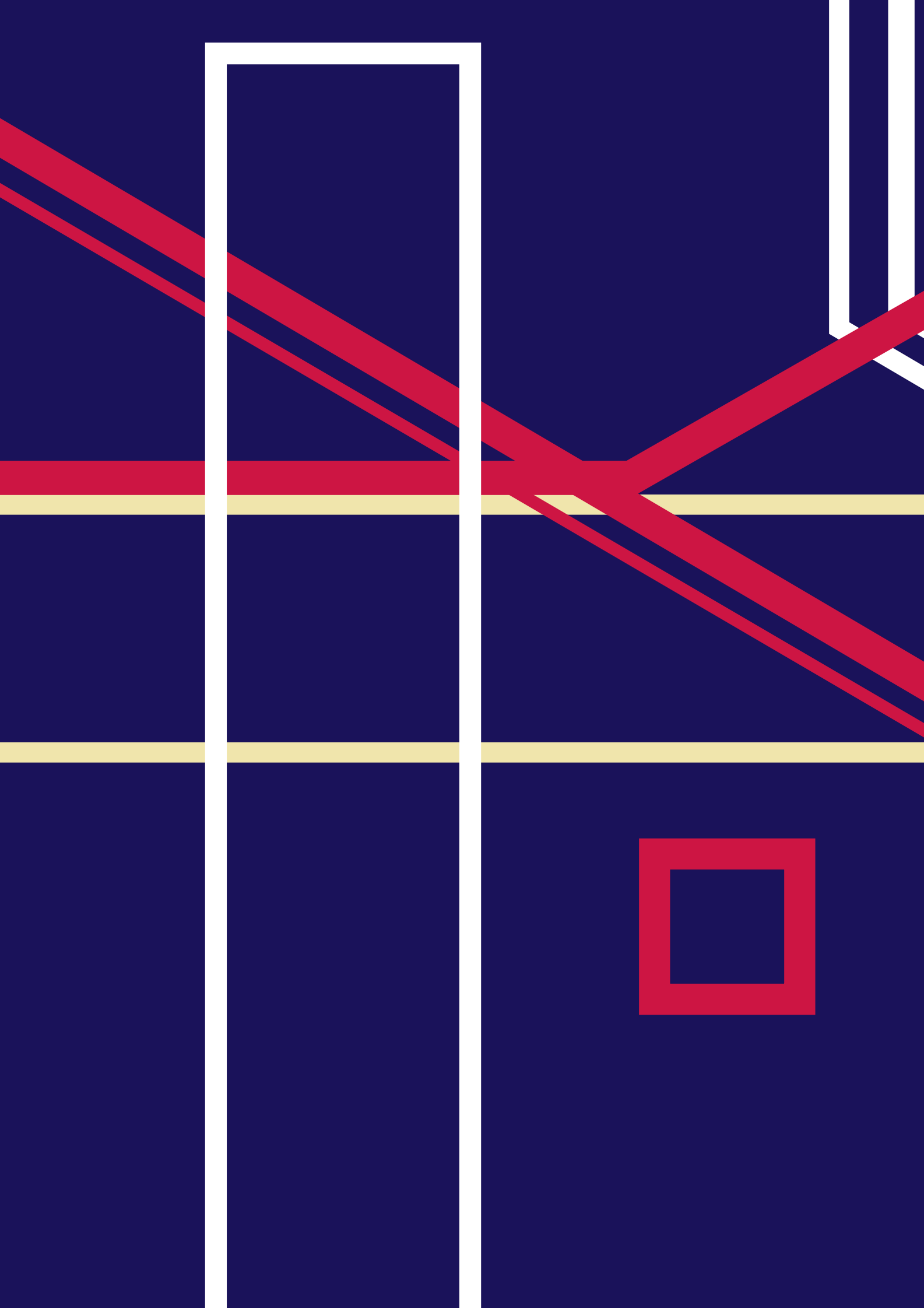




Company Number: 2402219

Report & Financial Statements

Year ended
31st December 2009



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Chairman's
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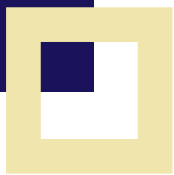
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Financial
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Report & Financial Statements

Year ended 31st December 2009



billington
holdings plc

Report 2009

Chairman's Statement

Introduction

I am pleased to report on the full year results for Billington Holdings plc for 2009 with profit after tax from continuing operations showing an increase of 47.5% from £2.6 million to £3.8 million. On 4 May 2010 the Group announced the disposal of Dosco Overseas Engineering Limited and Hollybank Engineering Company Limited, which were considered to be non-core activities for the Group. This now completes the programme of disposals, leaving the Group to focus on the development of its core businesses, Billington Structures and easi-edge, with adequate resources and without the substantial potential risk associated with the pension liabilities of the exiting businesses.

Results

The profit for the year from continuing operations amounted to £3.8 million on revenue of £57.2 million compared with a profit of £2.6 million on revenue of £60.0 million in the previous year. The loss for the year attributable to discontinued activities amounted to £0.7 million compared with a profit the previous year of £1.0 million. This results in an overall profit on trading for the current year of £3.1 million, which is in line with market expectations. The disposal of non-core assets gave rise to a £1.5 million non-recurring loss reflecting the write down of the assets to fair value. This brings the overall profit for the year to £1.6 million compared with £3.3 million for the previous year.

The overall earnings per share for the year amounted to 13.5p (2008: 28.2p) whereas the figures for continuing activities showed an increase to 32.9p (2008: 22.3p).

The Disposal of Dosco and Hollybank

We announced on 4 May 2010 the disposal of Dosco Overseas Engineering Limited ("Dosco") and its subsidiary Hollybank Engineering Company Limited ("Hollybank") for a cash consideration of £1.8 million to SMT Scharf AG.

The Dosco business consists of the design and manufacture of underground tunnelling equipment for the worldwide mineral extraction industry. This business was affected particularly badly by the economic downturn and there was very little activity during 2009 both in terms of orders and enquiries.

Hollybank supplies underground roadway supports to the UK mining industry and has continued to trade satisfactorily throughout the period.

The combined results of the two businesses showed a operating loss of £0.5 million on revenue of £12.9 million for 2009 as compared with a £1.2 million profit on revenue of £17.0 million in the previous year.

The net assets of the exiting group amounted to £3.1 million after taking into account the pension liabilities (net of deferred tax) of £5.2 million. The Dosco business is a capital goods business operating internationally within the mining industry. The volatility of its activity levels mean that its working capital requirement can fluctuate dramatically depending on its workload. This, coupled with the liabilities attached to its final salary pension scheme, is such that the Board concluded that disposal was the preferred course of action.



Pension schemes

The sale of Dosco marks a significant change in the Group's pension liabilities. The sale includes all of the Dosco and Hollybank pension schemes recognised in the balance sheet as a liability of £5.2 million including deferred tax, comprising assets of £37.8m and liabilities of £45.0 million netted by £2.0 million deferred tax. The remaining defined benefit pension scheme shows a deficit of just £0.2 million. The sale significantly strengthens and simplifies the Group's balance sheet and operating cash flows will benefit from a reduction in pension contributions from £1.6 million in 2009 to £0.4 million for the remaining scheme in 2010.

Dividend

The Board proposes to pay a dividend of 6.75 pence per share on 5 July 2010 to shareholders on the register on 4 June 2010. This will make a total dividend payable in relation to the 2009 trading results of 10.0 pence. Challenging market conditions have resulted in a small reduction in the level of the dividend as compared with recent years. However, Billington is committed to paying a dividend to shareholders and intends to maintain this level of dividend over the near term unless there is a further deterioration in trading conditions.

Liquidity and Capital Resources

The Group had cash balances of £8.5 million at 31 December 2009, which provides adequate funds to cover both the projected working capital requirements of the ongoing businesses and capacity to finance the future development of these businesses as and when appropriate opportunities are identified.

Prospects

Current trading is challenging and it is difficult to forecast what the outcome will be for 2010. 2010 profits will be supported to some extent by profits on contracts, not yet considered complete, which were won at better margins back in 2009. However, based on margins currently being achieved 2010

will remain challenging. The level of enquiries for Billington Structures is holding up to date, but the margins at which work can be won are at much lower levels than have been achieved in recent years. The Group is looking to increase the activity levels of the safety solutions business with its established easi-edge barrier systems and the new innovative hoard-it sustainable fencing system, which is making good progress. However these activities are coming from a relatively small base and are unlikely to make a significant contribution to Group results in the current year. The likelihood is therefore that we will be showing a substantially reduced result for 2010, even after having taken measures to reduce costs with overhead savings, pay reductions and part time working.

The disposal of our loss making non-core assets has freed us from the substantial pension liabilities attached to the exiting businesses. Our strong balance sheet provides the Group with a degree of security in the current difficult market conditions and we are well placed to exploit any market opportunities that arise when our markets begin to improve.

Management and workforce

I should like to express my thanks to all the directors and employees for their efforts and assistance in 2009. I look forward to working with the continuing team to achieve future success and wish those departing with the exiting businesses every success for the future.

Peter K Hems
Executive Chairman
10 May 2010



Operational Review 2009

Despite the unprecedented deterioration in the structural steelwork sector during 2009 the Group continued to return good results. Increasingly through the year, the Board sought ways of reducing capacity and costs, improving efficiencies and developing a more focussed market strategy, whilst continuing to create innovative solutions and deliver them safely to the highest possible standards of client satisfaction. We are the steelwork contractor and safety solutions provider of choice to a wide range of major contractors and end users.

Billington Structures

In excess of 25,000 tonnes of structural steel was supplied and erected during 2009 to a wide variety of UK projects. The company has continued to build on its presence in the health, defence and education markets. We are particularly pleased with our progress with private sector clients including supermarkets. Highlights included:

- Completion of the Royal Shakespeare Company's landmark theatre at Stratford upon Avon.
- Completion of Merchant Square, a signature architectural multi-storey project in Paddington, London.
- Academies and/or schools in Barnsley, Manchester, Birmingham, Luton, Greenwich and Salford.
- Hospital extensions in Bedford, Blackpool, Burnley and Pembury.
- Supermarket and retail extensions in a variety of locations across the UK.
- Various ongoing involvements with Debut's military SLAM schemes, now in year 7 of a 10 year programme and other defence related installations.
- The award of the prestigious Cafe Royal site in London's Piccadilly where we will be on site throughout 2010.
- A major cold store in Wisbech.
- A significant extension to Bristol airport.

easi-edge

easi-edge remains the number one supplier of steel barrier edge protection systems to the UK steel contracting industry, and continues to develop its range of innovative safety and security systems for the wider construction industry.

The year saw the launch of 'hoard-it', a new division to develop and promote its unique and patent pending site security hoarding system. A warehouse and offices have been acquired and are currently being refurbished near to our Barnsley HQ, to house this new division. Several important installations have already taken place and the product was awarded the 'best site safety award' by Builder and Engineer Magazine.



Further diversification came with our entry into edge protection for the structural timber market, with major installations being developed for Kier Eastern on the Open Academy and University of Anglia.

Our core-safe lift shaft protection gate is increasingly specified. At the major Media City project in Salford Quays over 85 gates are currently installed.

People

The year was a difficult year in many respects for our employees with the general economic uncertainties and resulting essential changes within the business to ensure that we remain world class. We continued to encourage training at all levels and communication on a team and individual level was increased. Our charity off-road bike ride took place in late autumn where some 24 participants raised in excess of £10,000 as a donation to our late Commercial Manager's supported charity, a local South Yorkshire scout group.

Involvement in our respective Trade Associations BCSA, TRADA and EPF was encouraged, together with links to Universities, Professional Institutions, Chambers of Commerce and the local communities.

Health, Safety, Sustainability and the Environment

The underpinning ethos of the Group is to provide and develop our health, safety and environmental standards.

As always, there has been considerable time and effort put in

over the last year, by both management and the workforce, to continually improve health and safety standards throughout the Group and into our supply chain. It was pleasing to note that no major incidents occurred to any of our employees during the year.

Certification, verified by external audits, to the highly regarded OHSAS 18001 was reconfirmed to both Billington Structures and easi-edge. We continue to operate an integrated quality and environmental management system, which is externally certified to ISO 9001 and ISO14001.

Conclusion

Our strong trading activity during 2009 has further emphasised our robustness and strategic positioning in the UK market place. This, combined with our technical and financial strength, will stand us in good stead to face the economic challenges of 2010. We believe 2010 will be the bottom of the economic cycle for structural steelwork and this, combined with pressure from competitors and predicted raw material increases, will undermine our profitability.

Steve Fareham
Chief Executive
10 May 2010



Financial Review

Results for the Year

The profit before tax for the year from continuing operations was £5.3 million (2008: £4.1 million) 28.7% higher. This was achieved on revenue of £57.2 million (2008: 60.0 million).

Profit after tax from continuing operations was £3.8 million. However the profit attributable to equity holders was reduced by the losses made by the discontinued operations of £0.7 million and by the loss on the difference between the net proceeds from the disposal and the net book value at the year end of the business disposed, which totalled £1.5 million. The resulting profit for the year attributable to equity holders was £1.6 million (2008: £3.3 million).

Continuing and Discontinued Operations

The continuing operations consist of the structural steel business of Billington Structures Limited, the safety solutions business, easi-edge Limited, and Group activities which are mainly administration, fleet and property management for the two remaining trading companies.

The trading businesses within the discontinued operations consisted of Dosco Overseas Engineering Limited ("Dosco") and Hollybank Engineering Company Limited ("Hollybank"). In the segmental analysis contained in previous years' accounts, Dosco formed the Engineering segment whereas Hollybank's results were subsumed within Structural Steel.

In the segmental analysis within these accounts Dosco and Hollybank have been combined under Discontinued Operations and the 2008 comparatives have been re-stated. The 2008 numbers have been made more complicated because Discontinued Operations in that year also includes three months trading from the businesses sold in April 2008, as detailed in the 2008 accounts.

Continuing Operations Structural Steel

Total Group revenue dropped by 4.7% to £57.2 million (2008: £60.0 million), but operating profit increased by 39.3% to £5.2 million (2008: £3.8 million). The structural steel business of

Billington Structures is by far the largest component of this segment and these results largely reflect those of Billington Structures. Revenue was only partly affected in 2009 by the very large downturn in construction activity as the business was largely insulated by its forward order book. The full effects of the downturn will only become apparent in 2010. The forward order-book was also responsible for the excellent profit performance; most contracts completed in 2009 and profits therefore taken, although these were won in 2007 and 2008, when prices were much better. Steady progress was made at easi-edge; its revenue held up in spite of the construction industry downturn and good progress was made in developing a new hoardings product, which will contribute to revenue in 2010.

Discontinued Operations

Dosco endured a very difficult year. There was a lack of spending by its principal overseas customers. It suffered because an order, which was to provide its main workload, was suspended at the start of the year and it failed to win a single new order.

In consequence, the business made a substantial loss and underwent two redundancy exercises. Hollybank, on the other hand, enjoyed a relatively good year, demand holding up reasonably well from its principal customer, UK Coal, and it made a similar operating profit in 2009 to that made in 2008.

The two businesses combined made an operating loss of £0.5 million on revenue of £12.9 million. This increased to a loss before tax of £0.8 million, mainly because of finance costs associated with the final salary pension scheme that both companies jointly sponsor.

Taxation

The tax charge in the year, on continuing operations, of £1.5 million equated to an effective rate of 28.5% on the Group's profits.

The equivalent rate in 2008 was 32.5%, which was higher that year because of tax charged in respect of the Employee Share Ownership Programme (ESOP).

Profit and Dividends per Share

Earnings per share from continuing operations were 32.9p in 2009, compared with 22.3p in 2008. The equivalent earnings, including the losses associated with the discontinued operations, were 13.5p compared with 28.2p.

The Group paid an interim dividend of 3.25p per share in respect of the results for 2009.

A final dividend of 6.75p is proposed in respect of the 2009 results, which would bring the total dividend for 2009 to 10p per share. This compares with the total dividend in respect of the 2008 results of 11.5p per share. Dividend cover, calculated on the combined profit of the continuing and discontinued businesses, is similar for both years.

Balance Sheet

Shareholders' funds reduced by £0.8 million in the year, as a consequence of the write-down of the carrying value of the businesses subsequently disposed of.

Property, plant and equipment reduced by £2.1 million to £8.1 million in the year. The movement consisted of additions totalling £1.7 million, depreciation of £1.1 million, a write-down of the assets of the discontinued operations of £2.5 million and other disposals of £0.2 million. The Tuxford property accounted for by far the largest proportion of the assets of the discontinued operations.

Total assets fell by £7.1 million to £35.0 million, of which £9.2 million was the net value of assets in the disposal group classified as held for sale. This net value consisted of total assets of £10.7 million less the loss on measurement to fair value of £1.5 million.

Total liabilities reduced by £6.3 million to £20.3 million. Included in the liabilities was £7.6 million in respect of the disposal group. This was made up of £5.2 million pension scheme liabilities and £2.4 million trade and other payables.

Cash Flow

The Group had cash balances of £8.5 million at the balance sheet date, an increase in funds of £4.5 million during the year. £7.2 million was generated from operations. Outflows included £1.7 million of capital expenditure, the principal item of which was the purchase of a workshop and land on a site adjoining the Wombwell factory, which will be used for the new hoarding business being created by easi-edge. Outflow also included dividend payments of £1.3 million.

Pension Scheme

The deficit on Group final salary pension schemes has reduced, after the provision for deferred tax, from £5.1 million in 2008 to £0.1 million in 2009. The reduction is principally as a result of the disposal of Dosco and Hollybank. The gross assets of the Group schemes were £4.6 million at the year end and liabilities were £4.8 million compared with £36.0 million and £43.1 million in 2008.

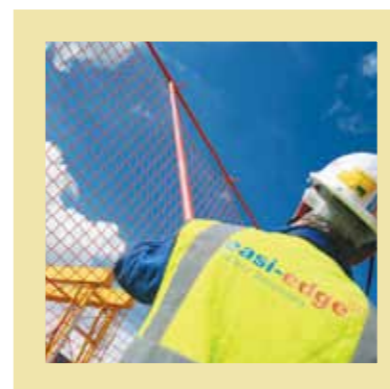
The charge to the income statement in respect of financing costs of the pension scheme has reduced from £0.2 million in 2008 to £9,000 in 2009 for the continuing operations.

Cash contributions to the final salary scheme will reduce by £1.2 million in 2010, from £1.6 million in 2009 to £0.4 million.

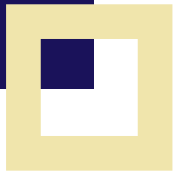
Agreement on a recovery plan was reached with the trustees of the Billington Final Salary Scheme, following an actuarial valuation of the scheme liabilities as at 12 August 2008, in accordance with the requirements of the Pensions Act.



Peter Hart
Financial Director
10 May 2010



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BILLINGTON HOLDINGS plc

Annual report and financial statements
for the year ended 31st December 2009



billington
holdings plc

Financial statements



Billington Holdings plc

Directors

P.K. Hems	Executive Chairman
S.G.T. Fareham	Chief Executive
P.J. Hart	Financial Director
S.M.C. Fewster	Executive Director
M.R. Speakman	Non Executive Director
J.S. Gordon	Non Executive Director

Secretary

P.J. Hart

Registered Office

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S73 8DS
info@billington-holdings.plc.uk
www.billington-holdings.plc.uk

Registrar and Main Transfer Office

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Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0LA

Nominated Advisor and Broker

Brewin Dolphin Securities Limited
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Leeds
LS1 4LX

Auditors

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
1 Whitehall Riverside
Leeds
LS1 4BN

Bankers

Royal Bank of Scotland plc
2 Whitehall Quay
Leeds
LS1 4HR

Solicitors

Shoosmiths
Waterfront House
Waterfront Plaza
35 Station Street
Nottingham
NG2 2DQ

Registered in England and Wales: Company Number - 2402219

Billington Holdings plc

The directors present their report together with the audited financial statements for the year ended 31st December 2009.

1. Principal activities and business review

The company is principally engaged in the activity of a holding company and the provision of management services to its subsidiaries.

The company completed the disposal of non-core activities on 4th May 2010. Following that disposal the Group is engaged as a manufacturer of structural steelwork through its subsidiary Billington Structures Limited, and as a supplier of safety solutions and barrier systems to the construction industry, through its subsidiary easi-edge Limited.

The non-core businesses consist of the trading companies Dosco Overseas Engineering Limited and Hollybank Engineering Company Limited together with a non-trading subsidiary in Russia and the holding company Dosco Holdings Limited. These businesses were sold to SMT Scharf AG, a German manufacturer of rail transport systems for the underground mining industry worldwide.

On a Group basis the business review and future prospects for the business are contained within the Chairman's statement, Operational Review and Financial Review, including an analysis using financial and non-financial key performance indicators.

Principal Risks and Uncertainties

Contract risk

The principal risk for each of the continuing subsidiaries is contract risk, either agreeing inappropriate contract terms at the beginning of the contract process or failing to deliver contractual obligations. In order to mitigate these risks, significant senior management effort is invested in the agreement of contractual terms and the monitoring of performance against budget.

Health and safety

Health and safety within the Billington Group is of paramount importance. The protection of both our employees and those who may be affected by our business remains a key concern and priority. The ethos throughout the Group is to ensure the welfare of all employees is at the forefront of every decision and not only to meet legal requirements but to go far beyond.

Credit risk

Current economic conditions have impacted on the Group's ability to maintain full credit protection on all customers.

This will remain an important issue for the foreseeable future that will be constantly monitored to ensure the Group is not exposed to an unacceptable level of risk.

2. Results and dividends

The income statement is set out on page 8 and shows the profit for the year.

A final dividend in respect of 2008 of 7.75 pence per share was paid on 7th July 2009 to shareholders on the register on 6th June 2009. An interim dividend in respect of 2009 of 3.25 pence was paid on 2nd November 2009 to shareholders on the register on 2nd October 2009. Subject to approval of the shareholders at the A.G.M. a final dividend in respect of 2009 of 6.75 pence per share will be payable on 5th July 2010 to shareholders whose names are on the register on 4th June 2010.

3. Directors

All directors appointed at the year end served throughout the year.

In accordance with the articles of association, which require one third of the directors to retire each year, Mr P.J. Hart and Mr S.M.C. Fewster retire by rotation and offer themselves for re-election.



Directors (continued)

The interests of the directors in shares of the company were as follows:-

	Billington Holdings plc ordinary 10p shares			
	31st December 2009		1st January 2009 (or date of appointment)	
	Shares	Options	Shares	Options
P.K. Hems	15,000	0	0	0
S.G.T. Fareham	14,000	0	14,000	0
M.R. Speakman	0	0	0	0
P.J. Hart	10,800	0	10,800	0
S.M.C. Fewster	5,000	0	5,000	0
J.S. Gordon	356,667	0	356,667	0

4. Disabled persons

The Group's policy is to give sympathetic consideration, in both recruitment and training, to the problems of the disabled, and to assist them in developing their knowledge and skills to undertake greater responsibilities wherever possible.

5. Employee involvement

It is Group policy to disseminate relevant information about Group affairs amongst employees. The Group operates an Employee Share Ownership Plan (see note 11).

6. Charitable donations

During the year the Group made contributions totalling £7,000 (2008 - £8,000) to United Kingdom charitable organisations.

7. Payment policy

The Group's policy is to agree terms and conditions with suppliers before business takes place and to pay agreed invoices in accordance with the terms of payment. Trade payables of the continuing and discontinued Groups at the year end amount to 67 days (2008 - 68 days) of average supplies for the year. The parent company does not trade outside the Group and therefore does not have significant trade creditors.

8. 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 consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and parent company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the parent company 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, to make judgements and estimates that are reasonable and prudent, to state whether applicable International Financial Reporting Standards as adopted by the European Union/UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Group and parent company 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 Group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors are aware, there is no relevant audit information of which the Group and parent company's auditors are unaware and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

9. Financial risk management objectives and policies

The Group uses financial instruments, other than derivatives, comprising borrowings, cash and various other items such as trade receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks

arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The Group finances its operations through a mixture of retained profits and temporary bank borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed on a Group basis through the use of both fixed and floating facilities.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through a Group treasury function which is charged with ensuring sufficient liquid funds are available to all companies as and when they are required. Short term flexibility is achieved by overdraft facilities.

Currency risk

Most of the Group's transactions are carried out in Sterling. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD).

To mitigate the Group's exposure to foreign currency risk, non-sterling cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other currency transactions.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed in Note 16.

Credit risk

The Group's principal credit risk arises from trade receivables. In order to manage credit risk the directors set credit limits for customers based on payment history and third party credit references. In addition bad debt insurance is maintained to reduce the risk to an acceptable level (see notes 13 & 16 to the financial statements).

10. Going concern

The consolidated financial statements have been prepared on

a going concern basis. The directors have taken note of the recent guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The financial position of the Group, its trading performance and cash flows are detailed in the financial review and they demonstrate the overall significant net cash position of the Group, the strength of its overall trading performance and conversion of operating profit into cash. The sale of discontinued operations yielding £1,570,000 (net of fees) has further contributed to the overall strong cash position of the continuing Group.

In addition note 9 (above) sets out our financial risk management objectives and policies and how short term liquidity is maintained within the Group. The directors are confident that further funding facilities would be available should they be required in the future. As a consequence the directors believe that the parent company and Group are well placed to manage their business risks successfully despite the uncertainties surrounding the current general economic outlook.

The directors have a reasonable expectation that the parent company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

11. Auditors

Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with Section 489 (4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting.

12. Approval

The board of directors of Billington Holdings plc has approved the contents of this report and financial statements for the year ended 31st December 2009.

BY ORDER OF THE BOARD


P.J. Hart
Secretary
Billington Holdings plc
Company Number - 2402219
10th May 2010



We have audited the consolidated financial statements of Billington Holdings plc for the year ended 31 December 2009 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, the statement of accounting policies and notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 an auditors' report 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.



Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the consolidated financial statements.

Matters on which we are required to report by exception

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:

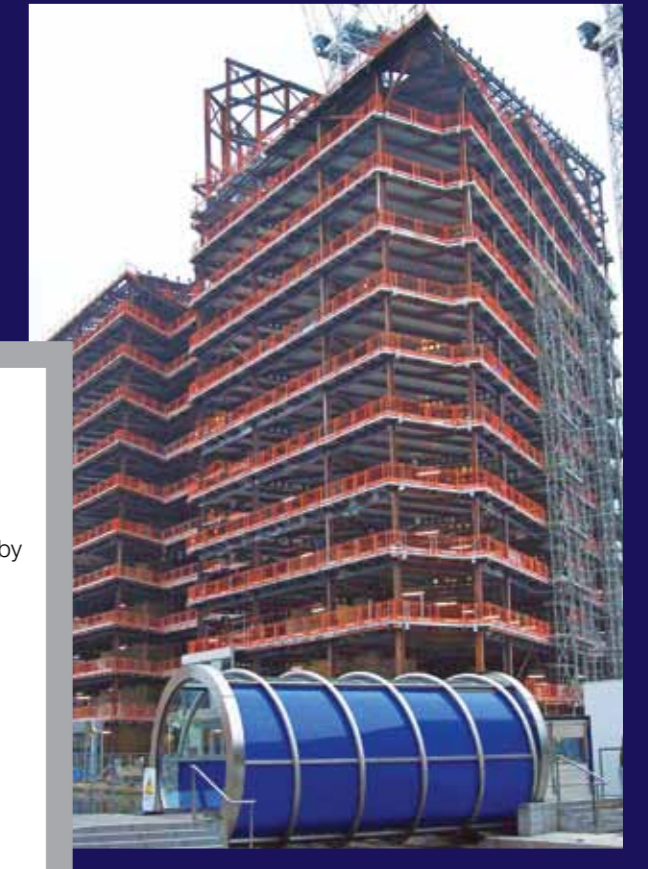
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the parent company financial statements of Billington Holdings plc for the year ended 31 December 2009.

Grant Thornton UK LLP

Timothy Lincoln
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
10th May 2010



Financial statements 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
Continuing operations					
Revenue	2	57,177		59,998	
(Decrease)/increase in work in progress		<u>(1,018)</u>		<u>1,030</u>	
		56,159		61,028	
Raw materials and consumables		34,539		40,734	
Other external charges		1,373		1,846	
Staff costs	4	13,429		12,578	
Depreciation	9	1,124		1,341	
Other operating charges		<u>445</u>		<u>760</u>	
		<u>(50,910)</u>		<u>(57,259)</u>	
Group operating profit		5,249		3,769	
Net finance income	5	99		369	
Other finance cost - pension scheme	20	<u>(9)</u>		<u>10</u>	
Profit before tax	2	5,339		4,148	
Tax	6	<u>(1,524)</u>		<u>(1,561)</u>	
Profit for the year from continuing operations		<u>3,815</u>		<u>2,587</u>	
Discontinued operations					
(Loss)/profit for the year from discontinued operations	3	(684)		961	
Loss on disposal of discontinued operations	3	0		(279)	
Loss on measurement to fair value less costs to sell of discontinued operations	3	<u>(1,567)</u>		<u>0</u>	
Profit for the year attributable to equity holders of the parent company		<u>1,564</u>		<u>3,269</u>	
Earnings per share (basic and diluted) from continuing operations	8	<u>32.9 p</u>		<u>22.3 p</u>	
(Loss)/earnings per share (basic and diluted) from discontinued operations	8	<u>(5.9) p</u>		<u>8.3 p</u>	
Earnings per share (basic and diluted) from continuing and discontinued operations	8	<u>13.5 p</u>		<u>28.2 p</u>	

The statement of accounting policies and notes 1 to 21 form part of these Group financial statements.

	Note	2009	2008
		£'000	£'000
Profit for the year		1,564	3,269
Other comprehensive income			
Actuarial gain/(loss) recognised in the pension schemes - continuing	20	59	(612)
Actuarial loss recognised in the pension schemes - discontinued	20	(1,529)	(1,085)
Movement on deferred tax relating to pension liability - continuing	20	(107)	218
Movement on deferred tax relating to pension liability - discontinued	20	195	196
Current tax relating to pension liability - continuing	6	91	(60)
Current tax relating to pension liability - discontinued	6	<u>234</u>	<u>191</u>
Other comprehensive income, net of tax		<u>(1,057)</u>	<u>(1,152)</u>
Total comprehensive income for the year attributable to equity holders of the parent company		<u>507</u>	<u>2,117</u>


The statement of accounting policies and notes 1 to 21 form part of these Group financial statements.



	Note	2009		2008	
		£'000	£'000	£'000	£'000
Assets					
Non current assets					
Property, plant and equipment	9		8,082		10,234
Deferred tax assets	15		707		2,129
Total non current assets			<u>8,789</u>		<u>12,363</u>
Current assets					
Inventories and work in progress	12	5,668		13,623	
Trade and other receivables	13	2,963		12,149	
Cash and cash equivalents		<u>8,488</u>		<u>3,979</u>	
Total current assets			17,119		29,751
Assets included in disposal group classified as held for sale	3		<u>9,132</u>		<u>0</u>
Total assets			<u>35,040</u>		<u>42,114</u>
Liabilities					
Current liabilities					
Trade and other payables	14	11,346		19,212	
Current tax payable		<u>1,199</u>		<u>276</u>	
Total current liabilities			12,545		19,488
Liabilities included in disposal group classified as held for sale	3		7,562		0
Non current liabilities					
Pension liabilities	20	<u>159</u>		<u>7,083</u>	
Total non current liabilities			159		7,083
Total liabilities		<u>20,266</u>		<u>26,571</u>	
Net assets		<u>14,774</u>		<u>15,543</u>	
Equity					
Share capital	17		1,293		1,293
Share premium			1,864		1,864
Capital redemption reserve			132		132
Other reserve			(901)		(899)
Accumulated profits			<u>12,386</u>		<u>13,153</u>
Total equity			<u>14,774</u>		<u>15,543</u>

The Group financial statements were approved by the Board of Directors on 10th May 2010.

 P.K. HEMS Chairman

 P.J. HART Financial Director

The statement of accounting policies and notes 1 to 21 form part of these Group financial statements.

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve - ESOP £'000	Accumulated profits £'000	Total equity £'000
At 1st January 2008	1,293	1,864	132	(1,310)	12,778	14,757
Dividends (note 7)	0	0	0	0	(1,305)	(1,305)
Adjustment to ESOP in respect of discontinued activities (note 11)	0	0	0	437	(437)	0
ESOP movement in year	0	0	0	(26)	0	(26)
Transactions with owners	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(899)</u>	<u>11,036</u>	<u>13,426</u>
Profit for the financial year	0	0	0	0	3,269	3,269
Other comprehensive income						
Actuarial loss recognised in the pension schemes	0	0	0	0	(1,697)	(1,697)
Income tax relating to components of other comprehensive income	0	0	0	0	545	545
Total comprehensive income for the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,152)</u>	<u>(1,152)</u>
At 31st December 2008	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(899)</u>	<u>13,153</u>	<u>15,543</u>

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve - ESOP £'000	Accumulated profits £'000	Total equity £'000
At 1st January 2009	1,293	1,864	132	(899)	13,153	15,543
Dividends (note 7)	0	0	0	0	(1,274)	(1,274)
ESOP movement in year	0	0	0	(2)	0	(2)
Transactions with owners	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>11,879</u>	<u>14,267</u>
Profit for the financial year	0	0	0	0	1,564	1,564
Other comprehensive income						
Actuarial loss recognised in the pension schemes	0	0	0	0	(1,470)	(1,470)
Income tax relating to components of other comprehensive income	0	0	0	0	413	413
Total comprehensive income for the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,057)</u>	<u>(1,057)</u>
At 31st December 2009	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>12,386</u>	<u>14,774</u>

The Group profit and loss account reserve includes a deficit of £114,000 (2008 - £5,100,000 (Continuing - £391,000, discontinued - £4,709,000)) relating to the net pension liability.

The statement of accounting policies and notes 1 to 21 form part of these Group financial statements.

Financial statements 2009



	Note	2009 £'000	2008 £'000
Cash flows from operating activities			
Group profit after tax		1,564	3,269
Adjustments for:			
Depreciation on property, plant and equipment		1,172	1,390
Difference between pension charge and cash contributions		(1,460)	(702)
Loss/(profit) on sale of property, plant and equipment		9	(19)
Taxation expense recognised in income statement		1,405	1,696
Taxation paid		(1,143)	(1,958)
Finance cost/(income)		201	(213)
Decrease/(increase) in inventories and work in progress		3,375	(5,238)
Decrease/(increase) in trade and other receivables		6,048	(7,337)
Decrease in trade and other payables		(5,512)	(40)
Loss on disposal of discontinued operations		0	279
Loss on measurement to fair value of disposal group less costs to sell of discontinued operations		1,567	0
Net cash flow from operating activities		7,226	(8,873)
Cash flows from investing activities			
Net interest received		99	430
Purchase of property, plant and equipment		(1,719)	(938)
Proceeds from sale of property, plant and equipment		181	253
Net cash inflow from disposal of discontinued operations		0	8,400
Net cash flow from investing activities		(1,439)	8,145
Cash flows from financing activities			
Equity dividends paid		(1,274)	(1,305)
Employee Share Ownership Plan share purchases	11	(2)	(34)
Employee Share Ownership Plan share sales	11	0	8
Net cash flow from financing activities		(1,276)	(1,331)
Net increase/(decrease) in cash and cash equivalents		4,511	(2,059)
Cash and cash equivalents at beginning of period		3,979	6,038
Cash and cash equivalents at end of period		8,490	3,979
Cash and cash equivalents of continuing Group		8,488	3,979
Included within the disposal group		2	0
Total cash and cash equivalents		8,490	3,979

The statement of accounting policies and notes 1 to 21 form part of these Group financial statements.

These consolidated financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out below which are based on IFRS in issue as adopted by the European Union (EU) and are effective at 31 December 2009.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

Change in accounting policies

The Group has adopted IAS 1 Presentation of Financial Statements (Revised 2007) and IFRS 8 Operating Segments in its 2009 consolidated financial statements. Both standards have been applied retrospectively.

Significant effects on current, prior or future periods arising from the first-time application of IAS 1 (Revised) and IFRS 8 in respect of presentation, recognition and measurement are described below. An overview of standards, amendments and interpretations issued, but not yet effective is given in accounting policy 's'.

Adoption of IAS 1 Presentation of Financial Statements (Revised 2007)

The Group has adopted IAS 1 Presentation of Financial Statements (Revised 2007) in its consolidated financial statements. The adoption of the standard does not affect the financial position or profits of the Group, but gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged, however some items that were recognised directly in equity are now recognised in other comprehensive income.

IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. The 'Statement of recognised income and expenses (SORIE)', as was presented in the 2008 consolidated financial statements is no longer required. Further, a 'Statement of changes in equity' is presented.

IAS 1 (Revised 2007) requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. The directors consider that this is not necessary this year because the 2007 balance sheet is the same as that previously published.

Adoption of IFRS 8 Operating Segments

The adoption of this standard has not affected the identified operating segments for the Group. However the accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

In contrast, IAS 14 required the Group to identify two sets of segments (business and geographical) based on risks and rewards of the operating segments. Refer to note 1 for further information about the entity's segment reporting accounting policies under IFRS 8.

(a) Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Income, expenditure, unrealised gains and intra-group balances arising from transactions within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Amounts in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Accordingly the classification of the combination (acquisition, reverse acquisition or merger) remains unchanged from that used under UK GAAP. Assets and liabilities are recognised at date of transition if they would be recognised under IFRS, and are measured using their UK GAAP carrying amount immediately post-acquisition as deemed cost under IFRS, unless IFRS requires fair value measurement. Deferred tax and minority interest are adjusted for the impact of any consequential adjustments after taking advantage of the transitional provisions.

(b) Revenue

In the case of contracts with customers for services where the contract is essentially for the provision of labour, materials and plant, revenue represents the value of labour, material and plant supplied in the period based on rates agreed with customers.

In the case of contracts with customers which have the characteristics of construction contracts, revenue is the total amount receivable in respect of work done, including certified amounts recoverable on contracts, and is treated as follows:

- the amount by which recorded revenue is in excess of payments on account is classified as amounts recoverable on contracts and separately disclosed within current assets.
- the balance of payments on account in excess of amounts (a) matched with revenue and (b) offset against contract balances are classified as payments on account and separately disclosed within trade and other payables.
- profits on work done are taken at the point the outcome of the contract can be estimated reliably, which is based on the level of completion of the contract at the balance sheet date.
- the level of completion is determined by reference to the work certified against the overall anticipated contract value at a given point in time.
- revenue is recognised the earlier of when monies are received or the company is notified of certified works by the contractor.

In all other cases, revenue represents the fair value of consideration received or receivable for goods supplied in the period, excluding VAT and other discounts. Revenue is recognised when the goods are despatched or the goods are complete and are available for collection by the customer whichever is the earlier, which is when the significant risks and rewards of ownership are considered to be transferred.

In accordance with IAS 11 the Group does not recognise the revenue and profit attributable to claims and disputed amounts on contracts until the recovery of these amounts is considered probable and when the outcome can be estimated reliably.

(c) Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is calculated to write off the cost of property, plant and equipment (other than freehold land) less estimated residual value by equal annual instalments over their expected useful lives. Material residual value estimates are updated as required, but at least annually.

The rates applicable are:

Freehold and long leasehold property	2% to 4%
Plant and equipment	5% to 33.3%
Motor vehicles	10% to 40%

Impairment testing of property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

(d) Inventories and work in progress

Inventories and work in progress are valued at the lower of cost, including applicable overheads, and net realisable value. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula.

Contract work in progress is included in revenue on the basis of independent certification of value of work done. Unpaid certified work is classified as amounts recoverable on contracts.

Provision is made for probable losses on all contracts based on the loss which is currently estimated to arise over the duration of any contract, irrespective of the amount of work carried out at the balance sheet date.

(e) Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary

differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity (ie actuarial gains and losses) in which case the related deferred tax is also charged or credited directly to equity.

(f) Retirement benefits

Defined Contribution pension schemes

The pension costs charged against operating profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Defined Benefit pension schemes

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that benefits are already vested the Group recognises past service cost immediately.

Actuarial gains and losses are recognised immediately through the statement of comprehensive income. The gross surplus or deficit is presented on the face of the balance sheet. The related deferred tax is shown with other deferred tax balances. A surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost, past service cost and costs from settlements and curtailments are charged against other operating charges. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance income/costs.

Short-term employee benefits, including holiday entitlement, are included in current pension and other employee obligations at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

(g) Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Negative goodwill is recognised immediately after acquisition in the income statement.

(h) Leased assets

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the period of the lease term. Lease incentives are spread over the term of the lease.

(i) Employee Share Ownership Plan

The Group's Employee Share Ownership Plan ("ESOP") is a separately administered trust. The assets of the ESOP comprise shares in the Company and cash. The assets, liabilities, income and costs of the ESOP have been included in the consolidated financial statements as the Group exercises control over the ESOP in accordance with the terms of the trust deed. The shares in the Company are included at cost to the ESOP and deducted from equity and dividend income is excluded in arriving at profit before tax and deducted from the aggregate of dividends paid and proposed. When calculating earnings per share these shares are treated as if they were cancelled.

(j) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All foreign exchange differences are dealt with through the income statement.

(k) Financial assets

Financial assets are divided into the following categories: loans and receivables; financial assets at fair value through profit or

loss; available-for-sale financial assets; and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group only has loans and receivables, which are recognised at fair value plus transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and other receivables are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

(l) Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group only has other financial liabilities, which are recorded initially at fair value, net of direct issue costs.

Other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement on an accruals basis using

the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

(n) Dividends

Dividend distributions payable to equity shareholders are included in "trade and other payables" when the dividends are approved in general meeting prior to the balance sheet date, and are debited direct to equity within accumulated profits.

(o) Equity

Equity comprises the following:

"Called up share capital" represents the nominal value of equity shares.

"Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

"Capital redemption reserve" represents the purchase cost of shares repurchased by the Group in 1998.

"Other reserves" represents the purchase cost of the shares held within the Employee Share Ownership Plan (ESOP).

"Accumulated profits" represents retained profit and gains and losses due to the revaluation of certain property, plant and equipment prior to the implementation of IFRS.

(p) Segmental reporting

In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements. The disclosure is based on the information that is presented to the chief operating decision maker, which is considered to be the board of Billington Holdings plc. There have been no changes from prior periods in the measurement methods used to determine segment profit or loss.

(q) Discontinued operations

A discontinued operation is a cash-generating unit, or a group of cash-generating units, that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Assets and liabilities held for sale include assets and liabilities that the Group intends to sell within one year from the date of classification as held for sale, if sale within one year is highly probable. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to the classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

(r) Standards, amendments and interpretations to existing standards that are not yet effective

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 3 Business Combinations (Revised 2008) (effective from 1 July 2009)

The standard is applicable for business combinations occurring in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard introduces changes to the accounting requirements for business combinations, but still requires use of the purchase method, and will have a significant effect on any business combinations occurring in future reporting periods.

IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective from 1 July 2009)

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. These changes will be applied prospectively in accordance with the transitional provisions and so do not have an immediate effect on the Group's financial statements.

Annual Improvements 2009 (effective from 1 July 2009 and later)

The IASB has issued Improvements for International Financial

Reporting Standards 2009. Most of these amendments become effective in annual periods beginning on or after 1 July 2009 or 1 January 2010. The Group expects the amendments to IAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment IAS 17 generally required a lease of land to be classified as an operating lease. The amendment now requires that leases of land are classified as finance or operating applying the general principles of IAS 17. The Group will need to reassess the classification of the land elements of its unexpired leases at 1 January 2010 on the basis of information existing at the inception of those leases. Any newly classified finance leases are recognised retrospectively. Preliminary assessments indicate that the effect on the Group's financial statements will not be significant.

IFRS 9 Financial Instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

Phase 1: Classification and Measurement
Phase 2: Impairment methodology
Phase 3: Hedge accounting

In addition, a separate project is dealing with derecognition. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and they can comprehensively assess the impact of all changes.

(s) Significant management judgement in applying accounting policies

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements. Critical estimation uncertainties are described below.

Construction contract revenue

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Further information on the Group's accounting policy for construction contracts is provided in note b.

Deferred tax assets

The assessment of the probability of future taxable income

in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At 31 December 2009 management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in note 9.

Construction contract revenue

The carrying amount of construction contracts and revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group's management assesses the profitability of ongoing construction contracts and the order backlog at least monthly, using extensive project

management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made.

Defined benefit liability

Management estimates the defined benefit liability annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability of £49,776,000 (continuing - £4,778,000, discontinued - £44,998,000) (2008: £43,088,000 (continuing - £4,028,000, discontinued - £39,060,000)) is based on standard rates of inflation and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

(t) Capital management policies and procedures

Billington Holdings' capital management objectives are to ensure the Group's ability to continue as a going concern and provide an adequate return to shareholders.

The Group and subsidiary companies Boards meet regularly to review performance and discuss future opportunities and threats with an aim to maximising return and minimising risk.

The Group monitors capital as the carrying amount of equity less cash and cash equivalents on the face of the balance sheet. There are no covenants in place over the capital ratio to be maintained.



1. Segmental information

The continuing operations of Billington Holdings plc operate only in Structural Steel. The Structural Steel segment includes the activities of Billington Structures Limited and easi-edge Limited. The operations of Dosco Overseas Engineering Limited (previously Engineering) and Hollybank Engineering Limited (previously Structural Steel) are considered discontinued as at the year end (see note 3). 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. The comparative figures for 2008 have been adjusted accordingly. All assets of the continuing Group reside in the UK.

	Structural Steel	Discontinued Operations	Total
	£'000	£'000	£'000
Year ended 31st December 2009			
Revenue			
External sales	57,177	12,859	
Segment result			
Operating profit/(loss)	5,249	(512)	
Net finance income/(cost)	90	(291)	
Profit/(loss) before tax	5,339	(803)	
Tax	(1,524)	119	
Profit for the year before loss on measurement to fair value less costs to sell of discontinued operations	3,815	(684)	
Assets and liabilities			
Segment assets	25,908	9,132	35,040
Segment liabilities	(12,704)	(7,562)	(20,266)
Net assets	13,204	1,570	14,774
Other information			
Capital expenditure	1,652	67	1,719
Depreciation	1,124	48	1,172



1. Segmental information (continued)

	Structural Steel	Discontinued Operations	Total
	£'000	£'000	£'000
Year ended 31st December 2008			
Revenue			
External sales	59,998	39,075	
Segment result			
Operating profit	3,769	1,161	
Net finance income	379	(54)	
Profit before tax	4,148	1,107	
Tax	(1,561)	(146)	
Profit for the year before loss on disposal of discontinued operations	2,587	961	
Assets and liabilities			
Segment assets	34,757	7,357	42,114
Segment liabilities	(20,255)	(6,316)	(26,571)
Net assets	14,502	1,041	15,543
Other information			
Capital expenditure	896	542	1,438
Depreciation	1,341	734	2,075

2. Revenue and profit before tax

Revenue and profit before tax are attributable to the Group's continuing operations of structural steel. All revenue originated from the UK. During 2009 two customers each included within the structural steel sector accounted for greater than 10% of the continuing Groups revenue. Contractors A and B accounted for 27% (2008: 13%) and 16% (2008: 8%) respectively of Group revenue.

Analysis of revenue by geographical area for continuing operations, based on customer location:

	2009	2008
	£'000	£'000
Sales of goods		
United Kingdom	55,340	58,839
Sales of services		
United Kingdom	1,837	1,159
Profit before tax is stated after:		
	2009	2008
	£'000	£'000

An analysis of fees paid to the company's auditors relating to both continuing and discontinued operations

Fees payable to the company's auditors for the audit of the company's annual accounts	24	28
Fees payable to the company's auditors and its associates for other services:		
the audit of the company's subsidiaries	31	35
corporate finance	20	324
tax services	27	27
other services	7	6
Depreciation - continuing	1,124	1,341
Depreciation - discontinued	48	49
Loss/(profit) on disposal of property, plant and equipment - continuing	8	(17)
Loss/(profit) on disposal of property, plant and equipment - discontinued	0	(2)
Foreign exchange gains - discontinued	(450)	(77)
Operating lease charges:		
short term hire of plant and machinery	4	4
operating leases - other - continuing	206	0
operating leases - other - discontinued	22	0
operating leases - property - continuing	105	152

3. Discontinued operations

On 4th May 2010 the disposal businesses were sold to SMT Scharf AG, a company registered in Germany. The disposal businesses consisted of Dosco Holdings Limited, Dosco Overseas Engineering Limited, Hollybank Engineering Company Limited and Dosco Russia LLC, a company registered in Russia. The continuing operations consist of Billington Structures Limited, easi-edge Limited and Billington Fleet Management Limited.

As at 31st December 2009 these operations are reported as discontinued operations. The discontinued operations results were as follows:

	2009		2008	
	£'000	£'000	£'000	£'000
Revenue		12,859		17,277
Increase in work in progress		0		0
Total revenue		12,859		17,277
Raw materials and consumables	8,972		11,445	
Other external charges	(589)		(1,009)	
Staff costs	3,855		4,174	
Depreciation	48		49	
Other operating charges	1,085		1,383	
		(13,371)		(16,042)
Group operating (loss) / profit		(512)		1,235
Share of post tax profit in joint ventures		0		0
Total operating (loss) / profit		(512)		1,235
Finance income		0		61
Other finance cost		(291)		(227)
(Loss) / profit on ordinary activities before taxation		(803)		1,069
Tax on (loss) / profit on ordinary activities		119		(135)
(Loss) / profit for the year from discontinued operations		(684)		934

The above summary income statement relates only to the activities discontinued in 2009 relating to Dosco Overseas Engineering Limited, Hollybank Engineering Company Limited, Dosco Holdings Limited and Dosco Russia. Activities discontinued in 2008 can be summarised as follows:

	2008
	£'000
Revenue	21,798
Operating profit	(74)
Finance income	112
Tax	(11)
Profit after tax	27



Cash flows from discontinued operations for the year ended 31st December 2009

	2009	2008
	£'000	£'000
Net cash flow from operating activities	2,790	(5,991)
Net cash flow from investing activities	(17)	(42)
Net cash flow from financing activities	(2,765)	6,101
Net increase in cash and cash equivalents	8	68

In accordance with IAS 7 and IFRS 5 the cash flows above in respect of the discontinued operations are included in the consolidated cash flow statement under their respective headings.

Balance sheet of the disposal group at 31st December 2009

	£'000	£'000
Property, plant and equipment		2,509
Deferred tax assets		(4)
Inventories and work in progress		4,580
Trade and other receivables		3,138
Current tax receivable		474
Cash and cash equivalents		2
Assets of disposal group		10,699
Trade and other payables	(2,354)	
Pension liabilities net of deferred tax	(5,208)	
Liabilities of disposal group		(7,562)
Net assets of disposal group		3,137
Disposal proceeds (net of professional fees)		(1,570)
Loss on measurement to fair value less costs to sell of discontinued operations		1,567

The loss on disposal of discontinued operations of £279,000 recognised in the year ended 31st December 2008 represents the profit after tax from discontinued operations for the period 1st January 2008 to 11th April 2008, along with the disposal Group's share of the pension surplus pertaining to the Amco Group Pension Scheme.

4. Directors and employees

Staff costs during the year including directors:

	Continuing 2009	Discontinued 2009	Continuing 2008	Discontinued 2008
	£'000	£'000	£'000	£'000
Wages and salaries	11,205	2,334	10,891	2,777
Social security	1,333	275	1,320	309
Pension costs	891	1,246	367	1,088
	13,429	3,855	12,578	4,174

The average number of employees of the continuing Group during the year was 338 (2008 - 344). The average number of employees of the discontinued Group during the year was 88 (2008: 99).



4. Directors and employees (continued)

Key management is considered to be the directors of Billington Holdings plc. Remuneration in respect of key management was as follows:

	2009	2008
	£'000	£'000
Short-term employee benefits:		
Aggregate emoluments	717	717
Post employment benefits:		
Company pension contributions to a defined contribution scheme	259	80
Total remuneration	<u>976</u>	<u>797</u>

During the year no directors (2008 - no directors) participated in defined benefit pension schemes and three directors (2008 - three directors) participated in a defined contribution pension scheme.

During the year no directors (2008 - no directors) exercised share options.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2009	2008
	£'000	£'000
Aggregate emoluments	190	207
Company pension contributions to a defined contribution scheme	<u>107</u>	<u>50</u>

5. Net finance income

	2009	2008
	£'000	£'000
Interest payable on bank loans and overdrafts	(1)	(1)
Receivable on bank balances	91	348
Other interest receivable	9	22
Net finance income	<u>99</u>	<u>369</u>
Other finance cost - pension scheme (see note 20)	(9)	10
	<u>90</u>	<u>379</u>

6. Tax on profit on ordinary activities

The tax charge represents:

	2009	2009	2008	2008
	£'000	£'000	£'000	£'000
	Continuing	Discontinued	Continuing	Discontinued
Corporation tax at 28% (2008 - 28%)	1,622	(134)	1,654	145
Adjustment in respect of prior years	429	0	(125)	0
Total current tax	2,051	(134)	1,529	145
Deferred tax (credit)/charge - (note 15)	(527)	15	32	1
Total tax charge for the year	<u>1,524</u>	<u>(119)</u>	<u>1,561</u>	<u>146</u>

Tax on other comprehensive income not included in the income statement:

	2009	2008
	£'000	£'000
Corporation tax at 28% (2008 - 28%)		
Current tax credit / (debit) relating to pension liability - continuing	91	(60)
Current tax credit relating to pension liability - discontinued	<u>234</u>	<u>191</u>

This reflects the tax relief available on additional contributions made to finance the net pension deficit.

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 28% (2008 - 28%). The differences are explained as follows:

	2009	2008
	£'000	£'000
Profit on ordinary activities before tax - continuing and discontinued	4,536	5,255
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 28% (2008 - 28%)	1,270	1,471
Effects of:		
short term temporary differences	173	10
expenses not deductible for tax purposes	21	42
capital allowances in excess of depreciation	22	158
adjustments to tax charge in respect of prior years	429	(125)
other adjustments	2	(92)
ESOP tax charge	0	210
deferred tax movement	(512)	33
Total tax charge for year	<u>1,405</u>	<u>1,707</u>

The ESOP tax charge in the prior year represents tax due on the receipt of dividends in the ESOP from the parent company in relation to the years 1996 to 2008 inclusive. No liability has been provided for in 2009.

7. Dividends

	2009 £'000	2008 £'000
Final dividend in respect of 2008 of 7.75p (2007 - 7.5p) per 10p ordinary share	1,002	970
Interim dividend in respect of 2009 of 3.25p (2008 - 3.75p) per 10p ordinary share	420	485
Dividends received by ESOP Trust	<u>(148)</u>	<u>(150)</u>
	<u>1,274</u>	<u>1,305</u>

A final dividend has been proposed in respect of 2009 of £873,067 (6.75 pence per 10p ordinary share).

8. Earnings per share

Earnings per share from continuing operations is calculated by dividing the profit for the year from continuing operations of £3,815,000 (2008 - £2,587,000) by 11,586,908 (2008 - 11,588,408) fully paid ordinary shares, being the weighted average number of ordinary shares in issue during the year, excluding those held in the ESOP Trust.

Earnings per share from discontinued operations is calculated by dividing the loss for the year from discontinued operations of £684,000 (2008 - profit - £961,000) by 11,586,908 (2008 - 11,588,408) fully paid ordinary shares.

Earnings per share from continuing and discontinued operations is calculated by dividing the profit for the year from continuing and discontinued operations of £1,669,000 (2008 - £3,269,000) by 11,586,908 (2008 - 11,588,408) fully paid ordinary shares. The profit for the year of £1,669,000 is after a deduction of £1,462,000 being the loss on measurement to fair value of discontinued operations.

There is no impact on a full dilution of the earnings per share calculation as all shares are in issue.

9. Property, plant and equipment

	Freehold property £'000	Long leasehold property £'000	Plant, equipment and vehicles £'000	Total £'000
Cost				
At 1st January 2008	6,985	1,000	11,632	19,617
Additions	0	0	938	938
Disposals	(230)	0	(364)	(594)
At 1st January 2009	6,755	1,000	12,206	19,961
Additions	664	0	1,055	1,719
Transfer to disposal group	(2,251)	0	(3,765)	(6,016)
Disposals	(115)	0	(288)	(403)
At 31st December 2009	<u>5,053</u>	<u>1,000</u>	<u>9,208</u>	<u>15,261</u>

All the Group's freehold properties have been charged to the bank to secure bank facilities.

9. Property, plant and equipment (continued)

	Freehold property £'000	Long leasehold property £'000	Plant, equipment and vehicles £'000	Total £'000
Depreciation				
At 1st January 2008	139	0	8,558	8,697
Charge for year	47	0	1,343	1,390
Transfer to disposal group	0	0	(360)	(360)
At 1st January 2009	186	0	9,541	9,727
Charge for year	66	0	1,106	1,172
Transfer to disposal group	(40)	0	(3,467)	(3,507)
Disposals	0	0	(213)	(213)
At 31st December 2009	<u>212</u>	<u>0</u>	<u>6,967</u>	<u>7,179</u>
Net book value at 31st December 2009	<u>4,841</u>	<u>1,000</u>	<u>2,241</u>	<u>8,082</u>
Net book value at 31st December 2008	<u>6,569</u>	<u>1,000</u>	<u>2,665</u>	<u>10,234</u>

Freehold property includes £2,760,000 in respect of land which is not subject to depreciation.

10. Investments

All Group companies have only ordinary shares in issue and are registered in England and Wales unless otherwise stated. The principal trading subsidiary undertakings and joint ventures are as follows:

	Activity	Proportion of shares held by	
		Group %	Company %
Continuing			
Billington Structures Limited	Structural steel	100	100
easi-edge Limited	Safety solutions	100	100
Billington Fleet Management Limited	Vehicle hire	100	100
Discontinued			
Hollybank Engineering Company Limited	Structural steel	100	0
Dosco Overseas Engineering Limited	Mechanical engineering	100	0
Dosco Russia LLC - a company incorporated in Russia	Mechanical engineering	100	0



11. Employee Share Ownership Plan

The Employee Share Ownership Plan ("the Trust") was established by Deed dated 25 September 1991 between Billington Holdings plc ("the Company") and Bedell Cristin Trustees Limited (formerly Serine Limited) ("the Trustee"). It is an employee benefit trust established for the benefit of the bona fide employees of the Company and other Group companies ("the Beneficiaries"). The Trust is a discretionary trust whose assets at present are shares in the Company and cash, although there are wide investment powers in the hands of the Trustee, who has full power to distribute the assets as it deems fit to the Beneficiaries.

The Trust was established in contemplation of the operation of any Inland Revenue approved or unapproved share scheme and in this regard an unapproved share option scheme over shares in the Company was set up on 21 February 1992 and other approved or unapproved share schemes may be set up in the future.

Administration costs amount to £2,500 per annum.

As of 31st December 2009 the Trust held 1,347,419 (2008 - 1,345,919) ordinary shares of 10p each in the capital of the company (10.42% of the allotted share capital (2008 - 10.33%)). The market value of the shares in the ESOP at 31st December 2009 was £2,155,870 (2008 - £2,018,879). Dividends on these shares have not been waived.

On exercise of the share option the employee receives ordinary shares in Billington Holdings plc. The options are exercisable for nil consideration. The movements on share options is as follows:

	2009	2008
	Number	Number
Options outstanding at 1st January	2,750	10,750
Exercised during the period	0	(7,700)
Forfeited during the period	0	(300)
Options outstanding at 31st December	<u>2,750</u>	<u>2,750</u>

All outstanding options are capable of immediate exercise and expire on 31st December 2012. The price to which the options are exercisable is the traded market price.

All of the ESOP at 31 December 2009 relates only to continuing operations.

12. Inventories and work in progress

	2009	2008
	£'000	£'000
Raw materials	139	3,204
Work in progress	5,529	10,015
Finished products	0	404
	<u>5,668</u>	<u>13,623</u>

Raw materials and consumables recognised as an expense in the Income Statement relating to continuing operations for the year ended 31st December 2009 totalled £34,540,000 (discontinued - £8,972,000) (2008 - £40,734,000 (discontinued - £11,445,000)).

The discontinued Group has at 31st December 2009 £1,641,000 (2008 - £1,284,000) provided against the stock of raw materials. There are no such provisions within the continuing Group.

No reversal of previous write-downs was recognised as a reduction of expense in 2008 or 2009. None of the inventories are pledged as securities for liabilities.

13. Trade and other receivables

	2009	2008
	£'000	£'000
Amounts falling due within one year		
Trade receivables	2,553	10,853
Other receivables	23	703
Prepayments and accrued income	387	593
	<u>2,963</u>	<u>12,149</u>

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision of £103,000 (2008: £82,000) has been recorded accordingly. The impaired trade receivables are in respect of the Group's structural steel (continuing) (£76,000) and engineering (discontinued) (£27,000) segments.

The movement in the provision for trade receivables can be reconciled as follows:

	2009	2008
	£'000	£'000
Balance at 1st January	82	82
Impairment loss	27	0
Impairment loss reversed	(6)	0
Balance at 31st December	<u>103</u>	<u>82</u>

In addition, some of the unimpaired trade receivables are past due as at the reporting date. The age of financial assets past due but not impaired is as follows:

	2009	2008
	£'000	£'000
Not more than three months	381	332
More than three months but not more than six months	7	128
More than six months but not more than one year	20	85
	<u>408</u>	<u>545</u>

The disclosure above relates to the continuing Group only.

14. Trade and other payables

	2009	2008
	£'000	£'000
Trade payables	10,171	15,355
Payments received on account	0	1,243
Social security and other taxes	588	904
Other payables	236	784
Accruals and deferred income	351	926
	<u>11,346</u>	<u>19,212</u>

15. Deferred tax asset

Deferred tax provided in the financial statements is set out below and is calculated using a tax rate of 28% (2008 - 28%).

	2009		2008	
	£'000	£'000	£'000	£'000
	Continuing	Discontinued	Continuing	Discontinued
Deferred tax asset recognised in income statement				
At 1st January	135	11	167	912
Credited in the year - current year	148	(15)	147	0
Credited/(charged) in the year - prior years	379	0	(179)	0
Disposal of discontinued operations	0	0	0	(901)
At 31st December	<u>662</u>	<u>(4)</u>	<u>135</u>	<u>11</u>
Accelerated capital allowances	238	(4)	310	11
Other temporary differences	424	0	(175)	0
	<u>662</u>	<u>(4)</u>	<u>135</u>	<u>11</u>

	2009	2008
	£'000	£'000
Deferred tax asset recognised in other comprehensive income		
Pension deficit - continuing	45	152
Pension deficit - discontinued	<u>2,026</u>	<u>1,831</u>
	<u>2,071</u>	<u>1,983</u>
Total deferred tax asset - continuing	707	287
Total deferred tax asset - discontinued	<u>2,022</u>	<u>1,842</u>
	<u>2,729</u>	<u>2,129</u>

The recoverability of the deferred tax asset is dependent on future taxable profits.

Movements on the deferred tax asset relating to the pension deficit (see note 20) are recognised directly in equity. All other deferred tax movements are recognised in the income statement.

16. Financial instruments

The Group uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The financial risk management objectives and policies are set out in the report of the directors.

Financial assets

The Group's financial assets comprise cash and cash equivalents and trade and other receivables. Cash earns interest at floating rates and the other financial assets do not attract interest.

Financial liabilities

The types of financial liabilities used by the Group comprise trade payables, other payables and other accruals.

Fair value of financial instruments

There is no difference between the book and fair value of financial instruments.

16. Financial instruments (continued)**Monetary assets and liabilities denominated in a foreign currency**

Net monetary assets of the Group (discontinued) that are not denominated in the functional currency are as follows:

	2009	2008
	£'000	£'000
US Dollar	1,341	4,452
Euro	<u>0</u>	<u>76</u>
	<u>1,341</u>	<u>4,528</u>

The discontinued Group had forward exchange contracts in place during the year to limit the currency risk in respect of US Dollars. At the year end contracts were in place in respect of £nil US Dollars (2008 - £5,652,000). Included in debtors at the year end was an amount of £nil (2008: £4,369,000) covered by forward contracts.

Liquidity risk

As at 31 December 2009, the continuing Group's financial liabilities have contractual maturities which are summarised below:

31st December 2009	Current within 6 months	Current 6 to 12 months
	£'000	£'000
Trade payables	10,171	0
Other payables	236	0
Accruals	<u>351</u>	<u>0</u>
	<u>10,758</u>	<u>0</u>

This compares to the maturity of financial liabilities for the total Group in the previous reporting period which was as follows:

31st December 2008	Current within 6 months	Current 6 to 12 months
	£'000	£'000
Trade payables	15,355	0
Other payables	784	0
Accruals	<u>926</u>	<u>0</u>
	<u>17,065</u>	<u>0</u>



16. Financial instruments (continued)**Credit risk analysis**

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

	2009	2008
	£'000	£'000
Trade and other receivables (excluding prepayments and accrued income)	2,576	11,556
Cash and cash equivalents	<u>8,488</u>	<u>3,979</u>
	<u>11,064</u>	<u>15,535</u>

In order to manage the credit risk the directors consider exposure on a customer by customer basis for significant contracts. Customer and other counterparties defaults are monitored and incorporated into the Group's credit risk controls. Credit insurance is maintained on all significant balances, where available. External credit ratings and/or reports on customers and other counterparties are obtained and used.

The Group's management considers that all the above financial assets at each of the reporting dates under review are of good credit quality, including those that are past due.

In respect of trade and other receivables, the Group has debts relating to the engineering division (discontinued) outstanding of £2,970,000 as at 31st December 2009. This represents 54% of the outstanding balance (continuing and discontinued) which is predominantly insured against letters of credit with reputable financial institutions and is not considered to pose any significant risk to the Group. The remaining balance of trade and other receivables is in the main collected post year end and is not considered to be a significant credit risk. The credit risk for liquid funds is negligible, since the counterparties are reputable banks with high quality external credit ratings secured against government assets.

Sensitivity analysis

As at 31st December 2009 the continuing Group had no bank borrowings and no overdraft. The Structural Steel segment trades only in the United Kingdom. The Engineering segment (discontinued), the operations of Dosco Overseas Engineering Limited, operates extensively overseas. All overseas contracts are backed by bank letters of credit and where contracts are denominated in foreign currency (generally US Dollars), forward exchange contracts are considered and utilised where considered necessary to minimise currency exposure.

Interest earned on cash reserves within the Group largely equates to the Bank of England base rate plus 50bps. During the year ended 31st December 2009 the average base rate was 0.63% with the rate being 0.5% as at the balance sheet date. The interest income expected to be earned on the Group's cash reserves in 2010 is expected to remain at current levels since the base rate is expected to remain at its current depressed level.

As at 31st December 2009 the discontinued Group had debtors denominated in US Dollars of \$2,166,000 that was fixed via a forward contract entered into post year end at a rate of 1.6161 Dollars to the Pound. No other exposure to foreign currency existed at the balance sheet date.

Summary of financial assets and financial liabilities by category

	2009	2008
	£'000	£'000
Current assets		
Trade and other receivables (excluding prepayments and accrued income)	2,576	11,556
Cash and cash equivalents	<u>8,488</u>	<u>3,979</u>
Loans and receivables	<u>11,064</u>	<u>15,535</u>

16. Financial instruments (continued)

	2009	2008
	£'000	£'000
Current liabilities		
Trade payables	10,171	15,355
Payments received on account	0	1,243
Other payables	236	784
Accruals	351	926
Other financial liabilities	<u>10,758</u>	<u>18,308</u>
Net financial assets	<u>306</u>	<u>(2,773)</u>

Non financial assets and financial liabilities not within the scope of IAS 39

Property, plant and equipment	8,082	10,234
Inventories and work in progress	5,668	13,623
Prepayments and accrued income	387	593
Deferred tax assets	707	2,129
Pension liabilities	(159)	(7,083)
Social security and other taxes	(588)	(904)
Current tax payable	<u>(1,199)</u>	<u>(276)</u>
	<u>12,898</u>	<u>18,316</u>
Assets held for sale		
Disposal Group assets	9,132	0
Disposal Group liabilities	<u>(7,562)</u>	<u>0</u>
Total Equity	<u>14,774</u>	<u>15,543</u>

17. Called up share capital

Equity	2009		2008	
	Number of shares	£'000	Number of shares	£'000
Authorised				
Ordinary shares of 10p each	<u>27,500,000</u>	<u>2,750</u>	<u>27,500,000</u>	<u>2,750</u>
Allotted and fully paid				
Ordinary shares of 10p each	12,860,319	1,286	12,860,294	1,286
"A" ordinary shares of 10p each	74,008	7	74,033	7
	<u>12,934,327</u>	<u>1,293</u>	<u>12,934,327</u>	<u>1,293</u>

During the year 25 "A" ordinary shares were converted into ordinary shares (2008 - 10,136).

Both classes of share rank pari passu in all respects.

Details of company share options outstanding at 31st December 2009 are given in note 11.

18. Ultimate controlling related party

The Group is required to disclose its ultimate controlling related party. It is considered that on 31st December 2009 Gutenga Investments PCC Limited was the Group's ultimate controlling related party by virtue of its substantial minority shareholding. Mr P K Hems was a director of Gutenga Investments PCC Limited during the year.

19. Operating lease obligations

	2009		2008	
	Other £'000	Land & buildings £'000	Other £'000	Land & buildings £'000
Within the continuing Group commitments to operating lease payments are as follows:				
Total lease payments				
within one year	116	108	116	114
between one and five years	100	351	216	374
over five years	0	486	0	486
	<u>216</u>	<u>945</u>	<u>332</u>	<u>974</u>

20. Retirement benefits

The Group operates funded pension schemes for certain employees and directors. The total contributions to all pensions by the Group for the year was £2,138,000 (continuing - £892,000, discontinued - £1,246,000) (2008 - £1,431,000 (continuing - £343,000, discontinued - £1,088,000)).

Defined contribution schemes accounted for £510,000 (2008 - £198,000) of this amount with £1,628,000 (2008 - £1,233,000) relating to defined benefit schemes, where the benefits are based on final pensionable pay.

Following the transaction to discontinue activities in 2008, the pension schemes were split between the continuing and discontinued activities of the Group. All of the Dosco Overseas Engineering (1973) Ltd Pension and Assurance Scheme remained within the continuing Group whilst the Amco Group Pension Scheme was split between continuing and discontinued activities resulting in a new scheme in the name of Billington Final Salary Pension Scheme being set up in 2008 in respect of the continuing Group. At 31st December 2009 the assets of the Dosco scheme (discontinued in 2009) amounted to £37,764,000 (2008: £32,520,000) and the present value of scheme liabilities was £44,998,000 (2008: £39,060,000). The Billington scheme all relating to continuing activities had assets of £4,619,000 (2008: £3,485,000) and present value of scheme liabilities of £4,778,000 (2008: £4,028,000).

The pension costs relating to the defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The latest actuarial valuations of the pension schemes were carried out as at 27th November 2008 for the Billington scheme and 30th April 2007 for the Dosco scheme.

The continuing Group expects to contribute approximately £402,000 to its defined benefit pension schemes in the year ending 31st December 2010. For closed schemes and those in which the age profile of the active membership is rising significantly, under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

20. Retirement benefits (continued)

The principal actuarial assumptions adopted were:

	2009	2008	2007
	%	%	%
Rate of increase in pensionable salaries	4.0	3.9	4.3
Rate of increase in pensions in payment	3.5	3.0	3.3
Discount rate	5.8	6.3	5.7
Inflation assumption	3.5	3.0	3.3

The mortality assumption adopted for the purposes of the calculations as at 31 December 2009 is as follows:

- Base table: "92 series", year of birth for the Billington Scheme rated up three years for the Dosco Scheme
- Future mortality improvements: Medium cohort projections from 1992 onwards, based on year of birth

Average life expectancies - Billington Scheme

	2009	2008
Male retiring at reporting date at age 62 (in years)	24.9	24.8
Male retiring at reporting date +20 years at age 62 (in years)	26.0	26.0

Average life expectancies - Dosco Scheme - discontinued

	2009	2008
Male retiring at reporting date at age 62 (in years)	19.5	19.5
Male retiring at reporting date +20 years at age 62 (in years)	20.5	20.4

Members are assumed to retire at the earliest age at which they can take their full pension unreduced. No allowance is included for members continuing their benefits at retirement.

The assets of the schemes and the expected rate of return were:

	Long-term rate of return expected			Value at		
	31st December			31st December		
	2009	2008	2007	2009	2008	2007
	%	%	%	£'000	£'000	£'000
Equities	8.0	8.0	6.5	3,019	20,516	40,178
Bonds	5.8	4.4	4.5	988	12,074	11,245
Other	1.0	5.5	4.5	612	3,415	4,065
Total market value of assets				4,619	36,005	55,488
Present value of scheme liabilities				(4,778)	(43,088)	(61,091)
Deficit in the scheme				(159)	(7,083)	(5,603)
Related deferred tax asset				45	1,983	1,569
Net pension liability				<u>(114)</u>	<u>(5,100)</u>	<u>(4,034)</u>

The expected return on assets is a weighted average of the individual asset categories and their expected rates of return, which are determined by consideration of historical experience and current market factors. The rates of return assumed at 31 December 2009 were 8.0% pa on equities, 5.75% pa on bonds, 7.0% pa on property and 1.0% pa on other assets (2008: 8.0%, 5.5%, 7.0% and 1.0% pa respectively). Increases in pensions in payment in respect of service after 5 April 1997, and deferred pensions subject to statutory revaluation, have been assumed to increase in line with future price inflation, restricted to various maxima where applicable.

20. Retirement benefits (continued)

Analysis of amount charged to operating profit in respect of defined benefit schemes:

	2009	2008
	£'000	£'000
Current service cost (included in staff costs)	168	323
Total operating charge	<u>168</u>	<u>323</u>

Movement in deficit during the year:

	2009	2008
	£'000	£'000
Deficit in scheme at the beginning of the year	(7,083)	(5,603)
Movement:		
Current service cost	(168)	(323)
Contributions	1,628	1,233
Other finance cost	(300)	(217)
Actuarial loss	(1,470)	(1,994)
Profit / (loss) on settlement of discontinued operations	7,234	(179)
Deficit in scheme at the end of the year	<u>(159)</u>	<u>(7,083)</u>

Analysis of the amount charged to other finance income/(cost):

	2009	2008
	£'000	£'000
Expected return on pension scheme assets	2,361	2,489
Interest on pension scheme liabilities	<u>(2,661)</u>	<u>(2,706)</u>
Net charge	<u>(300)</u>	<u>(217)</u>

Of the net finance cost £9,000 relates to continuing operations and £291,000 relates to discontinued operations.

Analysis of amount recognised in statement of comprehensive income:

	2009	2008
	£'000	£'000
Actual return less expected return on pension scheme assets	3,546	(8,734)
Experience gains and losses arising on the scheme liabilities	49	(18)
Changes in assumptions underlying the present value of the scheme liabilities	<u>(5,065)</u>	<u>6,758</u>
Actuarial loss recognised in statement of comprehensive income	<u>(1,470)</u>	<u>(1,994)</u>

The net actuarial loss in the year is split £1,529,000 for discontinued operations and a gain of £59,000 relating to continuing operations.

**20. Retirement benefits (continued)**

Movement in the fair value of plan assets during the year were as follows:

	2009	2008
	£'000	£'000
At 1st January	36,005	55,488
Expected return on assets	2,361	2,489
Actuarial gain / (loss)	3,546	(8,734)
Contributions	1,628	1,233
Benefits paid	(1,157)	(974)
Assets distributed on settlement	0	(13,497)
Discontinued operations	<u>(37,764)</u>	<u>0</u>
At 31st December	<u>4,619</u>	<u>36,005</u>

Movement in the defined benefit obligation during the year was as follows:

	2009	2008
	£'000	£'000
At 1st January	(43,088)	(61,091)
Current service cost	(168)	(323)
Interest cost	(2,661)	(2,706)
Actuarial (loss) / gain	(5,016)	6,740
Benefits paid	1,157	974
Liabilities extinguished on settlement	0	13,318
Discontinued operations	<u>44,998</u>	<u>0</u>
At 31st December	<u>(4,778)</u>	<u>(43,088)</u>

The assets distributed and losses extinguished on settlement have been accounted for in 2008 and included within the loss on disposal of discontinued operations within the Income Statement.

20. Retirement benefits (continued)

History of experience gains and losses has been:

	2009	2008	2007	2006
Difference between the actual and expected return on scheme assets:				
Amount (£'000)	3,546	(8,734)	(266)	2,151
Percentage of scheme assets	8%	26%	0%	4%
Experience gains and losses arising on the scheme liabilities:				
Amount (£'000)	49	(18)	1,321	(59)
Percentage of the present value of the scheme liabilities	0%	1%	2%	0%
Total actuarial (loss)/gain recognised in the consolidated statement of comprehensive income:				
Amount (£'000)	(1,470)	(1,994)	5,043	4,291
Percentage of present value of scheme liabilities	3%	4%	8%	7%

The actual return on the scheme assets for the year ended 31st December 2009 was £5,907,000 (continuing £796,000, discontinued £5,111,000) (2008 - (£6,245,000)). The cumulative actuarial gain recognised in the consolidated statement of comprehensive income from 1st January 2006 (being the transition date to the adoption of IFRS) is £5,870,000 (2008 - £7,340,000). The difference between the expected and actual return on the schemes' assets is due to recent market performance. The positive effect of changes in demographic and financial assumptions underlying the present value of the schemes' liabilities is due largely to the change in the discount rate assumption.

21. Related party transactions

During the year the continuing Group had two common directors with Tolent Plc, Messrs P K Hems and M R Speakman. The continuing Group has in the past undertaken normal arms length trading activities with related undertakings of Tolent Plc. Revenue amounting to £nil (2008 - £nil) at normal market rates is in respect of Tolent Plc related undertakings. A balance of £3,000 was outstanding at the year end all of which has been provided as a doubtful debt.

Independent Auditor's Report to the members of Billington Holdings plc

We have audited the parent company financial statements of Billington Holdings plc for the year ended 31 December 2009 which comprise the balance sheet, the statement of accounting policies and notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009;
- 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception

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.

Other matter

We have reported separately on the Group financial statements of Billington Holdings plc for the year ended 31 December 2009.

Grant Thornton UK LLP

Timothy Lincoln
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
10th May 2010





	Note	2009		2008	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	5		7,702		7,502
Investments	6		550		551
			<u>8,252</u>		<u>8,053</u>
Current assets					
Debtors falling due after more than one year	8	0		6,078	
Debtors falling due within one year	8	1,561		3,620	
Cash at bank and in hand		9,509		4,046	
		<u>11,070</u>		<u>13,744</u>	
Creditors: amounts falling due within one year	9	<u>(10,726)</u>		<u>(8,151)</u>	
Net current assets			<u>344</u>		<u>5,593</u>
			<u>8,596</u>		<u>13,646</u>
Capital and reserves					
Called up share capital	11		1,293		1,293
Share premium	12		1,864		1,864
Capital redemption reserve	12		132		132
Other reserve	12		(901)		(899)
Profit and loss account	12		<u>6,208</u>		<u>11,256</u>
Shareholders' funds	13		<u>8,596</u>		<u>13,646</u>

The parent company financial statements were approved by the Board of Directors on 10th May 2010.

P.K. HEMS Chairman

P.J. HART Financial Director

The statement of accounting policies and notes 1 to 19 form part of these parent company financial statements.

These parent company financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention.

The principal accounting policies represent the most appropriate policies in accordance with FRS 18 and have remained unchanged from the previous year.

(a) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write off the cost of fixed assets less estimated residual value by equal annual instalments over their expected useful lives. Land is not depreciated. The rates applicable are:

Buildings	2%
Plant and equipment	5% to 33.3%

(b) Stock

Stock is valued at the lower of cost and net realisable value.

(c) Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured, on an undiscounted basis, using rates of tax that have been enacted or substantively enacted by the balance sheet date.

(d) Retirement benefits

Defined Contribution Pension Schemes

The pension costs charged against operating profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Defined Benefit Pension Schemes

The company participates in a defined benefit pension scheme but is unable to identify its share of the underlying assets and liabilities. Contributions and pension costs are based on pension costs across the Group as a whole. The pension costs charged against operating profit by the company are the contributions payable to the scheme in respect of the accounting year.

(e) Investments

Within the parent company, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

(f) Financial instruments

The company uses financial instruments, other than derivatives, comprising borrowings, cash resources and various items such as trade debtors, trade creditors etc. that arise from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. FRS 26 has not been adopted.

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates.

(g) Leased assets

All leases are operating leases and the annual rentals are charged wholly to the profit and loss account.

1. Loss on ordinary activities

Loss on ordinary activities is stated after:

	2009	2008
	£'000	£'000
Depreciation	96	88
Exceptional charge against profit (see note 17)	6,600	0
Fees payable to the company's auditors for the audit of the company's annual accounts	24	28
Fees payable to the company's auditors and its associates for other services:		
corporate finance	20	324
tax services	27	27
other services	7	6
Operating lease charges	6	11

2. Directors and employees

Staff costs during the year including directors:

	2009	2008
	£'000	£'000
Wages and salaries	295	476
Social security	37	50
Pension costs	5	24
	<u>337</u>	<u>550</u>

The average number of employees of the company during the year was 3 (2008 - 8).

Remuneration in respect of directors was as follows:

	2009	2008
	£'000	£'000
Aggregate emoluments	717	717
Company pension contributions to a defined contribution scheme	259	80
Payment to third parties for directors' services	<u>0</u>	<u>0</u>

During the year no directors (2008 - no directors) participated in defined benefit pension schemes and three directors (2008 - three directors) participated in a defined contribution pension scheme.

During the year no directors (2008 - no directors) exercised share options.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2009	2008
	£'000	£'000
Aggregate emoluments	190	207
Company pension contributions to a defined contribution scheme	<u>107</u>	<u>50</u>

3. Dividends

	2009	2008
	£'000	£'000
Final dividend in respect of 2008 of 7.75p (2007 - 7.5p) per 10p ordinary share	1,002	970
Interim dividend in respect of 2009 of 3.25p (2008 - 3.75p) per 10p ordinary share	420	485
Dividends received by ESOP Trust	<u>(148)</u>	<u>(150)</u>
	<u>1,274</u>	<u>1,305</u>

4. Loss for the financial year

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements.

The loss on ordinary activities after taxation of the company for the year was £3,774,000 (2008 - profit - £7,994,000).

5. Tangible fixed assets

	Land & buildings	Plant & equipment	Total
	£'000	£'000	£'000
Cost			
At 1st January 2009	7,540	237	7,777
Additions	664	268	932
Disposals	<u>(115)</u>	<u>0</u>	<u>(115)</u>
At 31st December 2009	<u>8,089</u>	<u>505</u>	<u>8,594</u>
Depreciation			
At 1st January 2009	47	228	275
Charge for year	66	30	96
Impairment	411	110	521
Disposals	<u>0</u>	<u>0</u>	<u>0</u>
At 31st December 2009	<u>524</u>	<u>368</u>	<u>892</u>
Net book value at 31st December 2009	<u>7,565</u>	<u>137</u>	<u>7,702</u>
Net book value at 31st December 2008	<u>7,493</u>	<u>9</u>	<u>7,502</u>

Included within land and buildings above is land with a value of £3,510,000 inclusive of leasehold land of £1,000,000.

The company has charged certain properties to secure bank facilities.

Included within fixed assets above are items included within the sale of discontinued operations and are subsequently disposed of post year end as described in note 18.

Plant and equipment with a net book value of £110,000 at the balance sheet date was subsequently disposed of as part of discontinued operations.

Land and buildings with a net book value of £2,211,000 (split £750,000 land and £1,461,000 buildings) at the balance sheet date was subsequently disposed of as part of discontinued operations.



6. Investments

	Shares in subsidiary undertakings £'000	Total £'000
Cost		
At 1st January 2009	551	551
Impairment to net realisable value	(1)	(1)
At 31st December 2009	<u>550</u>	<u>550</u>

All companies have only ordinary shares in issue and are registered in England and Wales unless otherwise stated.

The principal trading subsidiary undertakings are disclosed in note 10 of the Group consolidated financial statements.

The impairment to investments is as a result of the decision to discontinue operations as detailed in note 18. The investment in Dosco Holdings Limited of £1,000 was found to be impaired and written down to £1.

7. Employee Share Ownership Plan

The details of the Employee Share Ownership Plan are disclosed in note 11 of the Group financial statements.

8. Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade debtors	3	27
Amounts owed by group undertakings	1,501	3,482
Other debtors	0	55
Prepayments and accrued income	34	38
Current taxation	12	0
Deferred tax asset	11	18
	<u>1,561</u>	<u>3,620</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>0</u>	<u>6,078</u>

9. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Bank overdrafts	1	0
Trade creditors	44	18
Amounts owing to group undertakings	10,363	7,345
Social security and other taxes	51	62
Accruals and deferred income	267	420
Current taxation	0	306
	<u>10,726</u>	<u>8,151</u>

10. Deferred tax asset

Deferred tax provided in the financial statements is set out below and is calculated using a tax rate of 28% (2008 - 28%).

	2009 £'000	2008 £'000
Accelerated capital allowances	<u>11</u>	<u>18</u>

The recoverability of the deferred tax asset is dependent on future Group taxable profits.

11. Called up share capital

Equity	2009		2008	
	Number of shares	£'000	Number of shares	£'000
Authorised				
Ordinary shares of 10p each	<u>27,500,000</u>	<u>2,750</u>	<u>27,500,000</u>	<u>2,750</u>
Allotted and fully paid				
Ordinary shares of 10p each	12,860,319	1,286	12,860,294	1,286
"A" ordinary shares of 10p each	74,008	7	74,033	7
	<u>12,934,327</u>	<u>1,293</u>	<u>12,934,327</u>	<u>1,293</u>

Both classes of share rank pari passu in all respects.



12. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Other reserve - ESOP £'000	Profit and loss account £'000
At 1st January 2009	1,864	132	(899)	11,256
Loss for the year	0	0	0	(3,774)
Dividends paid	0	0	0	(1,274)
ESOP additions in year	0	0	(2)	0
At 31st December 2009	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>6,208</u>

The profit and loss account includes non-distributable reserves of £1,340,000 (2008 - £1,261,000) relating to the consolidated reserves of the ESOP.

13. Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
(Loss) / profit for financial year	(3,774)	7,994
Dividends paid	(1,274)	(1,305)
ESOP movement in year	(2)	(26)
Net (decrease)/increase in shareholders' funds	<u>(5,050)</u>	<u>6,663</u>
Shareholders' funds at 1st January 2009	<u>13,646</u>	<u>6,983</u>
Shareholders' funds at 31st December 2009	<u>8,596</u>	<u>13,646</u>

14. Ultimate controlling related party

In accordance with FRS 8 the company is required to disclose its ultimate controlling related party. It is considered that on 31st December 2009 Gutenga Investments PCC Limited was the companies ultimate controlling related party by virtue of its substantial minority shareholding. Messr P K Hems was a director of Gutenga Investments PCC Limited during the year.

15. Operating lease obligations

	2009		2008	
	Land & buildings £'000	Other £'000	Land & buildings £'000	Other £'000
Commitments to operating lease payments within one year are as follows:				
In respect of leases expiring				
between one and five years	<u>0</u>	<u>6</u>	<u>8</u>	<u>6</u>
	<u>0</u>	<u>6</u>	<u>8</u>	<u>6</u>

16. Retirement benefits

The company operates funded pension schemes for certain employees and directors. The total contributions to all pensions by the company for the year was £5,000 (2008 - £24,000).

Defined contribution schemes accounted for £5,000 (2008 - £24,000) of this amount with £nil (2008 - £nil) relating to defined benefit schemes, where the benefits are based on final pensionable pay.

The pension costs relating to the defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The latest actuarial valuations of the pension schemes were carried out as at 27th November 2008. Further details of the actuarial valuation of the group scheme may be found in the consolidated financial statements of Billington Holdings plc.

17. Exceptional item

As a result of the decision to discontinue operations as described in note 18 the loan outstanding to Dosco Holdings Ltd of £6,078,000 was found to be impaired and has been provided in full at the balance sheet date.

The investment in Dosco Holdings Limited of £1,000 was found to be impaired at the balance sheet date as a consequence of the decision to discontinue operations and was subsequently written down to £1 at the balance sheet date.

Land and buildings and plant and equipment were found to be impaired at the balance sheet date as a consequence of the decision to discontinue operations. Land and buildings and plant and equipment were found to be impaired by £411,000 and £110,000 respectively.

18. Post balance sheet event

Dosco Holdings Limited and its related subsidiaries Dosco Overseas Engineering Limited, Hollybank Engineering Company Limited and Dosco Russia LLC, a company registered in Russia, were sold to SMT Scharf AG, a company registered in Germany, on 4th May 2010.

19. Related party transactions

During the year the company had two common directors with Tolent Plc, Messrs P K Hems and M R Speakman. There have been no transactions between the two entities in the current period (2008: £nil).

In accordance with FRS 8 Billington Holdings plc is exempt from disclosing related party transactions with its wholly owned subsidiaries.





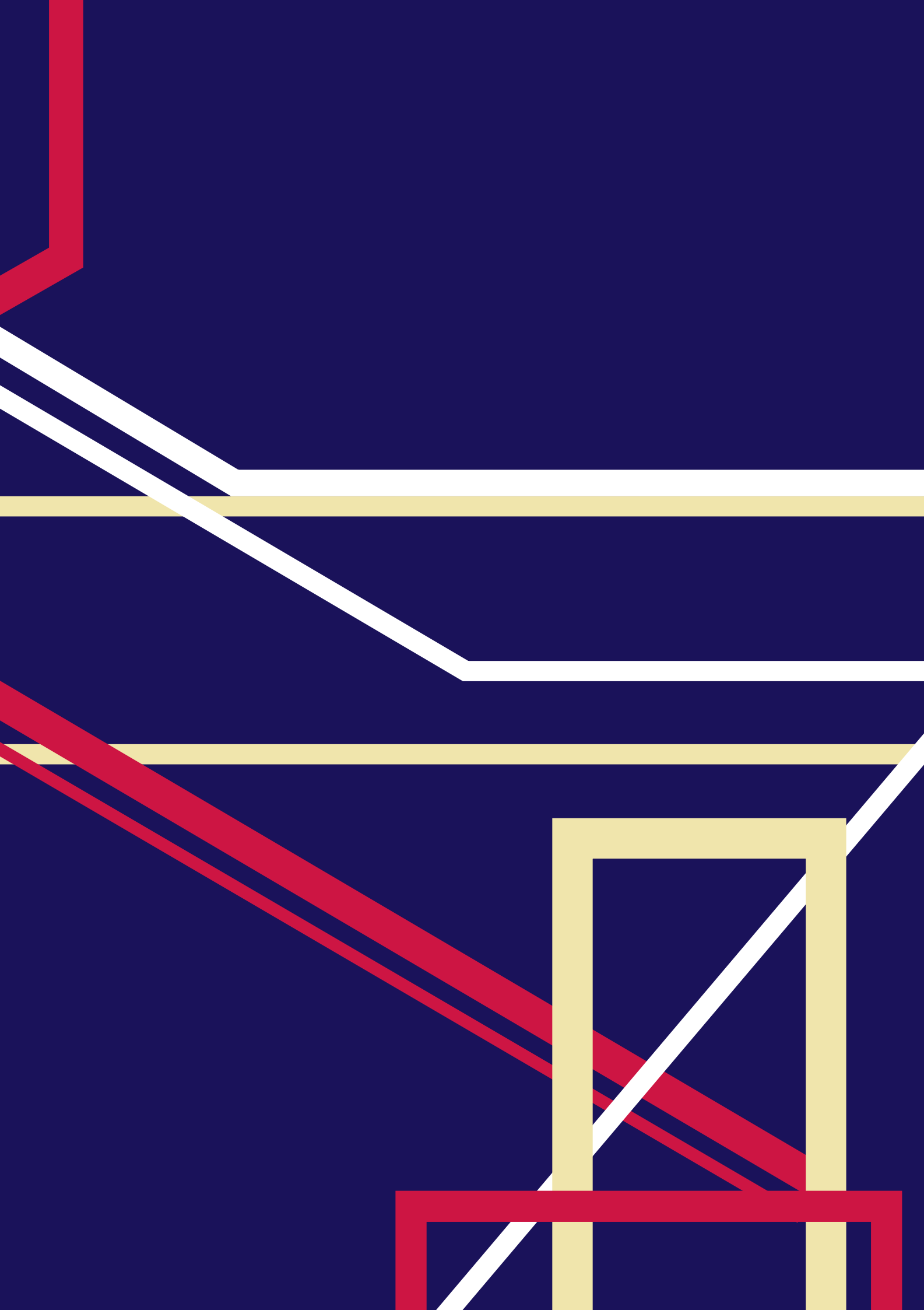
BILLINGTON HOLDINGS plc

**Annual report and financial statements
for the year ended 31st December 2009**



billington 
holdings plc

Financial statements



The logo for Billington Holdings PLC is contained within a white rectangular box with a dark blue border. It features the word "billington" in a bold, lowercase, red sans-serif font. To the right of the text is a dark blue square icon with a white checkmark shape inside. Below "billington" is the text "holdings plc" in a smaller, lowercase, dark blue sans-serif font.

billington
holdings plc

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