

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 November 2017
for
Lindum Group Limited

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for the Year Ended 30 November 2017

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Lindum Group Limited
Company Information
for the Year Ended 30 November 2017

DIRECTORS:	D C Chambers K E Damarell S J Gregory P N P McSorley M J Papworth R A J Kok F E Chambers E C 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 2017

Of all industries, we may consider that Construction, in all its forms, is one of the hardest in which to maintain a semblance of balance, as, not only is it often misunderstood and its mechanics unseen, it receives the criticism of so many, when, in reality, it has such a lot going for it.

To my mind, the industry is both productive and effective and its people have the wit and a sense of humour of dealing with unforeseen and unpredictable events. Many have tenacity to show great determination to make things happen and do so, very well.

And it may have always been thus. In 1940, for example, when people were needed for the British Expeditionary Force, to help Europe once more, for the cause of freedom, the construction industry made up over half of those volunteers, often with insufficient training. But they showed a willingness to help, with guts and determination - attributes, I believe, we have in our own workforce, and which make such a difference to the way and manner in which we try to operate.

Today, Lindum, and the industry, receives guidance from many quarters, whether government or new regulations and edicts from various groups. Some guidance, certainly on Health and Safety, is welcome and we do seek to keep improving in this area and commit funds and people. So, too, with apprenticeships, and we have 23 at present. Supervision and management are areas we train and help too, as well as skills for our over 400 operatives, within our workforce of 650. However, we invest in improving rather than to meet just regulations.

Lindum's modus operandi is a simple one [see CSR on page 9], and uncomplicated. We seek to do some good when we can, be competent and effective at construction, look after customers and people well, make a reasonable profit, share it out with our employees, leave some too for future problems in the company. Customers can be confident that we have the money and resources to fix problems. We are not too different from most other companies in this regard, but we do mean it.

In summary, our 62nd year has been a good year - profitable yes, a debt free position still, our work improving mostly, trying hard on service and not yet bureaucratic, arrogant or complacent, we hope. We do expect a slowdown to be around the corner and we are competitive on pricing. We have succession in mind and a good range of ages and abilities throughout the company, for the future.

The team at Lindum continue to want to build and construct well. That is our aim, which means that clients can be sure that we know what we are doing. We have chosen to have a large direct workforce, people who have a desire and commitment to do a good job. Perhaps our team also know they are part of a good and straightforward team and business, who mostly know each other and our emphasis is less just on profitability but on relationships to get things done.

Thank you to all our customers with whom we work, also to our subcontractors and suppliers, with whom we try to be fair and inclusive. May I thank publicly all our people, all 650 of them, as each is important and makes the team work [teamworks]. We are very aware that we are only as good as our last job and we hope to keep going with sound principles of common sense.



David Chambers

Group Strategic Report
for the Year Ended 30 November 2017

The directors present their strategic report of the company and the group for the year ended 30 November 2017.

REVIEW OF BUSINESS
Market Conditions in 2017

Economic conditions were generally steady during the year. The wider global environment seemed a little more positive than 2016 (stock markets fared well and global growth picked up) and that, to some extent, offset concerns in the UK about Brexit, perhaps temporarily so.

Changing consumer and social patterns continued in the UK, which is impacting on high street retailers and restaurants particularly, though spending and demand held up, particularly in the new car market, as well as the UK housing market, both benefitting from low interest rates, which we can now expect to reverse perhaps.

Our main geographical areas of operation are based around our operating centres of Lincoln, Peterborough and York, and businesses in these areas were buoyant. Lincoln in particular benefited from recent infrastructure investment, continued economic development of the county with some extra help from the 'feel good factor' generated by the recent success of Lincoln City Football Club.

Private businesses were confident enough to continue to invest in new and existing facilities for their activities. In the public sector, whilst austerity measures continued, the Government continued to commit funds to housebuilding to promote affordability and ownership and has begun to support investment in infrastructure projects across the UK.

The construction industry continued to present challenges in the form of material price inflation and shortage of trained and skilled construction workers. The failure of a number of construction and support service companies towards the end of the year showed the risks associated with poorly managed construction work and the need for good teamwork and to include 'own workers' in the project wherever possible to do so, then problems may be foreseen and dealt with as well as possible when they occur, in a common sense way.

Results

Consolidated Group Profits before Tax increased to £7.25m, compared to £4.99m for 2016, which meant that our profit margin was healthy at 4.8% of turnover. The increase in profitability was linked largely to a good performance from all divisions together, full occupancy at Lindum Business Park and Lindum Homes selling houses well in a buoyant market.

Dividends declared for 2017 amounted to £1.6m. We have 390 shareholders at present who received this dividend and who are co-owners of the company. All employees can buy shares in the company upon request and there is an active market in such shares.

Reported turnover for 2017 was £149.9m compared with £127.9m for 2016. This reflects a steady increase in our contracting work at all 3 operating bases and sales from our JV Partnership division as projects which had been in the process of development over previous years completed during the period.

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, a sure recipe for future difficulty, as well as being very lumpy with larger projects from time to time.

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' operate independently but in an interdependent manner, particularly benefitting from a group balance sheet and employee shareholdings, we hope, in a motivated and fun atmosphere.

	2017	2016
Construction Contracting	128,353,295	109,561,249
Plant Hire and Vehicle Servicing	2,001,890	1,742,784
Waste Recycling	3,179,477	3,136,307
Land & Development	15,871,419	13,022,880
Other Construction Services	<u>491,787</u>	<u>480,611</u>
Total	<u>149,897,868</u>	<u>127,943,831</u>

Group Strategic Report
for the Year Ended 30 November 2017

Overhead costs increased during the period primarily due to a larger payroll, wage increases and training costs as we continue to support the development and training of our directly employed teams.

Our cash position stood at £22.1m at the end of the year, which reflects that we try to know our customers, and their businesses, with whom we work, which makes debtor control and contract cash flow management less variable, enabling us to focus on delivering a good product and service. Trade creditors increased (+11%), a little less than our cost of sales (+14%), and we continue to look to strengthen and invest in the business (fixed asset additions were £3.7m during the year), whilst being debt free.

Retained earnings for the year amounted to £4.2m (2016 £2.9m) resulting in a Net Worth of the Group of £40.6m (with sensible valuations and no 'toxic' assets).

Investment in our business

Our people represent our most important asset and, unusually for many construction companies, we tend to employ many more direct employees in our workforce than many of our competitors, which means that we can provide greater flexibility and certainty to a client's needs, as well as providing a good back up service before and after work is done.

We invest in our employees' training, whether in practical skill competencies, as well as training in health and safety, providing sustainable apprenticeships, encouraging teamwork and promoting employee ownership. We try to do this well.

We directly employ 23 apprentices and 22 technical trainees as well as facilitating many more apprenticeships through our supply chain and, during the year, we invested in over 2,584 days of training covering over 170 different courses (all of which were made available to our subcontractors and tenants too). The introduction of the apprentice levy was supposed to go some way to help with the industry skills shortage and whilst a good idea in principle, it is not yet practical in its application, though we shall continue to support its principles.

In our Waste Recycling division, we invested in new equipment (including a new high rise grab and new skips) and we continued to improve our site to ensure safe and efficient use of the space available. The quality of our operations and our service levels compare favourably with the Waste Recycling industry and the division performed strongly again, a product of sustained investment (from a start-up, as a business, in 2001), which we are committed to maintain in the future.

We continued to renew our fleet in Lindum Plant to maintain the high quality equipment and service we provide to Lindum and our external customers. We invested during the year in new teleporters, accommodation units, dumpers and a new tipper lorry and flatbed lorry, among other items. We also invested in upgrading our 'operated plant' (including new GPS equipment) to offer a better 'muckshifting' service.

We invested in our Lincoln Business Park to improve our industrial and commercial spaces for, and relationships with, our tenants, many of whom are sub-contractor and construction related themselves, as well as improving office space in Lincoln, York and Peterborough for our own use. This is an important part of our ability to respond quickly to client needs too.

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!).

We are a trading company engaging in construction activities and, whilst we do have an 'investment property' on our balance sheet, this is largely due to the vagaries of accounting standards, which, perhaps, 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 in Lincoln, which is surplus to our current space requirements and would otherwise attract an empty business rates charge and is, in any event, not divisible from its surrounding space. We do not hold it for investment purposes it is simply a sensible use of our surplus operating space.

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 (flats, houses and bungalows), retail (new build, refurb and extensions), food factories (new build and extending live environments), industrial projects (refurb and new build), commercial developments (offices, petrol filling stations, car showrooms and forecourts), health related projects, education (schools, colleges and universities) and leisure projects (including racecourse redevelopment).

Group Strategic Report
for the Year Ended 30 November 2017

Having our own trade teams means we are able to provide a complete and a practical building service and the support of our service divisions is very important in this regard; the ability to add value to our core (construction) activities enables us to look after our clients' needs better and more comprehensively.

An average of 41 reactive maintenance calls per day were fielded by our Building Maintenance and Service division. Approximately 30,000 tonnes of waste (generated by us and our clients) were recycled through our Waste Recycling division (material which would otherwise have ended up at landfill). Over 50 sites a month were provided with security monitoring and patrolling services by Lindum Security who dealt with approximately 370 call outs (averaging over 1 a day) providing protection not only to our own building sites, but also to our clients wherever required. In Lindum Plant, as well as providing a variety of high quality plant for hire, we transported a significant amount of construction materials, conducted over 3 MOT's per day on average, undertook over 2,200 plant maintenance requests and continued to give dedicated service to Lincolnshire Fire and Rescue (including looking after 25 water rescue boats). Through the Lindum Joinery team, we made bespoke kitchens, a shopfront, a variety of door linings, door sets, reception counters, a pigeon hole unit (!) and a host of other skilfully crafted (but reasonably priced) joinery products.

Our Joint Venture team was busy with the completion of our Greenray project and two petrol filling station developments in the period, with partners we know and trust, together with the commencement of our Wirtgen project with a local land owner and developer.

Demand for Lindum Homes' private houses continued to be strong and we were able to sell almost all houses which were ready and available for sale. We continued to build out our sites in Thorpe Lane North Hykeham, Heighington and Heckington and we also completed on the purchase of another site in Saxilby which meant that our work in progress at the year end was high relative to historical levels although we are comfortable that this level of work in progress is manageable and our liquidity position remains healthy. In particular, the site purchased in Saxilby offers other construction opportunities to work with our housing association and other development partners through joint ventures, as well as providing opportunity to develop more Lindum homes, in good locations, we believe, in the future.

The Year Ahead

The UK economic outlook remains mixed. In the short term, prospects seem reasonable but there is increasing uncertainty long term with a number of potential hurdles to contend with including the impending EU 'deal or no deal', rising interest rates, inflation and consumer confidence (which may be impacted by any changes to the housing market and the forthcoming end to PPI claims).

Despite continuing austerity measures, the government remains committed to infrastructure and housing projects which should help support our industry. We are also pleased to say that we were successful in our tender for the Scape Regional Construction Framework (to service public sector projects in Lincolnshire and Nottinghamshire for projects up to £750,000) which should help us maintain a balanced private/ public sector workload over the next few years.

For now, our workload, order book and enquiry levels are satisfactory and we believe that we are well positioned for future challenges. Our people, the work they do and the relationships we have, remain our focus and we have lots of room for improvement in lots of areas.

Group Strategic Report
for the Year Ended 30 November 2017

PRINCIPAL RISKS AND UNCERTAINTIES

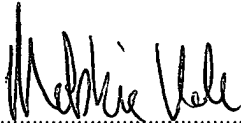
Business Risk

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: 14 March 2018

Lindum Group Limited (Registered number: 01236338)

Report of the Directors
for the Year Ended 30 November 2017

Director's Report

The Directors have pleasure in submitting their annual report including the audited financial statements for the year ended 30th November 2017.

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 4.75 pence per share, bringing the total dividend relating to 2017 activities to 9.25 pence per share.

The increase in Share Values combined with Dividend Payments, resulted in a 19% gross yield for individual (employee) shareholders.

At the end of the year 390 Lindum Employees were shareholders and 292 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:

2016 Final Dividend	Paid April 2017	£787k
2017 Interim Dividend	Paid September 2017	£780k

DIRECTORS

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

	30 November 2017	30 November 2016
Employee Shareholding (excluding directors) amounted to	5,119,102	5,115,310
D C Chambers	8,099,160	8,599,720
F E Chambers	879,863	619,740
E C P Chambers	879,863	619,740
K E Damarell	707,527	663,530
S J Gregory	402,959	350,490
P N P McSorley	1,032,129	1,030,550
M J Papworth	249,310	246,710
R A J Kok	137,689	61,810

EMPLOYMENT POLICY

Employee Numbers

The average number of persons employed in the Group, including directors, during the year was 629 (2016 - 590) - an increase of 6.6%. We try hard for our employees to know each other well and 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 share profits with our employees so that they are encouraged to look after our clients as well as possible.

Report of the Directors
for the Year Ended 30 November 2017

Stake-holder Culture

Our employees are genuine stake-holders in the Share Ownership of the Group; 390 employees are shareholders and 292 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 2017 numbered 2,477,052 thereby creating an active market of £3,022,003 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 2018, Lindum Group Ltd received an award for being the **22nd 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 2017**

**CORPORATE SOCIAL RESPONSIBILITY
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 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 £28,719 (2016; £24,120). 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 2017 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.

Report of the Directors
for the Year Ended 30 November 2017

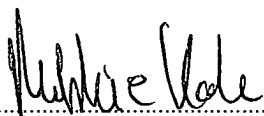
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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: 14 March 2018

**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 2017 on pages thirteen to thirty two. 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).

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.

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 2017 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 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, 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.

Opinion 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 pages ten and eleven, 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.

Our 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. This description forms part of our Report of the Auditors.



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: 14 March 2018

Lindum Group Limited (Registered number: 01236338)

Consolidated Income Statement
for the Year Ended 30 November 2017

	Notes	2017 £	£	2016 £	£
TURNOVER	3		149,897,868		127,943,831
Cost of sales			<u>122,485,243</u>		<u>105,717,876</u>
GROSS PROFIT			27,412,625		22,225,955
Administrative expenses			<u>20,397,603</u>		<u>17,844,794</u>
OPERATING PROFIT	6		7,015,022		4,381,161
Income from other participating interests		166,631		510,553	
Interest receivable and similar income	7	<u>85,398</u>		<u>115,734</u>	
			<u>252,029</u>		<u>626,287</u>
			7,267,051		5,007,448
Interest payable and similar expenses	8		<u>13,697</u>		<u>15,723</u>
PROFIT BEFORE TAXATION			7,253,354		4,991,725
Tax on profit	9		<u>1,617,829</u>		<u>1,037,158</u>
PROFIT FOR THE FINANCIAL YEAR			<u>5,635,525</u>		<u>3,954,567</u>
Profit attributable to Shareholders			<u>5,635,525</u>		<u>3,954,567</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 2017

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		5,635,525	3,954,567
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,635,525</u>	<u>3,954,567</u>
Total comprehensive income attributable to Shareholders		<u>5,635,525</u>	<u>3,954,567</u>


The notes form part of these financial statements

Lindum Group Limited (Registered number: 01236338)

Consolidated Balance Sheet
30 November 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	14,558,471	14,100,354
Investments	13	319,830	319,830
Investment property	14	<u>1,864,943</u>	<u>1,735,943</u>
		16,743,244	16,156,127
CURRENT ASSETS			
Stocks	15	20,811,196	16,005,521
Debtors	16	26,847,453	25,158,661
Cash at bank		<u>22,091,102</u>	<u>21,377,830</u>
		69,749,751	62,542,012
CREDITORS			
Amounts falling due within one year	17	<u>45,605,021</u>	<u>42,106,441</u>
NET CURRENT ASSETS		<u>24,144,730</u>	<u>20,435,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		40,887,974	36,591,698
CREDITORS			
Amounts falling due after more than one year	18	<u>304,380</u>	<u>304,380</u>
NET ASSETS		<u>40,583,594</u>	<u>36,287,318</u>
CAPITAL AND RESERVES			
Called up share capital	21	175,076	173,076
Share premium	22	1,263,867	1,037,867
Revaluation reserve	22	897,883	1,005,767
Capital redemption reserve	22	52,583	52,583
Retained earnings	22	<u>38,194,185</u>	<u>34,018,025</u>
SHAREHOLDERS' FUNDS		<u>40,583,594</u>	<u>36,287,318</u>

The financial statements were approved by the Board of Directors on 14 March 2018 and were signed on its behalf by:


D C Chambers - Director

Lindum Group Limited (Registered number: 01236338)

Company Balance Sheet
30 November 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	14,558,471	14,100,354
Investments	13	320,032	320,032
Investment property	14	<u>1,864,943</u>	<u>1,735,943</u>
		16,743,446	16,156,329
CURRENT ASSETS			
Stocks	15	16,331,814	7,944,079
Debtors	16	29,694,951	31,834,689
Cash at bank		<u>21,941,454</u>	<u>21,239,706</u>
		67,968,219	61,018,474
CREDITORS			
Amounts falling due within one year	17	<u>45,204,277</u>	<u>41,957,325</u>
NET CURRENT ASSETS		<u>22,763,942</u>	<u>19,061,149</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		39,507,388	35,217,478
CREDITORS			
Amounts falling due after more than one year	18	<u>304,380</u>	<u>304,380</u>
NET ASSETS		<u>39,203,008</u>	<u>34,913,098</u>
CAPITAL AND RESERVES			
Called up share capital	21	175,076	173,076
Share premium	22	1,263,867	1,037,867
Revaluation reserve	22	897,883	1,005,767
Capital redemption reserve	22	52,583	52,583
Retained earnings	22	<u>36,813,599</u>	<u>32,643,805</u>
SHAREHOLDERS' FUNDS		<u>39,203,008</u>	<u>34,913,098</u>
Company's profit for the financial year		<u>5,629,159</u>	<u>3,360,098</u>

The financial statements were approved by the Board of Directors on 14 March 2018 and were signed on its behalf by:


D C Chambers - Director

Lindum Group Limited (Registered number: 01236338)**Consolidated Statement of Changes in Equity**
for the Year Ended 30 November 2017

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 December 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	<u>173,076</u>	<u>34,018,025</u>	<u>1,037,867</u>	<u>1,005,767</u>	<u>52,583</u>	<u>36,287,318</u>
Changes in equity						
Issue of share capital	2,000	-	226,000	-	-	228,000
Dividends	-	(1,567,249)	-	-	-	(1,567,249)
Total comprehensive income	-	5,743,409	-	(107,884)	-	5,635,525
Balance at 30 November 2017	<u>175,076</u>	<u>38,194,185</u>	<u>1,263,867</u>	<u>897,883</u>	<u>52,583</u>	<u>40,583,594</u>

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 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	<u>173,076</u>	<u>32,643,805</u>	<u>1,037,867</u>	<u>1,005,767</u>	<u>52,583</u>	<u>34,913,098</u>
Changes in equity						
Issue of share capital	2,000	-	226,000	-	-	228,000
Dividends	-	(1,567,249)	-	-	-	(1,567,249)
Total comprehensive income	-	5,737,043	-	(107,884)	-	5,629,159
Balance at 30 November 2017	<u>175,076</u>	<u>36,813,599</u>	<u>1,263,867</u>	<u>897,883</u>	<u>52,583</u>	<u>39,203,008</u>

The notes form part of these financial statements

Lindum Group Limited (Registered number: 01236338)

Consolidated Cash Flow Statement
for the Year Ended 30 November 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	6,334,472	14,807,881
Interest paid		-	(2,026)
Preference dividends paid		(13,697)	(13,697)
Tax paid		<u>(1,193,591)</u>	<u>(696,782)</u>
Net cash from operating activities		<u>5,127,184</u>	<u>14,095,376</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(3,684,629)	(2,560,683)
Purchase of fixed asset investments		-	(1)
Purchase of investment property		(129,000)	-
Sale of tangible fixed assets		486,937	299,532
Realisation of fixed asset investments		-	106,550
Interest received		85,398	115,734
Dividends received		<u>166,631</u>	<u>510,553</u>
Net cash from investing activities		<u>(3,074,663)</u>	<u>(1,528,315)</u>
 Cash flows from financing activities			
Share issue		228,000	119,686
Equity dividends paid		<u>(1,567,249)</u>	<u>(1,120,594)</u>
Net cash from financing activities		<u>(1,339,249)</u>	<u>(1,000,908)</u>
 Increase in cash and cash equivalents		<u>713,272</u>	<u>11,566,153</u>
Cash and cash equivalents at beginning of year	2	<u>21,377,830</u>	<u>9,811,677</u>
 Cash and cash equivalents at end of year	2	<u><u>22,091,102</u></u>	<u><u>21,377,830</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 November 2017

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

	2017	2016
	£	£
Profit before taxation	7,253,354	4,991,725
Depreciation charges	2,741,481	2,557,050
Profit on disposal of fixed assets	(275,906)	(191,575)
Impairment of fixed assets	274,000	-
Finance costs	13,697	15,723
Finance income	(252,029)	(626,287)
	<u>9,754,597</u>	<u>6,746,636</u>
Increase in stocks	(4,805,675)	(556,548)
Increase in trade and other debtors	(1,688,792)	(549,861)
Increase in trade and other creditors	<u>3,074,342</u>	<u>9,167,654</u>
Cash generated from operations	<u><u>6,334,472</u></u>	<u><u>14,807,881</u></u>

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 2017

	30.11.17	1.12.16
	£	£
Cash and cash equivalents	<u><u>22,091,102</u></u>	<u><u>21,377,830</u></u>

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>

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements
for the Year Ended 30 November 2017

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.

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 the lower of cost or net realisable value. Any impairment of value will be recognised in the income statement. The difference between market value greater than 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.

Investments

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

Pensions

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

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

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:

	2017	2016
	£	£
Construction Contracting	128,353,295	109,561,249
Plant Hire & Vehicle Servicing	2,001,890	1,742,784
Waste Recycling	3,179,477	3,136,307
Land and Developments	15,871,419	13,022,880
Other Construction Services	491,787	480,611
	<u>149,897,868</u>	<u>127,943,831</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:

	2017	2016
Directors	8	6
Site based employees	353	330
Office based employees	<u>268</u>	<u>254</u>
	<u>629</u>	<u>590</u>

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

	2017	2016
	£	£
Wages and salaries	22,055,863	19,814,642
Social security	2,279,120	2,047,342
Other pension costs	<u>974,031</u>	<u>966,535</u>
	<u>25,309,014</u>	<u>22,828,519</u>

5. DIRECTORS' EMOLUMENTS

	2017	2016
	£	£
Emoluments	<u>1,542,018</u>	<u>1,336,447</u>
Company pension scheme contributions to defined contribution schemes	<u>216,800</u>	<u>144,450</u>

During the year retirement benefits were accruing to 8 directors (2016 - 6) in respect of defined contribution pension schemes.

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

Aggregate remuneration (excluding pension contributions)	250,365	317,672
Company contributions paid to a defined contribution pension scheme	26,800	750

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

6. OPERATING PROFIT

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

	2017 £	2016 £
Depreciation - owned assets	2,741,481	2,557,050
Profit on disposal of fixed assets	(275,906)	(191,575)
Plant hire payable	2,236,958	1,831,003
Plant hire receivable	(562,896)	(552,856)
Rent receivable	<u>(1,697,307)</u>	<u>(1,633,710)</u>

Auditors Remuneration

	2017 £	2016 £
Fees payable to the group's auditor for the audit of the group's annual accounts	31,413	32,005
Fees payable to the group's auditor and its associates in respect of: Preparation of statutory financial statements	<u>295</u>	<u>285</u>

Fees payable for the group's auditor noted above include fees in respect of the parent company of £27,558 (2016: £28,255).

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Bank interest	48,485	43,591
Other interest	<u>36,913</u>	<u>72,143</u>
	<u>85,398</u>	<u>115,734</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank charges and loan interest	-	2,026
Dividends paid on shares classed as debt	<u>13,697</u>	<u>13,697</u>
	<u>13,697</u>	<u>15,723</u>

9. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	1,632,823	1,009,868
Adjustments in respect of prior periods	<u>(14,994)</u>	<u>27,290</u>
Tax on profit	<u>1,617,829</u>	<u>1,037,158</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

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:

	2017 £	2016 £
Profit before tax	<u>7,253,354</u>	<u>4,991,725</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	1,450,671	998,345
Effects of:		
Expenses not deductible for tax purposes	14,552	14,658
Depreciation in excess of capital allowances deductible	145,000	96,865
Income not taxable/ additional tax relief	(32,200)	(100,000)
Impairment provision not tax deductible	54,800	-
changes during the year		
Adjustment to the tax charge for prior periods	(14,994)	27,290
	<u>1,617,829</u>	<u>1,037,158</u>
Total tax charge		

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

	2017 £	2016 £
Ordinary shares of £0.01 each		
Final 2016	786,825	431,058
Interim 2017	<u>780,424</u>	<u>689,536</u>
	<u>1,567,249</u>	<u>1,120,594</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017**

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 December 2016	8,905,994	7,977,177	6,555,104	23,438,275
Additions	970,020	1,243,799	1,470,810	3,684,629
Disposals	-	(1,271,705)	(960,447)	(2,232,152)
Impairments	(274,000)	-	-	(274,000)
At 30 November 2017	<u>9,602,014</u>	<u>7,949,271</u>	<u>7,065,467</u>	<u>24,616,752</u>
DEPRECIATION				
At 1 December 2016	934,031	5,120,756	3,283,134	9,337,921
Charge for year	522,554	856,754	1,362,173	2,741,481
Eliminated on disposal	-	(1,181,358)	(839,763)	(2,021,121)
At 30 November 2017	<u>1,456,585</u>	<u>4,796,152</u>	<u>3,805,544</u>	<u>10,058,281</u>
NET BOOK VALUE				
At 30 November 2017	<u>8,145,429</u>	<u>3,153,119</u>	<u>3,259,923</u>	<u>14,558,471</u>
At 30 November 2016	<u>7,971,963</u>	<u>2,856,421</u>	<u>3,271,970</u>	<u>14,100,354</u>

Land held at 30 November 2017 that has not been depreciated is included at £760,731 (2016: £360,682).

Prior to adoption of FRS102 historical cost of freehold land and buildings was £13,500,211 (2016 - £12,804,191)

Freehold land and buildings include properties situated on the company's operating site. Sites are let out to tenants with a carrying value of £1,203,269 (2016: £1,253,405).

The cost of plant and vehicles available for hire amounted to £4,841,185 (2016 - £4,653,724). The accumulated depreciation thereon was £2,749,412 (2016 - £2,697,240).

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 December 2016	8,905,994	7,977,177	6,555,104	23,438,275
Additions	970,020	1,243,799	1,470,810	3,684,629
Disposals	-	(1,271,705)	(960,447)	(2,232,152)
Impairments	(274,000)	-	-	(274,000)
At 30 November 2017	<u>9,602,014</u>	<u>7,949,271</u>	<u>7,065,467</u>	<u>24,616,752</u>
DEPRECIATION				
At 1 December 2016	934,031	5,120,756	3,283,134	9,337,921
Charge for year	522,554	856,754	1,362,173	2,741,481
Eliminated on disposal	-	(1,181,358)	(839,763)	(2,021,121)
At 30 November 2017	<u>1,456,585</u>	<u>4,796,152</u>	<u>3,805,544</u>	<u>10,058,281</u>
NET BOOK VALUE				
At 30 November 2017	<u>8,145,429</u>	<u>3,153,119</u>	<u>3,259,923</u>	<u>14,558,471</u>
At 30 November 2016	<u>7,971,963</u>	<u>2,856,421</u>	<u>3,271,970</u>	<u>14,100,354</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

12. TANGIBLE FIXED ASSETS - continued

Company

Land held at 30 November 2017 that has not been depreciated is included at £760,731 (2016: £360,682).

Prior to adoption of FRS102 historical cost of freehold land and buildings was £13,500,211 (2016 - £12,804,191)

Freehold land and buildings include properties situated on the company's operating site. Sites are let out to tenants with a carrying value of £1,203,269 (2016: £1,253,405).

The cost of plant and vehicles available for hire amounted to £4,841,185 (2016 - £4,653,724). The accumulated depreciation thereon was £2,749,412 (2016 - £2,697,240).

13. FIXED ASSET INVESTMENTS

Group

	Interest in other participating interests £	Unlisted investments £	Totals £
COST			
At 1 December 2016 and 30 November 2017	<u>231,126</u>	<u>177,204</u>	<u>408,330</u>
PROVISIONS			
At 1 December 2016 and 30 November 2017	<u>-</u>	<u>88,500</u>	<u>88,500</u>
NET BOOK VALUE			
At 30 November 2017	<u>231,126</u>	<u>88,704</u>	<u>319,830</u>
At 30 November 2016	<u>231,126</u>	<u>88,704</u>	<u>319,830</u>

Company

	Shares in group undertakings £	Interest in other participating interests £	Unlisted investments £	Totals £
COST				
At 1 December 2016 and 30 November 2017	<u>660,385</u>	<u>231,126</u>	<u>177,204</u>	<u>1,068,715</u>
PROVISIONS				
At 1 December 2016 and 30 November 2017	<u>660,183</u>	<u>-</u>	<u>88,500</u>	<u>748,683</u>
NET BOOK VALUE				
At 30 November 2017	<u>202</u>	<u>231,126</u>	<u>88,704</u>	<u>320,032</u>
At 30 November 2016	<u>202</u>	<u>231,126</u>	<u>88,704</u>	<u>320,032</u>

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

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	31/12/2016	1,067,642	137,078
Temple Garth Limited	30/11/2016	15,569	836,861
Brayford Development Company Limited	30/11/2016	4,175	-
LC Community Projects Limited	31/08/2017	40,000	-

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 profit for the year after tax was £421,096 (2016: £69,400) and its total capital and reserves at the year end was £1,705,451 (2016: £1,284,355).

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 loss for the year after tax was £409,679 (2016: profit £524,518) and its deficiency on capital and reserves at the year end was £393,159 (2016: Net assets £16,520).

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 loss for the year after tax was £88 (2016: profit £551) and its total capital and reserves at the year end was £72,687 (2016: £72,775).

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, Somerton Meadows Residents Management Company Limited, Somerton Meadows (Plots 53 and 54) Residents Management Company Limited, Garrett Rise Residents Management Company Limited, The Oaks Residents Management Company (Lincoln) Limited and The Steeples Residents 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 2017

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 December 2016	1,735,943
Additions	<u>129,000</u>
At 30 November 2017	<u><u>1,864,943</u></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 £
FAIR VALUE	
At 1 December 2016	1,735,943
Additions	<u>129,000</u>
At 30 November 2017	<u><u>1,864,943</u></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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Raw materials	32,883	27,822	32,883	27,822
Work-in-progress	11,572,516	5,612,391	11,156,604	5,196,479
Development Properties	<u>9,205,797</u>	<u>10,365,308</u>	<u>5,142,327</u>	<u>2,719,778</u>
	<u><u>20,811,196</u></u>	<u><u>16,005,521</u></u>	<u><u>16,331,814</u></u>	<u><u>7,944,079</u></u>

16. DEBTORS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	17,665,919	16,751,797	17,545,433	16,510,810
Amounts owed by group undertakings	-	-	2,968,782	7,125,159
Amounts recoverable on contracts	5,939,855	5,485,101	5,939,855	5,485,101
Other debtors	1,234,625	997,158	1,234,625	936,857
Prepayments and accrued income	<u>891,983</u>	<u>655,516</u>	<u>891,185</u>	<u>654,290</u>
	<u><u>25,732,382</u></u>	<u><u>23,889,572</u></u>	<u><u>28,579,880</u></u>	<u><u>30,712,217</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

16. DEBTORS - continued

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due after more than one year:				
Trade debtors	1,009,771	1,023,373	1,009,771	1,023,373
Other debtors	<u>105,300</u>	<u>245,716</u>	<u>105,300</u>	<u>99,099</u>
	<u>1,115,071</u>	<u>1,269,089</u>	<u>1,115,071</u>	<u>1,122,472</u>
Aggregate amounts	<u>26,847,453</u>	<u>25,158,661</u>	<u>29,694,951</u>	<u>31,834,689</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Payments on account	5,953,012	5,663,887	5,953,012	5,663,887
Trade creditors	32,411,384	29,151,033	32,398,452	29,144,457
Tax	1,062,934	638,696	963,211	608,828
Social security and other taxes	727,117	1,678,505	720,021	1,682,686
Other creditors	950,490	900,194	705,465	822,917
Accruals and deferred income	<u>4,500,084</u>	<u>4,074,126</u>	<u>4,464,116</u>	<u>4,034,550</u>
	<u>45,605,021</u>	<u>42,106,441</u>	<u>45,204,277</u>	<u>41,957,325</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
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:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
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>

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.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	17,368	7,041
Between one and five years	<u>13,026</u>	<u>6,297</u>
	<u>30,394</u>	<u>13,338</u>

Company

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	17,368	7,041
Between one and five years	<u>13,026</u>	<u>6,297</u>
	<u>30,394</u>	<u>13,338</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017	2016
Number:	Class:		£	£
17,507,600	Ordinary	0.01	175,076	173,076
304,380	4.5% Preference	1	-	-
			<u>175,076</u>	<u>173,076</u>

On 16 December 2016 200,000 Ordinary shares of £0.01 each were allotted as fully paid at a premium of £1.13 per share during the year.

There is an active market in the shares of Lindum Group Limited with Lindum Group Trustees Limited acting as market maker. During the year 2,477,052 shares were traded, of which 383,601 were transacted as part of the HMRC approved share incentive plan. 292 employees participated in the SAYE scheme during 2017. The scheme provides a major (share) benefit to all Lindum employees.

Overall 390 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 Chambers, can be identified as the ultimate controlling party of the company.

22. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2016	34,018,025	1,037,867	1,005,767	52,583	36,114,242
Profit for the year	5,635,525				5,635,525
Dividends	(1,567,249)				(1,567,249)
Cash share issue	-	226,000	-	-	226,000
Realisation of depreciation on the revalued assets	<u>107,884</u>	<u>-</u>	<u>(107,884)</u>	<u>-</u>	<u>-</u>
At 30 November 2017	<u>38,194,185</u>	<u>1,263,867</u>	<u>897,883</u>	<u>52,583</u>	<u>40,408,518</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

22. RESERVES - continued

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2016	32,643,805	1,037,867	1,005,767	52,583	34,740,022
Profit for the year	5,629,159				5,629,159
Dividends	(1,567,249)				(1,567,249)
Cash share issue	-	226,000	-	-	226,000
Realisation of depreciation on the revalued assets	107,884	-	(107,884)	-	-
At 30 November 2017	<u>36,813,599</u>	<u>1,263,867</u>	<u>897,883</u>	<u>52,583</u>	<u>39,027,932</u>

23. 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 £974,031 (2016: £966,535) during the year.

24. CAPITAL COMMITMENTS

Lindum Group Limited entered into an overage deed in connection with the purchase of land at Washingborough Road, Heighington prior to the year end for £225,000. The payment and its completion, was made in January 2018 shortly after the year end.

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 November 2017 and 30 November 2016:

	2017 £	2016 £
K E Damarell		
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>
S J Gregory		
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>
M J Papworth		
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>

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

R A J Kok

Balance outstanding at start of year	14,993	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 £762,219 (2016: £500,711).

26. 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 £102,847 (2016: £82,356). No balances were outstanding at the year end.

During the year the company made purchases from directors and close family members of £535,208 (2016: £Nil). 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 a loan advance of £20,000 (2016: £nil) to Kingswater Lindum (Lincoln) Limited. There were repayments of £nil (2016: £71,675) made by Kingswater Lindum (Lincoln) Limited. There was £46,500 (2016: £26,500) outstanding at the year end due from Kingswater Lindum (Lincoln) Limited.

E B (Lincoln) Limited

During the year the group made sales of £38,096 (2016: £8,322) to E B (Lincoln) Limited. No amounts were outstanding at the year end.

There were no repayments (2016: £106,500) in the period relating to the loan to EB (Lincoln) Limited. The balance at the year end was £228,300 (2016: £228,300) and is included within other investments..

There is also a loan included within other debtors. During the year E B (Lincoln) Limited repaid £45,000 (2016: £nil). The balance remaining is £300,000 (2016: £345,000) due from E B (Lincoln) Limited.

Temple Garth Limited

During the year the group made sales of £16,940 (2016: £120,814) to Temple Garth Limited. There was £nil (2016: £18,780) due from Temple Garth Limited at the year end.

The group also incurred costs on the Temple Garth Limited contract of £nil (2016: £7,200). No amounts were outstanding at the year end.

During the year, the group received dividend income of £nil (2016: £500,000) from Temple Garth Limited.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2017

26. RELATED PARTY DISCLOSURES - continued

Bookminder Limited

During the year, the group made sales of £32,142 (2016: £2,132) 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 £60,102 (2016: £61,318) from Brook & Mayo Limited, a company in which D C Chambers is a non executive director and in which the group hold a minority interest. The Group also paid sub-contract costs of £1,901,812 (2016: £1,362,088) to Brook & Mayo Limited. There was a trading balance of £2,025 (2016: £2,957) due from Brook & Mayo Limited at the year end. There was also a trading balance of £209,362 (2016: £300,127) due to Brook & Mayo Limited at the year end.

During the year, the group received dividend income of £16,631 (2016: £10,553) from Brook & Mayo Limited.

LC Community Projects Limited

During the year, the group made an interest free loan of £20,000 (2016: £nil) 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. The Group also received income in the period of £nil (2016: £152,473) from L C Community Projects Limited. There was a debtor of £20,000 (2016: £nil) due from LC Community Projects Limited at the year end.

During the year, the group received dividend income of £150,000 (2016: £nil) from LC Community Projects Limited.

Investors In Lincoln Limited

During the year, the group made sales of £nil (2016: £115,021) to Investors in Lincoln Limited, a company in which D C Chambers and P N P McSorley are non executive directors. No amounts were outstanding at the year end.