

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 November 2021
for
Lindum Group Limited

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for the Year Ended 30 November 2021

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Lindum Group Limited
Company Information
for the Year Ended 30 November 2021

| | |
|---------------------------|---|
| DIRECTORS: | D C Chambers K E Damarell S J Gregory R A J Kok F E Chambers E C Chambers S D Mitchell J P Sizer P A P Doody |
| 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 2021

Clearly, we live in turbulent times. Brexit, Covid and, after the year end, the invasion of Ukraine, which is fighting for freedom and prosperity, for all of us. Climate change and carbon targets will be our ongoing challenge, as is Health and Safety on our sites and in life.

During such times, it feels almost inappropriate to talk about success or failure in business, but life has to go on, as people's jobs matter to all of us. Hearteningly, I have witnessed lovely scenes of assistance by individuals at Lindum and elsewhere in the community being made to help the Ukrainians forced to live away from their homes and we shall continue to encourage and help that wherever and whenever we can.

So, our 65th year was a healthy one for Lindum, as our margin stayed positive and increased to 4%, which is a very good effort by the whole team. We have a cash positive and debt free balance sheet that speaks volumes for our commitment to stay the course and do a good job, whenever we can. The housing market was a particularly welcome fillip in the year. As always, we invest and retain our earnings for the long term sustainability of the business, which is owned by all of its working employees.

This 65th year also came with 34 commendations, a record, in writing from clients and 2 complaints (yes, our fault) to me directly - an example of good beef (product) and sometimes special delivery (service), the two important criteria for Lindum retaining its reason and rationale for its existence and success for the next period of business.

I am sure that people will agree that 65 years is quite a feat in construction - there are many people to mention from Lindum past and present, but it is appropriate to thank some of those today, for setting a good base for our progress over the years, from their commitment to fixing and doing things in a practical way (still vital to us), employing our own people and knowing them well (key to Lindum), sharing that success with a genuine approach to 'one for all, all for one', with the best argument winning the day, so selection of tenders and relationships is an empowered, team approach. We thank many, including my father, John Chambers, a civil engineer and a nice man, surely the industry's first (1988) female Chairman (energy and action) Mrs Brown, and then many significant influencers, including Stuart Tindall, George Whitaker, Ken Wood, Dick Hudson, Dom Kelly, Tony Banks, and many more, all past and remembered, thank you.

Lastly, we continue to make good preparations for the succession in the business, with Freddie and Edward Chambers, our two sons, taking on more responsibilities across the business with able support from the Ex Board and divisional director team plus different age groups across the divisions, and a culture at Lindum which remains responsible, caring and practical, with nearly 600 shareholders helping 'team works', which means that we try very hard to make a difference to what customers ask us to do.

A big thank you to clients, suppliers, employees, subcontractors and our advisers for all their help and contribution, which we do appreciate.



David Chambers

Group Strategic Report
for the Year Ended 30 November 2021

The directors present their strategic report of the company and the group for the year ended 30 November 2021.

REVIEW OF BUSINESS

Market Conditions

It was another turbulent period in terms of economics and market conditions in the construction sector during the financial year ended 30 November 2021. The main elements of which were the emergence of significant rates of inflation; material supply constraints (in terms of price, lead-in time and availability); and labour challenges (in terms of availability, changing working practices, coronavirus disruption and wage pressures).

Perhaps contrary to expectations, given the levels of uncertainty experienced, we still had good demand for services in the construction sector and a very strong housing market, the latter helping to prop up UK economic confidence in general.

The exceptional levels of Government support certainly helped to keep the economy going throughout the period, although the longer term impact of that support also became apparent during the year resulting in announcements of future tax hikes and the general expectation that interest rates would increase.

Market conditions were also affected by the ever-increasing focus on climate change. In the construction sector in particular, measurement of carbon footprints, energy efficiency improvements, the introduction and use of new technologies, and funder requirements all continued to evolve during the year.

Our trading year was sandwiched between two coronavirus lockdowns; the first in December 2020 came with an optimistic outlook given the early positive signs of vaccine development; the second in November 2021 provided another reminder that the presence of new coronavirus variants can change market conditions rapidly.

Results

We are very pleased to report a profit and to have maintained a strong and healthy balance sheet at the end of a challenging financial year.

Profit and loss account

The annual turnover for the Group was £169.5M, which was 13% higher than the year before. The prior year results were more heavily affected by the coronavirus pandemic and are therefore not a great comparator. In any event, turnover is not necessarily a good measure of a construction company's performance in an industry which is known for the pursuit of work simply to maintain turnover (and cash flow), often, whether profitable or not. Consistent profitability, sensible investment, maintenance of a healthy balance sheet and cash levels are a far better measure to assess.

| Activity | 2021 | 2020 |
|----------------------------------|--------------------|--------------------|
| Construction Contracting | 137,695,910 | 125,646,066 |
| Homes and JV Developments | 24,751,498 | 19,317,686 |
| Plant Hire and Vehicle Servicing | 2,141,751 | 1,615,900 |
| Waste Recycling | 4,594,021 | 3,414,016 |
| Other Construction Services | <u>305,890</u> | <u>249,432</u> |
| Total | <u>169,489,070</u> | <u>150,243,100</u> |

Our overall gross profit % improved, despite rising cost pressures, thanks to the contribution of new home sales from our Lindum Homes division as well as a strong contribution from our Lindum Waste Recycling division. The gross profit % of our main construction work also improved compared to the prior year as we managed to avoid over exposure to cost increases through sensible job selection, efficient delivery on site and less non-productive labour cost relative to the prior (coronavirus affected) financial year.

Our most active sectors in the year were the social housing, industrial and commercial sectors and we continued to work in the food, education, health, leisure and retail sectors too. We have always been conscious to maintain a careful balance between private and public sector work although demand led market conditions resulted in a higher proportion of work for us in the public sector during this period.

Group Strategic Report
for the Year Ended 30 November 2021

We were pleased to be able to undertake a free issuance of £350 worth of shares to each of our 607 employees through our tax approved share incentive plan during the financial year. This was a thank you to all our employees for efforts during some testing times over the last few years, and enabled wider ownership in the business which we continue to see as a very important element of how we operate.

Balance sheet

Our balance sheet remains strong and with healthy liquidity, which reflects our strategy of reinvesting our profits carefully in the business for the benefit of our employee shareholders and our customers, so that we are able to deliver what we promise.

Net book value of total fixed assets increased in the period to £18.6m (2020: £16.9m) as we continued to invest to keep our plant, machinery, tools, vehicles and buildings in good working order. The investment predominantly represented replacement and improvement (latest and safest models) rather than expansion and we still, of course, applied extra caution to our cash position given the unpredictable circumstances.

Overall work in progress (WIP) remained steady at £17.9m (2020: £18.0m) which doesn't reflect the underlying active nature of our Lindum Homes and Lindum JV divisions. In Lindum Homes our WIP decreased as we sold 58 houses which realised a large proportion of our housing WIP, part of which was then reinvested in our new Manor Fields site in Wasingborough on which infrastructure work began during the year. In Lindum JV our WIP increased predominantly through investment in two petrol filling station sites (one near York and one near Peterborough), a housing site in Sleaford, and a commercial site in Newark, all of which are being undertaken jointly with development partners and all of which generate building work for the group.

As always, we managed our cash position very carefully during the year, and our clients paid promptly for their works, which means that we were able to pay our suppliers promptly too. Our profitable year resulted in an increase in our cash position despite continuing to invest in our fixed assets as noted above.

We remain debt free which, coupled with our healthy cash position, means that clients can be confident in our ability to finish jobs properly and our employees, subcontractors and suppliers know that we are chosen not just on price but on the quality and ability to deliver the projects we undertake for our customers.

Non controlling interests of £110,456 (2020: £57,840) represent the share of net assets held by the Housing Growth Partnership, with whom we are jointly developing new residential properties in Mablethorpe - please refer to our subsidiary accounts of Mableford Limited for further information.

Retained earnings for the year amounted to £5.8m (2020: £1.1m) resulting in a Net Worth of the Group of £54.6m (2020: £48.9m) with conservative valuations and no 'toxic' assets.

The year ahead

We have a healthy workload look ahead and some good jobs currently underway across all our divisions in York, Peterborough and Lincoln and across a good range of sectors for a diverse range of clients.

Coronavirus, Brexit, and the invasion of Ukraine continue to present significant potential difficulties and will do for some time. Inflation and the general cost of living, interest rate increases and tax hikes all pose a risk to consumer spending and business investment, however there are reasons to be optimistic too - households and businesses seem to have reasonable cash reserves (for the most part), and there is scope for a bounce back in the service sector as life may return to some normality post coronavirus restrictions.

The Lindum team is confident that we're well placed to respond to whatever the next challenge (or opportunity) may be.

In the meantime, we are continuing to focus efforts on doing as much work as possible ourselves with our own practical Lindum team, whilst looking after clients, suppliers and our people well. We'll also be focusing on keeping costs down, keeping a close eye on liquidity, and exploring different, better and more efficient ways of doing things which means we will continue to be competitive.

Group Strategic Report
for the Year Ended 30 November 2021

SECTION 172(1) STATEMENT

The Directors have complied with their duty to act, in good faith, to promote the success of the company for the benefit of its members as a whole and in particular have had regard to the following matters:

The likely consequences of any decision in the long term

Decisions are made for the long term success of the company and to ensure we re-invest in the business, maintain a strong balance sheet, retain a healthy liquidity position, look after our employees (596 of whom were also shareholders at the year end) and to establish long term relationships with customers and suppliers.

The interests of the company's employees

We consider that the 'difference is our people' and we try hard to know our colleagues as well as we can so that the interests of our employees are properly considered. We encourage the sharing of information so employees are well informed and we also believe that 'the best argument wins' so we ensure that we listen to ideas, input and concerns of our employees. The health, safety and welfare of our employees is always carefully considered including regular advice and consultation provided by our in-house health and safety team; health checks are made available typically every other year for all employees; and regular occupational health reviews are undertaken for our site based teams where needed.

We are committed to invest in direct employment (for both office and site based operatives), skills training, health and safety, providing sustainable apprenticeships, encouraging "teamworks" and promoting employee ownership so that a proper sharing business exists to get things done.

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

The need to foster the company's business relationships with suppliers, customers and others

We seek to form long term relationships with both clients and suppliers. In particular we provide a good service to our clients, helped by using our own people, thereby ensuring a high level of quality and leading to repeat future work. We work closely with our supply chain to make sure we treat each fairly including prompt payment as agreed.

The impact of the company's operations on the community and the environment

We typically work for clients based in and around either York, Lincoln or Peterborough where our employees are mostly based which helps us to understand what is of particular importance to those communities in which we operate. We place a strong emphasis on adding social value to our projects (for example, providing education on construction projects to local school children and ensuring we work with local suppliers) as well as ensuring we keep our carbon footprint as low as possible through seeking accreditation with independent experts.

The promotion of economic growth in the localities in which we operate is also 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!).

The desirability of the company maintaining a reputation for high standards of business conduct

Our long term success is dependent on many things, of which behaving with integrity is of vital importance and we seek to ensure that all of our employees behave properly and fairly and in accordance with our company policies. Our high standards of business conduct reflect in the high quality of the building work we produce and helps with fostering long term client and supplier relationships.

The need to act fairly as between members of the company

As an employee owned business, with 596 employee shareholders it is important to us that members of the company are treated fairly, kept informed and have a way to make suggestions, propose ideas, raise concerns or to offer help. We hold a well attended AGM each year and provide updates to our shareholders as regularly as we can, together with an 'open door' policy for any questions or suggestions whenever they may arise.

Group Strategic Report
for the Year Ended 30 November 2021

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

24 March 2022

Report of the Directors
for the Year Ended 30 November 2021

The Directors present their annual report including the audited financial statements for the year ended 30th November 2021.

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

Interim dividends totalling 7.5 pence per share have been paid during the financial year (in May and September). A final dividend of 4.25 pence per share has been recommended with respect to the financial year ended 30 November 2021. Shareholders (employees) will still experience a 16.5% gross yield on their shares thanks to the increase in the share value and dividends paid.

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

| | | |
|-----------------------------|---------------------|-------|
| 2021 Interim Dividend 4.25p | Paid May 2021 | £708k |
| 2021 Interim Dividend 3.25p | Paid September 2021 | £546k |

DIRECTORS

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

| | 30 November 2021 | 30 November 2020 |
|---|------------------|------------------|
| D C Chambers | 6,655,206 | 6,455,387 |
| F E Chambers | 1,750,645 | 1,740,194 |
| E C P Chambers | 1,750,645 | 1,740,194 |
| K E Damarell | 881,836 | 877,203 |
| S J Gregory | 446,823 | 441,884 |
| J P Sizer | 111,524 | 63,227 |
| R A J Kok | 231,432 | 180,857 |
| S D Mitchell | 73,117 | 25,780 |
| P A P Doody | 2,708 | - |
| Employee Shareholding (excluding directors) amounted to | 5,603,664 | 5,982,874 |

EMPLOYMENT POLICY AND EMPLOYEE ENGAGEMENT

Employee Numbers

The average number of persons employed in the Group, including directors, during the year was 602 (2020 - 642). We try hard for our employees to know each other well and we also try hard to offer secure employment.

Profit Related Pay

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

Report of the Directors
for the Year Ended 30 November 2021

Stakeholder Culture

Our employees are genuine stake-holders in the Share Ownership of the Group; at the year end 596 employees were shareholders and 321 employees participated in our share saving scheme: All employees are viewed as partners in the business, we have an AGM to which all employees are invited and we provide regular updates to employees and shareholders whenever we can to help with employee and shareholder engagement.

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 2021 numbered 2,062,663 thereby creating an active market of £3,465,274 in value. We also operate an HMRC 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.

'Best Companies To Work For' Competition

We ordinarily participate in the 'Sunday Times Best Companies to Work For' competition, but due to the Coronavirus pandemic, we didn't participate during 2021. Our previous entry in 2019 resulted in an award for being the **36th Best Company to Work For**, which was announced in February 2020. The result was based on a Best Companies confidential survey of Lindum employees which acts as a good way to engage with employees on an anonymous basis and allows us to respond to any positive or negative matters which might be highlighted.

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 2021

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 have 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 £33,505 (2020; £18,403). 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 2021 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.

Report of the Directors
for the Year Ended 30 November 2021

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

UK Greenhouse gas emissions and energy use data

| | 30-Nov-21 | 30-Nov-20 |
|--|------------------|------------------|
| Energy consumption used to calculate emissions (kWh) | 8,312,197 | 6,749,782 |
| Scope 1 (emissions in metric tonnes CO2e) | | |
| Gas consumption | 535.8 | 386.6 |
| Owned transport | <u>2,331.7</u> | <u>2,127.4</u> |
| Total Scope 1 | 2,867.5 | 2,514.0 |
| Scope 2 (emissions in metric tonnes CO2e) | | |
| Purchased electricity | 637.2 | 623.5 |
| Scope 3 (emissions in metric tonnes CO2e) | | |
| Business travel in employee owned vehicles | 235.0 | 216.2 |
| Total gross emissions in metric tonnes CO2e | <u>3,739.7</u> | <u>3,353.7</u> |
| Intensity ratio Tonnes CO2e per employee | 6.2 | 5.2 |

We have been undertaking various energy efficiency and carbon reduction initiatives (see below), the effects of which are not immediately apparent in the figures published because the emissions shown for the year ended 30 November 2020 are impacted by the coronavirus pandemic (significantly lower due to reduced activity in that period). The prior year figures are therefore not representative of our usual levels of activity and don't provide a useful comparator at this time.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines together with assistance from CBN Expert, an accredited carbon assessor.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee. The number of employees used is per those disclosed in our notes. The impact of the coronavirus means that the number of employees for the prior year is arguably overstated and hence the prior year intensity metric is arguably understated. Again, the coronavirus impact means that our comparator figures are not entirely useful at this time.

Measures taken to improve energy efficiency

The group has implemented energy efficiency improvements in a number of areas, both in our offices and at our building sites, examples include:

We have a number of solar panels installed across our sites in Lincoln, Peterborough and Saxilby and installed additional solar panels at our Lincoln business park during the year ended 30 November 2021.

We now have a number of electric and hybrid vehicles in our company fleet.

We have installed electric vehicle charging points at our sites in Lincoln, Peterborough and York to enable and encourage a wider use of hybrid and electric vehicles.

Report of the Directors
for the Year Ended 30 November 2021

We continue to invest at our Waste Recycling site in Saxilby to improve efficiency and to increase the amount of material that can be recycled rather than being sent to landfill.

We have reviewed and changed our paper supplier and office refuse systems to improve the use of recycled paper and to reduce our office generated waste.

We have invested in more efficient air conditioning units at our Lincoln business park, as well as installing more efficient LED lighting and removing gas boilers to replace with electric.

We continue to explore Modern Methods of Construction in order to further reduce the carbon footprint of our construction projects. For example working on a number of Passivhaus and 'Fabric First' projects, integrating new technology such as air source heat pumps, solar panels, battery storage systems, rockwool insulation and triple glazed windows.

Our building practices are also now incorporating the use of electric plant and machinery, for example electric mini diggers, hybrid cherry pickers, HVO fuelled machinery and solar powered site cabins.

We've invested in energy efficient IT equipment through the use of thin client technology and have also enabled the use of electronic meetings to help with reducing travel time where appropriate.

We are also involved in carbon offset programs such as tree planting (we are helping 8 Lincolnshire schools, in conjunction with Lincolnshire County Council, to plant 10,000 trees over the next 5 years), donating to the Lincolnshire Wildlife Trust as well as indirectly supporting ventures slightly further afield in the Peruvian rainforest through our association with Planetmark.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

24 March 2022

**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 2021 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.

-

Assessing the extent of compliance with the relevant laws and regulations.

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.

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

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

24 March 2022

Lindum Group Limited (Registered number: 01236338)

**Consolidated
Income Statement
for the Year Ended 30 November 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|--------------------|--------------------|
| TURNOVER | 3 | 169,489,070 | 150,243,100 |
| Cost of sales | | <u>139,457,232</u> | <u>128,066,891</u> |
| GROSS PROFIT | | 30,031,838 | 22,176,209 |
| Administrative expenses | | <u>21,841,294</u> | <u>20,368,585</u> |
| OPERATING PROFIT | 6 | 8,190,544 | 1,807,624 |
| Free Issue Shares | 7 | <u>212,460</u> | <u>-</u> |
| | | 7,978,084 | 1,807,624 |
| Income from other participating interests | | 601,149 | 12,699 |
| Interest receivable and similar income | 8 | <u>40,546</u> | <u>132,888</u> |
| | | 641,695 | 145,587 |
| | | 8,619,779 | 1,953,211 |
| Interest payable and similar expenses | 9 | <u>22,700</u> | <u>24,251</u> |
| PROFIT BEFORE TAXATION | | 8,597,079 | 1,928,960 |
| Tax on profit | 10 | <u>1,617,542</u> | <u>319,547</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>6,979,537</u> | <u>1,609,413</u> |
| Profit attributable to: | | | |
| Owners of the parent | | 6,926,921 | 1,572,031 |
| Non-controlling interests | | <u>52,616</u> | <u>37,382</u> |
| | | <u>6,979,537</u> | <u>1,609,413</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 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|------------------|------------------|
| PROFIT FOR THE YEAR | | 6,979,537 | 1,609,413 |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>6,979,537</u> | <u>1,609,413</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 6,926,921 | 1,572,031 |
| Non-controlling interests | | <u>52,616</u> | <u>37,382</u> |
| | | <u>6,979,537</u> | <u>1,609,413</u> |

The notes form part of these financial statements

Consolidated Balance Sheet
30 November 2021

| | Notes | £ | 2021 | £ | £ | 2020 | £ |
|--|-------|---|-------------------|-------------------|---|-------------------|-------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | | | 15,101,489 | | | 14,671,753 |
| Investments | 14 | | | 800,579 | | | 319,430 |
| Investment property | 15 | | | <u>2,708,235</u> | | | <u>1,864,943</u> |
| | | | | 18,610,303 | | | 16,856,126 |
| CURRENT ASSETS | | | | | | | |
| Stocks | 16 | | 17,922,730 | | | 18,010,751 | |
| Debtors | 17 | | 30,224,200 | | | 27,223,242 | |
| Cash at bank | | | <u>50,649,679</u> | | | <u>43,239,155</u> | |
| | | | 98,796,609 | | | 88,473,148 | |
| CREDITORS | | | | | | | |
| Amounts falling due within one year | 18 | | <u>61,920,708</u> | | | <u>55,747,739</u> | |
| NET CURRENT ASSETS | | | | <u>36,875,901</u> | | | <u>32,725,409</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | 55,486,204 | | | 49,581,535 |
| CREDITORS | | | | | | | |
| Amounts falling due after more than one year | 19 | | | (504,380) | | | (504,380) |
| PROVISIONS FOR LIABILITIES | 22 | | | <u>(318,000)</u> | | | <u>(140,000)</u> |
| NET ASSETS | | | | <u>54,663,824</u> | | | <u>48,937,155</u> |
| CAPITAL AND RESERVES | | | | | | | |
| Called up share capital | 23 | | | 175,076 | | | 175,076 |
| Share premium | 24 | | | 1,263,867 | | | 1,263,867 |
| Revaluation reserve | 24 | | | 474,484 | | | 578,944 |
| Capital redemption reserve | 24 | | | 252,583 | | | 252,583 |
| Retained earnings | 24 | | | <u>52,387,358</u> | | | <u>46,608,845</u> |
| SHAREHOLDERS' FUNDS | | | | 54,553,368 | | | 48,879,315 |
| NON-CONTROLLING INTERESTS | 25 | | | <u>110,456</u> | | | <u>57,840</u> |
| TOTAL EQUITY | | | | <u>54,663,824</u> | | | <u>48,937,155</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2022 and were signed on its behalf by:



D C Chambers - Director

Lindum Group Limited (Registered number: 01236338)

Company Balance Sheet
30 November 2021

| | Notes | £ | 2021 | £ | £ | 2020 | £ |
|--|-------|---|-------------------|-------------------|---|-------------------|-------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | | | 15,101,489 | | | 14,671,753 |
| Investments | 14 | | | 319,747 | | | 319,747 |
| Investment property | 15 | | | <u>2,708,235</u> | | | <u>1,864,943</u> |
| | | | | 18,129,471 | | | 16,856,443 |
| CURRENT ASSETS | | | | | | | |
| Stocks | 16 | | 10,553,121 | | | 11,728,450 | |
| Debtors | 17 | | 34,081,807 | | | 30,700,401 | |
| Cash at bank | | | <u>48,889,212</u> | | | <u>41,605,330</u> | |
| | | | 93,524,140 | | | 84,034,181 | |
| CREDITORS | | | | | | | |
| Amounts falling due within one year | 18 | | <u>59,639,379</u> | | | <u>54,026,185</u> | |
| NET CURRENT ASSETS | | | | <u>33,884,761</u> | | | <u>30,007,996</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | 52,014,232 | | | 46,864,439 |
| CREDITORS | | | | | | | |
| Amounts falling due after more than one year | 19 | | | (504,380) | | | (504,380) |
| PROVISIONS FOR LIABILITIES | 22 | | | <u>(318,000)</u> | | | <u>(140,000)</u> |
| NET ASSETS | | | | <u>51,191,852</u> | | | <u>46,220,059</u> |
| CAPITAL AND RESERVES | | | | | | | |
| Called up share capital | 23 | | | 175,076 | | | 175,076 |
| Share premium | 24 | | | 1,263,867 | | | 1,263,867 |
| Revaluation reserve | 24 | | | 474,484 | | | 578,944 |
| Capital redemption reserve | 24 | | | 252,583 | | | 252,583 |
| Retained earnings | 24 | | | <u>49,025,842</u> | | | <u>43,949,589</u> |
| SHAREHOLDERS' FUNDS | | | | <u>51,191,852</u> | | | <u>46,220,059</u> |
| Company's profit for the financial year | | | | <u>6,224,661</u> | | | <u>2,630,853</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2022 and were signed on its behalf by:



D C Chambers - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 30 November 2021

| | Called up share capital £ | Retained earnings £ | Share premium £ | Revaluation reserve £ |
|------------------------------------|---------------------------------------|---------------------------|-----------------------------------|-----------------------------|
| Balance at 1 December 2019 | 175,076 | 45,598,939 | 1,263,867 | 688,062 |
| Changes in equity | | | | |
| Dividends | - | (471,243) | - | - |
| Total comprehensive income | - | 1,481,149 | - | (109,118) |
| Balance at 30 November 2020 | <u>175,076</u> | <u>46,608,845</u> | <u>1,263,867</u> | <u>578,944</u> |
| Changes in equity | | | | |
| Dividends | - | (1,252,868) | - | - |
| Total comprehensive income | - | 7,031,381 | - | (104,460) |
| Balance at 30 November 2021 | <u>175,076</u> | <u>52,387,358</u> | <u>1,263,867</u> | <u>474,484</u> |
| | Capital redemption reserve £ | Total £ | Non-controlling interests £ | Total equity £ |
| Balance at 1 December 2019 | 52,583 | 47,778,527 | 20,458 | 47,798,985 |
| Changes in equity | | | | |
| Dividends | - | (471,243) | - | (471,243) |
| Total comprehensive income | 200,000 | 1,572,031 | 37,382 | 1,609,413 |
| Balance at 30 November 2020 | <u>252,583</u> | <u>48,879,315</u> | <u>57,840</u> | <u>48,937,155</u> |
| Changes in equity | | | | |
| Dividends | - | (1,252,868) | - | (1,252,868) |
| Total comprehensive income | - | 6,926,921 | 52,616 | 6,979,537 |
| Balance at 30 November 2021 | <u>252,583</u> | <u>54,553,368</u> | <u>110,456</u> | <u>54,663,824</u> |

Company Statement of Changes in Equity
for the Year Ended 30 November 2021

| | Called up share capital £ | Retained earnings £ | Share premium £ |
|------------------------------------|------------------------------------|---------------------------------------|-----------------------|
| Balance at 1 December 2019 | 175,076 | 41,880,861 | 1,263,867 |
| Changes in equity | | | |
| Dividends | - | (471,243) | - |
| Total comprehensive income | - | 2,539,971 | - |
| Balance at 30 November 2020 | <u>175,076</u> | <u>43,949,589</u> | <u>1,263,867</u> |
| Changes in equity | | | |
| Dividends | - | (1,252,868) | - |
| Total comprehensive income | - | 6,329,121 | - |
| Balance at 30 November 2021 | <u>175,076</u> | <u>49,025,842</u> | <u>1,263,867</u> |
| | Revaluation reserve £ | Capital redemption reserve £ | Total equity £ |
| Balance at 1 December 2019 | 688,062 | 52,583 | 44,060,449 |
| Changes in equity | | | |
| Dividends | - | - | (471,243) |
| Total comprehensive income | (109,118) | 200,000 | 2,630,853 |
| Balance at 30 November 2020 | <u>578,944</u> | <u>252,583</u> | <u>46,220,059</u> |
| Changes in equity | | | |
| Dividends | - | - | (1,252,868) |
| Total comprehensive income | (104,460) | - | 6,224,661 |
| Balance at 30 November 2021 | <u>474,484</u> | <u>252,583</u> | <u>51,191,852</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 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 14,275,214 | 15,619,190 |
| Interest paid | | (3) | (198) |
| Preference dividends paid | | (22,697) | (24,053) |
| Tax paid | | (1,447,369) | (487,983) |
| Net cash from operating activities | | <u>12,805,145</u> | <u>15,106,956</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (3,949,724) | (1,822,145) |
| Purchase of investment property | | (843,292) | - |
| Sale of tangible fixed assets | | 703,177 | 478,831 |
| Interest received | | 40,546 | 132,888 |
| Dividends received | | <u>120,000</u> | <u>12,699</u> |
| Net cash from investing activities | | <u>(3,929,293)</u> | <u>(1,197,727)</u> |
| Cash flows from financing activities | | | |
| Share buyback | | - | (200,000) |
| Equity dividends paid | | (1,252,868) | (471,243) |
| Free Issue Shares | | <u>(212,460)</u> | <u>-</u> |
| Net cash from financing activities | | <u>(1,465,328)</u> | <u>(671,243)</u> |
| Increase in cash and cash equivalents | | <u>7,410,524</u> | <u>13,237,986</u> |
| Cash and cash equivalents at beginning of year | 2 | <u>43,239,155</u> | <u>30,001,169</u> |
| Cash and cash equivalents at end of year | 2 | <u><u>50,649,679</u></u> | <u><u>43,239,155</u></u> |

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 November 2021

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

| | 2021 | 2020 |
|---------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Profit before taxation | 8,597,079 | 1,928,960 |
| Depreciation charges | 3,214,851 | 3,292,833 |
| Profit on disposal of fixed assets | (398,040) | (334,321) |
| Share issue | 212,460 | - |
| Finance costs | 22,700 | 24,251 |
| Finance income | (641,695) | (145,587) |
| | <u>11,007,355</u> | <u>4,766,136</u> |
| Decrease in stocks | 88,021 | 6,425,848 |
| Increase in trade and other debtors | (3,000,958) | (121,844) |
| Increase in trade and other creditors | <u>6,180,796</u> | <u>4,549,050</u> |
| Cash generated from operations | <u><u>14,275,214</u></u> | <u><u>15,619,190</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 2021

| | 30.11.21 | 1.12.20 |
|---------------------------|--------------------------|--------------------------|
| | £ | £ |
| Cash and cash equivalents | <u><u>50,649,679</u></u> | <u><u>43,239,155</u></u> |

Year ended 30 November 2020

| | 30.11.20 | 1.12.19 |
|---------------------------|--------------------------|--------------------------|
| | £ | £ |
| Cash and cash equivalents | <u><u>43,239,155</u></u> | <u><u>30,001,169</u></u> |

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.12.20 | Cash flow | At 30.11.21 |
|--------------------------------|--------------------------|-------------------------|--------------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank | <u>43,239,155</u> | <u>7,410,524</u> | <u>50,649,679</u> |
| | <u>43,239,155</u> | <u>7,410,524</u> | <u>50,649,679</u> |
| Debt | | | |
| Debts falling due after 1 year | <u>(504,380)</u> | <u>-</u> | <u>(504,380)</u> |
| | <u>(504,380)</u> | <u>-</u> | <u>(504,380)</u> |
| Total | <u><u>42,734,775</u></u> | <u><u>7,410,524</u></u> | <u><u>50,145,299</u></u> |

Notes to the Consolidated Financial Statements
for the Year Ended 30 November 2021

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Investments

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

Pensions

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

3. TURNOVER

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

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

| | 2021 £ | 2020 £ |
|--------------------------------|--------------------|--------------------|
| Construction Contracting | 137,695,910 | 125,646,066 |
| Homes and JV Developments | 24,751,498 | 19,317,686 |
| Plant Hire & Vehicle Servicing | 2,141,751 | 1,615,900 |
| Waste Recycling | 4,594,021 | 3,414,016 |
| Other Construction Services | 305,890 | 249,432 |
| | <u>169,489,070</u> | <u>150,243,100</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:

| | 2021 | 2020 |
|------------------------|------------|------------|
| Directors | 9 | 8 |
| Site based employees | 326 | 354 |
| Office based employees | <u>267</u> | <u>280</u> |
| | <u>602</u> | <u>642</u> |

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

| | 2021 £ | 2020 £ |
|---------------------|-------------------|-------------------|
| Wages and salaries | 23,120,805 | 22,510,292 |
| Social security | 2,473,655 | 2,304,290 |
| Other pension costs | <u>1,214,834</u> | <u>1,261,817</u> |
| | <u>26,809,294</u> | <u>26,076,399</u> |

During the year, the company received Coronavirus Job Retention Support grants amounting to £70,643 (2020: £2,052,103).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

5. DIRECTORS' EMOLUMENTS

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Emoluments | <u>1,373,592</u> | <u>1,180,926</u> |
| Company pension scheme contributions to defined contribution schemes | <u>142,723</u> | <u>23,962</u> |

During the year retirement benefits were accruing to 8 directors (2020 - 8) in respect of defined contribution pension schemes.

6. OPERATING PROFIT

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

| | 2021 £ | 2020 £ |
|------------------------------------|--------------------|--------------------|
| Depreciation - owned assets | 3,214,851 | 3,292,833 |
| Profit on disposal of fixed assets | (398,040) | (334,321) |
| Plant hire payable | 2,088,898 | 1,933,256 |
| Plant hire receivable | (685,619) | (386,117) |
| Rent receivable | <u>(1,837,814)</u> | <u>(1,420,780)</u> |

Auditors Remuneration

| | 2021 £ | 2020 £ |
|---|------------|------------|
| Fees payable to the group's auditor for the audit of the group's annual accounts | 37,450 | 35,700 |
| Fees payable to the group's auditor and its associates in respect of: Preparation of statutory financial statements | <u>340</u> | <u>320</u> |

Fees payable for the group's auditor noted above include fees in respect of the parent company of £31,500 (2020: £30,000).

7. EXCEPTIONAL ITEMS

| | 2021 £ | 2020 £ |
|-------------------|------------------|-----------|
| Free Issue Shares | <u>(212,460)</u> | <u>-</u> |

The company has made an allocation of free shares to employees under the rules of the HMRC approved employee share incentive plan. The exceptional cost is based on the HMRC approved value for the shares with the company bearing the full cost of the transaction.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2021 £ | 2020 £ |
|----------------|---------------|----------------|
| Bank interest | 5,194 | 83,515 |
| Other interest | <u>35,352</u> | <u>49,373</u> |
| | <u>40,546</u> | <u>132,888</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

9. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Other interest | 3 | 198 |
| Dividends paid on Preference shares | <u>22,697</u> | <u>24,053</u> |
| | <u>22,700</u> | <u>24,251</u> |

10. TAXATION

Analysis of the tax charge

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

| | 2021 | 2020 |
|---|------------------|-----------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 1,478,084 | 399,487 |
| Adjustments in respect of prior periods | <u>(38,542)</u> | <u>(79,940)</u> |
| Total current tax | 1,439,542 | 319,547 |
| Deferred tax | <u>178,000</u> | <u>-</u> |
| Tax on profit | <u>1,617,542</u> | <u>319,547</u> |

Reconciliation of total tax charge included in profit and loss

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

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Profit before tax | <u>8,597,079</u> | <u>1,928,960</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | 1,633,445 | 366,502 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 26,405 | 15,513 |
| Capital allowances in excess of depreciation | (162,260) | - |
| Depreciation in excess of capital allowances | - | 57,503 |
| Income not taxable | (22,800) | (2,413) |
| Other adjustments | 17,628 | (37,618) |
| Adjustment to tax charge for prior periods | 38,542 | (79,940) |
| Deferred tax provision | 178,000 | - |
| Equity accounting adjustment | <u>(91,418)</u> | <u>-</u> |
| Total tax charge | <u>1,617,542</u> | <u>319,547</u> |

11. INDIVIDUAL INCOME STATEMENT

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

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

12. DIVIDENDS

| | 2021 £ | 2020 £ |
|--|------------------|----------------|
| Ordinary shares of £0.01 each | | |
| Final dividend declared for 30 Nov 19, paid in the year to 30 Nov 20 | - | 471,243 |
| Interim dividend declared for 30 Nov 21, paid in the year to 30 Nov 21 | <u>1,253,656</u> | <u>-</u> |
| | <u>1,253,636</u> | <u>471,243</u> |

13. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Totals £ |
|------------------------|---------------------------|-----------------------------|------------------------|--------------------|
| COST | | | | |
| At 1 December 2020 | 10,677,870 | 10,079,220 | 7,647,455 | 28,404,545 |
| Additions | 402,675 | 1,384,120 | 2,162,929 | 3,949,724 |
| Disposals | <u>-</u> | <u>(246,389)</u> | <u>(1,873,162)</u> | <u>(2,119,551)</u> |
| At 30 November 2021 | <u>11,080,545</u> | <u>11,216,951</u> | <u>7,937,222</u> | <u>30,234,718</u> |
| DEPRECIATION | | | | |
| At 1 December 2020 | 3,165,801 | 6,005,607 | 4,561,384 | 13,732,792 |
| Charge for year | 598,905 | 1,204,406 | 1,411,540 | 3,214,851 |
| Eliminated on disposal | <u>-</u> | <u>(229,832)</u> | <u>(1,584,582)</u> | <u>(1,814,414)</u> |
| At 30 November 2021 | <u>3,764,706</u> | <u>6,980,181</u> | <u>4,388,342</u> | <u>15,133,229</u> |
| NET BOOK VALUE | | | | |
| At 30 November 2021 | <u>7,315,839</u> | <u>4,236,770</u> | <u>3,548,880</u> | <u>15,101,489</u> |
| At 30 November 2020 | <u>7,512,069</u> | <u>4,073,613</u> | <u>3,086,071</u> | <u>14,671,753</u> |

Land held at 30 November 2021 that has not been depreciated is included at £830,770 (2020: £830,770).

Freehold land and buildings include properties situated on the company's operating site. Surplus space on our sites are let out to tenants with a carrying value of £1,038,225 (2020: £1,001,982).

The cost of plant and vehicles available for hire amounted to £6,624,421 (2020: £5,925,117). The accumulated depreciation thereon was £4,025,452 (2020: £3,316,179).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

13. TANGIBLE FIXED ASSETS - continued

Company

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Totals £ |
|------------------------|---------------------------|-----------------------------|------------------------|-------------------|
| COST | | | | |
| At 1 December 2020 | 10,677,870 | 10,079,220 | 7,647,455 | 28,404,545 |
| Additions | 402,675 | 1,384,120 | 2,162,929 | 3,949,724 |
| Disposals | - | (246,389) | (1,873,162) | (2,119,551) |
| At 30 November 2021 | <u>11,080,545</u> | <u>11,216,951</u> | <u>7,937,222</u> | <u>30,234,718</u> |
| DEPRECIATION | | | | |
| At 1 December 2020 | 3,165,801 | 6,005,607 | 4,561,384 | 13,732,792 |
| Charge for year | 598,905 | 1,204,406 | 1,411,540 | 3,214,851 |
| Eliminated on disposal | - | (229,832) | (1,584,582) | (1,814,414) |
| At 30 November 2021 | <u>3,764,706</u> | <u>6,980,181</u> | <u>4,388,342</u> | <u>15,133,229</u> |
| NET BOOK VALUE | | | | |
| At 30 November 2021 | <u>7,315,839</u> | <u>4,236,770</u> | <u>3,548,880</u> | <u>15,101,489</u> |
| At 30 November 2020 | <u>7,512,069</u> | <u>4,073,613</u> | <u>3,086,071</u> | <u>14,671,753</u> |

Land held at 30 November 2021 that has not been depreciated is included at £830,770 (2020: £830,770).

Freehold land and buildings include properties situated on the company's operating site. Surplus space on our sites are let out to tenants with a carrying value of £1,038,225 (2020: £1,001,982).

The cost of plant and vehicles available for hire amounted to £6,624,421 (2020: £5,925,117). The accumulated depreciation thereon was £4,025,452 (2020: £3,316,179).

14. FIXED ASSET INVESTMENTS

Group

| | Interest in other participating interests £ | Unlisted investments £ | Totals £ |
|--|---|------------------------------|----------------|
| COST | | | |
| At 1 December 2020 | 319,430 | 55,500 | 374,930 |
| Share of profit/(loss) | <u>481,149</u> | - | <u>481,149</u> |
| At 30 November 2021 | <u>800,579</u> | <u>55,500</u> | <u>856,079</u> |
| PROVISIONS | | | |
| At 1 December 2020 and 30 November 2021 | - | 55,500 | 55,500 |
| NET BOOK VALUE | | | |
| At 30 November 2021 | <u>800,579</u> | - | <u>800,579</u> |
| At 30 November 2020 | <u>319,430</u> | - | <u>319,430</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

14. **FIXED ASSET INVESTMENTS - continued**

Company

| | Shares in group undertakings £ | Interest in other participating interests £ | Unlisted investments £ | Totals £ |
|--|---|---|------------------------------|------------------|
| COST | | | | |
| At 1 December 2020 and 30 November 2021 | <u>660,500</u> | <u>319,430</u> | <u>55,500</u> | <u>1,035,430</u> |
| PROVISIONS | | | | |
| At 1 December 2020 and 30 November 2021 | <u>660,183</u> | <u>-</u> | <u>55,500</u> | <u>715,683</u> |
| NET BOOK VALUE | | | | |
| At 30 November 2021 | <u>317</u> | <u>319,430</u> | <u>-</u> | <u>319,747</u> |
| At 30 November 2020 | <u>317</u> | <u>319,430</u> | <u>-</u> | <u>319,747</u> |

Participating interests

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

| Name of company | Activity | Class of shares | Proportion held |
|--------------------------------------|-------------------------|-----------------|-----------------|
| Temple Garth Limited | JV Property development | Ordinary shares | 50% |
| LC Community Projects Limited | JV Property development | Ordinary shares | 50% |
| Brook & Mayo Limited | Electrical services | Ordinary shares | 20.27% |
| Kingswater-Lindum (Lincoln) Limited | JV Property development | Ordinary shares | 50% |
| E B (Lincoln) Limited | JV Property development | Ordinary shares | 20% |
| Brayford Development Company Limited | Dormant | Ordinary shares | 39.98% |

All the above companies are registered in England.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

14. FIXED ASSET INVESTMENTS - continued

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

| | Financial Year End | Capital and reserves £ | Profit/(loss) for the year £ |
|--------------------------------------|-----------------------|------------------------------|------------------------------------|
| Temple Garth Limited | 30/11/2020 | 15,066 | (6,936) |
| LC Community Projects Limited | 31/08/2021 | 299,000 | 105,000 |
| Brook & Mayo Limited | 31/03/2021 | 1,754,408 | 78,594 |
| Kingswater-Lindum (Lincoln) Limited | 30/11/2020 | 13,771 | (7,428) |
| E B (Lincoln) Limited | 31/12/2020 | 1,635,059 | 139,823 |
| Brayford Development Company Limited | 30/11/2020 | 4,175 | - |

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 £884,561 (2020: Loss of £690,911) and its total capital and reserves at the year end were £1,552,726 (2020: £668,165).

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 £nil (2020: Loss of £53) and its total capital and reserves at the year end were £701,330 (2020: £701,330).

Lindum Western Growth Community Limited is a 100% owned UK subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of joint venture property development including housing. Its loss for the year after tax was £727,760 (2020: Loss of £413,547) and its total capital and reserves at the year end were £490,799 (2020: £1,218,559).

Mableford Limited is a 55% owned UK subsidiary of Lindum Group Limited, the results of which are included in these consolidated financial statements. Its principal activity is that of joint venture housing development. Its profit for the year after tax was £116,926 (2020: £83,071) and its total capital and reserves at the year end were £245,560 (2020: £128,634).

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, DLD Training Limited, Lindum Group KGM Roofing Limited, Lindum Group Plant Hire and Waste Recovery Limited, Lindum Group Green Technology Limited, Lindum Group Trustees Limited, Lindum York Limited, Garrett Rise Residents Management Company Limited, The Oaks Residents Management Company (Lincoln) Limited, The Paddocks (Navenby) Management Company Limited, Church Fields (Lincoln) Management Company Limited, Canwick Villa Management Company Limited, Doddington Estates Limited.

The capital and reserves of these companies are negligible.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

15. INVESTMENT PROPERTY

Group

| | Total £ |
|-----------------------|------------------|
| FAIR VALUE | |
| At 1 December 2020 | 1,864,943 |
| Additions | <u>843,292</u> |
| At 30 November 2021 | <u>2,708,235</u> |
| NET BOOK VALUE | |
| At 30 November 2021 | <u>2,708,235</u> |
| At 30 November 2020 | <u>1,864,943</u> |

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

Company

| | Total £ |
|-----------------------|------------------|
| FAIR VALUE | |
| At 1 December 2020 | 1,864,943 |
| Additions | <u>843,292</u> |
| At 30 November 2021 | <u>2,708,235</u> |
| NET BOOK VALUE | |
| At 30 November 2021 | <u>2,708,235</u> |
| At 30 November 2020 | <u>1,864,943</u> |

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

16. STOCKS

| | Group | | Company | |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Raw materials | 63,392 | 39,821 | 63,392 | 39,821 |
| Work-in-progress | 12,112,112 | 13,347,781 | 8,631,198 | 9,868,208 |
| Development Properties | <u>5,747,226</u> | <u>4,623,149</u> | <u>1,858,531</u> | <u>1,820,421</u> |
| | <u>17,922,730</u> | <u>18,010,751</u> | <u>10,553,121</u> | <u>11,728,450</u> |

17. DEBTORS

| | Group | | Company | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 16,191,343 | 15,299,344 | 16,138,666 | 15,232,535 |
| Amounts owed by group undertakings | - | - | 3,910,284 | 3,543,968 |
| Amounts recoverable on contracts | 9,104,501 | 7,862,847 | 9,104,501 | 7,862,847 |
| Other debtors | 2,756,263 | 2,222,756 | 2,756,263 | 2,222,756 |
| Prepayments and accrued income | <u>1,045,468</u> | <u>940,462</u> | <u>1,045,468</u> | <u>940,462</u> |
| | <u>29,097,575</u> | <u>26,325,409</u> | <u>32,955,182</u> | <u>29,802,568</u> |

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021**

17. DEBTORS - continued

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amounts falling due after more than one year: | | | | |
| Trade debtors | 1,089,025 | 871,033 | 1,089,025 | 871,033 |
| Other debtors | <u>37,600</u> | <u>26,800</u> | <u>37,600</u> | <u>26,800</u> |
| | <u>1,126,625</u> | <u>897,833</u> | <u>1,126,625</u> | <u>897,833</u> |
| Aggregate amounts | <u>30,224,200</u> | <u>27,223,242</u> | <u>34,081,807</u> | <u>30,700,401</u> |

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Payments on account | 4,551,321 | 3,887,248 | 4,551,321 | 3,887,248 |
| Trade creditors | 46,991,490 | 44,223,127 | 46,787,530 | 44,128,384 |
| Amounts owed to associates | 1,322,853 | 1,322,853 | - | - |
| Corporation tax | 125,850 | 133,677 | (109,504) | 114,191 |
| Social security and other taxes | 2,650,117 | 1,934,528 | 2,651,806 | 1,946,342 |
| Other creditors | 576,012 | 460,183 | 274,411 | 356,238 |
| Accruals and deferred income | <u>5,703,065</u> | <u>3,786,123</u> | <u>5,483,815</u> | <u>3,593,782</u> |
| | <u>61,920,708</u> | <u>55,747,739</u> | <u>59,639,379</u> | <u>54,026,185</u> |

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

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Preference shares (see note 20) | <u>504,380</u> | <u>504,380</u> | <u>504,380</u> | <u>504,380</u> |

20. LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amounts falling due in more than five years: | | | | |
| Repayable otherwise than by instalments | | | | |
| £1 Preference shares | <u>504,380</u> | <u>504,380</u> | <u>504,380</u> | <u>504,380</u> |

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

| | Non-cancellable operating leases | |
|----------------------------|----------------------------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Within one year | 4,155 | 4,432 |
| Between one and five years | <u>5,100</u> | <u>9,255</u> |
| | <u>9,255</u> | <u>13,687</u> |

Company

| | Non-cancellable operating leases | |
|----------------------------|----------------------------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Within one year | 4,155 | 4,432 |
| Between one and five years | <u>5,100</u> | <u>9,255</u> |
| | <u>9,255</u> | <u>13,687</u> |

22. PROVISIONS FOR LIABILITIES

| | Group | | Company | |
|--------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Deferred tax | <u>318,000</u> | <u>140,000</u> | <u>318,000</u> | <u>140,000</u> |

Group

| | Deferred tax |
|-----------------------------|----------------|
| | £ |
| Balance at 1 December 2020 | 140,000 |
| Provided during year | <u>178,000</u> |
| Balance at 30 November 2021 | <u>318,000</u> |

Company

| | Deferred tax |
|-----------------------------|----------------|
| | £ |
| Balance at 1 December 2020 | 140,000 |
| Provided during year | <u>178,000</u> |
| Balance at 30 November 2021 | <u>318,000</u> |

23. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | Nominal value: | 2021 | 2020 |
|----------------------------------|----------|----------------|----------------|----------------|
| Number: | Class: | | £ | £ |
| 17,507,600 | Ordinary | 0.01 | <u>175,076</u> | <u>175,076</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

23. CALLED UP SHARE CAPITAL - continued

There is an active market in the shares of Lindum Group Limited with Lindum Group Trustees Limited acting as market maker. During the year 2,062,663 shares were traded, of which 617,476 were transacted as part of the HMRC approved share incentive plan. 321 employees participated in the SAYE scheme during 2021. The scheme provides a major (share) benefit to all Lindum employees.

Overall 596 employees are shareholders at the year end. The entity is owned and controlled by its shareholders. By virtue of shareholdings retained within the Chambers family, the Chairman, Mr D C Chambers, can be identified as the ultimate controlling party of the company.

24. RESERVES

Group

| | Retained earnings £ | Share premium £ | Revaluation reserve £ | Capital redemption reserve £ | Totals £ |
|---|---------------------------|-----------------------|-----------------------------|---------------------------------------|-------------------|
| At 1 December 2020 | 46,608,845 | 1,263,867 | 578,944 | 252,583 | 48,704,239 |
| Profit for the year | 6,926,921 | | | | 6,926,921 |
| Dividends | (1,252,868) | | | | (1,252,868) |
| Realisation of depreciation on the revalued assets | 104,460 | - | (104,460) | - | - |
| At 30 November 2021 | <u>52,387,358</u> | <u>1,263,867</u> | <u>474,484</u> | <u>252,583</u> | <u>54,378,292</u> |

Company

| | Retained earnings £ | Share premium £ | Revaluation reserve £ | Capital redemption reserve £ | Totals £ |
|---|---------------------------|-----------------------|-----------------------------|---------------------------------------|-------------------|
| At 1 December 2020 | 43,949,589 | 1,263,867 | 578,944 | 252,583 | 46,044,983 |
| Profit for the year | 6,224,661 | | | | 6,224,661 |
| Dividends | (1,252,868) | | | | (1,252,868) |
| Realisation of depreciation on the revalued assets | 104,460 | - | (104,460) | - | - |
| At 30 November 2021 | <u>49,025,842</u> | <u>1,263,867</u> | <u>474,484</u> | <u>252,583</u> | <u>51,016,776</u> |

25. NON-CONTROLLING INTERESTS

Lindum Group Limited hold 55% of the shares in Mableford Limited with the remaining held by its JV partner, as a minority interest which is reflected on the consolidated balance sheet.

26. 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 £1,214,834 (2020: £1,261,817) during the year.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

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

The following advances and credits to directors subsisted during the years ended 30 November 2021 and 30 November 2020:

| | 2021 | 2020 |
|--------------|--------|--------|
| | £ | £ |
| K E Damarell | 14,987 | 14,987 |
| S J Gregory | 14,970 | 14,970 |
| R A J Kok | 89,993 | 14,993 |
| S D Mitchell | 89,996 | 14,996 |
| J P Sizer | 89,996 | 14,996 |

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

Loans to other employees amount to £908,992 (2020: £732,184).

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 £331,603 (2020: £107,421). The balance owed to Lindum Group Ltd at the year end was £1,289 (2020: £4,284) which was repaid shortly after 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 and balances with companies in which Lindum Group Limited has a participating interest are as follows:

Kingswater Lindum (Lincoln) Limited

During the year the group made net sales of £5,727 (2020: £156) to Kingswater Lindum (Lincoln) Limited. There was £nil (2020: £480) outstanding at the year end due from Kingswater Lindum (Lincoln) Limited.

E B (Lincoln) Limited

During the year the group made net sales of £23,218 (2020: £26,679) to E B (Lincoln) Limited.

A loan to EB (Lincoln) Limited at the year end of £228,300 (2020: £228,300) is included within other investments.

There is also a loan included within other debtors. The balance remaining is £762,000 (2020: £762,000) due from E B (Lincoln) Limited.

Temple Garth Limited

The group's contracting turnover with Temple Garth Limited was £nil (2020: £4,914). At the year end Temple Garth Limited owed £30,000 (2020: £20,285) to the group.

Brook & Mayo Limited

During the year the group made net sales of £23,009 (2020: £32,020) to Brook & Mayo Limited. The Group also paid net sub-contract costs of £2,226,837 (2020: £1,915,369) to Brook & Mayo Limited. There was a trading balance of £919 (2020: £3,099) due from Brook & Mayo Limited at the year end. There was also a trading balance of £181,901 (2020: £330,578) due to Brook & Mayo Limited at the year end.

During the year, the group received dividend income of £nil (2020: £12,699) from Brook & Mayo Limited.

Bookminder Limited

During the year, the group made net sales of £162 (2020: £156) to Bookminder Limited, a company in which D C Chambers and H F F Kok hold indirect interests. There was no balance outstanding at either year end.

Lindum Group Limited (Registered number: 01236338)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 November 2021

Other related party transactions:

LC Community Projects Limited

During the year the group made net sales of £40,575 (2020: £2,334 to LC Community Projects Limited, a company in which D C Chambers and S Mitchell were directors and in which the group hold 50% of the share capital.

LC Community Projects Limited made repayments of £343,026 (2020: £250,000). There was a debtor of £nil (2020: £343,026) due from LC Community Projects Limited at the year end.

Kingswater Lindum Limited

There was £17,312 (2020: £20,285) outstanding at the year end due from Kingswater Lindum Limited, a company in which D C Chambers has an indirect minority interest.