offer a comprehensive service. Our waste recycling division saw continued strong sales thanks to our well run operation and continued investment.

We maintain that 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), often, whether profitable or not. We consider that consistently positive returns [then shared/retained], stable cash flow and sensible investment are more important measures to be assessed and we try hard to maintain these.

It should also be noted that 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 group employee shareholdings).

**Group Strategic Report**  
**for the Year Ended 30 November 2019**

*Balance sheet*

The increase in our fixed assets reflects our commitment to invest in the business by retaining and improving our plant, machinery and equipment service, our fleet of vehicles, which saves costs and helps construction jobs go better. We maintain our buildings properly, for our own use and for tenants we have on the three business parks we own in Lincoln, York and Peterborough, from where we also carry out our construction services.

Our cash position stood at £30m at the year end despite our continued investment in longer term fixed assets and shorter term work in progress. This reflects good operating performance, debtor control and contract cash flow management as well as our activities being carried out competently.

Our debtor balance decreased in the year despite the headline increase in sales which reflected well managed cash collection and the realisation of a deferred land payment which was paid in November 2019 as expected.

Our work in progress increased by 19.9% to £24.4m predominantly as a result of our Canwick Villa development of 14 flats in Lincoln, our Bramley Grove development of 6 houses in Heighington (which were both in their development stages during the year and are now available for sale) together with our ongoing market housing projects in Saxilby and Navenby. We're forecasting our work in progress levels in Lindum Homes to be realised (and hence reduce) during the first half of 2020 as reservations and sales are still reasonably buoyant. The Homes business attracts much better margins than are possible in contracting, but the balance and mix we have works well, in terms of cash flow and icing on the cake.

Overall creditors were very similar to the prior year despite our increased cost of sales; payments on account actually reduced but this was offset by an increase in trade creditors. We pay fairly and in accordance with agreed terms and perhaps just as importantly we offer our supply chain confidence over the security of payment through retaining our earnings and maintaining a strong and transparent balance sheet. One of the harder risks for us to manage is the potential impact on our supply chain of another building company being unable to pay a subcontractor or supplier which then affects their performance on site or worse, which means we need to be vigilant and ready to help where we can.

We remain debt free, as we were in the prior period, which means that clients can be confident in our ability to finish jobs properly and our employees, subcontractors and suppliers know that they are chosen not just on price but on the quality and ability to deliver for the projects we undertake for our clients.

Non controlling interests of £20,458 represent the share of net assets held by the Housing Growth Partnership, with whom we are jointly developing some residential properties in Mablethorpe, please refer to the accounts of Mableford Limited for further information.

Retained earnings for the year amounted to £2.4m (2018: £4.8m) resulting in a Net Worth of the Group of £47.8m (with conservative valuations and no 'toxic' assets).

**Group Strategic Report**  
**for the Year Ended 30 November 2019**

**Investment in our business**

One of our motto's for some time now has been "the difference is our people" and we are committed to invest in direct employment (for both office and site based operatives), skills training, health and safety, providing sustainable apprenticeships, encouraging "teamworks" and promoting employee ownership so that a proper sharing business exists to get things done.

Providing a comprehensive in-house service for our clients differentiates us from our competitors and allows us to look after our clients' needs better and more comprehensively which is why we invest in our own workforce of qualified craftsmen who are skilled in brick-laying, plastering, decorating, design, engineering, contract & legal support and even financial support.

During the year we invested in 2,125 days of training covering over 168 different courses (all of which were made available to our subcontractors and tenants too). We directly employ 22 apprentices and 14 technical trainees as well as facilitating many more apprenticeships through our supply chain.

In our waste recycling division we invested in 2 new skip lorries, a new Roll on Roll off lorry, a new JCB high rise and grab and further skips as well as completing the renewal of our picking line. We also committed to invest in a further enhancement of our picking line in order to further reduce any amounts sent to landfill. We also continued to improve our site to ensure safe and efficient use of the space available and we commenced a project to assess how to further improve our welfare facilities and supervision of the site. The quality of our operations and our service levels compare favourably within the waste recycling industry and the division performed strongly again, a product of sustained investment which we are committed to maintain in the future.

We continued to renew our fleet in our plant division to maintain the high quality equipment and service we provide to our customers. We invested just over £0.75m during the year in new lorries, accommodation units, access equipment, mini diggers, and a tractor among other plant items (including further continued investment in new small tools to ensure our construction sites have the most appropriate and well maintained equipment available). We also invested further in digitising our workshop operations and our plant hire process.

We invested in our Lincoln and York Business Parks to improve our industrial and commercial space for our tenants as well as improving office space in Lincoln and York for our own use. Our York business park continues to benefit from investment and should be close to having a full complement of tenants in 2020 in its existing space and then we hope to be able to develop our yard space further, especially for other complementary construction tenants to dovetail with what we do already.

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 (especially construction as above) 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!).

We are a trading company engaging in construction activities and whilst we do have an 'investment property' on our balance sheet this is thanks to the vagaries of accounting standards which do not cater properly for the manner in which we operate as a company. The investment property in question is a part of the main building on our business park which is surplus to our current space requirements and would otherwise attract an empty business rates charge. We do not hold it for investment purposes it is simply a sensible use of our surplus operating space.

**Investment in our communities**

During 2019 our subsidiary company Lindum Western Growth Community Limited continued to work closely with a local land owner to help with the development of a piece of land in what is referred to as the 'Western Growth Corridor' in Lincoln. Our continued involvement in the project reflects a number of factors; our joint ventures division have some small land holdings already near to access points for the wider proposed development; we're keen to support the local community in which a large proportion of our employees, customers and supply chain live and work; and we feel we could offer something sensible, practical and realistic to help bring forward a scheme which has seen many previous and unsuccessful attempts to develop.



**Group Strategic Report**  
**for the Year Ended 30 November 2019**

**The Year Ahead**

We expect the year ahead to present us with some challenges both for the economy as a whole and more specifically for the construction industry. We expect those challenges to include inflation (import led due to the weak pound plus wage inflation as a knock on effect from the increasing national minimum wage), demand constraints (investment uncertainty, price sensitivity and increased competition), supply chain shocks (thanks to the coronavirus and the impending cessation of the transitional EU exit trading arrangements) and, more specifically to the construction industry, changes to the VAT rules and potential changes to the rules around retention monies.

We hope however that these challenges will bring opportunities too and it is noted that we do now have some greater domestic political stability (albeit potentially unorthodox) and indications that significant public sector spending and infrastructure investment may provide an economic boost during the year ahead.

We believe that we have good and able people working for Lindum and we have strength in our diversity of clients and business partners that we enjoy working alongside. Coupled with trying to ensure a practical and sensible approach to our work and a willingness to change if necessary we hope to be well positioned for the year ahead.

**PRINCIPAL RISKS AND UNCERTAINTIES**

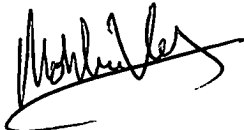
**Business Risk**

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

11 March 2020

**Report of the Directors**  
**for the Year Ended 30 November 2019**

**Director's Report**

The Directors submit their annual report including the audited financial statements for the year ended 30th November 2019.

**PRINCIPAL ACTIVITIES**

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

**WELFARE, HEALTH AND SAFETY**

The welfare, health and safety of our employees is our number one priority.

We ensure that our employees are properly trained, understand the importance of working safely and have the best equipment available. In addition to this, we have an in-house health and safety team who are available to advise and help our teams whenever required.

The Welfare, health and safety of all staff is actively promoted by continually consulting employees on ways to improve the business.

**DIVIDENDS**

The Directors recommend the payment of a final dividend of 2.75 pence per share, bringing the total dividend relating to 2019 activities to 5.5 pence per share.

The increase in Share Values combined with Dividend Payments, resulted in a 9.5% gross yield for individual (employee) shareholders.

At the end of the year 403 Lindum Employees were shareholders and 327 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:**

2018 Final Dividend	Paid April 2019	£682k
2019 Interim Dividend	Paid September 2019	£478k

**DIRECTORS**

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

	30 November 2019	30 November 2018
D C Chambers	8,114,436	8,114,436
F E Chambers	887,298	887,298
E C P Chambers	887,298	887,298
K E Damarell	770,377	762,420
S J Gregory	470,731	424,538
J P Sizer (appointed 21 June 2019)	49,173	41,272
R A J Kok	176,536	172,602
S D Mitchell	24,858	24,329
Employee Shareholding (excluding directors) amounted to	6,126,893	6,193,407

Other director changes during the year:

P N P McSorley resigned as director on 31 December 2018

M J Papworth resigned as director on 1 February 2019

**Report of the Directors**  
**for the Year Ended 30 November 2019**

**EMPLOYMENT POLICY**

**Employee Numbers**

The average number of persons employed in the Group, including directors, during the year was 689 (2018 - 660) - an increase of 4.4%. We try hard for our employees to know each other well and we try hard to offer secure employment.

**Profit Related Pay**

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.

**Stake-holder Culture**

Our employees are genuine stake-holders in the Share Ownership of the Group; 403 employees are shareholders and 327 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 2019 numbered 1,265,740 thereby creating an active market of £1,936,582 in value. We also operate a tax approved 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 1,000 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 and 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 2020, Lindum Group Ltd received an award for being the **36th Best Company to Work for in the Sunday Times Best Companies** competition. The result was based on a Best Companies confidential survey of Lindum employees.

**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.

**Report of the Directors**  
**for the Year Ended 30 November 2019**

**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 term.

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.).

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."

**CHARITABLE DONATIONS**

Donations amounted to £28,867 (2018: £23,687). In addition to monetary donations, Lindum 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 2019 directors of Lindum 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.

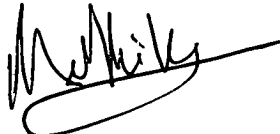
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements 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 2019**

**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:**

A handwritten signature in black ink, appearing to read 'R A J Kok', with a long horizontal stroke extending to the right.

R A J Kok - Director

11 March 2020

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

**Opinion**

We have audited the financial statements of Lindum Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 November 2019 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page ten, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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.



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

11 March 2020

**Lindum Group Limited (Registered number: 01236338)**

**Consolidated Income Statement**  
**for the Year Ended 30 November 2019**

	Notes	£	2019	£	£	2018	£
<b>TURNOVER</b>	3			170,570,982			163,842,984
Cost of sales				<u>144,614,697</u>			<u>135,170,425</u>
<b>GROSS PROFIT</b>				25,956,285			28,672,559
Administrative expenses				<u>22,306,424</u>			<u>21,089,925</u>
<b>OPERATING PROFIT</b>	6			3,649,861			7,582,634
Income from other participating interests		421,123			147,811		
Interest receivable and similar income	7	<u>189,240</u>			<u>121,233</u>		
				<u>610,363</u>			<u>269,044</u>
				4,260,224			7,851,678
Interest payable and similar expenses	8			<u>37,282</u>			<u>24,419</u>
<b>PROFIT BEFORE TAXATION</b>				4,222,942			7,827,259
Tax on profit	9			<u>652,178</u>			<u>1,632,046</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>				<u>3,570,764</u>			<u>6,195,213</u>
Profit attributable to:							
Owners of the parent				3,550,306			6,195,213
Non-controlling interests				<u>20,458</u>			<u>-</u>
				<u>3,570,764</u>			<u>6,195,213</u>

The notes form part of these financial statements



**Lindum Group Limited (Registered number: 01236338)**

**Consolidated Other Comprehensive Income**  
**for the Year Ended 30 November 2019**

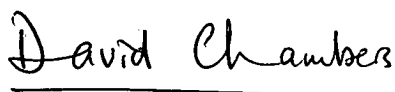
	Notes	2019 £	2018 £
<b>PROFIT FOR THE YEAR</b>		3,570,764	6,195,213
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,570,764</u>	<u>6,195,213</u>
Total comprehensive income attributable to:			
Owners of the parent		3,550,306	6,195,213
Non-controlling interests		<u>20,458</u>	<u>-</u>
		<u>3,570,764</u>	<u>6,195,213</u>

The notes form part of these financial statements

**Consolidated Balance Sheet**  
**30 November 2019**

	Notes	£	2019	£	2018	£
<b>FIXED ASSETS</b>						
Tangible assets	13		16,286,951		15,575,404	
Investments	14		319,430		319,430	
Investment property	15		<u>1,864,943</u>		<u>1,864,943</u>	
			18,471,324		17,759,777	
<b>CURRENT ASSETS</b>						
Stocks	16	24,436,599		20,368,998		
Debtors	17	27,101,398		33,479,367		
Cash at bank		<u>30,001,169</u>		<u>24,579,305</u>		
		81,539,166		78,427,670		
<b>CREDITORS</b>						
Amounts falling due within one year	18	<u>51,367,125</u>		<u>50,094,756</u>		
<b>NET CURRENT ASSETS</b>			<u>30,172,041</u>		<u>28,332,914</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			48,643,365		46,092,691	
<b>CREDITORS</b>						
Amounts falling due after more than one year	19		(704,380)		(704,380)	
<b>PROVISIONS FOR LIABILITIES</b>	23		<u>(140,000)</u>		<u>-</u>	
<b>NET ASSETS</b>			<u>47,798,985</u>		<u>45,388,311</u>	
<b>CAPITAL AND RESERVES</b>						
Called up share capital	24		175,076		175,076	
Share premium	25		1,263,867		1,263,867	
Revaluation reserve	25		688,062		793,532	
Capital redemption reserve	25		52,583		52,583	
Retained earnings	25		<u>45,598,939</u>		<u>43,103,253</u>	
<b>SHAREHOLDERS' FUNDS</b>			47,778,527		45,388,311	
<b>NON-CONTROLLING INTERESTS</b>	26		<u>20,458</u>		<u>-</u>	
<b>TOTAL EQUITY</b>			<u>47,798,985</u>		<u>45,388,311</u>	

The financial statements were approved by the Board of Directors on 11 March 2020 and were signed on its behalf by:



D C Chambers - Director

**Lindum Group Limited (Registered number: 01236338)**

**Company Balance Sheet**  
**30 November 2019**

	Notes	£	2019	£	£	2018	£
<b>FIXED ASSETS</b>							
Tangible assets	13			16,286,951			15,575,404
Investments	14			319,747			319,747
Investment property	15			<u>1,864,943</u>			<u>1,864,943</u>
				18,471,641			17,760,094
<b>CURRENT ASSETS</b>							
Stocks	16		15,582,135			13,591,640	
Debtors	17		31,237,483			34,269,062	
Cash at bank			<u>29,216,270</u>			<u>24,395,612</u>	
			76,035,888			72,256,314	
<b>CREDITORS</b>							
Amounts falling due within one year	18		<u>49,602,700</u>			<u>48,276,857</u>	
<b>NET CURRENT ASSETS</b>				<u>26,433,188</u>			<u>23,979,457</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				44,904,829			41,739,551
<b>CREDITORS</b>							
Amounts falling due after more than one year	19			(704,380)			(704,380)
<b>PROVISIONS FOR LIABILITIES</b>	23			<u>(140,000)</u>			-
<b>NET ASSETS</b>				<u>44,060,449</u>			<u>41,035,171</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	24			175,076			175,076
Share premium	25			1,263,867			1,263,867
Revaluation reserve	25			688,062			793,532
Capital redemption reserve	25			52,583			52,583
Retained earnings	25			<u>41,880,861</u>			<u>38,750,113</u>
<b>SHAREHOLDERS' FUNDS</b>				<u>44,060,449</u>			<u>41,035,171</u>
Company's profit for the financial year				<u>4,185,368</u>			<u>3,222,659</u>

The financial statements were approved by the Board of Directors on 11 March 2020 and were signed on its behalf by:



D C Chambers - Director

**Consolidated Statement of Changes in Equity**  
**for the Year Ended 30 November 2019**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £
<b>Balance at 1 December 2017</b>	175,076	38,194,185	1,263,867	897,883
<b>Changes in equity</b>				
Dividends	-	(1,390,496)	-	-
Total comprehensive income	-	6,299,564	-	(104,351)
<b>Balance at 30 November 2018</b>	<u>175,076</u>	<u>43,103,253</u>	<u>1,263,867</u>	<u>793,532</u>
<b>Changes in equity</b>				
Dividends	-	(1,160,090)	-	-
Total comprehensive income	-	3,655,776	-	(105,470)
<b>Balance at 30 November 2019</b>	<u>175,076</u>	<u>45,598,939</u>	<u>1,263,867</u>	<u>688,062</u>
	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 December 2017</b>	52,583	40,583,594	-	40,583,594
<b>Changes in equity</b>				
Dividends	-	(1,390,496)	-	(1,390,496)
Total comprehensive income	-	6,195,213	-	6,195,213
<b>Balance at 30 November 2018</b>	<u>52,583</u>	<u>45,388,311</u>	<u>-</u>	<u>45,388,311</u>
<b>Changes in equity</b>				
Dividends	-	(1,160,090)	-	(1,160,090)
Total comprehensive income	-	3,550,306	20,458	3,570,764
<b>Balance at 30 November 2019</b>	<u>52,583</u>	<u>47,778,527</u>	<u>20,458</u>	<u>47,798,985</u>

**Lindum Group Limited (Registered number: 01236338)**

**Company Statement of Changes in Equity**  
**for the Year Ended 30 November 2019**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 December 2017</b>	175,076	36,813,599	1,263,867
<b>Changes in equity</b>			
Dividends	-	(1,390,496)	-
Total comprehensive income	-	3,327,010	-
<b>Balance at 30 November 2018</b>	<u>175,076</u>	<u>38,750,113</u>	<u>1,263,867</u>
<b>Changes in equity</b>			
Dividends	-	(1,160,090)	-
Total comprehensive income	-	4,290,838	-
<b>Balance at 30 November 2019</b>	<u>175,076</u>	<u>41,880,861</u>	<u>1,263,867</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
<b>Balance at 1 December 2017</b>	897,883	52,583	39,203,008
<b>Changes in equity</b>			
Dividends	-	-	(1,390,496)
Total comprehensive income	(104,351)	-	3,222,659
<b>Balance at 30 November 2018</b>	<u>793,532</u>	<u>52,583</u>	<u>41,035,171</u>
<b>Changes in equity</b>			
Dividends	-	-	(1,160,090)
Total comprehensive income	(105,470)	-	4,185,368
<b>Balance at 30 November 2019</b>	<u>688,062</u>	<u>52,583</u>	<u>44,060,449</u>

The notes form part of these financial statements

**Consolidated Cash Flow Statement**  
**for the Year Ended 30 November 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	10,966,129	8,356,631
Interest paid		(5,585)	(1,722)
Preference dividends paid		(31,697)	(22,697)
Tax paid		<u>(1,408,143)</u>	<u>(1,496,903)</u>
Net cash from operating activities		<u>9,520,704</u>	<u>6,835,309</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(4,013,094)	(4,112,835)
Sale of tangible fixed assets		469,889	481,273
Interest received		189,240	121,233
Dividends received		<u>421,123</u>	<u>147,811</u>
Net cash from investing activities		<u>(2,932,842)</u>	<u>(3,362,518)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	10,192
Capital repayments in year		(5,908)	(4,284)
Share issue		-	400,000
Equity dividends paid		<u>(1,160,090)</u>	<u>(1,390,496)</u>
Net cash from financing activities		<u>(1,165,998)</u>	<u>(984,588)</u>
<b>Increase in cash and cash equivalents</b>		<u>5,421,864</u>	<u>2,488,203</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>24,579,305</u>	<u>22,091,102</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>30,001,169</u></u>	<u><u>24,579,305</u></u>

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 30 November 2019**

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

	2019 £	2018 £
Profit before taxation	4,222,942	7,827,259
Depreciation charges	3,150,225	2,973,705
Profit on disposal of fixed assets	(318,567)	(359,076)
Impairment of fixed assets	-	400
Finance costs	37,282	24,419
Finance income	<u>(610,363)</u>	<u>(269,044)</u>
	6,481,519	10,197,663
(Increase)/decrease in stocks	(4,067,601)	442,198
Decrease/(increase) in trade and other debtors	6,377,969	(6,631,912)
Increase in trade and other creditors	<u>2,174,242</u>	<u>4,348,682</u>
<b>Cash generated from operations</b>	<b><u>10,966,129</u></b>	<b><u>8,356,631</u></b>

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 30 November 2019**

	2019 £	2018 £
Cash and cash equivalents	<u>30,001,169</u>	<u>24,579,305</u>

**Year ended 30 November 2018**

	2018 £	2017 £
Cash and cash equivalents	<u>24,579,305</u>	<u>22,091,102</u>

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 30 November 2019**

**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 page 1.

**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.

**Tangible fixed assets**

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 the lower of cost or net realisable value. Any impairment of value will be recognised in the income statement. The difference between market value and cost at the year end is not considered material.

**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.

**Taxation**

Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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.

**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:

	2019 £	2018 £
Construction Contracting	145,611,227	132,620,874
Land and Development	19,560,282	25,497,530
Plant Hire & Vehicle Servicing	1,738,399	1,986,620
Waste Recycling	3,334,513	3,159,202
Other Construction Services	326,561	578,758
	<u>170,570,982</u>	<u>163,842,984</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:

	2019	2018
Directors	8	8
Site based employees	384	371
Office based employees	297	281
	<u>689</u>	<u>660</u>

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

	2019 £	2018 £
Wages and salaries	24,110,859	22,659,532
Social security	2,508,096	2,383,302
Other pension costs	1,080,455	1,099,195
	<u>27,699,410</u>	<u>26,142,029</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**5. DIRECTORS' EMOLUMENTS**

	2019 £	2018 £
Emoluments	<u>1,485,588</u>	<u>1,654,007</u>
Company pension scheme contributions to defined contribution schemes	<u>53,925</u>	<u>130,400</u>

During the year retirement benefits were accruing to 8 directors (2018 - 8) in respect of defined contribution pension schemes.

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

Aggregate remuneration (excluding pension contributions)	235,386	286,800
Company contributions paid to a defined contribution pension scheme	-	-

**6. OPERATING PROFIT**

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

	2019 £	2018 £
Depreciation - owned assets	3,150,225	2,973,705
Profit on disposal of fixed assets	(318,567)	(359,076)
Plant hire payable	2,189,649	2,201,192
Plant hire receivable	(487,252)	(469,408)
Rent receivable	<u>(1,606,300)</u>	<u>(1,573,513)</u>

**Auditors Remuneration**

	2019 £	2018 £
Fees payable to the group's auditor for the audit of the group's annual accounts	35,595	33,605
Fees payable to the group's auditor and its associates in respect of: Preparation of statutory financial statements	<u>310</u>	<u>300</u>

Fees payable for the group's auditor noted above include fees in respect of the parent company of £29,095 (2018: £28,385).

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019 £	2018 £
Bank interest	97,545	88,611
Other interest	<u>91,695</u>	<u>32,622</u>
	<u>189,240</u>	<u>121,233</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £	2018 £
Hire purchase interest	-	261
Other interest	5,585	1,461
Dividends paid on Preference shares	<u>31,697</u>	<u>22,697</u>
	<u>37,282</u>	<u>24,419</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**9. TAXATION**

**Analysis of the tax charge**

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

	2019 £	2018 £
Current tax:		
UK corporation tax	715,000	1,729,412
Adjustments in respect of prior periods	<u>(202,822)</u>	<u>(97,366)</u>
Total current tax	512,178	1,632,046
Deferred tax	<u>140,000</u>	<u>-</u>
Tax on profit	<u><u>652,178</u></u>	<u><u>1,632,046</u></u>

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

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

	2019 £	2018 £
Profit before tax	<u>4,222,942</u>	<u>7,827,259</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	802,359	1,487,179
Effects of:		
Expenses not deductible for tax purposes	17,202	36,952
Capital allowances in excess of depreciation	(26,661)	-
Depreciation in excess of capital allowances	-	92,928
Income not taxable/ additional tax relief	(77,900)	(28,084)
Impairment provision not tax deductible	-	76
Adjustment to the tax charge for prior periods	(202,822)	42,995
Deferred tax provision	<u>140,000</u>	<u>-</u>
Total tax charge	<u><u>652,178</u></u>	<u><u>1,632,046</u></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**

	2019 £	2018 £
Ordinary shares of £0.01 each		
Final	682,393	831,621
Interim	<u>477,697</u>	<u>558,884</u>
	<u><u>1,160,090</u></u>	<u><u>1,390,496</u></u>

**12. EXCEPTIONAL ITEMS**

**Parent company balance sheet only**

During the prior year a subsidiary intercompany loan of £4,200,000 due by Lindum Western Growth Community Limited to Lindum Group Limited was waived. This is shown as a reduction in debtors of £4,200,000 in the parent company balance sheet. This had no impact on the consolidated group position.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**13. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 December 2018	10,180,946	9,265,710	7,735,485	27,182,141
Additions	459,104	1,405,562	2,148,428	4,013,094
Disposals	-	(399,224)	(1,531,279)	(1,930,503)
At 30 November 2019	<u>10,640,050</u>	<u>10,272,048</u>	<u>8,352,634</u>	<u>29,264,732</u>
<b>DEPRECIATION</b>				
At 1 December 2018	1,993,974	5,129,721	4,483,042	11,606,737
Charge for year	579,849	1,080,228	1,490,148	3,150,225
Eliminated on disposal	-	(385,611)	(1,393,570)	(1,779,181)
At 30 November 2019	<u>2,573,823</u>	<u>5,824,338</u>	<u>4,579,620</u>	<u>12,977,781</u>
<b>NET BOOK VALUE</b>				
At 30 November 2019	<u>8,066,227</u>	<u>4,447,710</u>	<u>3,773,014</u>	<u>16,286,951</u>
At 30 November 2018	<u>8,186,972</u>	<u>4,135,989</u>	<u>3,252,443</u>	<u>15,575,404</u>

Land held at 30 November 2019 that has not been depreciated is included at £760,731 (2018: £760,731).

Freehold land and buildings include properties situated on the company's operating site. Sites are let out to tenants with a carrying value of £1,069,376 (2018: £1,085,294).

The cost of plant and vehicles available for hire amounted to £6,234,294 (2018: £6,011,724). The accumulated depreciation thereon was £3,535,949 (2018: £2,765,123).

<b>Company</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 December 2018	10,180,946	9,265,710	7,735,485	27,182,141
Additions	459,104	1,405,562	2,148,428	4,013,094
Disposals	-	(399,224)	(1,531,279)	(1,930,503)
At 30 November 2019	<u>10,640,050</u>	<u>10,272,048</u>	<u>8,352,634</u>	<u>29,264,732</u>
<b>DEPRECIATION</b>				
At 1 December 2018	1,993,974	5,129,721	4,483,042	11,606,737
Charge for year	579,849	1,080,228	1,490,148	3,150,225
Eliminated on disposal	-	(385,611)	(1,393,570)	(1,779,181)
At 30 November 2019	<u>2,573,823</u>	<u>5,824,338</u>	<u>4,579,620</u>	<u>12,977,781</u>
<b>NET BOOK VALUE</b>				
At 30 November 2019	<u>8,066,227</u>	<u>4,447,710</u>	<u>3,773,014</u>	<u>16,286,951</u>
At 30 November 2018	<u>8,186,972</u>	<u>4,135,989</u>	<u>3,252,443</u>	<u>15,575,404</u>

Land held at 30 November 2019 that has not been depreciated is included at £760,731 (2018: £760,731).

Freehold land and buildings include properties situated on the company's operating site. Sites are let out to tenants with a carrying value of £1,069,376 (2018: £1,085,294).

The cost of plant and vehicles available for hire amounted to £6,234,294 (2018: £6,011,724). The accumulated depreciation thereon was £3,535,949 (2018: £2,765,123).

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**14. FIXED ASSET INVESTMENTS**

**Group**

	Interest in other participating interests £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 December 2018 and 30 November 2019	<u>319,430</u>	<u>55,500</u>	<u>374,930</u>
<b>PROVISIONS</b>			
At 1 December 2018 and 30 November 2019	<u>-</u>	<u>55,500</u>	<u>55,500</u>
<b>NET BOOK VALUE</b>			
At 30 November 2019	<u>319,430</u>	<u>-</u>	<u>319,430</u>
At 30 November 2018	<u>319,430</u>	<u>-</u>	<u>319,430</u>

**Company**

	Shares in group undertakings £	Interest in other participating interests £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 December 2018 and 30 November 2019	<u>660,500</u>	<u>319,430</u>	<u>55,500</u>	<u>1,035,430</u>
<b>PROVISIONS</b>				
At 1 December 2018 and 30 November 2019	<u>660,183</u>	<u>-</u>	<u>55,500</u>	<u>715,683</u>
<b>NET BOOK VALUE</b>				
At 30 November 2019	<u>317</u>	<u>319,430</u>	<u>-</u>	<u>319,747</u>
At 30 November 2018	<u>317</u>	<u>319,430</u>	<u>-</u>	<u>319,747</u>

**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%
Brook & Mayo Limited	Electrical services	Ordinary shares	20.27%

All the above companies are registered in England.

**Lindum Group Limited (Registered number: 01236338)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**14. FIXED ASSET INVESTMENTS - continued**

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	30/11/2018	23,423	21,882
E B (Lincoln) Limited	31/12/2018	1,346,912	142,145
Temple Garth Limited	30/11/2018	1,558	(12,404)
Brayford Development Company Limited	30/11/2018	4,175	-
LC Community Projects Limited	31/08/2019	25	-
Brook & Mayo Limited	31/03/2019	1,602,958	166,277

**Trading subsidiary undertakings**

Lindum Developments Limited is a 100% owned UK 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 loss for the year after tax was £574,546 (2018: Profit of £233,135) and its total capital and reserves at the year end was £1,359,076 (2018: £1,933,622).

Doddington Estates Limited is a 100% owned UK 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 £23,425 (2018: £369,733) and its deficiency on capital and reserves at the year end was £nil (2018: £23,426). The company had ceased to trade and was dormant at the year end.

L B Mablethorpe Limited is a 100% owned UK 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 £629,633 (2018: loss of £937) and its total capital and reserves at the year end was £701,283 (2018: £71,750).

Lindum Western Growth Community Limited is a 100% owned UK subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of joint venture projects and housing development. Its loss for the year after tax was £738,579 (2018: Profit of £2,370,625) and its total capital and reserves at the year end was £1,632,106 (2018: £2,370,685).

Mableford Limited is a 55% owned UK subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of housing development. Its profit for the year after tax was £45,463 and its total capital and reserves at the year end was £45,563.

**Dormant subsidiary undertakings and Residents Management Companies**

The following companies are wholly owned dormant UK 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, Lindum York Limited, Garrett Rise Residents Management Company Limited, The Oaks Residents Management Company (Lincoln) Limited, The Paddocks (Navenby) Management Company Limited, Church Fields (Lincoln) Management Company Limited, Canwick Villa Management Company Limited.

The capital and reserves of these companies are negligible.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**15. INVESTMENT PROPERTY**

**Group and Company**

	Total £
<b>FAIR VALUE</b>	
At 1 December 2018 and 30 November 2019	<u>1,864,943</u>
<b>NET BOOK VALUE</b>	
At 30 November 2019	<u>1,864,943</u>
At 30 November 2018	<u>1,864,943</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.

**16. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2019 £	2018 £	2019 £	2018 £
Raw materials	29,867	30,704	29,867	30,704
Work-in-progress	15,728,290	10,414,767	11,534,226	7,463,560
Development Properties	<u>8,678,442</u>	<u>9,923,527</u>	<u>4,018,042</u>	<u>6,097,376</u>
	<u>24,436,599</u>	<u>20,368,998</u>	<u>15,582,135</u>	<u>13,591,640</u>

**17. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	17,089,452	22,768,891	16,956,156	20,628,811
Amounts owed by group undertakings	-	-	4,269,336	2,929,830
Amounts recoverable on contracts	5,914,291	5,258,623	5,914,291	5,258,623
Other debtors	2,256,309	3,377,649	2,256,354	3,377,594
Prepayments and accrued income	<u>962,171</u>	<u>874,317</u>	<u>962,171</u>	<u>874,317</u>
	<u>26,222,223</u>	<u>32,279,480</u>	<u>30,358,308</u>	<u>33,069,175</u>

	<b>Group</b>		<b>Company</b>	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due after more than one year:				
Trade debtors	800,975	1,110,387	800,975	1,110,387
Other debtors	<u>78,200</u>	<u>89,500</u>	<u>78,200</u>	<u>89,500</u>
	<u>879,175</u>	<u>1,199,887</u>	<u>879,175</u>	<u>1,199,887</u>
Aggregate amounts	<u>27,101,398</u>	<u>33,479,367</u>	<u>31,237,483</u>	<u>34,269,062</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

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

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts (see note 21)	-	5,908	-	5,908
Payments on account	2,378,506	5,649,621	2,378,506	5,649,621
Trade creditors	40,755,085	34,732,117	40,679,524	34,644,684
Amounts owed to associates	1,275,398	-	-	-
Corporation tax	302,113	1,198,077	143,757	1,056,665
Social security and other taxes	1,471,237	868,602	1,492,460	879,346
Other creditors	857,230	3,020,585	580,897	1,435,287
Accruals and deferred income	4,327,556	4,619,846	4,327,556	4,605,346
	<u>51,367,125</u>	<u>50,094,756</u>	<u>49,602,700</u>	<u>48,276,857</u>

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

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
£1 Preference shares (see note 20)	<u>704,380</u>	<u>704,380</u>	<u>704,380</u>	<u>704,380</u>

**20. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due in more than five years: Repayable otherwise than by instalments				
£1 Preference shares	<u>704,380</u>	<u>704,380</u>	<u>704,380</u>	<u>704,380</u>

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.



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**21. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Hire purchase contracts 2019	2018
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>5,908</u>

**Company**

	Hire purchase contracts 2019	2018
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>5,908</u>

**Group**

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	4,432	4,845
Between one and five years	<u>13,687</u>	<u>1,071</u>
	<u>18,119</u>	<u>5,916</u>

**Company**

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	4,432	4,845
Between one and five years	<u>13,687</u>	<u>1,071</u>
	<u>18,119</u>	<u>5,916</u>

**22. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts	-	5,908	-	5,908
Other creditors	<u>-</u>	<u>860,000</u>	<u>-</u>	<u>860,000</u>
	<u>-</u>	<u>865,908</u>	<u>-</u>	<u>865,908</u>

The hire purchase contract is secured against the asset to which it relates.

Other creditors is secured against the land purchase to which it relates. The security is in relation to a deferred payment agreement.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**23. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	2019 £	2018 £	2019 £	2018 £
Deferred tax	<u>140,000</u>	<u>-</u>	<u>140,000</u>	<u>-</u>
<b>Group</b>				Deferred tax £
Provided during year				<u>140,000</u>
Balance at 30 November 2019				<u>140,000</u>
<b>Company</b>				Deferred tax £
Provided during year				<u>140,000</u>
Balance at 30 November 2019				<u>140,000</u>

**24. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019 £	2018 £
17,507,600	Ordinary	0.01	175,076	175,076
704,380	4.5% Preference (see note 19 and 20)	1.00	-	-
			<u>175,076</u>	<u>175,076</u>

There is an active market in the shares of Lindum Group Limited with Lindum Group Trustees Limited acting as market maker. During the year 1,265,740 shares were traded, of which 493,849 were transacted as part of the HMRC approved share incentive plan. 327 employees participated in the SAYE scheme during 2019. The scheme provides a major (share) benefit to all Lindum employees.

Overall 403 employees are shareholders at the year end. The entity is owned and controlled by its shareholders. By virtue of shareholdings retained within the Chambers family, the Chairman, Mr D C Chambers, can be identified as the ultimate controlling party of the company.

**25. RESERVES**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2018	43,103,253	1,263,867	793,532	52,583	45,213,235
Profit for the year	3,550,306				3,550,306
Dividends	(1,160,090)				(1,160,090)
Realisation of depreciation on the revalued assets	<u>105,470</u>	<u>-</u>	<u>(105,470)</u>	<u>-</u>	<u>-</u>
At 30 November 2019	<u>45,598,939</u>	<u>1,263,867</u>	<u>688,062</u>	<u>52,583</u>	<u>47,603,451</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**25. RESERVES - continued**

**Company**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2018	38,750,113	1,263,867	793,532	52,583	40,860,095
Profit for the year	4,185,368				4,185,368
Dividends	(1,160,090)				(1,160,090)
Realisation of depreciation on the revalued assets	105,470	-	(105,470)	-	-
At 30 November 2019	<u>41,880,861</u>	<u>1,263,867</u>	<u>688,062</u>	<u>52,583</u>	<u>43,885,373</u>

**26. NON-CONTROLLING INTERESTS**

Lindum Group Limited hold 55% of the shares in Mableford Limited with the other 45% held by a minority interest which is reflected on the consolidated balance sheet.

**27. 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 £1,080,455 (2018: £1,099,195) during the year.

**28. CAPITAL COMMITMENTS**

Lindum Group Limited entered into a capital commitment to purchase plant and machinery of £203,163. This was paid shortly after the year end.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

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

The following advances and credits to directors subsisted during the years ended 30 November 2019 and 30 November 2018:

	2019	2018
	£	£
K E Damarell	14,987	14,987
S J Gregory	14,970	14,970
M J Papworth (Resigned as a director on 1 Feb 2019)	14,970	14,970
R A J Kok	14,993	14,993
S D Mitchell	14,996	-
J P Sizer	14,996	-

The above outstanding loans are for the purchase of company shares and have no fixed repayment dates.

Loans to other employees amount to £614,499 (2018: £784,517).

**30. RELATED PARTY DISCLOSURES**

**Transactions with Directors and close family members**

During the year directors and close family members purchased goods and services from the company of £82,926 (2018: £46,047). The balance owed to Lindum Group Ltd at the year end was £5,443 (2018: £nil) which was repaid shortly after the year end.

During the year the company made purchases from directors and close family members of £nil (2018: £225,000). No balances were outstanding at the year end.

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

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 net sales of £400 (2018: £70,000) to Kingswater Lindum (Lincoln) Limited and net purchases of £nil (2018: £467,871) from Kingswater Lindum (Lincoln) Limited. There was £480 (2018: £nil) outstanding at the year end due from Kingswater Lindum (Lincoln) Limited.

During the year, the group received dividend income of £nil (2018: £130,000).

**E B (Lincoln) Limited**

During the year the group made net sales of £81,132 (2018: £80,798) to E B (Lincoln) Limited. No amounts were outstanding at the year end.

There were no repayments (2018: £nil) in the period relating to the loan to EB (Lincoln) Limited. The balance at the year end was £228,300 (2018: £228,300) and is included within other investments.

There is also a loan included within other debtors. A further loan of £462,000 (2018: £nil) was made in the period and no repayments were made in the period (2018: £nil). The balance remaining is £762,000 (2018: £300,000) due from E B (Lincoln) Limited.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 November 2019**

**30. RELATED PARTY DISCLOSURES - continued**

**Temple Garth Limited**

During the year the group charged interest of £38,876 (2018: £15,392) to Temple Garth Limited. There was £nil (2018: £15,392) due from Temple Garth Limited at the year end.

The group's contracting turnover with Temple Garth Limited was £1,999,879 (2018: £1,090,835). No amount was outstanding at the end of the year (2018: £1,309,003 outstanding).

During the year the group made a loan advance of £nil (2018: £955,753) to Temple Garth Limited. Temple Garth Limited made repayments of £980,753 (2018: £5,000). There was £nil (2018: £980,753) outstanding at the year end due from Temple Garth Limited.

During the year, the group received dividend income of £410,000 (2018: £nil).

**Brook & Mayo Limited**

During the year the group made net sales of £27,251 (2018: £57,907) to Brook & Mayo Limited. The Group also paid net sub-contract costs of £3,183,150 (2018: £1,597,916) to Brook & Mayo Limited. There was a trading balance of £1,950 (2018: £3,635) due from Brook & Mayo Limited at the year end. There was also a trading balance of £467,855 (2018: £182,065) due to Brook & Mayo Limited at the year end.

During the year, the group received dividend income of £11,123 (2018: £17,811) from Brook & Mayo Limited.

**Bookminder Limited**

During the year, the group made net sales of £400 (2018: £nil) to Bookminder Limited, a company in which D C Chambers and H F F Kok hold indirect interests. There was £480 (2018: £nil) outstanding at the year end due from Bookminder Limited.

Other related party transactions:

**LC Community Projects Limited**

During the year, the group made loan advances of £1,102,868 (2018: £nil) to LC Community Projects Limited, a company in which D C Chambers and S Mitchell were directors and in which the group hold 50% of the share capital.

During the year the group made net sales of £nil (2018: £41,457) to LC Community Projects Limited.

LC Community Projects Limited made repayments of £573,633 (2018: £nil). There was a debtor of £590,692 (2018: £61,457) due from LC Community Projects Limited at the year end.

**Investors in Lincoln Limited**

During the year, the group made net sales of £3,731 (2018: £22,894) to Investors in Lincoln Limited, a company in which D C Chambers is a non executive director. No amounts were outstanding at the year end.

**Kingswater Lindum Limited**

During the year the group made a loan advance of £46,000 (2018: £nil) to Kingswater Lindum Limited, a company in which D C Chambers has an indirect minority interest. There was £46,000 (2018: £nil) outstanding at the year end due from Kingswater Lindum Limited.