

# **BILLINGTON STRUCTURES LIMITED**

Company Number: 01567759

## **Report and Financial Statements For the year ended 31 December 2013**



# **BILLINGTON STRUCTURES LIMITED**

Annual report and financial statements for the year ended 31 December 2013

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# **BILLINGTON STRUCTURES LIMITED**

Directors, Secretary and Registered Office

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## Directors

S.G.T. Fareham	Managing Director	
T.M. Taylor	Financial Director	
M. Goddard	Commercial Director	
S. Mason	Technical Sales Director	(resigned 31 January 2013)
B. Turton	Contracts Director	
G. Woodward	Production Director	(resigned 31 July 2013)
R. Smith	Technical Director	(appointed 1 April 2013 and resigned 27 August 2013)
S. Barnes	Production Director	(appointed 1 February 2014)

## Secretary

L.S. Holloway

## Registered Office

Barnsley Road  
Wombwell  
Barnsley  
S73 8DS

Registered in England : Company Number - 01567759

# **BILLINGTON STRUCTURES LIMITED**

Report of the directors for the year ended 31 December 2013

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The directors present their report together with the audited financial statements for the year ended 31 December 2013.

## **1. Principal activities**

The company is principally engaged in design supply and erection of structural steelwork to the UK construction industry.

## **2. Results and dividends**

The profit and loss account is set out on page 7 and shows the profit for the year.

No interim dividend (2012: nil) was paid in the year. The directors do not recommend the payment of a final dividend. The retained profit has been transferred to the profit and loss account reserves.

## **3. Financial risk management objectives and policies**

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity 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 company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a Group basis by the use of both fixed and floating facilities.

### *Liquidity risk*

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably. Primarily this is achieved through inter-company accounts or through borrowings arranged at Group level. Short term flexibility is achieved by overdraft facilities.

### *Credit risk*

The company's principal credit risk arises from trade debtors and work in progress. 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 credit risk to an acceptable level.

### *Currency risk*

The company is exposed to transaction and translation foreign exchange risk. This is managed on a group basis by the use of forward contracts.

## **4. Directors**

During 2013 there were several changes to the statutory directors of the company. Mr S. Mason and Mr G. Woodward both resigned as directors during the year. Mr R. Smith was appointed and also resigned as a director of the company within the year. Messrs S.G.T Fareham, M. Goddard, T.M. Taylor and Mr B. Turton all served throughout the year. Mr S. Barnes was appointed as Production Director after the year end.

# **BILLINGTON STRUCTURES LIMITED**

Report of the directors for the year ended 31 December 2013 (continued)

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## **5. Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

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

## **6. Going concern**

In determining whether the company's financial statements should be prepared on a going concern basis, the directors have considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and group borrowing facilities and the risks and uncertainties relating to the company's business activities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and as such they continue to adopt the going concern basis of accounting in preparing the financial statements.

## **7. Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**This report was approved by the board and signed on its behalf.**



L.S. Holloway

Secretary

Billington Structures Limited

Company Number - 01567759

24 March 2014

# **BILLINGTON STRUCTURES LIMITED**

Strategic Report for the year ended 31 December 2013

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The directors present their strategic report and the financial statements for the year ended 31 December 2013.

## **1. Business review**

There has been a substantial turnaround in the performance of the business as compared with the previous year. Although there have been a number of changes to the management team, we continue to look to strengthen where appropriate and are actively looking to appoint a new Technical Director. Turnover is at a similar level to the previous year but an improvement in margin has been achieved through a combination of cost reductions and operating efficiencies and by concentrating on activities where we can influence the design and value engineering aspects of the work.

The results achieved in 2013 are a result of the hard work and difficult decisions taken by the executive management team in the last few years and represent a steady improvement over the course of the year. The current level and quality of enquiries show an improvement against this time last year. However, there is a concern over the impact that higher raw material and labour costs, as well as increasing overhead costs, might have on what still remains a fragile market.

There is no doubt the market will remain challenging in 2014 but management is of the view that we should continue to see further improvement during the course of the year and, as we are starting from a much healthier position than twelve months ago, this will translate into a further improvement in profitability.

Added complexity of product reduced our overall production levels from previous years to 13,000 tonnes of structural steel which was efficiently fabricated on a single shift basis from our factories in Barnsley and Bristol during 2013.

Major projects included:

- The completion of Derby multi sports arena.
- Distribution warehouses in the Midlands and Glasgow.
- Complex secondary steelwork to a project in Northern Europe, the division's first international project.
- Wakefield East Coast Main Line railway station and footbridge.

The Company starts 2014 with its strongest order book for five years. Projects secured include a major exhibition hall in Liverpool, several energy from waste developments across the UK, sports centres in London, retail projects in Cornwall, Rotherham and Liverpool and a large data centre in the South of England.

## **2. Key performance indicators**

	2013	2012
Sales growth	(0%)	(40%)
Operating profit/(loss): sales	1%	(3%)
Profit/(loss) before tax: sales	1%	(3%)
Production efficiency	100%	101%
Minor accidents	24	12
Reportable accidents	0	0

## **3. Principal risks and uncertainties**

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

The underpinning ethos of the company is to provide and develop health, safety and environmental standards and be pro active in their management to assist in the prevention of accidents where at all possible.

## **BILLINGTON STRUCTURES LIMITED**

Strategic Report for the year ended 31 December 2013 (continued)

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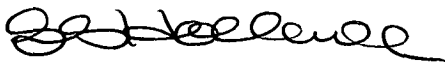
### **4. Disabled persons**

The company'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 the company's policy to disseminate relevant information about company affairs amongst employees.

**This report was approved by the board and signed on its behalf.**



L.S. Holloway

Secretary

Billington Structures Limited

Company Number - 01567759

24 March 2014

## **BILLINGTON STRUCTURES LIMITED**

### **Independent Auditor's Report to the members of BILLINGTON STRUCTURES LIMITED**

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We have audited the financial statements of Billington Structures Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and notes 1 to 17. 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 auditor's 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 financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the 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 Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2013 and of its profit for the year then ended;
- 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.

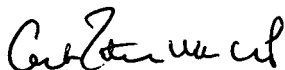
#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the directors and strategic report for the financial year for which the financial statements are prepared is consistent with the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



John Bowler  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
East Midlands

24 March 2014



# **BILLINGTON STRUCTURES LIMITED**

Profit and loss account for the year ended 31 December 2013

	Note	2013		2012	
		£	£	£	£
<b>Turnover</b>	1		31,453,877		31,492,623
Increase/(decrease) in work in progress			<u>1,833,497</u>		<u>(1,831,166)</u>
			33,287,374		29,661,457
Raw materials and consumables		22,124,916		20,032,456	
Other external charges		<u>422,494</u>		<u>379,874</u>	
			<u>(22,547,410)</u>		<u>(20,412,330)</u>
			10,739,964		9,249,127
Staff costs	2	6,949,806		7,009,509	
Additional pension contributions	2	105,624		166,812	
Redundancy costs	2	89,135		251,156	
Depreciation		274,005		294,835	
Other operating charges		<u>2,899,587</u>		<u>2,397,524</u>	
			<u>(10,318,157)</u>		<u>(10,119,836)</u>
<b>Operating profit/(loss)</b>			421,807		(870,709)
Net interest	3		<u>2,562</u>		<u>2,869</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	1		424,369		(867,840)
Tax on profit/(loss) on ordinary activities	4		<u>(144,350)</u>		<u>173,626</u>
<b>Profit/(loss) on ordinary activities after taxation</b>	11		<u><u>280,019</u></u>		<u><u>(694,214)</u></u>

All the above transactions relate to continuing activities.

There are no recognised gains or losses other than the profit for the financial year.

The statement of accounting policies and notes 1 to 17 form part of these financial statements.

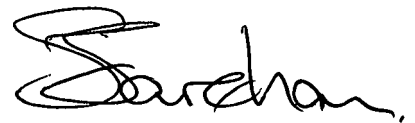
**BILLINGTON STRUCTURES LIMITED**

Balance sheet as at 31 December 2013

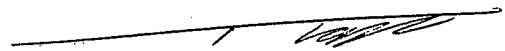
Company number: 01567759

	Note	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		725,317		854,220
Investments in joint ventures	17		<u>1</u>		<u>1</u>
			725,318		854,221
<b>Current assets</b>					
Stock and work in progress	6	7,407,166		5,589,876	
Debtors	7	4,919,869		3,296,368	
Cash at bank and in hand		<u>500</u>		<u>127,114</u>	
		12,327,535		9,013,358	
<b>Creditors: amounts falling due within one year</b>	8	<u>(8,963,416)</u>		<u>(6,058,161)</u>	
<b>Net current assets</b>			<u>3,364,119</u>		<u>2,955,197</u>
			<u>4,089,437</u>		<u>3,809,418</u>
<b>Capital and reserves</b>					
Called up share capital	10		450,000		450,000
Profit and loss account	11		<u>3,639,437</u>		<u>3,359,418</u>
Shareholders' funds	12		<u>4,089,437</u>		<u>3,809,418</u>

The financial statements were approved and authorised for issue by the Board of Directors on 24 March 2014.



S.G.T. FAREHAM Managing Director



T.M. TAYLOR Financial Director

The statement of accounting policies and notes 1 to 17 form part of these financial statements.

# **BILLINGTON STRUCTURES LIMITED**

## Statement of accounting policies

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These 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 directors have reviewed, to the best of their abilities, the forecast period and consider that the company will continue in operational existence for the foreseeable future. On the basis of budgets and cash flow forecasts for at least 12 months from the date of signing these financial statements, together with adequate levels of resources, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

The directors have taken advantage of the exemption in FRS 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

The principal accounting policies of the company have remained unchanged from the previous year.

### **(a) Turnover**

Turnover is the total amount receivable in respect of work done and services provided, excluding value added tax, being the earlier of notified certifications or monies received.

In accordance with FRS 12 the company does not recognise the turnover and profit attributable to claims and disputed amounts on contracts until the recovery of these amounts is considered virtually certain. These disputed amounts and claims may arise on a wide range of contractual matters. The directors consider that detailed disclosures would prejudice the company's ability to secure satisfactory settlements.

### **(b) Profit / loss recognition**

Profit is taken on contracts at the date of practical completion.

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.

### **(c) 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.

The rates generally applicable are:

Plant and equipment	10% to 33.3%
Motor vehicles	25% to 50%

### **(d) Stock and work in progress**

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

### **(e) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

## **BILLINGTON STRUCTURES LIMITED**

### Statement of accounting policies (continued)

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**(f) 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 using rates of tax that have been enacted or substantively enacted by the balance sheet date.

**(g) 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 which is operated by Billington Holdings Plc, 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.

The defined benefit pension scheme was closed to future accrual on 30 June 2011.

**(h) Leased assets**

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

**(i) Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

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**(j) Consolidation**

The company has taken advantage of the exemptions in section 400 of the Companies Act 2006 and has not prepared consolidated financial statements. These financial statements present information about the company as an individual entity and not about it as a group. Consolidated financial statements are prepared by the ultimate holding company, Billington Holdings plc.

Disclosures in respect of the joint venture as required by FRS 9 are included in note 17.

## **BILLINGTON STRUCTURES LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2013

### **1. Turnover and profit/(loss) on ordinary activities before taxation**

All the company's turnover and profits are derived from its principal activity of structural engineering and its turnover is all from the United Kingdom.

Profit/(loss) on ordinary activities is stated after charging:

	<u>2013</u>	<u>2012</u>
	£	£
Fees for the audit of the company	13,000	12,000
Depreciation	274,005	294,835
Operating lease charges:		
land and buildings	687,526	688,002
other operating leases	127,115	143,325
Hire of plant and machinery	<u>6,492</u>	<u>6,879</u>

Fees paid to the company's auditor for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of its ultimate parent undertaking, Billington Holdings Plc, are required to disclose non audit fees on a consolidated basis.

### **2. Directors and employees**

Staff costs during the year, including directors:

	<u>2013</u>	<u>2012</u>
	£	£
Wages and salaries	6,103,052	6,139,827
Social security	657,161	667,136
Pension costs	<u>189,593</u>	<u>202,546</u>
	6,949,806	7,009,509
Additional pension contribution	105,624	166,812
Redundancy costs	<u>89,135</u>	<u>251,156</u>
	<u>7,144,565</u>	<u>7,427,477</u>

The average number of production employees of the company during the year was 118 (2012 - 124).

The average number of administration employees of the company during the year was 77 (2012 - 74).

Remuneration in respect of directors was as follows:

	<u>2013</u>	<u>2012</u>
	£	£
Aggregate emoluments	242,572	263,641
Company pension contributions to a defined benefit scheme	-	-
Company pension contributions to a defined contribution scheme	<u>18,492</u>	<u>26,366</u>

During the year the company made compensation for loss of office payments of £75,239 (2012: £nil).

During the year no directors (2012 - no directors) exercised share options.

During the year five directors (2012 - four directors) participated in a defined contribution pension scheme and no directors (2012 - no directors) participated in a defined benefit scheme.

**BILLINGTON STRUCTURES LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

**2. Directors and employees (continued)**

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

	2013	2012
	£	£
Aggregate emoluments	85,713	87,172
Company pension contributions to a defined benefit scheme	-	-
Company pension contributions to a defined contribution scheme	11,301	11,301

**3. Net interest**

	2013	2012
	£	£
Receivable on group loans	2,562	2,634
Other interest receivable	-	235
	2,562	2,869

**4. Tax on profit/(loss) on ordinary activities**

The tax charge/(credit) represents:

	2013	2012
	£	£
Corporation tax at 23.25% (2012 - 24.5%) - current year	439	(150,377)
Corporation tax at 24.5% - prior year	-	75,088
Deferred tax at 21% - current year (see note 9)	143,911	(46,184)
Deferred tax at 23% - prior year (see note 9)	-	(52,153)
Tax on profit/(loss) on ordinary activities	144,350	(173,626)

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 23.25% (2012 - 24.5%). The differences are explained as follows:

	2013	2012
	£	£
Profit/(loss) on ordinary activities before tax	424,369	(867,840)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 23.25% (2012 - 24.5%)	98,666	(212,621)
Effects of:		
expenses not deductible for tax purposes	362	746
short term temporary differences	25,008	(14,665)
adjustments to tax charge in respect of prior years	-	-
brought forward losses utilised	(123,035)	-
losses carried forward	-	155,437
difference between depreciation and accelerated capital allowances	(491)	(9,272)
deferred tax not provided	-	5,240
other adjustments	(71)	(154)
Current tax charge/(credit) for year	439	(75,289)

**BILLINGTON STRUCTURES LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

**5. Tangible fixed assets**

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1st January 2013	7,528,538	14,600	7,543,138
Additions	139,649	14,025	153,674
Disposals	-	(17,050)	(17,050)
At 31 December 2013	<u>7,668,187</u>	<u>11,575</u>	<u>7,679,762</u>
Depreciation			
At 1 January 2013	6,677,198	11,720	6,688,918
Charge for year	269,762	4,243	274,005
Disposals	-	(8,478)	(8,478)
At 31 December 2013	<u>6,946,960</u>	<u>7,485</u>	<u>6,954,445</u>
Net book value at 31 December 2013	<u>721,227</u>	<u>4,090</u>	<u>725,317</u>
Net book value at 31 December 2012	<u>851,340</u>	<u>2,880</u>	<u>854,220</u>

**6. Stock and work in progress**

	2013 £	2012 £
Raw materials	185,967	202,174
Work in progress	<u>7,221,199</u>	<u>5,387,702</u>
	<u>7,407,166</u>	<u>5,589,876</u>

**7. Debtors**

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	1,978,183	1,436,800
Amounts owed by group undertakings	1,627,474	547,163
Other debtors	47	-
Prepayments and accrued income	272,342	249,198
Deferred tax asset (note 9)	<u>596,095</u>	<u>740,006</u>
	4,474,141	2,973,167
Amounts falling due after more than one year		
Trade debtors	<u>445,728</u>	<u>323,201</u>
	<u>4,919,869</u>	<u>3,296,368</u>

**BILLINGTON STRUCTURES LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

**8. Creditors: amounts falling due within one year**

	2013	2012
	£	£
Bank overdraft	7,892	-
Trade creditors	8,069,798	5,180,301
Amounts owed to group undertakings	199,982	146,080
Social security and other taxes	294,211	462,523
Other creditors	86,843	73,029
Accruals and deferred income	304,251	196,228
Current taxation	439	-
	<u>8,963,416</u>	<u>6,058,161</u>

**9. Deferred tax asset**

Deferred taxation provided at 21% (2012 - 22%) in the financial statements and the total potential asset, including the amounts provided, are set out below.

	<u>Amount provided</u>		<u>Potential asset</u>	
	2013	2012	2013	2012
	£	£	£	£
Excess depreciation over capital allowances	103,000	113,000	103,000	113,000
Losses carried forward	428,342	569,524	428,342	569,524
Other short-term timing differences	64,753	57,482	64,753	57,482
	<u>596,095</u>	<u>740,006</u>	<u>596,095</u>	<u>740,006</u>

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

**10. Called up share capital**

	2013	2012
	£	£
Authorised, ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

**11. Profit and loss account**

	2013	2012
	£	£
At 1 January 2013	3,359,418	4,053,632
Profit/(loss) for year	<u>280,019</u>	<u>(694,214)</u>
At 31 December 2013	<u>3,639,437</u>	<u>3,359,418</u>



## **BILLINGTON STRUCTURES LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

### **12. Reconciliation of movements in shareholders' funds**

	2013	2012
	£	£
Profit/(loss) for year	280,019	(694,214)
Shareholders' funds at 1 January 2013	<u>3,809,418</u>	<u>4,503,632</u>
Shareholders' funds at 31 December 2013	<u><u>4,089,437</u></u>	<u><u>3,809,418</u></u>

### **13. Operating lease obligations**

	2013		2012	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Commitments to operating lease payments:				
In respect of leases expiring				
within one year	596,667	11,262	596,667	6,715
between one and five years	-	83,305	-	90,126
over five years	<u>81,000</u>	<u>-</u>	<u>81,000</u>	<u>-</u>
	<u><u>677,667</u></u>	<u><u>94,567</u></u>	<u><u>677,667</u></u>	<u><u>96,841</u></u>

### **14. Pension commitments**

The company operates funded pension schemes for certain employees and directors. The total cost of all pensions to the company for the year was £295,217 (2012 - £369,358).

Defined contribution schemes accounted for £189,593 (2012 - £202,546) of this amount with £105,624 (2012 - £166,812) relating to the defined benefit scheme. The defined benefit scheme provides benefits based on final pensionable pay and is operated through a group trust fund. Contributions are based on pension costs across the whole group.

The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The most recent actuarial valuation of the Scheme was on 27 November 2008. Further details of the actuarial valuation of the group scheme may be found in the financial statements of Billington Holdings Plc.

Further disclosures for these schemes are dealt with in the accounts of Billington Holdings Plc.

### **15. Related party transactions**

As a wholly owned subsidiary, the company is exempt from the requirements of Financial Reporting Standard 8 to disclose transactions within the Group headed by Billington Holdings Plc.

During the year the company made sales of £454,530 (2012: £1,230,106) to Tolent plc, a company sharing a common ultimate controlling party. There was a balance due from Tolent plc at the year end of £29,792 (2012: £20,904) due on normal trading terms.

During the year the company made sales of £nil (2012: £394,276) to the joint venture, BS2 (2011) Limited. There were no amounts outstanding at the year end (2012: £nil).

## **BILLINGTON STRUCTURES LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

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### **16. Ultimate parent undertaking**

The immediate and ultimate parent undertaking of this company is Billington Holdings Plc, which is registered in England and Wales. The only group of undertakings for which consolidated accounts have been prepared is that headed by Billington Holdings Plc. Further details relating to this matter are disclosed in that company's financial statements, copies of which can be obtained from the company's Registered Office.

### **17. Investment in joint ventures**

The investment in joint ventures relates to an equal shareholding of £1 ordinary shares held in BS2 (2011) Limited which was incorporated on 23 February 2011. The principal activity of BS2 (2011) Limited is that of design engineering, fabrication and construction of structural steelwork and the Company commenced trading on 1 November 2011.

The company's share of transactions and balances with BS2 (2011) Limited as at 31 December 2013 were as follows:

	<u>2013</u>	<u>2012</u>
	£	£
Share of turnover	-	65,162
Share of profit before taxation	-	-
Share of profit after taxation	-	-
Share of current assets	3,361	3,361
Share of liabilities due within one year	3,360	3,360