

21 March 2017

Billington Holdings Plc

(‘Billington’, ‘the Group’ or ‘the Company’)

Full Year Results

Billington Holdings Plc (AIM: BILN), one of the UK’s leading structural steel and construction safety solutions specialists, today announces its full year results for the year ended 31 December 2016.

	31 December 2016	31 December 2015	Percentage change
Revenue	£63.3m	£56.7m	11.6%
EBITDA	£5.1m	£4.2m	21.4%
Profit before tax	£3.8m	£3.1m	22.6%
Cash and cash equivalents	£6.0m	£2.6m	130.8%
Earnings per share from continuing operations	25.4p	21.1p	20.4%
Dividend	10.0p	6.0p	66.7%

Highlights

- Strong profit and revenue growth for the year
- Good order book with work through to the end of 2017
- Approximately 25,000 tonnes of material fabricated throughout the year
- Operating margins improved to six per cent in the year
- Positive progress at the Shafton facility and further operational improvements anticipated from the second half of 2017
- Billington continues to strengthen its workforce across all divisions
- Current market conditions provide opportunities for growth
- Dividend increased to 10 pence per share

Mark Smith, Chief Executive Officer, commented:

“2016 was another successful year for the Company and we have delivered a strong set of full year results, with a solid performance from all divisions.

“Over the past year, the Company successfully maintained its order book, and has work continuing throughout 2017.

“With the acquisition of Shafton, in December 2015, the Company began its expansion strategy and this year we are looking forward to progressing to the next stage. A number of tenants at the Shafton site will vacate shortly, allowing Billington to complete its facility adaptation programme, ready for operations to begin in earnest the second half of 2017.

“Given this strong set of results, Billington is pleased to deliver an increased annual dividend of 10 pence per share and we look forward to an equally busy year, maintaining the excellent work rate of 2016.”

For further information please contact:

Billington Holdings Plc

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Chairman's Statement

Introduction

I am pleased to report that the 2016 full year results show an incremental improvement over those for the previous year and are significantly ahead of the original market expectations, set at the start of the 2016 financial year.

The structural steel business has been working at, or near, capacity for most of the year, with overall volumes at a similar level to 2015, and has achieved high levels of efficiency which has translated into profit. The gradual phasing in of the Shafton facility shall further increase the capacity available and present the Group further business opportunities in which to expand the range of services it is able to offer its customers.

Peter Marshall Steel Stairs has focussed on a smaller number of large projects during the year which has resulted in higher revenue, improved efficiencies and consequent improvements in profit contribution. A new saw and drill line has been installed at the factory which will further assist efficiency, and the division is currently looking at a forward order book through to June 2017.

The easi-edge safety barrier division has been operating at high levels of activity for much of the year, which has resulted in an improved profit contribution. There have been developments during the year to improve the maintenance and refurbishment processes for the existing barrier fleet, and the division continues to develop a new barrier design as it looks to expand its current product range.

The hoard-it business, which was transferred to a separate legal entity during the year, has further consolidated its position with continued growth and an expanded client base. The division now provides nationwide coverage for its customers, having strengthened its site teams and fitting capabilities.

Results

The profit after tax for the year, from continuing operations, was £3.0 million on revenue of £63.3 million, compared with a profit of £2.4 million on revenue of £56.7 million in the previous year.

The overall earnings per share for the year amounted to 25.4 pence compared with 21.1 pence in 2015, demonstrating the Company's improved performance.

Dividend

I am pleased to announce that the Board is proposing a dividend of 10.0 pence per share. This represents a significant increase in the level of dividend paid in 2016 and, provided the Company has adequate cash resources to do so, the intention is that the Company will continue to make similar levels of distribution in future years.

Liquidity and capital resources

There has been a net cash inflow of £3.4 million during the year resulting in cash balances of £6.0 million at the year end which, together with the bank overdraft facilities, will provide adequate funds to cover the projected working capital requirements of the Group.

Shafton

During 2016 significant progress has been made at the Shafton site. Shafton Steel Services was launched to provide steel profiling and processing services, both internally for Group companies and to its own external customer base. A programme of work has been implemented to upgrade and overhaul the site facilities including the plant and machinery that was acquired, as well as to improve general working practices. Additional capacity will become available during 2017, as some of the tenants vacate the site at the end of the first quarter, thus providing space to enable the Group to expand its operations accordingly.

Prospects

2016 was a particularly successful year for the Group and it is anticipated that we will see similar levels of productivity in 2017. The current order books across the Group are robust with work secured through to the latter part of the year. There has been some improvement in margins during 2016, aided by operational efficiencies, and although margins remain competitive it is hoped that there will be further improvements in 2017. The Group will also be able to further consolidate and expand operations in the second half of the year as the additional facilities at Shafton become available.

Employee Share Option Scheme

A new share option scheme was introduced in January 2017 for senior and long serving employees to provide employees with the opportunity to share in the future success of the business.

Management and employees

I would like to express my thanks to all the directors and employees for their efforts and assistance over the last twelve months.

Peter Hems
Non Executive Chairman

20 March 2017

Operational Review

Introduction

The Group has had a successful year, yet again, achieving both revenue and operating profit growth throughout the period, which increased approximately 12 per cent and 24 per cent year on year, respectively. This growth has been supported by a strong order book, improved operational efficiencies, and the continuous delivery of high quality projects.

All Group divisions have performed positively, in particular, the increased output from Billington Structures has significantly contributed to improved revenues for the year. In addition, the continued progress being made at the Shafton site is expected to drive future growth, over the medium to long term, in the Company's structural steelwork divisions.

Throughout the year, Billington has continued to win and deliver a number of high profile projects, some of which have been recognised by industry bodies and received awards.

The UK construction industry has seen steady growth this year with the Company maintaining a good order book well into 2017. These current market conditions have enabled the Group to explore expansion opportunities both

within and outside the UK. In addition, the stability of the UK's steel industry, has improved following the sale of Tata Steel's Long Products division to Greybull Capital, now known as British Steel, in June 2016.

Billington is encouraged by the significant progress and positive growth that has been made at all divisions and, following a good start to the year, the Company expects 2017 to be another strong year with a focus on maintaining the excellent work rate and progress made in 2016. The Board, and I, look forward to another busy year.

Divisions

Billington Structures

Billington Structures, with sites in Barnsley and Bristol, designs, fabricates and erects structural steel across all sectors. It is a nationally recognised and award winning steelwork contractor with over 60 years' experience.

The division fabricated approximately 25,000 tonnes of steel in 2016, a similar tonnage to the previous year.

The major jobs that commenced during the year included:

- IKEA, Sheffield
- RAF Marham, Norfolk
- Brunel Place, Slough
- Romford Leisure Centre, Romford
- Redrock Retail Park, Stockport
- Project Beagle (Interserve's new Head Office), Birmingham

In addition to these projects, Billington Structures received a commendation for the Diamond Engineering Building for Sheffield University in the 2016 Structural Steel Design Awards and the Greenwich Peninsula Energy Centre was Highly Commended at the Yorkshire Structural Engineering Excellence Awards.

The success of these jobs highlights the positive performance of Billington Structures throughout the year, and the installation of a new saw and drill line at the Wombwell facility, in Barnsley, significantly contributed to the timely completion of projects.

During 2016 steel prices increased significantly, with further price rises noted at the beginning of 2017. These rises have had an impact on the pricing of contracts, and the ability to ensure margins are maintained. In addition, the market remains competitive, especially on contracts of a relatively simple nature. However, larger and more technically challenging prospects continue to be evident in the market and present opportunities to yield an improved margin.

Billington Structures prides itself on the technical and engineering talents of its employees and this resource continues to add value to clients' projects. In addition, following a significant expansion to the technical department at both the Barnsley and Bristol facilities, the division's success in Design and Build projects is particularly encouraging. The Company will continue to focus on this area of work and it remains committed to delivering technically excellent engineering solutions for customers.

Billington Structures has seen a positive start to 2017, with projects confirmed until the end of 2017, and into 2018. The Board is confident in the project pipeline which contains a number of positive prospects.

Shafton Steel Services

The large Shafton site, which was acquired in December 2015 as part of the Company's long term growth strategy, is located five miles from Billington's Head Office in Barnsley and houses state of the art steel processing and profiling facilities. The division offers an extensive range of services to the UK and overseas engineering and fabrication markets.

Shafton Steel Services, a division of Billington Structures, was launched to the market in January 2016 and it has had a successful first year. During the year, there was a focus on improving operational efficiencies, recruiting a high-quality workforce and conducting health and safety improvements. These programmes included upgrading and maintaining machinery, ongoing office refurbishments and site improvements which helped increase the number and scale of activities that are carried out at Shafton. The work undertaken has ensured that the division starts 2017 in an excellent position.

The site currently holds a number of tenants, some of which will be vacating the premises at the end of March. This will enable Billington to begin a three-month facility adaptation programme, with the aim to be fully operational in the second half of 2017, with steady, incremental expansion anticipated. In addition, further capital expenditure is envisaged on the site over the next two years to ensure the maximum potential of the facility is realised.

Even though Shafton isn't fully operational it is already providing benefits to the Group and contributing to the steel processing and fabricating capabilities of Billington Structures, as well as helping to broaden the Group's client base.

2017 is expected to be a busy year for Shafton, with the full impact of the facility being seen over the medium to long term. The initial benefits of the site will continue to materialise as they have done over the past year.

I would like to thank our new customers of Shafton Steel Services for their support and I look forward to offering an enhanced range of processing services in the future.

Tubecon

Tubecon, a division of Billington Structures, is a specialist in complex steel structures, operating primarily in the UK construction and rail infrastructure markets.

The division continues to add value to Billington's steelwork operations and, throughout the year, it has provided exciting opportunities and architectural steelwork for the Group.

Tubecon received a commendation for the 6 Bevis Marks Roof Garden Project in London in the 2016 Structural Steel Design Awards.

Peter Marshall Steel Stairs

Peter Marshall Steel Stairs is a specialist company engaged in the design, fabrication and installation of highly engineered steelwork, staircases and balustrade systems.

The division has had a successful year with further steady progress being made. This progress has been supported by the installation of a new saw and drill line, providing improved production efficiencies and an increase in the scope and degree of work carried out. Additional benefits have also been realised through a strengthened technical department.

A number of large jobs have been carried out throughout the year which include:

- The White City Shopping Development, London
- Jaguar Land Rover, Solihull
- Nicepak, Wigan
- Templeborough Energy from Waste Facility, Rotherham
- RAF Shawbury, Shawbury

A focus on a smaller number of larger projects has resulted in the division significantly increasing revenue in the period and further improvements in profitability have also been noted.

Peter Marshall Steel Stairs is well positioned for 2017 with a strong order book through to June of this year. This division provides Billington with the ability to supply a complete project, as well as an integrated structural steel offering, and is expected to continue to contribute to the success of the Group.

easi-edge

easi-edge is a leading safety solutions provider which primarily supplies perimeter edge protection and fall prevention systems to both Group and non-group companies.

The Shafton facility has provided the division with the ability to refurbish and maintain its existing barriers to increase longevity, a process which is expected to take approximately two years. This is expected to be beneficial to easi-edge as demand for safety solutions increases.

In addition to this refurbishment, the division is developing a new safety barrier which is due to be released to market in mid 2017. This new barrier provides easi-edge with fleet expansion capabilities and will also help to meet demand.

A number of significant jobs in the year include:

- Alperton School, London
- Marischale Square, Aberdeen
- MSCP Multi Storey Car Park, Warrington
- Scotland Street, Sheffield
- Wellington Place, Leeds

The division has delivered an exemplary year in 2016 with good utilisation and has made a strong start to 2017. easi-edge will continue to focus on the delivery of the new barrier as it also looks to review and expand its current product range.

hoard-it

hoard-it, which provides reusable and eco-friendly site hoarding solutions on a hire and sale basis, was previously a division of easi-edge that transferred to a separate legal entity from 1 April 2016.

The division has seen continued growth throughout the year and has strengthened its client base, which now includes the majority of the Tier 1 principal contractors. hoard-it has also increased and strengthened its site teams and fitting capabilities and can now truly provide nationwide coverage for its customers.

Notable jobs carried out during the year include:

- St James Retail Re-Development, Edinburgh
- Clippers Quay, Salford
- Redrock Retail Development, Stockport
- A New Arena, Birmingham

During 2017, hoard-it will carry out ongoing reviews of business opportunities and continue to advance and improve its offering through the development of ancillary products.

Health, Safety, Sustainability, Quality and the Environment

Billington is committed to health, safety, sustainability, quality and the environment, which remain at the core of all business divisions. The Group continues to have active involvement in a variety of initiatives, both local and nationwide, and is proud of the numerous awards received by its onsite teams during the period for their dedication to health and safety practices.

It is disappointing that the Company incurred four reportable accidents in the year. Measures have been implemented to further improve the culture and working practices at all facilities and on each construction site the Company conducts its activities.

Charity

I am pleased to note that in 2016 the Group set up a formal mechanism for charitable giving, through which all fundraising activities, from across the Group, are directed.

Billington is dedicated to supporting local and national charities, and throughout the year the Group has carried out a number of fundraising activities. These activities included a Christmas jumper event, which raised £1,500 for the Bluebell Wood Children's Hospice, and donating funds to support local children's football teams, the Scawthorpe Scorpions and the Hoyland Common Falcons.

In addition, the Company began an annual tradition of hosting an employees and family hog roast event at both the Bristol and Barnsley offices. These events raised £500 for St. Peter's Hospice and £1,500 for Barnsley Hospice.

People

The Company is committed to the growth and development of its workforce and adopts a number of initiatives and programmes to support employee progression.

In 2016, Billington strengthened its factory and office base workforce with staff numbers increasing across all divisions, the Company intends to further increase its workforce with the planned employment of additional labour at the Shafton site and the expansion of the technical and professional teams at the Bristol office.

The Group acknowledges the current skills shortage in the industry and will aim to minimise the impact of this on its businesses. As part of this strategy, Billington continues to employ and train apprentices as the Group understands that not only will they contribute to reducing this skills shortage but, they will also play a major role in the growth of the business. This year we were delighted to announce that one of Billington Structures' apprentices became the first ever apprentice to be awarded the BCSA CRAFT Structural Steelwork Fabricator Welder Certificate.

The Group also supports local colleges, and this year sponsored the Construction Award at the Barnsley College Excellence Awards.

Steel Industry

Steel material prices have increased since last year and Billington is looking forward to a period of steel price stability in 2017. The increase in prices has had a small impact on business operations and the Group has adopted mitigation measures that have helped to protect the Company in this rising steel price environment.

The UK steel industry has undergone an important transition this year with the sale of Tata Steel's Long Products division to Greybull Capital, on 1 June 2016. Since the sale, a turnaround strategy was announced with the division being rebranded as British Steel and, after a positive start, it announced a return to profitability within its first 100 days.

Billington was pleased to see the British Steel brand re-emerge and continues to have a strong relationship with the company. British Steel has been a key partner of Billington, providing it with over 375,000 tonnes of steel, predominately steel sections, since 1993. The market for steel supply remains competitive and the Company is committed to ensuring solid supply chain relationships to ensure best value is maintained for the business.

Outlook

The prevailing market conditions have been steady throughout 2016 and the initial concern surrounding the Brexit vote did not mature in to the drop off in trade that may have been anticipated. In addition, the directors do not believe Brexit will have a negative impact on the Company's progress in 2017, as the Group's order book remains robust and many positive tender opportunities remain evident.

The exchange rate environment, since the Brexit vote, has provided the Group with the opportunity to recommence the assessment of expanding its operations into Europe, which is something that Billington will continue to review in the coming year.

The benefits provided by the Shafton facility will continue to be seen throughout 2017. The full impact of the acquisition will materialise in the medium to long term when the site is fully operational and supporting the Company's structural steel operations. The Shafton site will also provide Billington with the ability to develop further business opportunities that will complement the existing business model.

2016 has been an extremely successful year for Billington and the Company is confident it will see more of the same productivity over this coming year.

Finally, I would like to take this opportunity to thank the Board, our employees, our stakeholders and our shareholders for their continued support and for helping to make 2016 such a successful year.

Mark Smith

Chief Executive Officer

20 March 2016

Financial Review

Consolidated Income Statement

	<u>2016</u>	<u>2015</u>
	£'000	£'000
Revenue	63,334	56,748
Operating profit	3,825	3,084
Profit before tax	3,803	3,110
Profit after tax	2,971	2,444
Profit for shareholders	2,971	2,444
Earnings per share (basic and diluted)	25.4p	21.1p

Revenue has increased 12 per cent year on year primarily as a result of Billington Structures increasing its output, particularly in relation to its traditional structural steelwork activities. The Group has seen revenue increase 40 per cent over the previous two years and, with the acquisition of the Shafton facility, is confident of further growth.

Forecasts indicate that the consumption of structural steelwork within the UK increased by four per cent in 2016 to 902,000 tonnes. Projections are that consumption will remain at or around this level for the next two years and thus allows the Group to look forward with an increased degree of optimism.

Operating margins improved to 6.0 per cent, against 5.4 per cent in 2015. Margins have improved as a result of an increase in the level of work and the recovery of its overhead base against projects as well as a continued focus on the planning and operating efficiencies of all of the Group's facilities.

Operating margins have not returned to pre-recession levels and it is not anticipated they will in the short term. Steady, progressive improvement is expected as the economy continues to progress.

Earnings per share improved from 21.1p in 2015 to 25.4p in 2016.

Staff numbers as at December have increased 7.0 per cent, from the same period last year, to 361 as the Group continues to increase its activities across all divisions. Employment of additional labour as the newly acquired Shafton facility is adapted for optimum use is anticipated over the short to medium term.

The purchase of the Shafton facility is not anticipated to have a material impact on the trading result of the Group in 2017 while the facility is being adapted for optimum production and certain tenants, who occupy particular areas of the site, vacate at the expiry of their leases.

Consolidated Balance Sheet

	<u>2016</u>	<u>2015</u>
	£'000	£'000
Non current assets	14,321	14,166
Current assets	21,479	18,494
Current liabilities	(14,996)	(13,800)
Non current liabilities	<u>(2,005)</u>	<u>(2,492)</u>
Total equity	<u>18,799</u>	<u>16,368</u>

Capital expenditure decreased in the year to £1,277,000 from £6,111,000 in 2015, more akin to the levels noted prior to the acquisition of Shafton in December 2015. The Group aims to continually ensure that capital expenditure is maintained at a level appropriate for the business and to ensure it remains at the forefront of technical advancements in its industries.

Capital expenditure in the year consisted of the purchase of a saw and drill line in at the Billington Structures Wombwell facility as well as the continual programme of upgrading and enhancing the Group's hoarding and safety barrier fleets.

Within non-current assets, property, plant and equipment decreased by £12,000, and deferred tax assets decreased by £11,000. Net disposals were £35,000 and depreciation was £1,254,000. The balance of the movement is as a result of a surplus on the defined benefit pension scheme, which increased by a further £178,000 in the year.

The increase of £2,985,000 in current assets included a decrease of £703,000 in inventories, an increase of £266,000 in trade and other receivables, and an increase in the cash balance of £3,422,000.

The total rise of £1,196,000 in current liabilities principally comprised an increase in trade and other payables of £596,000 as the businesses enjoyed an improvement in workflow towards the latter part of the year. Combined with the increase in trade and other payables, there was an increase in the tax payable of £414,000.

A property loan of £469,000 was taken out in 2011 to purchase the trading premises of Peter Marshall Steel Stairs; repayments made against the balance in the year were £45,000 and the outstanding balance of £234,000 is reflected in current liabilities. A mortgage of £2,500,000 was taken over 10 years in 2015 to purchase the land and buildings at Shafton; £250,000 is reflected in current liabilities with £2,000,000 disclosed in non-current liabilities.

Total equity increased by £2,431,000 in the year to £18,799,000; this is particularly encouraging and provides a degree of optimism with which to move forward. The financial position of the Group at the end of the year remains robust and provides a platform from which the Group can further increase shareholder value.

Consolidated Cash Flow Statement

	<u>2016</u>	<u>2015</u>
	£'000	£'000
Result for shareholders	2,971	2,444
Depreciation	1,254	1,097
Capital expenditure	(1,277)	(6,111)
Tax paid	(376)	(350)
Tax per income statement	832	666
Decrease/(increase) in working capital	1,033	(995)
Additional pension contributions	(123)	(123)
Dividends	(738)	(347)
Net property loan movement	(295)	2,469
Others	<u>141</u>	<u>(11)</u>
Net cash inflow/(outflow)	3,422	(1,261)
Cash at beginning of year	<u>2,611</u>	<u>3,872</u>
Cash at end of year	<u>6,033</u>	<u>2,611</u>

Dividends were paid in the year at a cash cost of £738,000, representing six pence per share. The ability of the Group to convert profits into cash has been encouraging and provides the Group with cash balances with which to increase working capital associated with increased activity levels if required.

The Group remains committed to treating its suppliers and subcontractors fairly and to paying them in line with their agreed payment terms.

Working capital was as shown below:

	<u>2016</u>	<u>2015</u>
	£'000	£'000
Inventories	9,865	10,568
Accounts receivable	5,581	5,315
Accounts payable	<u>(13,940)</u>	<u>(13,344)</u>
Working capital at end of year	<u>1,506</u>	<u>2,539</u>

Cash balances at the year-end totalled £6,033,000 and there were property and hire purchase loans outstanding of £2,492,000. It is pleasing to note the satisfactory cash position of the Group. Consistent and positive trading performance, combined with effective working capital management, will ensure that cash balances are further maintained and improved.

Business volumes are forecast to further increase, and with a programme of capital expenditure, primarily at our Shafton facility, a robust cash position in combination with adequate, agreed banking facilities will allow these objectives to be realised.

Pension Scheme

	<u>2016</u>	<u>2015</u>
	£'000	£'000
Scheme assets	7,976	7,114
Scheme liabilities	<u>(6,830)</u>	<u>(6,146)</u>
Surplus	<u>1,146</u>	<u>968</u>
Other finance income	38	33
Contributions to defined benefit scheme	123	123

To limit the Group's exposure to future potential pension liabilities the decision was taken to close the remaining Billington defined benefit pension scheme to future accrual from 1 July 2011. It is encouraging to note that the position of the scheme as at the year-end continues to show signs of steady improvement. Although liabilities have increased in the year, primarily as a result of the continued fall in Government gilt rates, it is pleasing that the investments have performed well over the same period.

A recovery plan for the Billington scheme was agreed with the trustees following an actuarial valuation of the scheme liabilities as at 31 March 2014, in accordance with the requirements of the Pensions Act. Additional contributions are being made in accordance with this agreement. £123,000 of additional contributions were made to the scheme in 2016.

Employee Share Option Plan(s) (ESOP)

During the year, the Group has implemented a new ESOP using shares that were contained in a previous trust but had laid dormant for a number of years. Options were issued across the Group to allow employees to share in the future continued success of the Group, promote productivity and provide further incentives to recruit and retain employees.

Options were issued based on seniority and length of service across all parts of the Group.

The charge included within the accounts in respect of issued options is £71,000.

Trevor Taylor
Finance Director
20 March 2017

BILLINGTON HOLDINGS PLC

Consolidated income statement for the year ended 31 December 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
Revenue, excluding movements in work in progress			64,291		54,762
(Decrease)/increase in work in progress			<u>(957)</u>		<u>1,986</u>
Revenue			63,334		56,748
Raw materials and consumables		39,470		36,172	
Other external charges		4,208		3,537	
Staff costs		12,903		11,079	
Redundancy		-		20	
Depreciation		1,254		1,097	
Other operating charges		<u>1,674</u>		<u>1,759</u>	
			<u>(59,509)</u>		<u>(53,664)</u>
Group operating profit			3,825		3,084
Share of post tax profit in joint ventures			<u>-</u>		<u>-</u>
Total operating profit			3,825		3,084
Net finance (expense)/income			<u>(22)</u>		<u>26</u>
Profit before tax			3,803		3,110
Tax			<u>(832)</u>		<u>(666)</u>
Profit for the year			<u>2,971</u>		<u>2,444</u>
Profit for the year attributable to equity holders of the parent company			<u>2,971</u>		<u>2,444</u>
Earnings per share (basic and diluted)	3		<u>25.4 p</u>		<u>21.1 p</u>

All results arose from continuing operations.

BILLINGTON HOLDINGS PLC

Consolidated statement of comprehensive income for the year ended 31 December 2016

	Note	<u>2016</u>	<u>2015</u>
		£'000	£'000
Profit for the year		2,971	2,444
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit surplus		17	(66)
Movement on deferred tax relating to pension liability		(1)	(5)
Current tax relating to pension liability		<u>32</u>	<u>32</u>
Other comprehensive income, net of tax		<u>48</u>	<u>(39)</u>
Total comprehensive income for the year attributable to equity holders of the parent company		<u><u>3,019</u></u>	<u><u>2,405</u></u>

BILLINGTON HOLDINGS PLC

Consolidated balance sheet as at 31 December 2016

	Note	<u>2016</u>		<u>2015</u>	
		£'000	£'000	£'000	£'000
Assets					
Non current assets					
Property, plant and equipment		13,148		13,160	
Pension asset		1,146		968	
Investments in joint ventures		-		-	
Deferred tax asset		<u>27</u>		<u>38</u>	
Total non current assets		14,321		14,166	
Current assets					
Inventories and work in progress		9,865		10,568	

Trade and other receivables	5,581	5,315
Cash and cash equivalents	<u>6,033</u>	<u>2,611</u>
Total current assets	<u>21,479</u>	<u>18,494</u>
Total assets	<u>35,800</u>	<u>32,660</u>
Liabilities		
Current liabilities		
Current portion of long term borrowings	487	301
Trade and other payables	13,940	13,344
Current tax payable	<u>569</u>	<u>155</u>
Total current liabilities	14,996	13,800
Non current liabilities		
Long term borrowings	<u>2,005</u>	<u>2,492</u>
Total non current liabilities	<u>2,005</u>	<u>2,492</u>
Total liabilities	<u>17,001</u>	<u>16,292</u>
Net assets	<u>18,799</u>	<u>16,368</u>
Equity		
Share capital	1,293	1,293
Share premium	1,864	1,864
Capital redemption reserve	132	132
Other reserve	(825)	(904)
Accumulated profits	<u>16,335</u>	<u>13,983</u>
Total equity	<u>18,799</u>	<u>16,368</u>

The Group financial statements were approved and authorised for issue by the Board of Directors on 20 March 2017.

P.K.
HEMS Chairman

T.M.
TAYLOR Finance
Director

BILLINGTON HOLDINGS PLC

Consolidated cash flow statement for the year ended 31 December 2016

	Note	<u>2016</u>	<u>2015</u>
		£'000	£'000
Cash flows from operating activities			
Group profit after tax		2,971	2,444
Taxation paid		(376)	(350)
Depreciation on property, plant and equipment		1,254	1,097
Difference between pension charge and cash contributions		(123)	(123)
Share based payment charge		71	-
Profit on sale of property, plant and equipment		(228)	(197)
Taxation charge recognised in income statement		832	666
Net finance expense/(income)		22	(26)
Decrease /(increase) in inventories and work in progress		703	(2,096)
Increase in trade and other receivables		(266)	(235)
Increase in trade and other payables		596	1,336
Net cash flow from operating activities		<u>5,456</u>	<u>2,516</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,277)	(6,111)
Proceeds from sale of property, plant and equipment		263	212
Net cash flow from investing activities		<u>(1,014)</u>	<u>(5,899)</u>
Cash flows from financing activities			
Interest paid		(60)	(7)
Proceeds of bank and other loans		-	2,514
Repayment of bank and other loans		(295)	(45)
Capital element of hire purchase payments		(6)	-
Dividends paid		(738)	(347)
Employee Share Ownership Plan share purchases		(37)	(3)
Employee Share Ownership Plan share sales		116	10
Net cash flow from financing activities		<u>(1,020)</u>	<u>2,122</u>
Net increase/(decrease) in cash and cash equivalents		3,422	(1,261)
Cash and cash equivalents at beginning of period		<u>2,611</u>	<u>3,872</u>
Cash and cash equivalents at end of period		<u><u>6,033</u></u>	<u><u>2,611</u></u>

BILLINGTON HOLDINGS PLC

Consolidated statement of changes in equity for the year ended 31 December 2016

	Share capital	Share premium account	Capital redemption reserve	Other reserve - ESOP	Accumulated profits	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	1,293	1,864	132	(910)	11,925	14,304
Transactions with owners						
Dividends (note 6)	-	-	-	-	(347)	(347)
ESOP movement in year	-	-	-	6	-	6
Transactions with owners	-	-	-	6	(347)	(341)
Profit for the financial year	-	-	-	-	2,444	2,444
Other comprehensive income						
Actuarial gain recognised in the pension scheme	-	-	-	-	(66)	(66)
Income tax relating to components of other comprehensive income	-	-	-	-	27	27
Total comprehensive income for the year	-	-	-	-	2,405	2,405
At 31 December 2015	1,293	1,864	132	(904)	13,983	16,368
	Share capital	Share premium account	Capital redemption reserve	Other reserve - ESOP	Accumulated profits	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2016	1,293	1,864	132	(904)	13,983	16,368
Transactions with owners	-					
Dividends (note 6)	-	-	-	-	(738)	(738)
Credit relating to equity-settled share based payments	-	-	-	-	71	71
ESOP movement in year	-	-	-	79	-	79
Transactions with owners	-	-	-	79	(667)	(588)
Profit for the financial year	-	-	-	-	2,971	2,971
Other comprehensive income						
Actuarial loss recognised in the pension scheme	-	-	-	-	17	17
Income tax relating to components of other comprehensive income	-	-	-	-	31	31
Total comprehensive income for the year	-	-	-	-	3,019	3,019

At 31 December 2016

1,293

1,864

132

(825)

16,335

18,799

The Group accumulated profits reserve includes a surplus of £951,000 (2015 - £774,000) relating to the net pension surplus.

Notes (audited)

Full year results for the year ended 31 December 2016

1. Basis of preparation

The financial information in this preliminary announcement has been prepared in accordance with accounting policies which are based on the International Financial Reporting Standards (IFRSs) as adopted by the European Union and in issue and in effect at 31 December 2016.

2. Accounts

The summary accounts set out above do not constitute statutory accounts as defined by Section 434 of the UK Companies Act 2006. The summarised consolidated balance sheet at 31 December 2016, the summarised consolidated income statement, the summarised consolidated statement of comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated cash flow statement for the year then ended have been extracted from the Group's 2016 statutory financial statements upon which the auditor's opinion is unqualified and did not contain a statement under either sections 498(2) or 498(3) of the Companies Act 2006. The audit report for the year ended 31 December 2015 did not contain statements under sections 498(2) or 498(3) of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2015 have been delivered to the Registrar of Companies. The 31 December 2016 accounts were approved by the directors on 20 March 2017, but have not yet been delivered to the Registrar of Companies.

3. Earnings per share

Earnings per share is calculated by dividing the profit for the year of £2,975,000 (2015 - profit - £2,444,000) by 11,715,526 (2015 - 11,585,041) fully paid ordinary shares, being the weighted average number of ordinary shares in issue during the year, excluding those held in the ESOP Trust.

There is no impact on a full dilution of the earnings per share calculation as there are no potential dilutive ordinary shares.

4. Report and accounts and AGM

The Annual Report and Accounts for the year ended 31 December 2016 will be available on the Company's website: www.billington-holdings.plc.uk, from no later than 28 April 2017.

The Annual General Meeting will be held on Monday 5 June 2017 at 2pm at Billington Holdings Plc, Steel House, Barnsley Road, Wombwell, South Yorkshire S73 8DS.

5. Segmental information

The Group trading operations of Billington Holdings plc are only in Structural Steel, and all are continuing. This includes the activities of Billington Structures Limited, easi-edge Limited, Hoard-it Limited and Peter Marshall Steel Stairs Limited. The Group activities, comprising services and assets provided to Group companies and a small element of external property rentals and management charges, are considered incidental to the activities

of Billington Structures Limited and have therefore not been shown as a separate operating segment but have been subsumed with Structural Steel. All assets of the Group reside in the UK.

6. Dividend

The Board proposes to pay a dividend of 10.0 pence per share on 7 July 2017 to shareholders on the register on the 9 June 2017.