

Billington Holdings Plc

Interim Report and Accounts 2018

Billington Holdings Plc

Directors

P. K. Hems - Non Executive Chairman
S. G. T. Fareham - Non Executive Director
J. S. Gordon - Non Executive Director
Dr. A. W. Ospelt - Non Executive Director
M. Smith - Chief Executive
T. M. Taylor - Finance Director

Company Secretary

D. P. Kemplay

Registered Office

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Registrar and Main Transfer Office

Link Asset Services,
Northern House,
Woodsome Park, Fenay Bridge,
Huddersfield, HD8 0GA

Nominated Advisor and Broker

WH Ireland Limited,
Royal House, 28 Sovereign Street
Leeds, LS1 4BJ

Auditors

Grant Thornton UK LLP,
Statutory Auditor,
Chartered Accountants,
2 Broadfield Court,
Sheffield, S8 0XF

Bankers

HSBC Bank plc,
33 Park Row
Leeds, LS1 1LD

Solicitors

Shoosmiths,
Waterfront House, Waterfront Plaza,
35 Station Street,
Nottingham, NG2 3DQ

Interim results and the accompanying announcement to the London Stock Exchange will be available from the Company's website (www.billington-holdings.plc.uk). Dealings permitted on Alternative Investment Market (AIM) of the London Stock Exchange.

Registered in England and Wales, Company No. 02402219.

Condensed consolidated interim income statement

Six months ended 30 June 2018

	Unaudited Six months to 30 June 2018 £'000	Unaudited Six months to 30 June 2017 £'000	Audited Twelve months to 31 December 2017 £'000
Continuing operations			
Revenue, excluding movements in work in progress	39,229	34,686	72,156
Increase/(Decrease) in work in progress	<u>160</u>	<u>(397)</u>	<u>1,362</u>
Revenue	<u>39,389</u>	<u>34,289</u>	<u>73,518</u>
Raw material and consumables	26,413	21,664	47,324
Other external charges	1,819	2,242	3,212
Staff costs	7,512	6,871	14,168
Depreciation	586	635	1,631
Other operating charges	<u>1,103</u>	<u>610</u>	<u>2,755</u>
	<u>37,433</u>	<u>32,022</u>	<u>69,090</u>
Group operating profit	1,956	2,267	4,428
Share of post tax profit in joint ventures	<u>-</u>	<u>-</u>	<u>-</u>
Total operating profit	1,956	2,267	4,428
Net finance expense	<u>(17)</u>	<u>(24)</u>	<u>(17)</u>
Profit before tax	1,939	2,243	4,411
Tax	<u>(395)</u>	<u>(448)</u>	<u>(907)</u>
Profit for the period from continuing operations and attributable to equity holders of the parent company	<u>1,544</u>	<u>1,795</u>	<u>3,504</u>
Earnings per share (basic and diluted) from continuing operations	<u>12.8 p</u>	<u>14.9 p</u>	<u>29.1 p</u>
Dividend per share - Paid	<u>11.5 p</u>	<u>10.0 p</u>	<u>10.0 p</u>

Earnings per ordinary share has 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 12,040,608. The comparatives are calculated by reference to the weighted average number of ordinary shares in issue which were 12,048,408 for the period to 30 June 2017 and 12,040,608 for the year ended 31 December 2017.

Condensed consolidated interim statement of comprehensive income
Six months ended 30 June 2018

	Unaudited Six months to 30 June 2018 £'000	Unaudited Six months to 30 June 2017 £'000	Audited Twelve months to 31 December 2017 £'000
Profit for the period	1,544	1,795	3,504
Other comprehensive income			
Remeasurement of net defined benefit surplus	-	-	991
Movement on deferred tax relating to pension liability	-	-	(179)
Current tax relating to pension liability	-	-	12
Other comprehensive income, net of tax	-	-	824
Total comprehensive income for the period attributable to equity holders of the parent company	1,544	1,795	4,328

Condensed consolidated interim balance sheet
As at 30 June 2018

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Assets			
Non current assets			
Property, plant and equipment	13,571	13,230	13,591
Pension asset	2,198	1,146	2,198
Investment in joint ventures	-	-	-
Deferred tax asset	121	27	-
Total non current assets	15,890	14,403	15,789
Current assets			
Inventories and work in progress	11,115	9,374	11,012
Trade and other receivables	8,302	7,970	5,700
Cash and cash equivalents	7,562	6,812	8,063
Total current assets	26,979	24,156	24,775
Total assets	42,869	38,559	40,564
Liabilities			
Current liabilities			
Current portion of long term borrowings	250	218	254
Trade and other payables	18,037	16,262	15,954
Current tax payable	498	565	462
Total current liabilities	18,785	17,045	16,670
Non current liabilities			
Long term borrowings	1,627	2,125	1,750
Deferred tax liabilities	287	-	168
Total non current liabilities	1,914	2,125	1,918
Total liabilities	20,699	19,170	18,588
Net assets	22,170	19,389	21,976
Equity			
Share capital	1,293	1,293	1,293
Share premium	1,864	1,864	1,864
Capital redemption reserve	132	132	132
Other reserve	(844)	(825)	(844)
Accumulated profits	19,725	16,925	19,531
Total equity	22,170	19,389	21,976

Condensed consolidated interim statement of changes in equity

(Unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve - ESOP £'000	Accumulated profits £'000	Total equity £'000
At 1 January 2017	1,293	1,864	132	(825)	16,335	18,799
Equity dividends	-	-	-	-	(1,205)	(1,205)
Transactions with owners	-	-	-	-	(1,205)	(1,205)
Profit for the six months to 30 June 2017	-	-	-	-	1,795	1,795
Total comprehensive income for the period	-	-	-	-	1,795	1,795
At 30 June 2017	1,293	1,864	132	(825)	16,925	19,389
At 1 July 2017	1,293	1,864	132	(825)	16,925	19,389
Credit related to equity-settled share based payments	-	-	-	-	73	73
ESOP movement in period	-	-	-	(19)	-	(19)
Transactions with owners	-	-	-	(19)	73	54
Profit for the six months to 31 December 2017	-	-	-	-	1,709	1,709
Other comprehensive income						
Actuarial gain recognised in the pension scheme	-	-	-	-	991	991
Income tax relating to components of other comprehensive income	-	-	-	-	(167)	(167)
Total comprehensive income for the period	-	-	-	-	2,533	2,533
At 31 December 2017	1,293	1,864	132	(844)	19,531	21,976
At 1 January 2018	1,293	1,864	132	(844)	19,531	21,976
Equity dividends	-	-	-	-	(1,385)	(1,385)
Credit related to equity-settled share based payments	-	-	-	-	35	35
Transactions with owners	-	-	-	-	(1,350)	(1,350)
Profit for the six months to 30 June 2018	-	-	-	-	1,544	1,544
Total comprehensive income for the period	-	-	-	-	1,544	1,544
At 30 June 2018	1,293	1,864	132	(844)	19,725	22,170

Condensed consolidated interim cash flow statement

Six months ended 30 June 2018

	Unaudited Six months to 30 June 2018 £'000	Unaudited Six months to 30 June 2017 £'000	Audited Twelve months to 31 December 2017 £'000
Cash flows from operating activities			
Group profit after tax	1,544	1,795	3,504
Taxation paid	(360)	(452)	(986)
Interest received	-	-	3
Depreciation on property, plant and equipment	586	635	1,631
Difference between pension charge and cash contributions	-	(31)	(31)
Share based payment charge	35	-	73
Profit on sale of property, plant and equipment	(150)	(79)	(216)
Taxation charge recognised in income statement	395	448	907
Net finance expense	17	24	17
(Increase)/Decrease in inventories and work in progress	(103)	491	(1,147)
Increase in trade and other receivables	(2,602)	(2,358)	(119)
Increase in trade and other payables	2,083	2,322	2,014
Net cash flow from operating activities	1,445	2,795	5,650
Cash flows from investing activities			
Purchase of property, plant and equipment	(573)	(753)	(2,112)
Proceeds from sale of property, plant and equipment	156	115	254
Net cash flow from investing activities	(417)	(638)	(1,858)
Cash flows from financing activities			
Interest paid	(17)	(24)	(50)
Repayment of bank and other loans	(127)	(149)	(484)
Equity dividends paid	(1,385)	(1,205)	(1,205)
Capital element of hire purchase payments	-	-	(4)
Employee Share Ownership Plan share purchases	-	-	(19)
Employee Share Ownership Plan share sales	-	-	-
Net cash flow from financing activities	(1,529)	(1,378)	(1,762)
Net increase in cash and cash equivalents	(501)	779	2,030
Cash and cash equivalents at beginning of period	8,063	6,033	6,033
Cash and cash equivalents at end of period	7,562	6,812	8,063

Notes to the interim accounts - as at 30 June 2018

Segmental Reporting

The Group trading operations of Billington Holdings plc are only in Structural Steel, and all are continuing. This includes the activities of Billington Structures Limited, easi-edge Limited, Peter Marshall Steel Stairs Limited, hoard-it Limited and Billington Fleet Management Limited. The Group activities, comprising services and assets provided to Group companies and a small element of external property rentals and management charges, are considered incidental to the activities of Billington Structures Limited and have therefore not been shown as a separate operating segment but have been subsumed within Structural Steel. All assets of the Group reside in the UK.

Basis of preparation

These consolidated interim financial statements are for the six months ended 30 June 2018. 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 2017 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.

New Standards adopted as at 1 January 2018

The Group has adopted the new accounting pronouncements which have become effective this year, and are as follows:

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively although there has been no impact on the numbers previously published and therefore no restatement or opening balance adjustment has been required.

Whilst this represents significant new guidance, the implementation of this new guidance did not have a significant impact on the timing or amount of revenue recognised by the Group in any year.

Other pronouncements

Other accounting pronouncements which have become effective from 1 January 2018 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

Dividends

In the first half of 2018 Billington Holdings Plc declared a final dividend of 11.5 pence per share amounting to £1,385,000 (2017: 10.0 pence, £1,205,000) to its equity shareholders. No interim dividend for 2018 has been declared (2017: nil).

These results were approved by the Board of Directors on 17 September 2018.