

Billington Holdings Plc

Billington Holdings Plc

(“Billington” or “the Group”)

Full Year Results

Billington Holdings Plc (AIM:BILN), one of the UK’s leading structural steel and engineering specialists, announces audited full year results for the year ended 31st December 2010.

	2010	2009
Revenue	£42.3 million	£57.2 million
Profit before tax from continuing operations	£1.4 million	£5.3 million
Overall profit for the year	£0.8 million	£1.6 million
Year end cash balance	£4.9 million	£8.5 million
Earnings per share from continuing operations	8.3 pence	32.9 pence
Total dividend payment	2.75 pence	10.0 pence

Highlights

- Robust set of results in challenging conditions with an overall profit of £0.8 million
- Focused on its core business, following the disposal of non-core, loss making Dosco Overseas Engineering Limited and its subsidiary Hollybank Engineering Company Limited
- Well placed to exploit opportunities and grow market share
- Increased activity levels and order book visibility to six months
- Strong balance sheet providing a degree of security in current difficult market conditions

Commenting on the results, Peter Hems, Executive Chairman of Billington Holdings, said: “2010 was another challenging year for the construction and structural steelwork industry. Despite this we have remained profitable and ended the year with a net cash balance of £4.9 million.

“The disposal of our loss making non-core assets, Dosco and Hollybank last year, allowed us to focus on our main business of structural steel and related building safety systems, which we believe leaves us better placed for recovery.”

Commenting on the results, Steve Fareham, Chief Executive, added : "I am under no illusion as to the difficulties we face in 2011, but I believe with the support of a strong and focused management team, an excellent workforce and a robust balance sheet, Billington is in good shape to weather this storm and emerge as an even stronger entity."

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Chairman's Statement

Introduction

Against a background of very difficult trading conditions, Billington has achieved robust full year results. As reported previously, the Group completed its restructuring programme with the disposal during the year of the non-core businesses, Dosco Overseas Engineering Limited and Hollybank Engineering Company Limited.

The disposal of our loss making non-core operations allowed us to focus on growing market share in our principal trading subsidiaries: Billington Structures Limited, the award winning Structural Steel business trading from Barnsley and Yate and its related business, easi-edge Limited, the safety solutions business based in Tuxford, Barnsley and Bristol.

Results

The profit after tax for the year from continuing operations amounted to £1.0 million on revenue of £42.3 million, compared with a profit of £3.8 million on revenue of £57.2 million in the previous year. The overall profit for the year attributed to equity shareholders, after adjusting for the net loss on discontinued operations, was £0.8 million, compared with £1.6 million for the previous year.

The overall earnings per share for the year amounted to 7.1p compared with 13.5p, whereas the figures for continuing operations reduced from 32.9p to 8.3p, reflecting the difficult trading conditions during the year.

Pension schemes

As reported last year, the disposal of the Dosco and Hollybank businesses included all the assets and liabilities of the Pension Schemes associated with those businesses, which leaves the Group with just one defined benefit pension scheme, which is included in the Balance Sheet as an asset of £0.4 million before deferred tax at the year end, compared with a liability of £0.2 million at the previous year end, before deferred tax.

Dividend

In the light of the financial results and the trading prospects for 2011 the Board has reluctantly decided not to recommend the payment of a final dividend on this occasion. This will make the total dividend payable in relation to the 2010 trading results 2.75 pence. The Board remain committed to supporting the shareholders with the payment of a dividend when it is prudent to do so, but the uncertain trading environment and the projected cash flow requirements of the business during the forthcoming year make it such that they consider that it would be imprudent to do so on this occasion.

Liquidity and Capital Resources

There has been a negative outflow of cash during the year of £3.6 million, which can be attributed to our continued policy of capital equipment replacement, additional working capital requirements of the ongoing businesses and dividend payments made in the year. The Group had cash balances of £4.9 million at 31st December 2010, which should provide adequate funds to cover the projected working capital requirements of the ongoing businesses.

Prospects

The current workload for the structural steelwork business is at the highest level it has been for some considerable time, albeit this will not generate the level of margin that Billington Structures Limited has enjoyed previously. The results for 2010 have been cushioned by the profits on jobs won at higher margins in 2009, which will not be the case for 2011. The safety solutions business, consisting of both the easi-edge safety barriers and the hoard-it products, is projected to make further progress during 2011.

It is difficult to forecast the results for 2011 with any certainty, as trading conditions remain difficult and there will be further challenges that will arise during the year in terms of managing cost pressures. However the current order book does mean that there will be high activity levels during the first six months, which will provide a good platform from which to move forward.

Despite the outflow of cash during the period, the Group still has a strong balance sheet, which provides a degree of security in the current difficult market conditions.

Management and workforce

I should like to express my thanks to all the directors and employees for their efforts and assistance over the last twelve months. I would make particular mention of Mike Fewster who is due to retire on 31st March. I would like to thank him for the contribution that he has made over the years and to wish him many happy years of retirement.

Peter Hems

Executive Chairman

14th March 2011

Billington Holdings Plc

Chief Executive Officer's Operational Review for 2010

2010 was another difficult year for the construction industry and particularly the structural steelwork industry. The continuing economic downturn, rapidly rising raw material prices, change of Government and the associated Comprehensive Spending Review have all added to the difficulties. In the context of this exceptionally difficult trading environment we believe our results remain robust.

We have continually sought to review and control our operating costs, whilst remaining responsive to the needs of our strong and varied customer base, particularly where we operate in a framework environment. Additionally, we have commenced a whole new series of initiatives to diversify and open new business opportunities. We are particularly encouraged by the resurgence of interest in our specialist tubular steelwork contractor 'Tubecon'. Other initiatives include the signing of a co-operation agreement with a similar sized steelwork contractor with a view to offering a joint venture to be known as BS2, thereby providing an alternative major competitor to the UK market place. BS2 is intended to focus on the high rise London commercial market, which appears to be an increasing opportunity in 2012 and beyond.

Billington Structures Limited

In excess of 20,000 tonnes (2009: 21,000 tonnes) of structural steel was supplied and erected during 2010 to a wide variety of UK projects including:

- Major civic centres and office accommodation in Rotherham, Bolton and Woolwich.
- A further phase of commercial prestige offices in Liverpool.
- Academies and schools in Hammersmith, Newcastle, Grimsby, Sheffield, Manchester, Liverpool, Barnsley and Newham.
- Projects for The University of Bristol and John Moores University Liverpool.
- The first phase of a significant programme of student accommodation in Luton.
- Numerous supermarket and retail extensions across the UK.
- Various ongoing involvements with Debut's military Single Living Accommodation Modules (SLAM) schemes, now in year eight of a ten year programme, and other defence related installations.
- The first use in the UK of post tensioned steelwork. This was for a dismountable VIP pavilion sponsored by TATA and was used at the World Triathlon championships in Hyde Park London.

Capital expenditure and investment for the future continued and several major new pieces of CNC manufacturing equipment were installed at our Bristol factory during the year. Plans to improve and develop our manufacturing plant at Barnsley, including further land acquisition, have been deferred as a direct result of the difficult trading environment.

easi-edge Limited

easi-edge further consolidated its position as the number one supplier of steel barrier edge protection systems to the UK steel contracting industry. Market share increased and, given the high utilisation levels of the existing assets, a further 18 per cent stock was added during 2010. We successfully continued to develop a complementary system for the timber structure market and we believe it has rapidly become a leading product in the market, being used on a number of high profile projects.

Our complementary products such as core-safe (lift shaft protection gates) and trailarrest (offloading fall protection) similarly sustained high utilisation levels.

hoard-it, our unique site security hoarding system, opened its new warehouse and operations centre in Barnsley. In partnership with our timber board supplier, we exhibited at Ecobuild 2010 and will also be in attendance in 2011. Attendance and demonstrations at a number of client-led seminars and safety days were also an increasing feature of hoard-it's promotional activities. A significant quantity of hoardings has been installed in Central London on Crossrail projects. With no UK codes of practice for temporary hoardings, hoard-it has undertaken a series of loading tests and calculations to provide engineers with information not currently available in the public domain.

In 2011 we intend to open a satellite depot in Bristol and have successfully recruited staff to manage and further promote our products to a wider audience.

Health, Safety, Sustainability, Quality and the Environment

We remain committed to the underpinning ethos of the Group in providing and developing our health, safety, quality and environmental standards. A further reduction in RIDDOR incidents from four to three in the year was encouraging and, for the third year in succession, we recorded no major incidents to our employees. Zero harm to all remains our goal. The integration and management of our various systems into a full SHEQ system continues to make good progress.

To meet the new requirements for CE marking for structural steel products to BS EN ISO 1090, a significant amount of work has been successfully implemented. The requisite Factory Production Control system at Billington Structures has been designed to meet the requirements of all execution classes 1 – 4 and was launched in January 2011. Billington is now one of a small group of companies having their systems assessed for certification to BS EN ISO 1090.

People

I would like to take the opportunity of thanking all of our employees for dealing so stoically with the necessary financial constraints coupled with an increasing workload, as we process more and smaller orders. Their patience and support is much appreciated. I would also thank all of our stakeholders who remain similarly supportive of the Group and its ambitions.

Numbers employed have reduced during the period primarily due to natural wastage and a significant number of retirees, whom I would also like to thank for their support. I would particularly like to thank Mike Fewster our Operations Director. Mike is retiring at the end of March. His support, direction and counselling over 17 years of employment with Billington will be difficult to replicate. However, I am pleased to confirm that recognising the latter and, as part of our ongoing succession planning process, a number of key promotions and reviews have been successfully implemented.

Conclusion

Our robust financial and operating performance against the background of an exceptionally difficult trading environment has, we believe, confirmed our strong position in the UK structural steelwork sector. Pleasingly, we have succeeded in growing our market share not only in structural steelwork but particularly in the markets served by our innovative safety solutions company, where easi-edge and hoard-it have an ever increasing and strong customer base. The Group forward order book has increased recently and is now as good as we have enjoyed for over three years, although margins remain disappointing.

We have seen a number of major and minor competitors removed from the sector either voluntarily or as a result of financial collapse. Recent and forecast increases in raw material prices will add further pressures and I have no doubt that further consolidation will be inevitable. Unsustainable bids below real cost remain a threat to many. However, I now believe we have reached the bottom of the cycle.

I referred in my opening remarks to the increasingly positive recovery in the London commercial market from late 2011 onwards. We expect our commitment to develop a joint venture to yield real opportunities and positive interest has been expressed from developers and contractors alike in this sector.

I am under no illusion as to the difficulties we face in 2011 but I believe, with the support of a strong and focused management team, an excellent workforce and a robust balance sheet, Billington is in good shape to weather this storm and emerge as an even stronger entity.

Steve Fareham

Chief Executive Officer

14th March 2011

Financial Review

Consolidated Income Statement

	<u>2010</u>	<u>2009</u>
	£000's	£000's
Revenue	42,295	57,177
Operating profit from continuing operations	1,343	5,248
Profit before tax from continuing operations	1,369	5,339
Profit after tax from continuing operations	957	3,815
Overall loss reported from discontinued operations	(135)	(2,251)
Profit for shareholders	822	1,564
EPS from continuing operations	8.3p	32.9p
EPS from all operations	7.1p	13.5p

The results reflect the very difficult trading conditions that were experienced in 2010. Revenue reduced by 26 per cent and operating profit by 74 per cent. Operating margins fell to 3.2 per cent, which was 6.0 per cent lower than in 2009. Most of the revenue reduction was a result of reduced prices. Volume output at Billington Structures, the largest subsidiary, was only 8 per cent lower.

The effective rate of corporation tax on continuing operations was slightly higher, at 30.1 per cent, than in the previous year. The increase over the standard rate of 28 per cent is because of the effect of capital allowances and of adjustments in the tax liability of the Employee Share Ownership Plan (ESOP).

The loss from discontinued operations was incurred in the mining equipment businesses of Dosco Overseas Engineering Limited and Hollybank Engineering Company Limited, the disposal of which was completed on 4th May 2010. The loss against these businesses in the 2010 results is from their trading in the first four months of the year and from adjustments between the actual cost and proceeds of disposal and the estimate of the cost and proceeds built into the 2009 accounts.

Earnings per share from continuing operations fell by 75 per cent and earnings per share from both continuing and discontinued operations fell by 47 per cent.

Consolidated Balance Sheet

	<u>2010</u>	<u>2009</u>
	£000's	£000's
Non-current assets	9,403	8,789
Current assets	14,784	17,119
Current liabilities	9,570	12,545
Total equity	14,617	14,774

Within non-current assets property, plant and equipment increased by £630,000, whereas deferred tax assets reduced by £387,000. The balance of the movement is as a result of a surplus on the defined benefit pension scheme.

The reduction of £2,335,000 in current assets included increases of £865,000 in inventories, £283,000 in trade receivables and a reduction of £3,634,000 in cash.

The total reduction of £2,975,000 in current liabilities was built up of reductions of £1,776,000 in trade payables and £1,199,000 in tax payable.

Total equity reduced by £157,000 in the year; dividend payments of £1,101,000 exceeding retained profit and the actuarial gain on the pension scheme.

Cash Flow

	<u>2010</u>	<u>2009</u>
	£000's	£000's
Profit for shareholders	822	1,564
Depreciation	1,182	1,172
Capital expenditure	(1,817)	(1,719)
Tax paid	(943)	(1,143)
(Increase)/decrease in working capital	(1,620)	3,911
Dividends	(1,101)	(1,274)
Others	<u>(157)</u>	<u>1,998</u>
Net cash (outflow)/inflow	(3,634)	4,509
Cash at beginning of year	<u>8,488</u>	<u>3,979</u>
Cash at end of year – continuing operations	<u>4,854</u>	<u>8,488</u>

The consolidated cash flow statement as presented in the results and as summarised above is abstracted from accounts which include the cash flows from discontinued operations up to the date of the disposal and the net cash flows from the disposal transaction.

The main causes of net cash outflow in the year were our continued policy of capital equipment replacement, increased working capital requirements of the ongoing businesses and dividend payments made in the year. The main reason for the increase in inventories and accounts receivable was customers extending their standard terms of payment. Within accounts payable, the main change was a reduction in advance payments from customers. Working capital in the continuing operations was as shown below:

	<u>2010</u>	<u>2009</u>
	£000's	£000's
Inventories	6,533	5,668
Accounts receivable	3,246	2,963
Accounts payable	<u>(9,570)</u>	<u>(11,346)</u>
	<u>209</u>	<u>(2,715)</u>

Capital expenditure was at a similar level to 2009. Purchases in 2010 included a new CNC saw/drill for Billington Structures' Yate factory, as well as an increased stock of barriers for the easi-edge hire business.

Cash balances at the year-end totalled £4,854,000 and there was nil gearing.

Pension Scheme

	<u>2010</u>	<u>2009</u>
	£000's	£000's
Scheme assets	5,498	4,619
Scheme liabilities	<u>(5,127)</u>	<u>(4,778)</u>
Surplus/(deficit) – continuing operations	<u>371</u>	<u>(159)</u>
Other finance income/(cost) – continuing operations	39	(9)
Contributions to defined benefit scheme(s)	370	1,628

The Billington Final Salary Scheme enjoyed a much better year in 2010. On a IAS19 valuation basis, the value of the scheme's assets increased by 19 per cent, whilst its liabilities only grew by 7 per cent. This was sufficient to switch the scheme into surplus on the same basis.

Similarly, there was a positive contribution of £39,000 to the income statement, compared to a charge of £9,000 in 2009.

Contributions to pension schemes were much reduced in 2010 compared with 2009, which included payments to the pension scheme belonging to the discontinued operations.

A recovery plan for the Billington scheme was agreed with the trustees following an actuarial valuation of the scheme liabilities as at 12th August 2008, in accordance with the requirements of the Pensions Act. Additional contributions are being made in accordance with this agreement.

Peter Hart

Financial Director

14th March 2011

BILLINGTON HOLDINGS PLC

Consolidated income statement for the year ended 31st December 2010

	Note	2010		2009	
		£'000	£'000	£'000	£'000
Continuing operations					
Revenue	5		42,295		57,177
Increase/(decrease) in work in progress			640		(1,018)
			42,935		56,159
Raw materials and consumables		25,212		33,075	
Other external charges		2,638		1,919	
Staff costs		11,712		13,429	
Depreciation		1,151		1,124	
Other operating charges		879		1,363	
			<u>(41,592)</u>		<u>(50,910)</u>
Group operating profit	5		1,343		5,249
Net finance (cost)/income			(13)		99
Other finance income/(cost) - pension scheme			39		(9)
Profit before tax	5		1,369		5,339
Tax			(412)		(1,524)
Profit for the year from continuing operations			<u>957</u>		<u>3,815</u>
Discontinued operations					
Loss for the year from discontinued operations	6		(313)		(684)
Profit on disposal of discontinued operations	6		178		0
Loss on measurement to fair value less costs to sell of discontinued operations	6		0		(1,567)
			<u>(135)</u>		<u>(2,251)</u>
Profit for the year attributable to equity holders of the parent company			<u>822</u>		<u>1,564</u>

Earnings per share (basic and diluted) from continuing operations	3	<u>8.3 p</u>	<u>32.9 p</u>
Loss per share (basic and diluted) from discontinued operations	3	<u>(2.7) p</u>	<u>(5.9) p</u>
Earnings per share (basic and diluted) from continuing and discontinued operations	3	<u>7.1 p</u>	<u>13.5 p</u>

BILLINGTON HOLDINGS PLC

Consolidated statement of comprehensive income for the year ended 31st December 2010

	<u>2010</u>	<u>2009</u>
	£'000	£'000
Profit for the year	822	1,564
Other comprehensive income		
Actuarial gain recognised in the pension schemes - continuing	172	59
Actuarial loss recognised in the pension schemes - discontinued	0	(1,529)
Movement on deferred tax relating to pension liability - continuing	(149)	(107)
Movement on deferred tax relating to pension liability - discontinued	0	195
Current tax relating to pension liability - continuing	100	91
Current tax relating to pension liability - discontinued	<u>0</u>	<u>234</u>
Other comprehensive income, net of tax	123	(1,057)
Total comprehensive income for the year attributable to equity holders of the parent company	<u>945</u>	<u>507</u>

BILLINGTON HOLDINGS PLC

Consolidated balance sheet as at 31st December 2010

	2010		2009	
	£'000	£'000	£'000	£'000
Assets				
Non current assets				
Property, plant and equipment		8,712		8,082
Pension assets		371		0
Deferred tax assets		320		707
Total non current assets		<u>9,403</u>		<u>8,789</u>
Current assets				
Inventories and work in progress	6,533		5,668	
Trade and other receivables	3,246		2,963	
Current tax receivable	151		0	
Cash and cash equivalents	4,854		8,488	
Total current assets		<u>14,784</u>		<u>17,119</u>
Assets included in disposal group classified as held for sale		<u>0</u>		<u>9,132</u>
Total assets		<u>24,187</u>		<u>35,040</u>
Liabilities				
Current liabilities				
Trade and other payables	9,570		11,346	
Current tax payable	0		1,199	
Total current liabilities		<u>9,570</u>		<u>12,545</u>
Liabilities included in disposal group classified as held for sale		<u>0</u>		<u>7,562</u>
Non current liabilities				
Pension liabilities	0		159	
Total non current liabilities		<u>0</u>		<u>159</u>
Total liabilities		<u>9,570</u>		<u>20,266</u>
Net assets		<u>14,617</u>		<u>14,774</u>
Equity				
Share capital		1,293		1,293
Share premium		1,864		1,864
Capital redemption reserve		132		132

Other reserve	(902)	(901)
Accumulated profits	<u>12,230</u>	<u>12,386</u>
Total equity	<u><u>14,617</u></u>	<u><u>14,774</u></u>

BILLINGTON HOLDINGS PLC

Consolidated statement of changes in equity for the year ended 31st December 2010

	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	0	0	0	0	(1,274)	(1,274)
ESOP movement in year	0	0	0	(2)	0	(2)
Transactions with owners	1,293	1,864	132	(901)	11,879	14,267
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	0	0	0	0	(1,057)	(1,057)
At 31st December 2009	1,293	1,864	132	(901)	12,386	14,774
	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve - ESOP £'000	Accumulated profits £'000	Total equity £'000
At 1st January 2010	1,293	1,864	132	(901)	12,386	14,774
Dividends	0	0	0	0	(1,101)	(1,101)
ESOP movement in year	0	0	0	(1)	0	(1)
Transactions with owners	1,293	1,864	132	(902)	11,285	13,672
Profit for the financial year	0	0	0	0	822	822
Other comprehensive income						
Actuarial gain recognised in the pension schemes	0	0	0	0	172	172
Income tax relating to components of other comprehensive income	0	0	0	0	(49)	(49)

**Total comprehensive income
for the year**

0	0	0	0	123	123
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At 31st December 2010

1,293	1,864	132	(902)	12,230	14,617
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BILLINGTON HOLDINGS PLC

Consolidated cash flow statement for the year ended 31st December 2010

	<u>2010</u>	<u>2009</u>
	£'000	£'000
Cash flows from operating activities		
Group profit after tax	822	1,564
Taxation paid	(943)	(1,143)
Interest received	64	100
Depreciation on property, plant and equipment	1,182	1,172
Difference between pension charge and cash contributions	(319)	(1,460)
Loss/(profit) on sale of property, plant and equipment	(7)	9
Taxation expense recognised in income statement	347	1,405
Finance (income)/cost	(26)	201
(Increase)/decrease in inventories and work in progress	(300)	3,375
(Increase)/decrease in trade and other receivables	(631)	6,048
Decrease in trade and other payables	(689)	(5,512)
Profit on disposal of discontinued operations	(178)	0
Loss on measurement to fair value less costs to sell of discontinued operations	0	1,567
Net cash flow from operating activities	<u>(678)</u>	<u>7,326</u>
Cash flows from investing activities		
Interest paid	(77)	(1)
Purchase of property, plant and equipment	(1,817)	(1,719)
Proceeds from sale of property, plant and equipment	36	181
Net cash inflow from disposal of discontinued operations	4	0
Net cash flow from investing activities	<u>(1,854)</u>	<u>(1,539)</u>
Cash flows from financing activities		
Equity dividends paid	(1,101)	(1,274)
Employee Share Ownership Plan share purchases	(3)	(2)
Employee Share Ownership Plan share sales	2	0
Net cash flow from financing activities	<u>(1,102)</u>	<u>(1,276)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(3,634)</u>	<u>4,511</u>
Cash and cash equivalents at beginning of period	<u>8,488</u>	<u>3,979</u>
Cash and cash equivalents at end of period	<u><u>4,854</u></u>	<u><u>8,490</u></u>
Cash and cash equivalents of continuing Group	4,854	8,488
Included within the disposal group	<u>0</u>	<u>2</u>
Total cash and cash equivalents	<u><u>4,854</u></u>	<u><u>8,490</u></u>

Notes (audited)

Full year results for the year ended 31st December 2010

1. Basis of preparation

The financial information in this preliminary announcement has been prepared in accordance with accounting policies which are based on the International Financial Reporting Standards (IFRS) as adopted by the European Union and in issue and in effect at 31st December 2010.

2. Accounts

The summary accounts set out above do not constitute statutory accounts as defined by Section 434 of the UK Companies Act 2006. The summarised consolidated balance sheet at 31st December 2010, the summarised consolidated income statement, the summarised consolidated statement of comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated cash flow statement for the year then ended have been extracted from the Group's 2010 statutory financial statements upon which the auditor's opinion is unqualified and did not contain a statement under either sections 498(2) or 498(3) of the Companies Act 2006. The audit reports for the year ended 31st December 2009 did not contain statements under sections 498(2) or 498(3) of the Companies Act 2006. The statutory financial statements for the year ended 31st December 2009 have been delivered to the Registrar of Companies. The 31st December 2010 accounts were approved by the directors on 14th March 2011, but have not yet been delivered to the Registrar of Companies.

3. Earnings per share

Earnings per share from continuing operations is calculated by dividing the profit for the year from continuing operations of £957,000 (2009 - £3,815,000) by 11,586,616 (2009 - 11,586,908) 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 £313,000 (2009 - £684,000) by 11,586,616 (2009 - 11,586,908) 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 £822,000 (2009 - £1,564,000) by 11,586,616 (2009 - 11,586,908) fully paid ordinary shares.

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

4. Report and accounts and AGM

The Annual Report and Accounts for the year ended 31st December 2010 will be posted to shareholders at the end of April and will be available on the company's website: [www. billington-holdings.plc.uk](http://www.billington-holdings.plc.uk).

The Annual General Meeting will be held on Wednesday 25th May 2011 at 11am at Billington Holdings Plc, Steel House, Barnsley Road, Wombwell, South Yorkshire S73 8DS.

5. 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 its related business easi-edge Limited, which are considered to be only one operating segment under IFRS 8. The operations of Dosco Overseas Engineering Limited (previously Engineering) and Hollybank Engineering Limited (previously Structural Steel) were considered discontinued in 2009. The Group activities, comprising services and assets provided to Group companies and a small element of external property rentals and management charges, are considered incidental to the activities of Billington Structures Limited and have therefore not been shown as a separate operating segment but have been subsumed with Structural Steel. All assets of the continuing Group reside in the UK.

	Structural Steel	Discontinued Operations	Total
	£'000	£'000	£'000
Year ended 31st December 2010			
Revenue			
External sales	42,295	2,763	
Measure of segment profit or loss			
Operating profit/(loss)	1,343	(378)	
Net finance income	26	0	
Profit/(loss) before tax	1,369	(378)	
Tax	(412)	65	
Profit/(loss) for the year before profit on sale of discontinued operations	957	(313)	
Assets and liabilities			

Segment assets	24,187	0	24,187
Segment liabilities	(9,570)	0	(9,570)
Net assets	14,617	0	14,617

Other information

Capital expenditure	1,810	7	1,817
Depreciation	1,151	31	1,182

Structural Steel	Discontinued Operations	Total
£'000	£'000	£'000

Year ended 31st December 2009

Revenue

External sales	57,177	12,859
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Measure of segment profit or loss

Operating profit/(loss)	5,249	(512)
Net finance income/(cost)	90	(291)
Profit/(loss) before tax	5,339	(803)
Tax	(1,524)	119
Profit/(loss) 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

6. 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 were reported as discontinued operations. The discontinued operations results were as follows:

	2010		2009	
	£'000	£'000	£'000	£'000
Revenue		2,763		12,859
Increase in work in progress		0		0
Total revenue		2,763		12,859
Raw materials and consumables	1,756		8,972	
Other external charges	81		(589)	
Staff costs	914		3,855	
Depreciation	31		48	
Other operating charges	359		1,085	
		(3,141)		(13,371)
Total operating loss		(378)		(512)
Other finance cost		0		(291)
Loss on ordinary activities before taxation		(378)		(803)
Tax on loss on ordinary activities		65		119
Loss for the year from discontinued operations		(313)		(684)

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.

Cash flows from discontinued operations for the year ended 31st December 2010

	2010	2009
	£'000	£'000
Net cash flow from operating activities	1,332	2,790
Net cash flow from investing activities	(7)	(17)
Net cash flow from financing activities	0	(2,765)
Net increase in cash and cash equivalents	1,325	8

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 4th May 2010

	As at 4 th May 2010		As at 31 st December 2009	
	£'000	£'000	£'000	£'000
Property, plant and equipment		2,485		2,509
Deferred tax liabilities		(3)		(4)
Inventories and work in progress		4,015		4,580
Trade and other receivables		3,486		3,138
Current tax receivable		59		474
Cash and cash equivalents		1,327		2
Assets of disposal group		<u>11,369</u>		<u>10,699</u>
Trade and other payables	(3,441)		(2,354)	
Pension liabilities net of deferred tax	(5,208)		(5,208)	
Liabilities of disposal group		<u>(8,649)</u>		<u>(7,562)</u>
Net assets of disposal group		<u>2,720</u>		<u>3,137</u>
Disposal proceeds (net of professional fees)		(1,331)		(1,570)
Loss on measurement to fair value less costs to sell of discontinued operations				<u>1,567</u>
Subtotal		1,389		
Less loss recognised in the prior year		<u>1,567</u>		

Profit on disposal of discontinued operations

(178)