REGISTERED NUMBER: 01236338 (England and Wales)

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 November 2018
for
Lindum Group Limited

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Lindum Group Limited

Company Information
for the Year Ended 30 November 2018

DIRECTORS:	D C Chambers K E Damarell S J Gregory R A J Kok F E Chambers E C Chambers S D Mitchell
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

Lindum Group Limited (Registered number: 01236338)

2018 Chairman's Report for the Year Ended 30 November 2018

I am pleased to report that Lindum has had a successful 2018 and has made a positive start to the year ahead.

Group profit for the year was 3.8% net £6.2m, turnover £164m and our balance sheet £45m NAV. We have 660 employees, of which 406 are shareholders and all employees at Lindum have the opportunity to buy shares in the company.

Lindum Group Ltd trades as a single company, incorporating 12 divisions, with offices in Lincoln, York and Peterborough. Our main activity is building and construction, with complementary activities in waste recovery, plant hire, security and joinery, as well as joint venture property, investment in nursery companies and a homes for sale business. All divisions contribute to the group's effectiveness, whether in a practical or financial way.

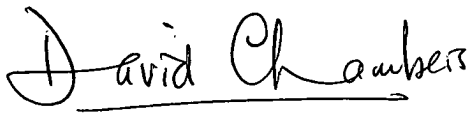
Lindum has almost twice the average number of employees as other construction companies in relation to turnover, which means that we are able to come up with more practical and/or innovative solutions on/off site, as well as fixing problems and helping clients carefully.

Works completed this year across our area include a number of food factories, some warehouses for distribution and manufacturing for developers and end users, housing association work, retail park refurbishments, care homes in Lincolnshire, as well as award winning building and maintenance work for the Co-op and Market Rasen train station, significant roofing works for Siemens and DS Smith, vehicle maintenance for Lincolnshire's fire engines and Peterborough's ambulances, joinery manufactured and installed for the amazing Nevill Holt opera and many historic listed buildings, two petrol stations for BP and Lindum Homes selling 55 homes in the Lincoln area.

The group order book for 2019 is looking healthy, with work on student housing in Lincoln, affordable homes across our region, three cinemas, more manufacturing facilities and our framework with Scape and Lincolnshire's public sector and especially its schools, as well as the University of York, whilst we invest in more plant and waste equipment, land with the City of Lincoln council for a joint venture for homes and an extension to our York business park for nursery businesses, as we have in Lincoln. We continue to assist Housing Associations in land finding for affordable housing.

During the year, we have invested significantly in a new training facility in Lincoln, where young and less young can benefit from practical and managerial skill training from experienced people we know well.

Lastly, I should like to take this opportunity of thanking all those who contribute to what we do. 'Team' is vitally important to us. Our aim is to try and do a good job, look after clients, get paid for what we do - so that we can form some trust and relationships with firms and people that require our expertise in the future. We look forward to developing and continuing our relationships with all those involved, whether employees, clients and suppliers/subcontractors in the year ahead and thank you.



David Chambers

Group Strategic Report for the Year Ended 30 November 2018

The directors present their strategic report of the company and the group for the year ended 30 November 2018.

REVIEW OF BUSINESS

Market Conditions in 2018

Economic conditions were reasonable during the year despite growing uncertainty and unpredictability in the UK and globally too.

In the UK, the rate of growth decreased a little and the economy continued to change shape led by new social, political and technological trends. The housing market may have quietened a bit in the South but it was active in the 'regions' and remained in positive territory overall.

Business and consumer demand was reasonably strong though investment decisions may have been adversely impacted by our forthcoming withdrawal from the EU. Whilst interest rates did increase marginally during the year, they were still at a very low level which supported investment and helped provide some extra certainty and confidence to invest.

In the public sector there was continued support for spending on infrastructure projects and affordable housing in particular which was positive for the Construction industry. In the November Budget, the government tentatively suggested that austerity might be nearing an end however the budget deficit remains and national debt is still large so this remains to be seen.

The failure (and near failure) of a number of construction and support service companies in the year illustrates (again) the risks associated with construction work and demonstrates how employees, suppliers and clients can all be very badly affected when things go wrong. It is surprisingly common that too little regard is perhaps being given by professional people in properly assessing a company's financial position when choosing a construction partner.

Results

Profit and loss account

Total group profits before tax amounted to £7.83m compared to £7.25m for 2017 which meant our net profit margin was 4.8%, as it was in 2017. Dividends declared during 2018 amounted to 7.95 pence per share which helped benefit the 406 of our 660 employees who were 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 regular basis).

Our gross margins for construction work are normally 10-12% with closer to 25% for joint venture development and homes for sale work. Overall for the year gross margins for the group reduced to 17.5% from 18.3% as our mix of sales included a larger proportion of work in the affordable housing sector which yields lower gross margin than other sectors.

Overhead costs increased during the period again primarily due to a larger payroll, wage increases and higher training costs (coupled with a reduction in CITB training grants) as we continue to support the development and training of our directly employed teams (we have an above normal number of directly employed tradespeople who benefit from training on an ongoing basis). Depreciation costs also increased which reflected our investment in plant and machinery to support our business.

Reported turnover for 2018 was £163.8m compared with £149.9m for 2017 detailed as follows between the activities of the group.

Activity	2018	2017
Construction Contracting	132,620,874	128,353,295
Land & Development	25,497,530	15,871,419
Plant Hire and Vehicle Servicing	1,986,620	2,001,890
Waste Recycling	3,159,202	3,179,477
Other Construction Services	578,758	491,787
Total	163,842,984	149,897,868

There was a steady increase in our core construction work with sales in the affordable housing sector increasing during the year as well as additional work being undertaken in the private housing sector (mainly student accommodation in Lincoln), the industrial sector and the education sector in particular (the latter being influenced by our involvement in the Scape framework which commenced in 2018).

We also continued to work across a diverse range of other sectors including
Retail (new build, refurb and extensions);
Food (new build factories and extending live environments);
Commercial (including office new build and refurbishment and car showroom refurbishment);
Health (new build medical centres and refurbishment of surgeries and hospitals); and
Leisure (including racecourse redevelopment and hotel refurbishment and extension)

This year we sold more houses than last and we also made significant land sales for social and market housing purposes, some of which is being built by us.

Sales in our service divisions (plant, waste, joinery and security) increased in line with the increase in our construction work. Due to 'internal' activities (which was approximately 50%) being eliminated on consolidation the reported turnover for service divisions doesn't reflect our true activity levels in these areas. 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, continued investment and good location.

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

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 employee shareholdings).

Balance sheet

The increase in our fixed assets reflects our commitment to invest in the business by maintaining our plant, machinery and equipment, our fleet of vehicles and our buildings as well as looking to improve and develop them wherever appropriate.

Our cash position stood at £24.6m 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 increased by 24.7% which was much greater than the increase in our sales and was the result of a land sale which included a deferred payment not due until November 2019 (secured against the land sold).

Our work in progress decreased slightly as a result of housing and land sales in our homes division and our joint venture team sold our Manchester development during the year. However we continued to invest in new projects which maintained our work in progress at close to similar levels to the year before.

Trade creditors increased (+7.2%) but at a lower rate than our cost of sales (+10.3%). 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 means we need to be vigilant and ready to help where we can.

We remain debt free, as we were in the prior period.

Retained earnings for the year amounted to £4.8m (2017: £4.0m) resulting in a Net Worth of the Group of £45.4m (with conservative valuations and no 'toxic' assets).

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 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 a new training facility by converting some of our surplus business park space. The training centre is used for internal and external training courses and also forms a base for our new team of groundwork apprentices.

We also invested in 2,397 days of training covering over 189 different courses (all of which were made available to our subcontractors and tenants too). We directly employ 30 apprentices and 16 technical trainees as well as facilitating many more apprenticeships through our supply chain. Whilst we've been able to use some of our apprenticeship levy funds, the scheme would benefit from further adaptation to make it more accessible.

In our waste recycling division we invested in 2 new skip lorries and further skips as well as commencing the renewal of part of our picking line 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 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 almost £2m during the year in new teleporters, accommodation units, access equipment, mini diggers, lorries and a bulldozer among other plant items (including 42 new site vacuum cleaners). We also invested in upgrading our workshop facilities and trained 2 CAA certified drone pilots.

We have 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 2019 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 in with what we already do.

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 2018 we worked 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 involvement in the project was the result of a number of factors; our joint ventures division had some small land holdings near to access points for the wider proposed development; we were keen to support the local community in which a large proportion of our employees and supply chain live and work; and we felt we could offer something sensible, practical and realistic to help bring forward a scheme which previously failed to gain traction with several false starts with other developers.

The Year Ahead

Despite the backdrop of uncertainty around potential trading conditions post the UK's pending withdrawal from the EU, our workload and enquiry levels remain healthy.

As we enter more uncertain times, we look to position ourselves as well as possible to cope with future changes. We believe that we have good people working for Lindum, a diverse range of able and good clients and business partners that we enjoy working alongside coupled with a practical and strong ability to undertake a range of projects (in terms of type, size, location and complexity) with a good history and reputation we hope to try to keep.

Perhaps more importantly we also know that any of these factors can change quickly so we are certainly not arrogant or complacent with regard to future potential challenges.

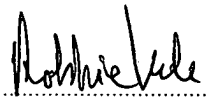
PRINCIPAL RISKS AND UNCERTAINTIES
Business Risk

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: 13 March 2019

Report of the Directors for the Year Ended 30 November 2018

Director's Report

The Directors have pleasure in submitting their annual report including the audited financial statements for the year ended 30th November 2018.

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 3.9 pence per share, bringing the total dividend relating to 2018 activities to 7.1 pence per share.

The increase in Share Values combined with Dividend Payments, resulted in a 17.7% gross yield for individual (employee) shareholders.

At the end of the year 406 Lindum Employees were shareholders and 314 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:

2017 Final Dividend	Paid April 2018	£832k
2018 Interim Dividend	Paid September 2018	£559k

DIRECTORS

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

	30 November 2018	30 November 2017
D C Chambers	**8,114,436**	8,099,160
F E Chambers	**887,298**	879,863
E C P Chambers	**887,298**	879,863
K E Damarell	**762,420**	707,527
S J Gregory	**424,538**	402,959
P N P McSorley (resigned 31 December 2018)	**909,364**	1,032,129
M J Papworth (resigned 1 February 2019)	**252,651**	249,310
R A J Kok	**172,602**	137,689
Employee Shareholding (excluding directors) amounted to	**5,096,995**	5,119,102

S D Mitchell was appointed a director on 28 January 2019, his shareholding at 30 November 2018 was 24,329 (2017: 23,739).

EMPLOYMENT POLICY

Employee Numbers

The average number of persons employed in the Group, including directors, during the year was 660 (2017 - 629) - an increase of 4.9%. 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 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; 406 employees are shareholders and 314 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 2018 numbered 3,017,630 thereby creating an active market of £4,103,977 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 2019, Lindum Group Ltd received an award for being the **31st 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.

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 work (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 £23,687 (2017; £28,719). 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 2018 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.

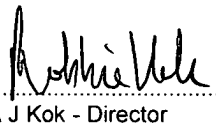
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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: 13 March 2019

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 2018 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 2018 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.

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 nine and 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. 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.

Wright Vigar Limited

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

Date: 13 March 2019

Consolidated Income Statement for the Year Ended 30 November 2018

	Notes	2018 £	2018 £	2017 £	2017 £
TURNOVER	3		163,842,984		149,897,868
Cost of sales			135,170,425		122,485,243
GROSS PROFIT			28,672,559		27,412,625
Administrative expenses			21,089,925		20,397,603
OPERATING PROFIT	6		7,582,634		7,015,022
Income from other participating interests		147,811		166,631	
Interest receivable and similar income	7	121,233		85,398	
			269,044		252,029
			7,851,678		7,267,051
Interest payable and similar expenses	8		24,419		13,697
PROFIT BEFORE TAXATION			7,827,259		7,253,354
Tax on profit	9		1,632,046		1,617,829
PROFIT FOR THE FINANCIAL YEAR			6,195,213		5,635,525

The notes form part of these financial statements

Consolidated Other Comprehensive Income for the Year Ended 30 November 2018

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		6,195,213	5,635,525
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,195,213	5,635,525

The notes form part of these financial statements

Consolidated Balance Sheet
30 November 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	13		15,575,404		14,558,471
Investments	14		319,430		319,830
Investment property	15		1,864,943		1,864,943
			17,759,777		16,743,244
CURRENT ASSETS					
Stocks	16	20,368,998		20,811,196	
Debtors	17	33,479,367		26,847,453	
Cash at bank		24,579,305		22,091,102	
		78,427,670		69,749,751	
CREDITORS					
Amounts falling due within one year	18	50,094,756		45,605,021	
NET CURRENT ASSETS			28,332,914		24,144,730
TOTAL ASSETS LESS CURRENT LIABILITIES			46,092,691		40,887,974
CREDITORS					
Amounts falling due after more than one year	19		704,380		304,380
NET ASSETS			45,388,311		40,583,594
CAPITAL AND RESERVES					
Called up share capital	23		175,076		175,076
Share premium	24		1,263,867		1,263,867
Revaluation reserve	24		793,532		897,883
Capital redemption reserve	24		52,583		52,583
Retained earnings	24		43,103,253		38,194,185
SHAREHOLDERS' FUNDS			45,388,311		40,583,594

The financial statements were approved by the Board of Directors on 13 March 2019 and were signed on its behalf by:

D C Chambers - Director

The notes form part of these financial statements

Company Balance Sheet
30 November 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	13		15,575,404		14,558,471
Investments	14		319,747		320,032
Investment property	15		1,864,943		1,864,943
			17,760,094		16,743,446
CURRENT ASSETS					
Stocks	16	13,591,640		16,331,814	
Debtors	17	34,269,062		29,694,951	
Cash at bank		24,395,612		21,941,454	
		72,256,314		67,968,219	
CREDITORS					
Amounts falling due within one year	18	48,276,857		45,204,277	
NET CURRENT ASSETS			23,979,457		22,763,942
TOTAL ASSETS LESS CURRENT LIABILITIES			41,739,551		39,507,388
CREDITORS					
Amounts falling due after more than one year	19		704,380		304,380
NET ASSETS			41,035,171		39,203,008
CAPITAL AND RESERVES					
Called up share capital	23		175,076		175,076
Share premium	24		1,263,867		1,263,867
Revaluation reserve	24		793,532		897,883
Capital redemption reserve	24		52,583		52,583
Retained earnings	24		38,750,113		36,813,599
SHAREHOLDERS' FUNDS			41,035,171		39,203,008
Company's profit for the financial year			3,222,659		5,629,159

The financial statements were approved by the Board of Directors on 13 March 2019 and were signed on its behalf by:

David Chambers

D C Chambers - Director

The notes form part of these financial statements

Lindum Group Limited (Registered number: 01236338)

Consolidated Statement of Changes in Equity for the Year Ended 30 November 2018

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 December 2016	173,076	34,018,025	1,037,867	1,005,767	52,583	36,287,318
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	175,076	38,194,185	1,263,867	897,883	52,583	40,583,594
Changes in equity						
Dividends	-	(1,390,496)	-	-	-	(1,390,496)
Total comprehensive income	-	6,299,564	-	(104,351)	-	6,195,213
Balance at 30 November 2018	175,076	43,103,253	1,263,867	793,532	52,583	45,388,311

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 2016	173,076	32,643,805	1,037,867	1,005,767	52,583	34,913,098
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	175,076	36,813,599	1,263,867	897,883	52,583	39,203,008
Changes in equity						
Dividends	-	(1,390,496)	-	-	-	(1,390,496)
Total comprehensive income	-	3,327,010	-	(104,351)	-	3,222,659
Balance at 30 November 2018	175,076	38,750,113	1,263,867	793,532	52,583	41,035,171

The notes form part of these financial statements

Consolidated Cash Flow Statement for the Year Ended 30 November 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	8,356,631	6,334,472
Interest paid		(1,722)	-
Preference dividends paid		(22,697)	(13,697)
Tax paid		(1,496,903)	(1,193,591)
Net cash from operating activities		6,835,309	5,127,184
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,112,835)	(3,684,629)
Purchase of investment property		-	(129,000)
Sale of tangible fixed assets		481,273	486,937
Interest received		121,233	85,398
Dividends received		147,811	166,631
Net cash from investing activities		(3,362,518)	(3,074,663)
Cash flows from financing activities			
New loans in year		10,192	-
Capital repayments in year		(4,284)	-
Share issue		400,000	228,000
Equity dividends paid		(1,390,496)	(1,567,249)
Net cash from financing activities		(984,588)	(1,339,249)
Increase in cash and cash equivalents		2,488,203	713,272
Cash and cash equivalents at beginning of year	2	22,091,102	21,377,830
Cash and cash equivalents at end of year	2	24,579,305	22,091,102

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement for the Year Ended 30 November 2018

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

	2018	2017
	£	£
Profit before taxation	7,827,259	7,253,354
Depreciation charges	2,973,705	2,741,481
Profit on disposal of fixed assets	(359,076)	(275,906)
Impairment of fixed assets	400	274,000
Finance costs	24,419	13,697
Finance income	(269,044)	(252,029)
	10,197,663	9,754,597
Decrease/(increase) in stocks	442,198	(5,076,271)
Increase in trade and other debtors	(6,631,912)	(2,100,234)
Increase in trade and other creditors	4,348,682	3,756,380
Cash generated from operations	8,356,631	6,334,472

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 2018

	30.11.18	1.12.17
	£	£
Cash and cash equivalents	24,579,305	22,091,102

Year ended 30 November 2017

	30.11.17	1.12.16
	£	£
Cash and cash equivalents	22,091,102	21,377,830

The notes form part of these financial statements

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 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.

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.

continued...

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:

	2018	2017
	£	£
Construction Contracting	132,620,874	128,353,295
Land and Developments	25,497,530	15,871,419
Plant Hire & Vehicle Servicing	1,986,620	2,001,890
Waste Recycling	3,159,202	3,179,477
Other Construction Services	578,758	491,787
	163,842,984	149,897,868

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:

	2018	2017
Directors	8	8
Site based employees	371	353
Office based employees	281	268
	660	629

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

	2018	2017
	£	£
Wages and salaries	22,659,532	22,055,863
Social security	2,383,302	2,279,120
Other pension costs	1,099,195	974,031
	26,142,029	25,309,014

5. DIRECTORS' EMOLUMENTS

	2018	2017
	£	£
Emoluments	1,654,007	1,542,018
Company pension scheme contributions to defined contribution schemes	130,400	216,800

During the year retirement benefits were accruing to 8 directors (2017 - 8) in respect of defined contribution pension schemes.

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

Aggregate remuneration (excluding pension contributions)	286,800	250,365
Company contributions paid to a defined contribution pension scheme	-	26,800

continued...

6. OPERATING PROFIT

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

	2018	2017
	£	£
Depreciation - owned assets	2,973,705	2,741,481
Profit on disposal of fixed assets	(359,076)	(275,906)
Plant hire payable	2,201,192	2,236,958
Plant hire receivable	(469,408)	(562,896)
Rent receivable	(1,573,513)	(1,697,307)

Auditors Remuneration

	2018	2017
	£	£
Fees payable to the group's auditor for the audit of the group's annual accounts	33,605	31,413
Fees payable to the group's auditor and its associates in respect of:		
Preparation of statutory financial statements	300	295

Fees payable for the group's auditor noted above include fees in respect of the parent company of £28,385 (2017: £27,558).

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Bank interest	88,611	48,485
Other interest	32,622	36,913
	121,233	85,398

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Hire purchase interest	261	-
Other interest	1,461	-
Dividends paid on Preference shares	22,697	13,697
	24,419	13,697

9. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	1,729,412	1,632,823
Adjustments in respect of prior periods	(97,366)	(14,994)
Tax on profit	1,632,046	1,617,829

continued...

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:

	2018 £	2017 £
Profit before tax	7,827,259	7,253,354
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	1,487,179	1,450,671
Effects of:		
Expenses not deductible for tax purposes	36,952	14,552
Depreciation in excess of capital allowances	92,928	145,000
Income not taxable/ additional tax relief	(28,084)	(32,200)
Impairment provision not tax deductible	76	54,800
Adjustment to the tax charge for prior periods	42,995	(14,994)
Total tax charge	1,632,046	1,617,829

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

	2018 £	2017 £
Ordinary shares of £0.01 each		
Final	831,612	786,825
Interim	558,884	780,424
	1,390,496	1,567,249

12. EXCEPTIONAL ITEMS

Parent company balance sheet only

During the 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.

continued...

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 December 2017	9,602,014	7,949,271	7,065,467	24,616,752
Additions	578,932	2,045,443	1,488,460	4,112,835
Disposals	-	(729,004)	(818,442)	(1,547,446)
At 30 November 2018	10,180,946	9,265,710	7,735,485	27,182,141
DEPRECIATION				
At 1 December 2017	1,456,585	4,796,152	3,805,544	10,058,281
Charge for year	537,389	991,684	1,444,632	2,973,705
Eliminated on disposal	-	(658,115)	(767,134)	(1,425,249)
At 30 November 2018	1,993,974	5,129,721	4,483,042	11,606,737
NET BOOK VALUE				
At 30 November 2018	8,186,972	4,135,989	3,252,443	15,575,404
At 30 November 2017	8,145,429	3,153,119	3,259,923	14,558,471

Land held at 30 November 2018 that has not been depreciated is included at £760,731 (2017: £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 £1,085,294 (2017: £1,203,269).

The cost of plant and vehicles available for hire amounted to £6,011,724 (2017 - £4,841,185). The accumulated depreciation thereon was £2,765,123 (2017 - £2,749,412).

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 December 2017	9,602,014	7,949,271	7,065,467	24,616,752
Additions	578,932	2,045,443	1,488,460	4,112,835
Disposals	-	(729,004)	(818,442)	(1,547,446)
At 30 November 2018	10,180,946	9,265,710	7,735,485	27,182,141
DEPRECIATION				
At 1 December 2017	1,456,585	4,796,152	3,805,544	10,058,281
Charge for year	537,389	991,684	1,444,632	2,973,705
Eliminated on disposal	-	(658,115)	(767,134)	(1,425,249)
At 30 November 2018	1,993,974	5,129,721	4,483,042	11,606,737
NET BOOK VALUE				
At 30 November 2018	8,186,972	4,135,989	3,252,443	15,575,404
At 30 November 2017	8,145,429	3,153,119	3,259,923	14,558,471

Land held at 30 November 2018 that has not been depreciated is included at £760,731 (2017: £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 £1,085,294 (2017: £1,203,269).

The cost of plant and vehicles available for hire amounted to £6,011,724 (2017 - £4,841,185). The accumulated depreciation thereon was £2,765,123 (2017 - £2,749,412).

continued...

14. FIXED ASSET INVESTMENTS

Group

	Interest in other participating interests £	Unlisted investments £	Totals £
COST			
At 1 December 2017	231,126	177,204	408,330
Disposals	-	(33,400)	(33,400)
Reclassification/transfer	88,304	(88,304)	-
At 30 November 2018	319,430	55,500	374,930
PROVISIONS			
At 1 December 2017	-	88,500	88,500
Provision for year	-	400	400
Eliminated on disposal	-	(33,400)	(33,400)
At 30 November 2018	-	55,500	55,500
NET BOOK VALUE			
At 30 November 2018	319,430	-	319,430
At 30 November 2017	231,126	88,704	319,830

Company

	Shares in group undertakings £	Interest in other participating interests £	Unlisted investments £	Totals £
COST				
At 1 December 2017	660,385	231,126	177,204	1,068,715
Additions	115	-	-	115
Disposals	-	-	(33,400)	(33,400)
Reclassification/transfer	-	88,304	(88,304)	-
At 30 November 2018	660,500	319,430	55,500	1,035,430
PROVISIONS				
At 1 December 2017	660,183	-	88,500	748,683
Provision for year	-	-	400	400
Eliminated on disposal	-	-	(33,400)	(33,400)
At 30 November 2018	660,183	-	55,500	715,683
NET BOOK VALUE				
At 30 November 2018	317	319,430	-	319,747
At 30 November 2017	202	231,126	88,704	320,032

continued...

14. **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%
Brook & Mayo Limited	Electrical services	Ordinary shares	20.48%

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	30/11/2017	1,541	(5,984)
E B (Lincoln) Limited	31/12/2017	1,204,667	137,125
Temple Garth Limited	30/11/2017	13,962	(1,607)
Brayford Development Company Limited	30/11/2017	4,175	-
LC Community Projects Limited	31/08/2018	25,000	(15,000)
Brook & Mayo Limited	31/03/2018	1,476,406	263,553

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 £233,135 (2017: £421,096) and its total capital and reserves at the year end was £1,933,622 (2017: £1,700,487).

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 £369,733 (2017: loss £409,679) and its deficiency on capital and reserves at the year end was £23,426 (2017: £393,159).

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 £937 (2017: £88) and its total capital and reserves at the year end was £71,750 (2017: £72,687).

Lindum Western Growth Community Limited (incorporated 15 June 2018) 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 profit for the year after tax was £2,370,625 and its total capital and reserves at the year end was £2,370,685.

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, The Steeples Residents Management Company Limited, Sutterton Roadside Services Limited, Mableford Limited (55% owned - non trading at year end).

The capital and reserves of these companies are negligible.

continued...

15. INVESTMENT PROPERTY

Group and Company

	Total £
FAIR VALUE	
At 1 December 2017 and 30 November 2018	1,864,943
NET BOOK VALUE	
At 30 November 2018	1,864,943
At 30 November 2017	1,864,943

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

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Raw materials	30,704	32,883	30,704	32,883
Work-in-progress	10,414,767	11,572,516	7,463,560	11,156,604
Development Properties	9,923,527	9,205,797	6,097,376	5,142,327
	20,368,998	20,811,196	13,591,640	16,331,814

17. DEBTORS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	22,768,891	17,665,919	20,628,811	17,545,433
Amounts owed by group undertakings	-	-	2,929,830	2,968,782
Amounts recoverable on contracts	5,258,623	5,939,855	5,258,623	5,939,855
Other debtors	3,377,649	1,234,625	3,377,594	1,234,625
Prepayments and accrued income	874,317	891,983	874,317	891,185
	32,279,480	25,732,382	33,069,175	28,579,880

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Amounts falling due after more than one year:				
Trade debtors	1,110,387	1,009,771	1,110,387	1,009,771
Other debtors	89,500	105,300	89,500	105,300
	1,199,887	1,115,071	1,199,887	1,115,071
Aggregate amounts	33,479,367	26,847,453	34,269,062	29,694,951

continued...

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Hire purchase contracts (see note 21)	5,908	-	5,908	-
Payments on account	5,649,621	5,953,012	5,649,621	5,953,012
Trade creditors	34,732,117	32,411,384	34,644,684	32,398,452
Corporation tax	1,198,077	1,062,934	1,056,665	963,211
Social security and other taxes	868,602	727,117	879,346	720,021
Other creditors	3,020,585	950,490	1,435,287	705,465
Accruals and deferred income	4,619,846	4,500,084	4,605,346	4,464,116
	50,094,756	45,605,021	48,276,857	45,204,277

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Preference shares (see note 20)	704,380	304,380	704,380	304,380

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Preference shares	704,380	304,380	704,380	304,380

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.

continued...

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	5,908	-

Company

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	5,908	-

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	4,845	6,001
Between one and five years	1,071	5,916
	5,916	11,917

Company

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	4,845	6,001
Between one and five years	1,071	5,916
	5,916	11,917

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Hire purchase contracts	5,908	-	5,908	-
Other creditors	860,000	-	860,000	-
	865,908	-	865,908	-

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.

continued...

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
17,507,600	Ordinary	0.01	175,076	175,076
704,380	4.5% Preference (see note 19+20)	1.00	-	-
			175,076	175,076

There is an active market in the shares of Lindum Group Limited with Lindum Group Trustees Limited acting as market maker. During the year 3,017,630 shares were traded, of which 435,791 were transacted as part of the HMRC approved share incentive plan. 314 employees participated in the SAYE scheme during 2018. The scheme provides a major (share) benefit to all Lindum employees.

Overall 406 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.

24. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2017	38,194,185	1,263,867	897,883	52,583	40,408,518
Profit for the year	6,195,213				6,195,213
Dividends	(1,390,496)				(1,390,496)
Realisation of depreciation on the revalued assets	104,351	-	(104,351)	-	-
At 30 November 2018	43,103,253	1,263,867	793,532	52,583	45,213,235

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 December 2017	36,813,599	1,263,867	897,883	52,583	39,027,932
Profit for the year	3,222,659				3,222,659
Dividends	(1,390,496)				(1,390,496)
Realisation of depreciation on the revalued assets	104,351	-	(104,351)	-	-
At 30 November 2018	38,750,113	1,263,867	793,532	52,583	40,860,095

25. 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 £1,099,195 (2017: £974,031) during the year.

26. CAPITAL COMMITMENTS

Lindum Group Limited entered into a capital commitment to purchase plant and machinery of £103,948. This was paid shortly after the year end.

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27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 November 2018 and 30 November 2017:

	2018 £	2017 £
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	14,987	14,987
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	14,970	14,970
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	14,970	14,970
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	14,993	14,993

The above loans, which are for the purchase of company shares, have no fixed repayment dates. Loans to other employees amount to £784,517 (2017: £762,219).

continued...

28. 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 £46,074 (2017: £102,847). No balances were outstanding at the year end.

During the year the company made purchases from directors and close family members of £225,000 (2017: £535,208). 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 £nil (2017: £20,000) to Kingswater Lindum (Lincoln) Limited. Kingswater Lindum (Lincoln) Limited repaid £46,500 (2017: £nil). There was £nil (2017: £46,500) outstanding at the year end due from Kingswater Lindum (Lincoln) Limited.

During the year the group made sales of £84,000 (2017: £nil) to Kingswater Lindum (Lincoln) Limited and purchases of £467,871 (2017: £nil) from Kingswater Lindum (Lincoln) Limited. No amounts were outstanding at the year end.

During the year, the group received dividend income of £130,000 (2017: £nil)

E B (Lincoln) Limited

During the year the group made sales of £80,798 (2017: £38,096) to E B (Lincoln) Limited. No amounts were outstanding at the year end.

There were no repayments (2017: £nil) in the period relating to the loan to EB (Lincoln) Limited. The balance at the year end was £228,300 (2017: £228,300) and is included within other investments..

There is also a loan included within other debtors. No repayments were made in the period (2017: £nil). The balance remaining is £300,000 (2017: £300,000) due from E B (Lincoln) Limited.

Temple Garth Limited

During the year the group made sales of £15,392 (2017: £16,940) to Temple Garth Limited. There was £15,392 (2017: £nil)) due from Temple Garth Limited at the year end.

The group also incurred costs on the Temple Garth Limited contract of £1,309,003 (2017: £nil). There was £1,309,003 (2017: £nil)) due from Temple Garth Limited at the year end.

During the year the group made a loan advance of £955,753 (2017: £30,000) to Temple Garth Limited. Temple Garth Limited made repayments of £5,000 (2017: £nil). There was £980,753 (2017: £30,000) outstanding at the year end due from Temple Garth Limited.

Brook & Mayo Limited

During the year the group made sales of £57,907 (2017: £60,102) to Brook & Mayo Limited. The Group also paid sub-contract costs of £1,597,916 (2017: £1,901,812) to Brook & Mayo Limited. There was a trading balance of £3,635 (2017: £2,025) due from Brook & Mayo Limited at the year end. There was also a trading balance of £182,065 (2017: £209,362) due to Brook & Mayo Limited at the year end.

During the year, the group received dividend income of £17,811 (2017: £16,631) from Brook & Mayo Limited.

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Bookminder Limited

During the year, the group made sales of £nil (2017: £32,142) 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:

LC Community Projects Limited

During the year, the group made an interest free loan of £nil (2017: £20,000) to LC Community Projects Limited, a company in which D C Chambers and P N P McSorley were directors and in which the group hold 50% of the share capital.

During the year the group made sales of £41,457 (2017: £nil) to LC Community Projects Limited. There was a debtor of £61,457 (2017: £20,000) due from LC Community Projects Limited at the year end.

During the year, the group received dividend income of £nil (2017: £150,000) from LC Community Projects Limited.

Investors In Lincoln Limited

During the year, the group made sales of £22,894 (2017: £nil) 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.