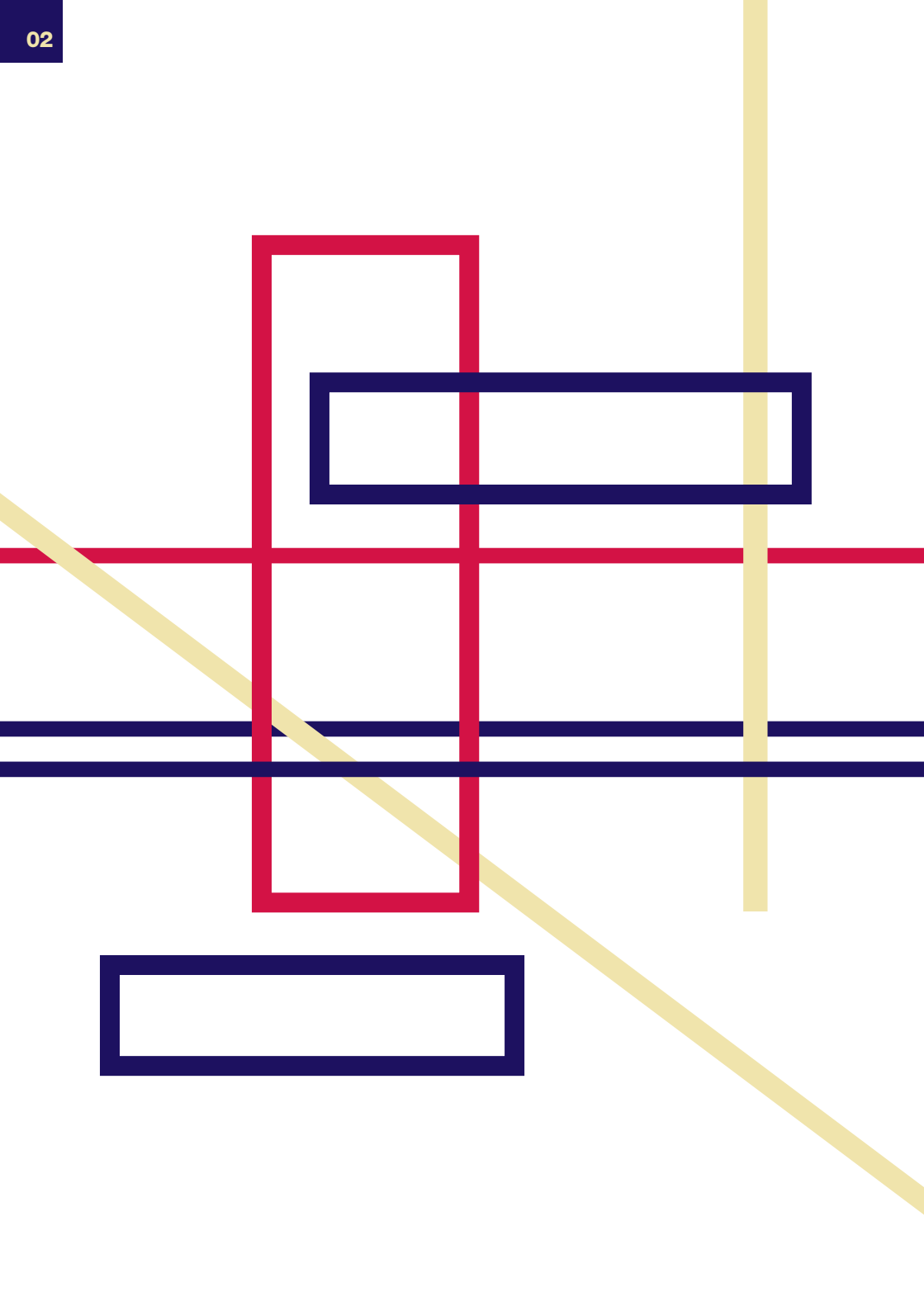


The logo for Billington Holdings PLC features the word "billington" in a bold, lowercase, red sans-serif font. To the right of the text is a stylized blue and red checkmark icon. Below "billington" is the text "holdings plc" in a smaller, lowercase, black sans-serif font. The logo is set against a white rectangular background.

billington
holdings plc

Billington Holdings PLC

Interim Report and Accounts 2010



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
J.S. Gordon	Non Executive Director
M.R. Speakman	Non Executive Director (Resigned 28th June 2010)

Registered Office

Billington Holdings plc

Steel House, Barnsley Road, Wombwell, Barnsley S73 8DS

e info@billington-holdings.plc.uk

w www.billington-holdings.plc.uk

Registrar and Main Transfer Office

Capita Registrars

Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA

Nominated Advisor and Broker

Brewin Dolphin Securities Limited

34 Lisbon Street, Leeds LS1 4LX

Auditors

Grant Thornton UK LLP

Registered Auditors, Chartered Accountants, No.1 Whitehall Riverside, Leeds LS1 4HR

Bankers

Royal Bank of Scotland plc

2 Whitehall Quay, Leeds LS1 4HR

Solicitors

Shoosmiths

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

Interim results will be circulated to Shareholders and copies of the announcement will be available from the Company's registered office. Dealings permitted on Alternative Investment Market (AIM) of the London Stock Exchange.

Registered in England and Wales, Company No. 2402219.

Chief Executive's Statement

Introduction

Against a background of challenging economic conditions for the UK construction industry, I am pleased to report results for Billington Holdings plc for the six months ended 30 June 2010 broadly in line with expectations.

Results

Group revenue fell by 28% and operating profit is showing a reduction of 57% over the same period last year. Profit before taxation on continuing operations amounted to £1.1 million, which compares with £2.6 million for the same period last year. Profit after taxation and after taking account of discontinued activities was £0.8 million compared with £1.7 million for the corresponding period last year.

Businesses

Structural Steel

Based in Barnsley and Bristol, Billington Structures' main business is the design, fabrication and erection of structural steelwork for a wide variety of sectors in the UK, including supermarkets, education, commercial buildings, waste and military establishments.

In 2010 a major replacement programme of CNC equipment has been undertaken at our Bristol plant which should lead to ongoing improving production efficiencies.

The profits shown in this period are supported by the positive results from contracts which were won in 2009 at higher margins than are currently being generated.

The company has been successful in winning a reasonable number of new contracts in the retail sector, and this along with other contracts helped restore production activity levels in recent months. However, the ongoing uncertain market conditions continue to impact on margins.

Safety Solutions

Based in Tuxford, North Nottinghamshire, easi-edge's main business is the design, logistics management and hire of patented safety barriers to the UK steel and concrete frame construction industry. With a small but ever growing market share, business at easi-edge has been less impacted by the downturn in the construction industry. Utilisation of our hire equipment is running at an average in excess of 90% year to date, necessitating a significant capital expenditure programme of new barrier production. It has achieved this utilisation by expanding its customer base and by further enhancements to its product range, including a solution for the timber frame industry.

Rapid expansion of its unique and sustainable site hoarding system, "hoard-it", has necessitated a move to additional premises in Barnsley. hoard-it has been particularly successful on supplying hoardings to major projects in inner city construction sites where the need to excavate in order to erect alternative systems is prohibitive.

Discontinued operations

The discontinued operations relate to the activities of Dosco Overseas Engineering and its subsidiary Hollybank Engineering which were disposed of on 4 May 2010. The loss for the period of £0.3 million relates to the actual trading results of the two companies together with attributable pension contributions for the four month period prior to disposal. The profit on disposal reflects the above trading result together with movements between provisions included in the previous accounts and the final balances together with a subsequently agreed adjustment to the price of £0.15 million to reflect the lower level of net assets than had been anticipated in the sale agreement.

Earnings per Share

Earnings per share from continuing operations were 6.7 pence compared with 16.2 pence for the corresponding period in 2009. The corresponding figure for the whole of 2009 was 32.9 pence per share.

Dividend

I am delighted to announce that the Directors intend to pay a dividend of 2.75 pence per share on 1 November 2010 to shareholders on the register on 1 October 2010. This level of dividend follows the commitment given by the Group Board that it is their intention to maintain an appropriate level of dividend for 2010 broadly in line with that for 2009 notwithstanding the anticipated lower level of trading result.

Liquidity and Capital Resources

The Group had a cash balance of £6.9 million at 30 June 2010, compared with £8.5 million at 31 December 2009. The cash outflow from operating activities during the period amounted to £0.3 million. The cash outflow from investing activities amounted to £0.4 million; the majority of the capital expenditure was on new products for easi-edge. The cash outflow from financing activities was £0.9 million which included the final dividend for 2009 paid during the period. In the current climate of uncertainty for the construction industry generally the Board considers that having a strong balance sheet underpinned by substantial cash represents a very important asset.

The reduction of the Group's pension deficit of £5.2m through the disposal of non-core operations in May 2010 provides the continuing Group with increased certainty of its future liabilities and cash flows.

Prospects

Prospects for the sectors in which the Group operate remain challenging for the foreseeable future. The number and value of contracts being awarded remains well below that of recent years and as a result new work is only won on very competitive terms. We expect that this will continue to have an adverse effect on our margins and working capital in 2010 and 2011. The overall result for 2010 is likely to be in line with expectations, with the results for the second six months benefitting from a positive contribution from the final completion of contracts won in 2009.

We intend to continue to develop and support the easi-edge and hoard-it brands with a view to increasing the contribution to the Group. Furthermore, within Billington Structures I am pleased to announce the revival of our specialised tubular steel division 'Tubecon'. An increase in the number of enquiries for tubular steel structures has led to our decision to market, expand and source alternative types of specialist structural steelwork in the UK and hopefully the export market; this is being led by the recent recruitment of a chartered structural engineer as its general manager. We are also seeking other ways to add value and opportunity, including the formation of strategic alliances.

Billington possesses the balance sheet, industry relationships and successful businesses to provide a degree of security in the current challenging market conditions as well as a platform for long term growth.

Board and Employees

I would take this opportunity to thank all our employees for their continued support.

Finally, I would like to thank Mike Speakman, a non-executive director of the Board, who retired in June. Mike has been a long term supporter of Billington and the Board wishes him a long and healthy retirement.



Steve Fareham
Chief Executive
13 September 2010

Condensed consolidated interim income statement

Six months ended 30th June 2010

	Unaudited Six months to 30th June 2010 £000	Unaudited Six months to 30th June 2009 £000	Audited Twelve months to 31st December 2009 £000
Continuing operations			
Revenue	21,306	29,747	57,177
Increase/(decrease) in work in progress	<u>504</u>	<u>(710)</u>	<u>(1,018)</u>
	<u>21,810</u>	<u>29,037</u>	<u>56,159</u>
Raw material and consumables	12,957	17,804	33,075
Other external charges	1,488	1,239	1,554
Staff costs	5,421	6,212	13,429
Depreciation	544	596	1,124
Other operating charges	<u>286</u>	<u>612</u>	<u>1,728</u>
	<u>20,696</u>	<u>26,463</u>	<u>50,910</u>
Group operating profit	1,114	2,574	5,249
Finance cost	(75)	0	(1)
Finance income	31	56	100
Other finance income/(cost)	<u>15</u>	<u>(10)</u>	<u>(9)</u>
Profit before taxation	1,085	2,620	5,339
Tax	<u>(304)</u>	<u>(740)</u>	<u>(1,524)</u>
Profit for the period from continuing operations	<u>781</u>	<u>1,880</u>	<u>3,815</u>
Discontinued operations			
Loss for the period from discontinued operations	(313)	(204)	(684)
Profit on disposal of discontinued operations	290	0	0
Loss on measurement to fair value less costs to sell of discontinued operations	0	0	(1,567)
Profit for the period attributable to equity holders of the parent company	<u>758</u>	<u>1,676</u>	<u>1,564</u>
Earnings per share (basic and diluted) from continuing operations	<u>6.7 p</u>	<u>16.2 p</u>	<u>32.9 p</u>
Loss earnings per share (basic and diluted) from discontinued operations	<u>(2.7 p)</u>	<u>(1.8 p)</u>	<u>(5.9 p)</u>
Earnings per share (basic and diluted) from continuing and discontinued operations	<u>6.5 p</u>	<u>14.5 p</u>	<u>13.5 p</u>
Dividends per share	<u>2.75 p</u>	<u>3.25 p</u>	<u>10.00 p</u>

Earnings per ordinary share have been calculated on the basis of the result for the period after tax, divided by the weighted average number of ordinary shares in issue in the period, excluding those held in the ESOP Trust, of 11,587,408. The comparatives are calculated by reference to the weighted average number of ordinary shares in issue which were 11,586,908 for the period to 30 June 2009 and 11,586,908 for the year ended 31 December 2009.

Condensed consolidated interim balance sheet

As at 30th June 2010

	Unaudited Six months to 30th June 2010 £000	Unaudited Six months to 30th June 2009 £000	Audited Twelve months to 31st December 2009 £000
Assets			
Non current assets			
Property, plant and equipment	8,087	9,835	8,082
Deferred tax assets	<u>707</u>	<u>2,129</u>	<u>707</u>
Total non current assets	<u>8,794</u>	<u>11,964</u>	<u>8,789</u>
Current assets			
Inventories and work in progress	6,319	12,563	5,668
Trade and other receivables	5,450	8,380	2,963
Cash and cash equivalents	<u>6,939</u>	<u>8,637</u>	<u>8,488</u>
Total current assets	<u>18,708</u>	<u>29,580</u>	<u>17,119</u>
Assets included in disposal group classified as held for sale	<u>0</u>	<u>0</u>	<u>9,132</u>
Total assets	<u>27,502</u>	<u>41,544</u>	<u>35,040</u>
Liabilities			
Current liabilities			
Trade and other payables	12,535	17,535	11,346
Current tax payable	<u>158</u>	<u>824</u>	<u>1,199</u>
Total current liabilities	<u>12,693</u>	<u>18,359</u>	<u>12,545</u>
Liabilities included in disposal group classified as held for sale	<u>0</u>	<u>0</u>	<u>7,562</u>
Non current liabilities			
Pension liabilities	<u>150</u>	<u>6,970</u>	<u>159</u>
Total non current liabilities	<u>150</u>	<u>6,970</u>	<u>159</u>
Total liabilities	<u>12,843</u>	<u>25,329</u>	<u>20,266</u>
Net assets	<u>14,659</u>	<u>16,215</u>	<u>14,774</u>
Equity			
Called up share capital	1,293	1,293	1,293
Share premium	1,864	1,864	1,864
Capital redemption reserve	132	132	132
Other reserve	(901)	(901)	(901)
Accumulated profits	<u>12,271</u>	<u>13,827</u>	<u>12,386</u>
Total equity	<u>14,659</u>	<u>16,215</u>	<u>14,774</u>

Condensed consolidated interim statement of comprehensive income

Six months ended 30th June 2010

	Unaudited Six months to 30th June 2010 £000	Unaudited Six months to 30th June 2009 £000	Audited Twelve months to 31st December 2009 £000
Profit for the period	758	1,676	1,564
Other comprehensive income			
Actuarial gain/(loss) recognised in the pension schemes (see note)	0	0	59
Actuarial loss recognised in the pension schemes - discontinued	0	0	(1,529)
Movement on deferred tax relating to pension liability - continuing	0	0	(107)
Movement on deferred tax relating to pension liability - discontinued	0	0	195
Current tax relating to pension liability - continuing	0	0	91
Current tax relating to pension liability - discontinued	0	0	234
Other comprehensive income, net of tax	0	0	(1,057)
Total comprehensive income for the period attributable to equity holders of the parent company	758	1,676	507
Note			
Actuarial gain/(loss) recognised in the pension schemes			
Actual return less expected return on pension scheme assets	0	0	3,546
Experience gains and losses arising on the scheme liabilities	0	0	49
Changes in assumptions underlying the present value of the scheme liabilities	0	0	(5,065)
	0	0	(1,470)

Condensed consolidated interim statement of changes in equity

(Unaudited)	Share Capital	Share Premium Account	Capital Redemption Reserve	Other Reserve (ESOP)	Profit & Loss Account	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at 1st January 2009	1,293	1,864	132	(899)	13,153	15,543
Dividends	0	0	0	0	(1,002)	(1,002)
ESOP Movement in Period	0	0	0	(2)	0	(2)
Transactions with owners	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>12,151</u>	<u>14,539</u>
Profit for the six months to 30th June 2009	0	0	0	0	1,676	1,676
Other comprehensive income						
Actuarial gain recognised in the pension schemes	0	0	0	0	0	0
Income tax relating to components of other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,676</u>	<u>1,676</u>
Balance at 30th June 2009	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>13,827</u>	<u>16,215</u>
Balance at 1st July 2009	1,293	1,864	132	(901)	13,827	16,215
Dividends	0	0	0	0	(272)	(272)
ESOP Movement in Period	0	0	0	0	0	0
Transactions with owners	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>13,555</u>	<u>15,943</u>
Profit for the six months to 31st December 2009	0	0	0	0	(112)	(112)
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 period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,169)</u>	<u>(1,169)</u>
Balance 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>
Balance at 1st January 2010	1,293	1,864	132	(901)	12,386	14,774
Dividends	0	0	0	0	(873)	(873)
ESOP Movement in Period	0	0	0	0	0	0
Transactions with owners	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>11,513</u>	<u>13,901</u>
Profit for the six months to 30th June 2010	0	0	0	0	758	758
Other comprehensive income						
Actuarial gain recognised in the pension schemes	0	0	0	0	0	0
Income tax relating to components of other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>758</u>	<u>758</u>
Balance at 30th June 2010	<u>1,293</u>	<u>1,864</u>	<u>132</u>	<u>(901)</u>	<u>12,271</u>	<u>14,659</u>

Condensed consolidated interim cash flow statement

Six months ended 30th June 2010	Unaudited Six months to 30th June 2010 £000	Unaudited Six months to 30th June 2009 £000	Audited Twelve months to 31st December 2009 £000
Cash flows from operating activities			
Group profit after tax	758	1,676	1,564
Adjustments for:			
Depreciation on property, plant and equipment	561	621	1,172
Difference between pension charge and cash contributions	(12)	(157)	(1,460)
(Loss)/profit on sale of property, plant and equipment	0	(3)	9
Taxation expense recognised in income statement	240	858	1,405
Taxation paid	(826)	(265)	(1,143)
Finance cost	29	116	201
(Increase)/decrease in trade and other receivables	(2,835)	3,769	3,375
(Increase)/decrease in inventories and work in progress	(85)	1,060	6,048
Increase/(decrease) in trade and other payables	2,187	(1,677)	(5,512)
Profit on disposal of discontinued operations	(290)	0	0
Loss on measurement to fair value of disposal	0	0	1,567
Group less costs to sell of discontinued operations			
Net cash flow from operating activities	(273)	5,998	7,226
Cash flows from investing activities			
Net interest (paid)/received	(29)	(116)	99
Purchase of property, plant and equipment	(545)	(391)	(1,719)
Proceeds from sale of property, plant and equipment	0	171	181
Net cash inflow from disposal of discontinued operations	171	0	0
Net cash flow from investing activities	(403)	(336)	(1,439)
Cash flows from financing activities			
Equity dividends paid	(873)	(1,002)	(1,274)
Employee Share Ownership Plan share purchases	(3)	(2)	(2)
Employee Share Ownership Plan share sales	3	0	0
Net cash flow from financing activities	(873)	(1,004)	(1,276)
Net (decrease)/increase in cash and cash equivalents	(1,549)	4,658	4,511
Cash and cash equivalents at beginning of period	8,488	3,979	3,979
Cash and cash equivalents at end of period	6,939	8,637	8,490
Cash and cash equivalents of continuing Group	6,939	8,637	8,488
Included within the disposal Group	0	0	2
Total cash and cash equivalents	6,939	8,637	8,490

Segmental Reporting

As at 30th June 2010

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. 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 2009 have been adjusted accordingly. All assets of the continuing Group reside in the UK.

	Unaudited Six months to 30th June 2010	Unaudited Six months to 30th June 2009	Audited Twelve months to 31st December 2009
	£000	£000	£000
Analysis of revenue			
Structural Steel	<u>21,810</u>	<u>29,037</u>	<u>56,159</u>
Consolidated total	<u>21,810</u>	<u>29,037</u>	<u>56,159</u>
Analysis of Group operating profit before finance income/(cost)			
Structural Steel	<u>1,114</u>	<u>2,574</u>	<u>5,249</u>
Consolidated total	<u>1,114</u>	<u>2,574</u>	<u>5,249</u>
Analysis of total Group assets			
Structural Steel	<u>26,795</u>	<u>25,740</u>	<u>23,631</u>
Consolidated total	<u>26,795</u>	<u>25,740</u>	<u>23,631</u>
Deferred tax	<u>707</u>	<u>2,129</u>	<u>707</u>
Discontinued Operations	<u>0</u>	<u>13,675</u>	<u>10,702</u>
Total Group assets	<u>27,502</u>	<u>41,544</u>	<u>35,040</u>

Basis of preparation

These consolidated interim financial statements are for the six months ended 30 June 2010. They have been prepared with regard to the requirements of IFRS. The financial information set out in these consolidated interim financial statements does not constitute statutory accounts as defined in S434 of the Companies Act 2006. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2009 which contained an unqualified audit report and have been filed with the Registrar of Companies. They did not contain statements under S498 of the Companies Act 2006.

These consolidated interim financial statements have been prepared under the historical cost convention. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated interim financial statements.

Dividends

In the first half of 2010 Billington Holdings plc declared a final dividend in respect of 2009 of 6.75 pence amounting to £873,067 (2009 7.75 pence - £1,002,410) to its equity shareholders (including £90,951 paid to the ESOP). An interim dividend for 2009 of 3.25 pence amounting to £420,000 was declared and paid in the second half of 2009.

These results were approved by the Board of Directors on 13 September 2010.



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