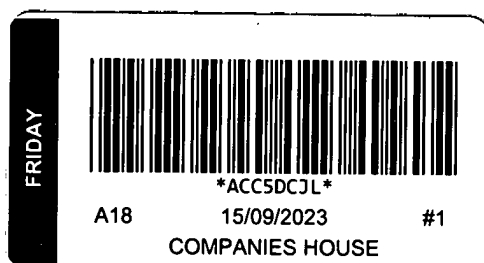


BILLINGTON STRUCTURES LIMITED

Company Number: 01567759

Annual Report and Financial Statements
For the year ended
31 December 2022



BILLINGTON STRUCTURES LIMITED

Annual report and financial statements for the year ended 31 December 2022

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BILLINGTON STRUCTURES LIMITED

Company information

Directors

M. Smith	Director	
T.M. Taylor	Director	
K.M. Campbell	Managing Director	(appointed 1 January 2022)
M. Goddard	Commercial Director	
B. Turton	Operations Director	
S. Thrift	Technical Director	
R. Parkin	Quantity Surveying Director	
R. Parker	Production Director	(appointed 11 April 2022)
D.A. Jones	Finance Director	(appointed 1 January 2023)

Secretary

D.P. Kemplay

Registered Office

Barnsley Road
Wombwell
Barnsley
S73 8DS

Auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
No.1 Whitehall Riverside
Leeds
LS1 4BN

Registered in England : Company Number - 01567759

BILLINGTON STRUCTURES LIMITED

Report of the Directors for the year ended 31 December 2022

The Directors present their report together with the audited financial statements for the year ended 31 December 2022.

1. Principal activities

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

2. Results and dividends

The Income Statement is set out on page 11 and shows the loss for the year.

An interim dividend of £nil (2021: £nil) was paid during the year. The Directors do not recommend the payment of a final dividend. The retained profit has been transferred to retained earnings.

3. Future developments

The Company's future developments are set out in the Strategic Report in accordance with s414C(11) of the Companies Act 2006.

4. 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 contract 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.

5. Directors

Mr R. Parker was appointed as a Director during the year. Mr D.A. Jones was appointed as a Director after the year end. All the other Directors served throughout the year and are stated on page 1.

BILLINGTON STRUCTURES LIMITED

Report of the Directors for the year ended 31 December 2022 (continued)

6. Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Report of the Directors 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 law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

7. Going concern

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

The financial position of the Company, its prominent market position, the positive orderbook at improved margin levels leave the Company well placed to improve its trading performance in 2023.

The Directors have prepared forecasts covering the period to April 2024 and approved by the Board in February 2023. Pleasingly the impacts of COVID-19 subsided during the course of 2022 with a number of deferred or cancelled projects returning to the market ensuring levels of output to be maintained.

The Russia / Ukraine conflict that commenced in the early part of 2022 has resulted in increased uncertainty across the globe. There have been consequential impacts on material availability, energy prices, input costs and latterly the possibility of a recessionary period in the UK are noted by the directors and the anticipated effects addressed and mitigated where possible. Workloads and anticipated margins remain buoyant and to date there has been limited impact to trading levels. Further details are included in the Group financial statements.

The Directors have reviewed forecasts and projections for 2023 and for at least 12 months from the date of the approval of the financial statements, including sensitivity analysis to assess the Company's resilience to potential adverse outcomes including a highly pessimistic 'severe but plausible' scenario. This scenario is based on a significant reduced trading performance no further orders being received. Furthermore, significant contract deterioration from that anticipated at the period end date has been assumed in the pessimistic scenario. Notwithstanding the stress tests that have been completed on the forecasts and projections the Company projects that it would have sufficient resources to continue trading without the requirement for any external funding requirements.

The Directors expect that the Company has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

BILLINGTON STRUCTURES LIMITED

Report of the Directors for the year ended 31 December 2022 (continued)

8. Research and development

Research and development expenditure during the year was £94,385 (2021: £86,454)

9. Stakeholder engagement

Billington's stakeholders are an integral part of the business, they consist of: customers, suppliers, employees and the local communities within which the Group operates.

Details of how the directors have engaged with these stakeholders are included in the Strategic Report.

10. 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.

11. Streamlined Energy and Carbon Reporting

The Company has not prepared an individual SECR report on the basis that a Group SECR report is prepared. This report can be obtained from the financial statements of the parent company, Billington Holdings plc.

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

Darren Kemplay

D.P. Kemplay
Secretary
Billington Structures Limited
Company Number - 01567759
17 April 2023

BILLINGTON STRUCTURES LIMITED

Strategic Report for the year ended 31 December 2022

The Directors present their strategic report for the year ended 31 December 2022.

1. Business review and future developments

2022 noted an improved trading environment for the Company as the impacts of COVID-19 subsided. Margin levels have noted a marked improvement over the course of 2022 as market output increased as a result of a number of deferred or cancelled projects returning to the market. Turnover increased 3% to £72,540,488. Operating profit increased from a loss of £227,904 (underlying) in 2021 to an operating profit of £3,982,408.

The onset of the conflict in Ukraine presented a new set of challenges for the Company in 2022. These included input cost inflation, material availability constraints and increased uncertainty of UK and global economic output levels. The Company's primary input cost relates to a variety of steel materials to which some items have noted significant cost inflation and availability constraints during the year. Prices and availability have stabilised towards the latter part of 2022 and this is anticipated remain the case in 2023.

The Company employs a number of methods to mitigate against short term price escalation of its raw materials to ensure that the Company procures these at a level that was anticipated when a contract was secured.

The volume of work secured throughout 2022 was positive across a variety of market sectors. The orderbook at the conclusion of the year provides confidence of the level of anticipated trading in 2023. Furthermore, the company has sight of a number of significant projects in the marketplace that are anticipated for delivery in 2024.

The year noted a range of contracts, across a number of sectors and throughout the United Kingdom.

Major projects included:

- Castlepoint Car Park, Southampton
- Newhurst Energy from Waste Centre, Loughborough
- Shepperton Studios, London
- Wakefield Trinity RLFC, Wakefield
- Isle of Man Ferry Terminal, Liverpool
- City Square House Office Development, Leeds
- Smartparc Industrial Unit, Derby

Capital investment projects continued in 2022 to improve production efficiencies and product quality. During the year a new Ficep Saw / Drill line was installed at the Wombwell facility with a further saw / drill line being ordered in the period for the Yate facility that is scheduled for delivery in March 2023. An additional plate processing machine at the Shafon facility, ordered in 2021 was successfully installed in 2022 allowing for increased output at the Shafon Steel operating division.

Further capital expenditure projects are planned for 2023 that will serve to improve the efficiencies of the business.

The Company started 2023 with a positive order book and, with a number of significant prospects in the pipeline, the Company can look forward with increased optimism into 2023.

It was disappointing to note that the company suffered two reportable incidents in the year as a consequence of operatives not following the approved and implemented operating procedures. A programme of behavioural safety is scheduled for implementation throughout 2023 across all the Company's facilities to assist and improve the safety culture.

2. Key performance indicators

	2022	2021
Turnover growth	3%	25%
Operating profit: sales	5.5%	(1.9%)
Profit before tax: sales	5.5%	(1.9%)
Production efficiency	119%	123%
Minor accidents	56	61
Reportable incidents	2	5

BILLINGTON STRUCTURES LIMITED

Strategic Report for the year ended 31 December 2022 (continued)

3. Principal risks and uncertainties

Contract risk

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

Health and safety

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

The Company has instigated a behavioural safety initiative to be rolled out throughout 2023 to further enhance the culture of Health and Safety across all the Company's production facilities.

Economic environment

The economic environment in which the Company trades continues to be challenging with both macro and micro economic pressures. These risks are largely outside of the control of the Company, however the Directors monitor the economic environment closely and this informs decision making within the Company.

Credit risk

Current economic conditions have impacted on the Company's ability to maintain full credit protection on all customers. This will remain an important issue for the foreseeable future that will be constantly monitored to ensure the Company is not exposed to an unacceptable level of risk.

Foreign currency

Foreign currency cash flows present the Company with uncertainty relating to the timing and quantum of cash flow receipts. Where contract receipts are denominated in a foreign currency the risk associated with conversion into Sterling are mitigated through the utilisation of appropriate, effective hedging instruments.

COVID-19 and Russia / Ukraine Conflict

The worldwide outbreak of COVID-19 in early 2020 created significant uncertainty across the globe. The success of the vaccine roll out programme, a return to more normal operational practices and output in the construction sector being maintained provides the Company confidence moving into 2023.

The onset of the conflict in Ukraine presented a new set of challenges for the Company in 2022. These included input cost inflation, material availability constraints and increased uncertainty of UK and global economic output levels. The effects of the conflict have been identified and addressed where possible and the whereas these have been successfully navigated to date the Directors remain alert to further impacts that may arise while the conflict remains ongoing.

4. Section 172 (1) statement

The directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to Section 172 (a)-(f) of the Companies Act 2006.

The Company is a subsidiary of Billington Holdings Plc and therefore, key decisions which affect the Group, this Company and stakeholders are principally made by the Board of the ultimate parent company Billington Holdings Plc. Further details of how the Board of Billington Holdings plc have had regard to s172(1) (a) to (f) in the current financial year can be found in those consolidated financial statements, key elements of which include:

BILLINGTON STRUCTURES LIMITED

Strategic Report for the year ended 31 December 2022 (continued)

Employees

Employee engagement, development and satisfaction is key to building a successful business. Billington invests in the development of its staff, adopting a number of policies aimed at recruiting and rewarding employees, including operating effective training and award-winning apprenticeship schemes.

Billington values its employees and understands they are key to delivering the sustained growth and development of the Company. The Company ensures every employee has the opportunity to fulfil their potential in a supportive and inclusive environment.

These policies help to foster employee communication and development, and help to deliver long-term Company growth.

Customers and suppliers

The Company recognises the need to maintain a supply chain that adheres to and is aligned with our environmental, social and commercial objectives and policies.

Billington is committed to carrying out all dealings with clients, suppliers, sub-contractors and its own staff in a fair, open and honest manner. It is also committed to complying with all legislative and regulatory requirements that are relevant to its business activities.

The Company communicates fully and openly with customers regarding costs of work undertaken and will provide accurate and honest guidance and advice to customers to ensure their requirements are met.

The Company strives to develop positive relationships with suppliers to ensure both parties understand each other's problems and requirements. It will not use current or potential contracts to coerce suppliers into unsustainable offers.

The Company is proud of its long standing and committed partner relationships with its supply chain and in turn seeks to treat them fairly with timely payment for works and the implementation of a 'no retention' policy.

Communities and environment

The Company is highly regarded in the industry and aims to maintain this positive reputation. It engages openly and effectively with stakeholders and communities, and adopts the highest standards of environmental and suitability guidelines to minimise its impact within the areas it operates.

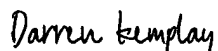
5. Disabled persons

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.

6. 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.



D.P. Kemplay
Secretary
Billington Structures Limited
Company Number - 01567759
17 April 2023

BILLINGTON STRUCTURES LIMITED

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

Opinion

We have audited the financial statements of Billington Structures Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the crisis in Ukraine and we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

BILLINGTON STRUCTURES LIMITED

Independent Auditor's Report to the members of BILLINGTON STRUCTURES LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors. We discussed the policies and procedures regarding compliance with laws and regulations with the directors;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the entity's control environment, including:
 - management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations;
 - the adequacy of procedures for authorisation of transactions; and
 - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.
- Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud; and
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions.

BILLINGTON STRUCTURES LIMITED

Independent Auditor's Report to the members of BILLINGTON STRUCTURES LIMITED (continued)

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

• The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates; and
- understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provisions.

• We communicated relevant laws and regulations and potential risks to all engagement team members and remained alert to indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

Victoria McLoughlin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

17 April 2023

BILLINGTON STRUCTURES LIMITED

Income Statement for the year ended 31 December 2022

	Note	2022 £	Underlying 2021 £	Non-underlying 2021 £	Total 2021 £
Turnover	5	72,540,488	70,762,105	-	70,762,105
Inventory recognised as an expense and consumables		(49,500,716)	(53,756,648)	-	(53,756,648)
Other external charges		(1,067,174)	(1,101,291)	-	(1,101,291)
		(50,567,890)	(54,857,939)	-	(54,857,939)
		21,972,598	15,904,166	-	15,904,166
Staff costs	6	(13,270,938)	(11,803,098)	-	(11,803,098)
Depreciation		(743,112)	(629,900)	-	(629,900)
Other operating charges		(3,976,140)	(3,699,072)	-	(3,699,072)
Impairment losses		-	-	(1,123,326)	(1,123,326)
		(17,990,190)	(16,132,070)	(1,123,326)	(17,255,396)
Operating profit/(loss)		3,982,408	(227,904)	(1,123,326)	(1,351,230)
Net finance costs	8	(19,885)	(19,688)	-	(19,688)
Profit/(loss) before taxation	5	3,962,523	(247,592)	(1,123,326)	(1,370,918)
Tax on profit/(loss)	9	(751,430)	6,981	213,432	220,413
Profit/(loss) after taxation		3,211,093	(240,611)	(909,894)	(1,150,505)

All the above transactions relate to continuing activities.

The notes 1 to 21 form part of these financial statements.

BILLINGTON STRUCTURES LIMITED

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	<u>2022</u>	<u>2021</u>
		£	£
Profit/(loss) for the year		3,211,093	(1,150,505)
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit surplus	19	(486,000)	1,023,000
Movement on deferred tax relating to pension liability	15	121,500	(348,480)
Other comprehensive income/(expense), net of tax		<u>(364,500)</u>	<u>674,520</u>
Total comprehensive income/(expense) for the financial year		<u>2,846,593</u>	<u>(475,985)</u>

The notes 1 to 21 form part of these financial statements.

BILLINGTON STRUCTURES LIMITED

Statement of Financial Position as at 31 December 2022

Company number: 01567759

	Note	2022		2021	
		£	£	£	£
Non-current assets					
Tangible assets	11		6,256,014		4,525,187
Pension asset	19		<u>2,174,000</u>		<u>2,673,000</u>
Total non current assets			8,430,014		7,198,187
Current assets					
Inventories and contract work in progress	12	14,928,167		11,131,481	
Debtors	13	9,409,325		11,696,238	
Current tax		220,588		671,155	
Cash at bank and in hand		<u>1,809</u>		<u>539,976</u>	
Total current assets			<u>24,559,889</u>		<u>24,038,850</u>
Total assets			<u>32,989,903</u>		<u>31,237,037</u>
Current liabilities					
Creditors	14	<u>(17,705,128)</u>		<u>(19,293,508)</u>	
Total current liabilities			<u>(17,705,128)</u>		<u>(19,293,508)</u>
Non-current liabilities					
Deferred tax liability	15	<u>(1,341,018)</u>		(1,032,284)	
Total non-current liabilities			<u>(1,341,018)</u>		<u>(1,032,284)</u>
Total liabilities			<u>(19,046,146)</u>		<u>(20,325,792)</u>
Net assets			<u>13,943,757</u>		<u>10,911,245</u>
Capital and reserves					
Called up share capital	16		450,000		450,000
Retained earnings	17		<u>13,493,757</u>		<u>10,461,245</u>
			<u>13,943,757</u>		<u>10,911,245</u>

The financial statements were approved and authorised for issue by the Board of Directors on 17 April 2023.

Mark Smith

M. SMITH Director

Trevor Taylor

T.M. TAYLOR Director

The notes 1 to 21 form part of these financial statements. 13-

BILLINGTON STRUCTURES LIMITED

Statement of changes in equity for the year ended 31 December 2022

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2021	450,000	10,965,518	11,415,518
Loss for the financial year	-	(1,150,505)	(1,150,505)
Other comprehensive income for the year	-	674,520	674,520
Debit relating to equity-settled share-based payments	-	(28,288)	(28,288)
At 31 December 2021	450,000	10,461,245	10,911,245
	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2022	450,000	10,461,245	10,911,245
Profit for the financial year	-	3,211,093	3,211,093
Other comprehensive expense for the year	-	(364,500)	(364,500)
Credit relating to equity-settled share-based payments	-	185,919	185,919
At 31 December 2022	450,000	13,493,757	13,943,757

Retained earnings represent accumulated comprehensive income for the year and prior periods less dividends paid and includes a surplus of £1,631,000 (2021 - £2,005,000) relating to the net pension surplus.

The notes 1 to 21 form part of these financial statements.

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022

1. Company information

Billington Structures Limited is a private company limited by shares domiciled in England and Wales, registration number 01567759. The registered office is Bamsley Road, Wombwell, Bamsley, S73 8DS.

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

2. Compliance with Accounting Standards

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The individual accounts of Billington Structures Limited have also adopted the following disclosure exemptions, under FRS 102 paragraph 1.12, on the basis that it is a qualifying entity and these disclosures are included in the financial statements of its ultimate parent company, Billington Holdings Plc:

- the requirement to present a statement of cash flows and related notes (Section 7 Statement of Cash Flows & paragraph 3.17 (d))
- key management personnel (paragraph 33.7)
- certain financial instruments

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Revenue

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process management makes significant judgements about milestones, actual work performed, costs to complete and the overall contract value.

Recognition of pension scheme surplus

Management consider that where the pension scheme is in surplus it is appropriate to recognise this as an asset in the company balance sheet. The surplus is considered recoverable both by a reduction in future contributions and by the scheme rules indicating that any surplus will be returned to the sponsoring company upon cessation.

Recoverability of retentions

The release of retention balances held within trade debtors are subject to events that are outside the control of management. This requires that management assess the recoverability of these balances in arriving at the figure to be included in these financial statements.

Estimation uncertainty

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

Construction contract revenue

The carrying amount of construction contracts and revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. Management assess the profitability of ongoing construction contracts and the order backlog at least monthly, using extensive project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Defined benefit obligation

Management estimates the defined benefit obligation annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit obligation of £4,646,000 (2021: £7,020,000) is based on standard rates of inflation and appropriate mortality tables. It also takes into account the Company's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

4. Accounting Policies**Basis of preparation of financial statements**

These financial statements are prepared under FRS 102.

The financial statements have been prepared on the historical cost basis. The presentational currency is Sterling (£).

During the year, management have reviewed the presentation of the Statement of Financial Position and have adopted an adapted balance sheet format, to be consistent with the Group financial statements and as management consider that the new presentation provides reliable and more relevant information and is an improvement on the previous presentation.

Going concern

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

The financial position of the Company, its prominent market position, the positive orderbook at improved margin levels leave the Company well placed to improve its trading performance in 2023.

The Directors have prepared forecasts covering the period to April 2024 and approved by the Board in February 2023. Pleasingly the impacts of COVID-19 subsided during the course of 2022 with a number of deferred or cancelled projects returning to the market ensuring levels of output to be maintained.

The Russia / Ukraine conflict that commenced in the early part of 2022 has resulted in increased uncertainty across the globe. There have been consequential impacts on material availability, energy prices, input costs and latterly the possibility of a recessionary period in the UK are noted by the directors and the anticipated effects addressed and mitigated where possible. Workloads and anticipated margins remain buoyant and to date there has been limited impact to trading levels. Further details are included in the Group financial statements.

The Directors have reviewed forecasts and projections for 2023 and for at least 12 months from the date of the approval of the financial statements, including sensitivity analysis to assess the Company's resilience to potential adverse outcomes including a highly pessimistic 'severe but plausible' scenario. This scenario is based on a significant reduced trading performance no further orders being received. Furthermore, significant contract deterioration from that anticipated at the period end date has been assumed in the pessimistic scenario. Notwithstanding the stress tests that have been completed on the forecasts and projections the Company projects that it would have sufficient resources to continue trading without the requirement for any external funding requirements.

The Directors expect that the Company has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

(a) Turnover and profit / loss recognition

Turnover is the total amount receivable in respect of work done and services provided, excluding value added tax.

Turnover and costs are recognised by reference to stage of completion at the balance sheet date once the outcome of the contract can be measured reliably. When the outcome of a contract cannot be estimated reliably, turnover is recognised to the extent that it is probable that the costs are recoverable.

Provision is made for probable future 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.

(b) Property, plant and equipment

Property, plant and equipment 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%

Assets under construction are not depreciated.

(c) Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to sell.

(d) Work in progress

If the stage of completion of a contract is greater than the consideration received, the Company recognised either contract work in progress or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before consideration is due. Work in progress is included in turnover, except when progress payments and advances received from customers are greater than the work performed.

(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 income statement.

(f) Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in retained earnings. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised on all timing differences that have originated but not reversed by the statement of financial position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

4. Accounting Policies (continued)

(g) Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

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 is the principal employer of the Billington Final Salary pension scheme. A defined benefit scheme defines the pension benefit that the employee will receive on retirement. The surplus or liability recognised in the balance sheet in respect of the Scheme is the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation. The fair value of the plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

The defined benefit obligation is calculated using the projected unit credit method. Triennially the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds denominated in sterling.

Actuarial gains and losses arising from experience adjustments and changes in actual assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "remeasurement of net defined benefit liability". The net interest benefit is calculated by applying the discount rate to the net balance of the defined benefit surplus and the fair value of plan assets. This cost is recognised in the income statement.

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 income statement.

(i) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(j) Cash

Cash comprises cash at bank and in hand.

(k) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(l) Non-underlying items

Non-underlying items have been separately identified to provide a better indication of the Company's underlying business performance. They are not considered to be 'business as usual' items and have a varying impact on different businesses and reporting periods.

Non-underlying items are presented as a separate column within their related income statement category. Their separate identification results in the calculation of an underlying profit measure in the same way as it is presented and reviewed by management.

Items that may give rise to classification as non-underlying are any significant items that are considered one-off and non-recurring.

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

5. Turnover and profit before taxation

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

Analysis of revenue:

	2022			2021		
	Contracts with customers	Other sources of revenue	Total	Contracts with customers	Other sources of revenue	Total
	£	£	£	£	£	£
United Kingdom	69,404,959	3,135,529	72,540,488	68,646,271	2,115,834	70,762,105
	<u>69,404,959</u>	<u>3,135,529</u>	<u>72,540,488</u>	<u>68,646,271</u>	<u>2,115,834</u>	<u>70,762,105</u>

Profit (2021: loss) is stated after charging/(crediting):

	2022	2021
	£	£
Fees for the audit of the company	43,000	25,000
Depreciation	743,112	629,900
Operating lease charges:		
land and buildings	885,887	949,200
other operating leases	163,949	117,534
Bad debt (credit)/expense	(83,996)	61,232
Work in progress impairment	-	957,926
Foreign exchange (gains)/losses	<u>(5,211)</u>	<u>91,903</u>

The non-underlying item separately identified on the face of the income statement in the prior year is a one-off significant impairment loss of £1,123,326 against a trade receivables and work in progress due to a customer entering administration.

6. Directors and employees

Staff costs during the year, including Directors:

	2022	2021
	£	£
Wages and salaries	11,434,368	10,395,258
Social security	1,176,101	1,022,426
Pension costs (defined contribution)	474,550	413,702
Share-based payments	<u>185,919</u>	<u>(28,288)</u>
	<u>13,270,938</u>	<u>11,803,098</u>

The average number of production employees of the company during the year was 165 (2021 - 158).

The average number of administration employees of the company during the year was 117 (2021 - 116).

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

6. Directors and employees (continued)

Remuneration in respect of Directors was as follows:

	2022	2021
	£	£
Aggregate emoluments	748,010	509,985
Company pension contributions to a defined contribution scheme	68,373	40,326

During the year seven Directors (2021 - five Directors) participated in a defined contribution pension scheme and no Directors (2021 - no Directors) participated in a defined benefit scheme.

During the year no Directors (2021 - no Directors) exercised share options in the parent's shares.

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

	2022	2021
	£	£
Aggregate emoluments	160,013	117,495
Company pension contributions to a defined contribution scheme	19,703	13,893

7. Share based payments

During the year ended 31 December 2022, the Company had two share-based payment arrangements for certain employees. These share options are granted based on seniority and length of service with share options granted in the parent company, Billington Holdings Plc.

Under both arrangements the options are granted with a fixed exercise price, are exercisable three years after the date of grant and expire ten years after the date of grant. Employees are not entitled to dividends until the shares are exercised. Employees are required to remain in employment with the Company until exercise, otherwise the awards lapse. On exercise of the options by the employees the Company issues shares held in trust by the Billington Holdings ESOT.

In addition, one of the schemes provides additional remuneration for those employees who are key to the operations of the Company. Vesting of the options for this scheme is also conditional on meeting agreed growth targets (non-market performance conditions).

	Number of shares		Weighted average exercise price	
	2022	2021	2022	2021
	No.	No.	£	£
Brought forward	133,985	143,485	0.67	0.83
Granted	199,259	-	-	-
Lapsed	(63,972)	(9,500)	-	3.03
Outstanding at 31 December	269,272	133,985	0.33	0.67
Exercisable at the end of the year	29,612	12,690	3.03	

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to this scheme.

Under FRS 102, the Group recognises an expense in the relevant company's financial statements. The expense is apportioned over the vesting period based upon the number of options which are expected to vest and the fair value of those options at the date of grant. The total charge apportioned to Billington Structures Limited and recognised a charge in the year was £185,919 (2021: credit of £28,288).

8. Net finance costs

	2022	2021
	£	£
(Payable)/Receivable on group loans	(10,888)	13,312
Pension Scheme expense	(13,000)	(33,000)
Other finance income	4,003	-
	(19,885)	(19,688)

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

9. Tax on profit/(loss)

The tax charge represents:

	2022	2021
	£	£
Corporation tax at 19% (2021 - 19%) - current year	280,755	(465,981)
Corporation tax at 19% - prior year	40,441	(1,900)
Current tax charge for period	321,196	(467,881)
Deferred tax at 25% (2021 - 25%) - current year	470,604	247,468
Deferred tax at 25% - prior year	(40,370)	-
Tax on profit/(loss)	<u>751,430</u>	<u>(220,413)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 19% (2021 - 19%). The differences are explained as follows:

	2022	2021
	£	£
Profit/(loss) before tax	<u>3,962,523</u>	<u>(1,370,918)</u>
Profit/(loss) multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021 - 19%)	752,879	(260,474)
Effects of:		
expenses not deductible for tax purposes	3,283	1,501
fixed asset differences	(104,655)	(35,056)
adjustments to tax charge in respect of prior years	71	(1,900)
rate difference - deferred tax	123,165	101,639
other tax adjustments	<u>(23,313)</u>	<u>(26,123)</u>
Total tax charge for year	<u>751,430</u>	<u>(220,413)</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantially enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

10. Dividend

	2022	2021
	£	£
Interim dividend of £nil (2021 - £nil) per share	<u>-</u>	<u>-</u>

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

11. Property, plant and equipment

	Plant and equipment	Motor vehicles	Assets under construction	Total
	£	£	£	£
Cost				
At 1 January 2022	11,883,455	87,071	420,611	12,391,137
Additions	2,152,800	-	321,139	2,473,939
Transfers	420,611	-	(420,611)	-
Disposals	(864,948)	(39,808)	-	(904,756)
At 31 December 2022	13,591,918	47,263	321,139	13,960,320
Depreciation				
At 1 January 2022	7,778,879	87,071	-	7,865,950
Charge for year	743,112	-	-	743,112
Disposals	(864,948)	(39,808)	-	(904,756)
At 31 December 2022	7,657,043	47,263	-	7,704,306
Net book value at 31 December 2022	5,934,875	-	321,139	6,256,014
Net book value at 31 December 2021	4,104,576	-	420,611	4,525,187

The Company has a contractual commitment to acquire plant of £684,320 payable in 2023. There were no other material contractual commitments to acquire property, plant and equipment at 31 December 2022 (2021: £981,427).

12. Inventories and contract work in progress

	2022	2021
	£	£
Raw materials	2,166,416	1,456,054
Contract work in progress	12,761,751	9,675,427
	14,928,167	11,131,481

The provision against the value of raw materials at the balance sheet date was £83,745 (2021: £115,128).

The provision against the value of contract work in progress at the balance sheet date was £nil (2021: £957,926).

13. Debtors

	2022	2021
	£	£
Amounts falling due within one year		
Trade debtors	5,753,185	8,086,648
Amounts owed by group undertakings	1,840,200	1,765,517
Other debtors	657,619	769,640
Prepayments	975,998	793,714
	9,227,002	11,415,519
Amounts falling due after more than one year		
Trade debtors	182,323	280,719
	9,409,325	11,696,238

The amounts owed by group undertakings includes a loan receivable balance of £1,840,200 (2021: £nil) due from Billington Holdings Plc and is repayable on demand. Interest payable on the loan is charged at a market rate of interest.

Trade debtors are stated after provisions for impairment of £305,723 (2021: £312,525).

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

14. Creditors

	<u>2022</u>	<u>2021</u>
	£	£
Trade creditors	10,300,102	12,661,419
Amounts owed to group undertakings	853,849	2,450,369
Social security and other taxes	388,612	371,731
Other creditors	158,285	149,300
Accruals and deferred income	<u>6,004,280</u>	<u>3,660,689</u>
	<u>17,705,128</u>	<u>19,293,508</u>

The amounts owed to group undertakings includes a loan payable balance of £nil (2021: £1,880,000) due to Billington Holdings Plc and is repayable on demand. Interest payable on the loan is charged at a market rate of interest.

15. Deferred tax liability

Deferred taxation provided at 25% (2021 - 25%) in the financial statements and the total potential liability / asset, including the amounts provided, are set out below.

	<u>Amount provided</u>	
	<u>2022</u>	<u>2021</u>
	£	£
Excess capital allowances over depreciation	(928,221)	(457,450)
Other short term timing differences	<u>130,703</u>	<u>93,416</u>
	<u>(797,518)</u>	<u>(364,034)</u>
Deferred tax recognised in other comprehensive income		
Pension surplus	<u>(543,500)</u>	<u>(668,250)</u>
Total deferred tax liability	<u>(1,341,018)</u>	<u>(1,032,284)</u>

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

Movements on the deferred tax liability relating to the pension asset (see statement of comprehensive income) are recognised directly in equity. All other deferred tax movements are recognised in the income statement.

The net deferred tax liability is not expected to reverse in 2023. Management are unable to accurately estimate the future reversal of the deferred tax balance relating to the pension surplus as the potential movement in the pension scheme asset and liabilities are uncertain.

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

16. Called up share capital

	<u>2022</u>	<u>2021</u>
	£	£
Allotted, called up and fully paid ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution or dividends and the repayment of capital.

17. Reserves

Retained earnings - Includes all current and prior period retained profits and losses.

18. Leasing commitments

Future minimum operating lease payments are as follows:

	<u>2022</u>	<u>2021</u>
	£	£
Within one year	935,000	825,000
Between one and five years	440,000	-
Over five years	<u>473,500</u>	<u>-</u>
	<u>1,848,500</u>	<u>825,000</u>

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

19. Pension commitments

The Company operates funded pension schemes for certain employees and Directors. The total cash payments into all pensions by the company for the year was £474,550 (2021 - £413,702). Contributions to defined contribution schemes amounted to £474,550 (2021 - £413,702). Included within other creditors is £11,296 (2021 - £11,808) in relation to contributions payable by the Company at the year end.

The defined benefit scheme provides benefits based on final pensionable pay. The defined benefit scheme is legally separated from the Company and is managed by a board of trustees. The board of trustees of the scheme is required by its articles of association to act in the best interest of the fund and is responsible for setting the investment policies. The Company is represented on the board of trustees by employer nominated and appointed trustees.

The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of an independent qualified actuary using the projected unit credit method of valuation. The latest actuarial valuation of the Company's pension scheme was carried out as at 31 March 2020 (approved 10 December 2020).

In accordance with the terms of schedule of contributions dated 10 December 2020 the Company expects to contribute approximately £nil to the defined benefit pension scheme in the year ending 31 December 2022. The next scheme funding actuarial valuation is due as at 31 March 2023. The recovery plan and schedule of contributions will be reviewed at this date.

The scheme was closed to future accrual at 1 July 2011 and any remaining surplus upon satisfaction of all scheme liabilities is returnable to the Company.

While the scheme has in the past been open to employees of other Group companies, Billington Structures Limited is considered to be the principal employer and therefore all costs of the scheme are borne by this entity.

The plan assets do not include any of the Group's financial instruments nor is any property occupied by any Group entity.

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

	2022	2021
	£	£
At 1 January	9,693,000	9,292,000
Interest income	172,000	110,000
Return on plan assets (excluding amounts included in net interest)	(2,725,000)	544,000
Contributions	-	-
Benefits paid	(259,000)	(200,000)
Administration costs	(61,000)	(53,000)
At 31 December	<u>6,820,000</u>	<u>9,693,000</u>

Movements in the defined benefit obligation during the year were as follows:

	2022	2021
	£	£
At 1 January	(7,020,000)	(7,609,000)
Interest cost	(124,000)	(90,000)
Remeasurement - actuarial gains/(losses) from changes in financial assumptions	2,443,000	461,000
Remeasurement - actuarial gains/(losses) from changes in demographic assumptions	6,000	16,000
Remeasurement - experience differing from that assumed	(210,000)	2,000
Benefits paid	259,000	200,000
At 31 December	<u>(4,646,000)</u>	<u>(7,020,000)</u>

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

19. Pension commitments (continued)

Analysis of the amount recognised in the income statement:

	2022	2021
	£	£
Net interest on the net defined benefit asset	48,000	20,000
Administration cost	(61,000)	(53,000)
Total charge	<u>(13,000)</u>	<u>(33,000)</u>

Analysis of the amount recognised in statement of comprehensive income:

	2022	2021
	£	£
Return on plan assets (excluding amounts included in net interest)	(2,725,000)	544,000
Actuarial losses on defined benefit obligation	2,239,000	479,000
Total (expense)/income recognised in other comprehensive income	<u>(486,000)</u>	<u>1,023,000</u>

The assets of the scheme were:

	2022	2021
	£	£
Bonds	5,250,000	7,838,000
Cash	53,000	27,000
Other	1,517,000	1,828,000
Total market value of assets	6,820,000	9,693,000
Present value of scheme liabilities	<u>(4,646,000)</u>	<u>(7,020,000)</u>
Surplus in the scheme	2,174,000	2,673,000
Related deferred tax liability	<u>(543,500)</u>	<u>(668,250)</u>
Net pension asset	<u>1,630,500</u>	<u>2,004,750</u>

The assumptions adopted for the scheme valuation were developed by management with the advice of an independent actuary. These assumptions are based on current actuarial benchmarks, management's historical experience and by reference to market yields on corporate bonds.

The significant actuarial assumptions used for the valuation are as follows:

	2022	2021
	%	%
Rate of increase in pensionable salaries	2.50	2.50
Rate of increase in pensions in payment	3.10	3.40
Discount rate	4.80	1.80
Inflation assumption	3.10	3.40

BILLINGTON STRUCTURES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

19. Pension commitments (continued)

The mortality assumption adopted for the purposes of the calculations as at 31 December 2022 is as follows:

- Base table: S3PxA tables, year of birth

- Future mortality improvements: CMI 2020 mortality projection model at 1.5% per annum.

Average life expectancies - Billington Scheme

	2022	2021
Male retiring at reporting date at age 62 (in years)	25.0	24.9
Male retiring at reporting date +20 years at age 62 (in years)	26.7	26.7

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

20. Related party transactions

As a wholly owned subsidiary, the company is exempt from disclosing transactions within the Group headed by Billington Holdings Plc.

21. 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 the consolidated financial statements of Billington Holdings plc, copies of which can be obtained from the company's Registered Office, Barnsley Road, Wombwell, Barnsley, S73 8DS.