1 December 2020

Bilby Plc
("Bilby" or the "Group")

Half Year results for the six months ended 30 September 2020

Bilby Plc (AIM:BILB), a leading gas heating, electrical and building services provider, announces its half year results for the six months ended 30 September 2020 (the "Period").

	Unaudited 6 months to 30 September 2020 £´000	Unaudited 6 months to 30 September 2019 £´000	Audited 12 months to 31 March 2020 £´000
Income statement			
Revenue	**23,432**	29,778	65,392
Gross profit	**5,994**	7,819	16,597
EBITDA[1] (including effect of adoption of IFRS 16)	**1,924**	2,450	5,508
Adjusted EBITDA[2] (excluding effect of adoption of IFRS 16)	**1,523**	2,062	4,668
Underlying operating profit[3]	**1,408**	1,917	4,256
Underlying profit before taxation[4]	**1,160**	1,702	3,691
(Loss)/profit after taxation	**(155)**	542	1,379
Basic (loss)/earnings per share[5]	**(0.26)**	1.34	2.93
Adjusted earnings per share[6]	**1.92**	3.78	7.10
Financial position and cash flow generation			
Net (cash)/overdraft	**(2,465)**	6,292	3,332
Term and other loans	**7,325**	4,776	3,882
Net debt[7]	**4,860**	11,068	7,214
Net cash generated from operating activities	**3,004**	1,017	3,886
Adjusted net cash generated from operating activities[8]	**1,882**	2,409	4,604
Adjusted operating cash conversion[9] (%)	**124%**	117%	99%
Net assets	**10,487**	7,941	10,624

1. Earnings before interest, taxation, depreciation and amortisation ("EBITDA") and excluding non-underlying items as set out in the financial review.
2. EBITDA, excluding non-underlying items and before the effect of the implementation of IFRS 16 "Leases" as set out in the financial review.
3. Underlying operating profit is stated before charging non-underlying items as set out in note 3.
4. Underlying profit before taxation is stated after finance costs and before charging non-underlying items as set out in the financial review.
5. Basic (loss)/earnings per share is the (loss)/profit after tax divided by the weighted average number of ordinary shares.
6. Adjusted earnings per share is the profit before deducting non-underlying after tax divided by the weighted average number of ordinary shares.
7. Net debt comprises term loans and other loans, and cash net of overdraft, and excludes lease obligations under IFRS 16.
8. Net cash generated from operating activities after adjustment for exceptional payments and deferred HMRC payments and before the effect of the implementation of IFRS 16, as set out in the financial review.
9. Adjusted net cash generated from operating activities divided by Adjusted EBITDA, as set out in the financial review

Financial highlights

- Adjusted EBITDA of £1.5 million (2019: £2.1 million) for the six month period ended 30 September 2020; illustrating Covid-19 resilience, with run rate at 74% of prior year.
- Q2 revenues increased 54% from Q1 (2019: 5% increase), demonstrating work being deferred not lost due to Covid-19.
- Strong Adjusted cash generation of £1.9 million representing an Adjusted operating cash conversion of 124%.
- Net debt reduced 33% by £2.3 million from £7.2 million at 31 March 2020 to £4.9 million at 30 September 2020.
- Net cash at 30 September 2020 of £2.5 million giving £5.0 million headroom against overdraft facility of £2.5 million.

Operating highlights

- Our three year visible revenues* increased from £172.1 million to £182.4 million during the Period due to a combination of new, renewed and extended contracts.
- With client resources limited due to the lockdown, our consistent and continuous presence enabled the opportunity to capture a broader range of work streams.
- Significant efficiencies achieved through realignment of internal functions and office consolidation, enabling reinvestment for growth.
- Internal investment to drive further improvements in working capital through operational excellence.
- Investment in additional green accreditations to continue our focus on sustainability.

* Three year visible revenues represents the minimum identifiable revenues, over the following three year period; being contracted or anticipated spend as well as historical run rates.

Post-period end

- Investment to strengthen and enhance Bilby's business development team in order to capture organic growth opportunities.
- Further investment committed to diversify and prioritise our focus on in-house compliance and regulatory work streams.
- Strengthened the board with the appointment of Caroline Tolhurst as a Non-Executive Director.
- Current trading continues robustly but until the duration and subsequent implications of the continuing Government's restrictions become clear, it remains difficult for the Company to provide financial guidance for the current year. We will continue to keep the market updated as the situation evolves.

Commenting on the results and prospects, David Bullen, Chief Executive Officer, said:

"The challenges of the Covid-19 pandemic continue to test the resilience of all companies, particularly those that involve close human contact in the work place such as Bilby. However, these challenges have served to demonstrate our renewed strength and vigour, whilst the realignment of our cost base during the Period has facilitated the opportunity to reinvest in foundational building blocks for our future. Much uncertainty still remains as a result of the pandemic but we look ahead positively with confidence as Bilby continues its transition from the past difficulties to deliver long term sustainable growth."

This announcement contains information which, prior to its disclosure by this announcement, was inside information for the purposes of the Market Abuse Regulation

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Notes to Editors:

Bilby is a leading provider of essential electrical, gas and building services to communities across London and the South East. The Group was formed in 2014 with a strategy of acquiring businesses to meet the continued demand for high-quality improvement and maintenance services in public sector and affordable housing. Bilby's reputation for operational excellence is underpinned by its disciplined focus on customer service.
There are four subsidiaries within the Bilby Group:

- Purdy, an award-winning contractor in electrical, mechanical and property services;
- DCB (Kent), a high-quality building, refurbishment and maintenance services provider;
- Spokemead, a specialist in electrical installation, repairs and maintenance services; and
- R. Dunham, a provider of electrical installation and maintenance services.

Bilby Plc is listed on the AIM market of the London Stock Exchange

Chair's statement

Despite the significant challenges of operating during the national lockdown and the restrictive period of uncertainty which has followed, the Group delivered a strong performance for the first half of the year. Essential work, as deemed by the UK government, is very much at the heart of the services Bilby provides – given the regulatory and compliant natures of the maintenance and repairs we undertake. Whilst the Group was impacted by work place access issues, the Group's performance was attributable to management's proactive and decisive actions which mitigated disruption. The Group quickly implemented the operational measures to ensure we could continue to serve our customers safely as an essential service provider with the dedication and passion that is the hallmark of Bilby.

The resilient performance is a testament to the exceptional work done by the team, spearheaded by David Bullen, in restructuring the Group. This turnaround work has led to a significant reduction in net debt and strong cash generation. Importantly the latter stages of the restructuring, which coincided with the outbreak of the Covid-19 pandemic, saw the Group take further action to realign certain key group functions. Bilby is now better-placed to tender for the right contracts, whilst executing its services with high levels of customer satisfaction whilst protecting margins. Importantly we now have sustainable internal platforms and systems providing transparency throughout the organisation. These monitor efficiencies and ensure our people have the opportunity to maximise their potential.

As part of our ongoing efforts to enhance governance throughout the organisation, we announced post the Period-end the appointment of Caroline Tolhurst as a Non-Executive Director, in line with best corporate governance practice.

The varying regional restrictions imposed as a result of Covid-19 has made the timing of certain customer work streams and associated revenues challenging to predict for the remainder of the financial year. However, having navigated successfully the considerable operational challenges full lockdown presented, and with growing nationwide acceptance of the positive impact a vaccine will offer, the Company is in a strong position to take advantage as normal market conditions return. The Directors are also focussed on re-instating market guidance as the business stabilises both internally and in the external market place and, once balance sheet strength is achieved, re-instating a dividend.

At such a challenging time of huge uncertainty and disruption, all those at Bilby have continued to assiduously work with unstinting dedication and commitment that is at the very hub of our continued recovery and success. Our solid half year results are a testimony to their efforts and I would like to personally extend my heartfelt thanks and gratitude for their continued outstanding contribution to the Group.

Chief Executive Officer's review

The Government's restrictions, as a result of Covid-19, during the Period, limited our access to properties with elements of work being deferred as our clients and their residents undertook their own protection measures to minimise the impact of the pandemic. As a result, the Group delivered revenues of £23.4 million (2019: £29.8 million) with Adjusted EBITDA of £1.5 million (2019: £2.1 million) and Adjusted earnings per share of 1.92 pence (2019: 3.78 pence). However, the nature of our work is often mandatory and underpinned by regulation, meaning the first lockdown led to work being delayed and not cancelled, as was demonstrated by the 54% increase in revenues from Q1 to Q2.

Over the last 18 months, we have prioritised our efforts on stabilising the Group and focused on measures to drive our debt levels down significantly. Our focus continues to be rewarded and during the Period, Bilby has decreased net debt to £4.9 million from £7.2 million, as reported at 31 March 2020 – a reduction of 33%. Over the past twelve months, net debt has been reduced by £6.2 million, a decrease of 56% from the £11.1 million as reported at 30 September 2019. It is pertinent to remember, as recently as November 2019, Bilby was required to undertake an equity fund raise of £2.0 million to improve the working capital position of the Group; illustrating the significant progress the Group has made in stabilising its finances.

Cash generation has become a strength of the Group and we will continue to target reducing our debt levels through to the financial year end.

Covid-19

The challenges we faced over the Period created by the Covid-19 pandemic were significant. However, the historic measures we took in the prior year to restructure the Group were critical to ensuring Bilby entered the Covid-19 pandemic in a strong position. A crucial factor in our performance during the Period was our preparedness for the significant business interruption, which we had started before the UK Government imposed the lockdown. To save the maximum amount of jobs, the Company took advantage of various government initiatives available, including the Job Retention Scheme as well as VAT and NI/PAYE deferments.

The UK Government recognise Bilby's services as essential work. Throughout the pandemic, our employees, therefore, continued to deliver services, at all times operating in a safe and compliant manner with extensive protective measures in place to ensure the safety and wellbeing of all our employees and customers alike. Our consistent and continuous presence throughout enabled us to capture additional work streams from clients where their resources were limited as a result of the Government's restrictions. This served to partially offset elements of the delayed works.

Bilby is committed to the communities in which it operates and the passion of our workforce was clear to see with many undertaking voluntarily community support work alongside their existing customer responsibilities.

Ongoing restructuring, realignment and investment

The stability of the Group alongside our renewed vigour has enabled us to accelerate improving and aligning our structure to provide the necessary foundations to enable both organic as well as acquisitional growth. A substantial amount of work has been undertaken in the Period to ensure greater transparency, coordination and efficiency between our call centre and engineers, resulting in a marked improvement in productivity. This has provided an opportunity to restructure our cost base, which although has resulted in certain one-off costs, will result in annualised savings of over £1 million. These savings are being reinvested under three main pillars; governance, operational excellence and growth.

Under "governance", besides strengthening our IT systems, we have also continued to invest in systems and people within our finance function, including the appointment of a Group Financial Controller and Group Managing Surveyor together with investment in the divisional finance teams and establishing a shared service function.

Under "operational excellence", we have segregated the responsibilities of the call administration team into a pooled call analyst team and specific contract administrators. In addition, we have also segregated the operational and financial supervisory duties within the contract management team, maximising the quality of the service our engineers deliver, whilst also tightening our working capital processes and customer billing efficiency. Additional efficiencies were created by closing our Sidcup office and consolidating Purdy Build into DCB Kent offices and the Purdy South Electrical team into the main Purdy office.

The final pillar for reinvestment of savings from our restructure is "growth". During the Period, we enhanced our commitment to strengthen the organic growth potential of two key core platforms for the Group: Green energy and Compliance. We have invested in diversifying the skill base of our engineers, we have invested in gaining further Green accreditations including the relevant certification for electric vehicle charging and microgeneration schemes and we are now investing in resources to bring specific compliance and regulatory driven work streams in house. Underpinning these initiatives, we have recruited additional members to join the Group's business development team in order to ensure we have sufficient resources to pave our future organic growth path.

As previously stated, the Group intends to evolve its strategy to ensure it is fit for purpose and remains in line with our clients expectations for the future. Accordingly, with the footing of the Company more assured, we intend to balance our internal focus with greater engagement of all our key stakeholders to ensure their core values are reflected appropriately as we seek to define and conclude our strategic outlook and offer. This process has been slightly delayed due to Covid-19 restrictions. However, we anticipate making progress during the second half of the financial year and will keep the market updated as appropriate.

Market developments/trends

Aligned with the Group's investment and restructure with the "growth pillar", the UK Government has announced the need to increase the supply of affordable housing as well as its 10 point plan for net-zero carbon emissions which is positive for the services industry Bilby's operates in. The industry has a key role in supporting the Government on reaching its goals through a range of services including fit-out, maintenance and compliance testing.

The Government's 10 point plan to reach zero carbon emissions by 2050 included the need for greener buildings. The Government has pledged over £1 billion in funding for these new era buildings. There is a requirement to build over 380,000 affordable homes every year for the next 15 years which will be built in compliance with all new regulations and targets which include no new homes to be connected to the gas grid from 2023 and will be 'zero carbon ready' and have 75-80% lower carbon dioxide emissions. In addition, the Government is aiming for 600,000 heat pump installations per year by 2028, and £1.3 billion has been made available to accelerate the rollout of electric vehicle charge points across councils in the UK.

We believe we will be well positioned to capture the opportunities from these proposed Government initiatives.

Talent

Following my arrival into Bilby, a number of Employee Engagement initiatives were put in place to provide our staff members with a voice that enabled them to share their thoughts, as valued employees, of the Group. We have listened, we have learned and we have acted. Following the appointment of a new HR Director in March, we have made significant changes to the way we manage our staff, retain and attract new talent. The most comprehensive package of benefits in the Company's history has been implemented for our staff; from subsidies for electric bikes, standardising holidays, revised hours of work, transparent and structured pay banding, internal promotions during our restructuring program, a Share Incentive Plan, a Company Share Option Plan as well as professional and personal development initiatives to ensure all at Bilby have the opportunity to maximise their potential and build their Bilby careers as the Company nurtures its future leaders. The Company's ambition to be best in class begins with our people and the working environment we create for them – I am pleased the Company is now in a position to demonstrate this belief and return some value to our employees.

Outlook

As we continue to operate in regions with various levels of lockdown restrictions, we remain confident the mandatory nature of our work, driven by regulation, will be delayed rather than cancelled. However, the visibility on implications and timings remains challenging. Regardless, the Group has demonstrated a renewed strength and vigour throughout the pandemic and will continue to capture all work streams that remain open, continue to prioritise the reduction of debt and continue to lay the solid foundations that are transitioning the Group from a historical position of survival to current day revival. These efforts are already yielding positive results and we look forward with confidence to a trajectory of long term sustainable growth.

Financial review

Trading review

Considering the significant Covid-19 challenges we faced in the Period, the Board are pleased with the performance of the Group in the 6 months to 30 September 2020.

Revenues of £23.4 million (2019: £29.8 million) and Adjusted EBITDA of £1.5 million (2019: £2.1 million) for the six month period ended 30 September 2020, represents a run rate of 79% and 74% respectively compared to the prior period.

The reduction in underlying revenues, resulting from the lack of access to property, was partly mitigated by capturing additional work streams to support our clients. Despite the lower, Covid-19 impacted, run rate in the Period, the nature of Bilby's services generally means the majority of the work is delayed rather than cancelled, as reflected by the 54% increase in revenues in the three months to 30 September 2020 (Q2) compared to the first quarter of the Period.

Loss before taxation was £192,000 (2019: profit £711,000), impacted by the lower run rate in the Period and non-underlying exceptional restructuring costs of £371,000, as set out below.

The Adjusted EBITDA of £1.5 million in the Period is considered by the Board to be a key Alternative Performance Measure ("APM") as it is the basis upon which the underlying management information is prepared and the performance of the business assessed by the Board. It is also the measure for the covenants under our banking arrangements.

Adjusted EBITDA is calculated as earnings before interest, taxation, depreciation and amortisation, excluding non-underlying items and before the effect of the implementation of IFRS 16 "Leases". A reconciliation of EBITDA (including the effect of IFRS 16) and Adjusted EBITDA (stated pre-IFRS 16) is set out below:

	Unaudited 6 months ended 30 September 2020	**Unaudited 6 months ended 30 September 2019**	**Audited year ended 31 March 2020**
	£'000	**£'000**	**£'000**
(Loss)/profit before tax	**(192)**	**711**	**1,727**
Add back: non-underlying items	1,352	991	1,964
Underlying profit before tax	**1,160**	**1,702**	**3,691**
Adjustments for items not included in EBITDA:			
Finance costs	248	215	565
Depreciation of property, plant and equipment	94	123	258
Depreciation of right-of-use assets	411	388	801
Amortisation of software costs	13	10	31
(Profit)/loss on disposal of property, plant and equipment	(2)	12	162
EBITDA (including the effect of adopting IFRS 16)	**1,924**	**2,450**	**5,508**
Eliminate effect of adopting IFRS 16	(401)	(388)	(840)
Adjusted EBITDA (excluding the effect of adopting IFRS)	**1,523**	**2,062**	**4,668**

Non-underlying items

Non-underlying items are considered by the Board to be either exceptional in size, one-off in nature or non-trading related items and are represented by the following, and as set out in note 3.

	Unaudited 6 months ended 30 September 2020	**Unaudited 6 months ended 30 September 2019**	**Audited year ended 31 March 2020**
	£'000	**£'000**	**£'000**
Amortisation of customer relationships	963	963	1,925
Share based payment charge	18	28	39
Restructuring costs	371	-	-
Total	**1,352**	**991**	**1,964**

The Group incurred restructuring costs of £371,000 in the Period. The Group is reinvesting the majority of the restructuring savings, which are expected be in excess of £1.0 million per annum, to greater support future revenue growth, operational efficiency and governance infrastructure. This includes diversification into new work streams, new business and commercial resource and investment in finance teams, systems and technology.

Cash flow performance

Adjusted net cash generated from operating activities in the Period was £1.9 million (2019: £2.4 million) delivering an Adjusted operating cash conversion of 124% (2019: 117%).

Adjusted operating cash conversion is calculated as cash generated from operations, pre IFRS 16, of £2.6 million (2019: £629,000), after adding back exceptional cash payments of £371,000 (2019: £1.8 million) and adjusted for the effects of deferred HMRC payments of £1.1 million (2019: £nil), in the Period; divided by Adjusted EBITDA of £1.5 million (2019: £2.1 million), as set out below;

	Unaudited 6 months ended 30 September 2020	**Unaudited 6 months ended 30 September 2019**	**Audited year ended 31 March 2020**
	£'000	**£'000**	**£'000**
Net cash generated from operating activities per condensed consolidated statement of cash flows	**3,004**	**1,017**	**3,886**
Reinstate operating lease payments eliminated on adoption of IFRS 16	(401)	(388)	(840)
	2,603	**629**	**3,046**
Add back exceptional payments	371	1,780	1,935
Less deferred HMRC payments	(1,092)	-	(377)
Adjusted net cash generated from operating activities	**1,882**	**2,409**	**4,604**
Adjusted EBITDA (as above)	1,523	2,062	4,668
Adjusted operating cash conversion	**124%**	**117%**	**99%**

All deferred PAYE/NI liabilities have now been settled. The March 2020 PAYE/NI liability was deferred at 31 March 2020 and paid during the Period. The April PAYE/NI liability was deferred during the Period and paid in the first week of October 2020.

HMRC VAT liabilities of £1.0 million, in the Period, were deferred and are due for payment from March 2021 onwards, in line with HMRC guidance.

Net debt

There has been a continuing focus on cash management and reduction in net debt. In the six month period to 30 September 2020, net debt reduced by £2.3 million (33%) to £4.9 million compared to net debt of £7.2 million at 31 March 2020.

Net debt has reduced £6.2 million (56%) from £11.1 million to £4.9 million since 30 September 2019, partly facilitated by an equity fund raise in November 2019 of £1.8 million, net of costs.

Set out below is an analysis of net debt:

	Unaudited at 30 September 2020	**Unaudited at 30 September 2019**	**Audited at 31 March 2020**
	£'000	**£'000**	**£'000**
Net (cash)/overdraft	(2,465)	6,292	3,332
HSBC term loan	6,833	4,167	3,333
HSBC Mortgage	285	342	314
Other term loan	207	267	235
Net debt	**4,860**	**11,068**	**7,214**

In May 2020 the Group concluded the restructure of its facilities with HSBC. Overall net debt was rebalanced and remained unchanged with the new facilities comprising a Term loan of £7.33 million and overdraft facility of £2.5 million; replacing a Term loan of £3.33 million and overdraft facility of £6.5 million.

At 30 September 2020 the Group had repaid the first quarterly tranche of £500,000 of the HSBC term loan. Net cash amounted to £2.5 million giving headroom of £5.0 million against the available overdraft facility.

As part of the restructure of the bank facilities with HSBC, the Group agreed new financial covenants comprising Adjusted EBITDA, interest cover and debt service cover; the only covenant for the year ending 31 March 2021 is a minimum annual Adjusted EBITDA target of £1.1 million, which has been exceeded in the six month period ended 30 September 2020.

The minimum Adjusted EBITDA target for year ending 31 March 2022 is £2.9 million measured quarterly on a cumulative basis. Interest cover (minimum target 4.0 times) and debt service cover (minimum target 1.0 times) are also measured quarterly, on a cumulative basis, effective from June 2021 and September 2021 respectively.

Dividends

No dividend was paid in the Period (2019: £nil). No dividend is currently recommended for the year ending 31 March 2021 as the Group continues to prioritise the reduction of net debt, particularly with the continuing uncertainty of the impact of the Covid-19 pandemic.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 September 2020

	Unaudited 6 months to 30 September 2020	Unaudited 6 months to 30 September 2019	Audited Year ended 31 March 2020
	£'000	£'000	£'000
Revenue	**23,432**	**29,778**	**65,392**
Cost of sales	(17,438)	(21,959)	(48,795)
Gross Profit	5,994	7,819	16,597
Underlying administrative expenses	(4,586)	(5,902)	(12,341)
Operating profit before non-underlying items	**1,408**	**1,917**	**4,256**
Non-underlying administrative expenses			
Amortisation of customer relationships	(963)	(963)	(1,925)
Share based payment charge	(18)	(28)	(39)
Restructuring costs	(371)	-	-
Total non-underlying administrative expenses (note 3)	(1,352)	(991)	(1,964)
Operating profit	**56**	**926**	**2,292**
Finance costs	(248)	(215)	(565)
(Loss)/profit before taxation	**(192)**	**711**	**1,727**
Income tax expense	37	(169)	(348)
Total (loss)/profit for the period attributable to the equity holders of the parent company	**(155)**	**542**	**1,379**
Other comprehensive income	-	-	-
Total comprehensive (loss)/income for the period attributable to the equity holders of the parent company	**(155)**	**542**	**1,379**
(Loss)/earnings per share (note 5**)**			
Basic (pence)	(0.26)	1.34	2.93
Diluted (pence)	(0.26)	1.34	2.93

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2020

	Unaudited 30 September 2020	Restated* unaudited 30 September 2019	Audited 31 March 2020
	£'000	£'000	£'000
Assets			
Non-current assets			
Intangible fixed assets	8,984	10,930	9,937
Property plant and equipment	1,326	1,621	1,418
Right-of-use-assets	1,684	2,245	2,079
Total non-current assets	11,994	14,796	13,434
Current assets			
Inventories	4,386	3,425	3,781
Trade and other receivables	15,481	17,555	19,451
Cash and cash equivalents	2,465	11	19
Total current assets	22,332	20,991	23,251
Total assets	**34,326**	**35,787**	**36,685**
Issued share capital and reserves			
Share capital (note 7)	5,872	4,054	5,872
Share premium	8,609	8,609	8,609
Share based payment reserve	630	855	612
Merger reserve	(248)	(248)	(248)
Retained earnings	(4,376)	(5,329)	(4,221)
Total equity attributable to the equity of the group	10,487	7,941	10,624
Non-current liabilities			
Borrowings (note 6)	5,206	212	176
Lease liabilities	1,133	1,481	1,486
Deferred tax liabilities	759	599	779
	7,098	2,292	2,441
Current liabilities			
Overdraft (note 6)	-	6,303	3,351
Borrowings (note 6)	2,119	4,564	3,706
Lease liabilities	610	781	620
Current income tax liabilities	-	-	-
Trade and other payables	14,012	13,906	15,943
	16,741	25,554	23,620
Total equity and liabilities	**34,326**	**35,787**	**36,685**

* See note 10 for details of the prior year restatement

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 September 2020

	Unaudited 6 months to 30 September 2020	Restated* unaudited 6 months to 30 September 2019	Audited Year ended 31 March 2020
	£'000	£'000	£'000
Net cash generated from operating activities (note 4)	3,004	1,017	3,886
Cash flow from investing activities			
Acquisition of subsidiaries	-	(476)	(476)
Purchases of property, plant and equipment	(22)	(85)	(282)
Purchase of intangible assets	(13)	(54)	(44)
Proceeds on disposal of property, plant and equipment	2	-	99
Net cash used in investing activities	(33)	(615)	(703)
Cash flow from financing activities			
Issue of new share capital (net of share issue costs)	-	-	1,818
Proceeds from borrowings	7,333	-	-
Repayment of borrowings	(3,890)	(883)	(1,776)
Interest paid	(248)	(215)	(565)
Principal payments of leases	(369)	(398)	(794)
Dividends paid	-	-	-
Net cash used in financing activities	2,826	(1,496)	(1,317)
Net increase/(decrease) in cash and cash equivalents	5,797	(1,094)	1,866
Cash and cash equivalents at beginning of period/year	(3,332)	(5,198)	(5,198)
Cash and cash equivalents at end of period/year	**2,465**	**(6,292)**	**(3,332)**

* See note 10 for details of the prior year restatement

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 September 2020 (unaudited)

	Issued share capital	Share premium	Share based payment reserve	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020	5,872	8,609	612	(248)	(4,221)	10,624
Loss and total comprehensive income for the period	-	-	-	-	(155)	(155)
Share-based payment charge	-	-	18	-	-	18
Balance at 30 September 2020	5,872	8,609	630	(248)	(4,376)	10,487

For the six month period ended 30 September 2019 (unaudited)

Balance at 1 April 2019	4,054	8,609	827	(248)	(5,854)	7,388
Profit and total comprehensive income for the period	-	-	-	-	542	542
Share-based payment charge	-	-	28	-	-	28
Balance at 30 September 2019	4,054	8,609	855	(248)	(5,312)	7,958

For the year ended 31 March 2020

Balance at 1 April 2019	4,054	8,609	827	(248)	(5,854)	7,388
Profit and total comprehensive income for the period	-	-	-	-	1,379	1,379
Issue of share capital	1,818	-	-	-	-	1,818
Share-based payment charge	-	-	39	-	-	39
Transfer to retained earnings for share options cancelled			(254)		254	-
Balance at 31 March 2020	5,872	8,609	612	(248)	(4,221)	10,624

NOTES TO THE INTERIM STATEMENT

1. Basis of preparation

Bilby Plc and its subsidiaries (together "the Group") operate in the gas heating, electrical and general building services industries. The Group is a public company operating on the AIM Market of the London Stock Exchange and is incorporated and domiciled in England and Wales (registered number 09095860). The address of its registered office is 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT.

These interim financial statements of the Group have been prepared on a going concern basis under the historical cost convention, and in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Boards ("IASB") that are effective or issued and early adopted as at the time of preparing these financial statements and in accordance with the provisions of the Companies Act 2006. The Group has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, as they have been adopted by the European Union, that are relevant to its operations and effective for accounting periods beginning on 1 April 2020.

The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements, being the statutory financial statements for Bilby Plc as at 31 March 2020, which have been prepared in accordance with IFRS as adopted by the European Union.

The interim financial information for the six months ended 30 September 2020 do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial information has not been audited.

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial information is consistent with those expected to be adopted in the preparation of the Group's annual financial statements for the year ending 31 March 2021.

Going concern

The Directors have prepared detailed financial forecasts and cash flows looking beyond twelve months from the date of these consolidated financial statements. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period, together with the expected impact of the ongoing Covid-19 pandemic. The following factors have been considered by the Board when assessing the future prospects of the Group:

- Delivered £1.5m of EBITDA in the first half of the year against a challenging backdrop of the Covid-19 epidemic.
- Net increase in cash and cash equivalents of £5.8 million in the Period.
- Reduced net debt by £2.3 million since the start of the financial year.
- £2.5 million of available cash at 30 September 2020, alongside a further £2.5m of available overdraft facility.
- Whilst the Covid-19 pandemic has resulted in lower revenues in the Period, the nature of Bilby's services generally means that the majority of work is delayed rather than cancelled.

Based on the current forecasts, coupled with the above factors, the board have a reasonable expectation that the Group has adequate resources to continue to trade for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in the preparation of these financial statements.

Publication of non-statutory financial statements

The results for the six months ended 30 September 2020 and 30 September 2019 are unaudited and have not been reviewed by the auditor. Statutory accounts for the year ended 31 March 2020 were filed with the Registrar of Companies in September 2020.

The interim financial information has been prepared on the basis of the same accounting policies as published in the audited financial statements for the year ended 31 March 2020.The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union. Comparative figures for the year ended 31 March 2020 have been extracted from the statutory financial statements for that period.

2. Corporate governance, principal risks and uncertainties

The Corporate Governance Report included with our Annual Report and Financial Statements for 2020 detailed how we embrace governance. The Bilby Board recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its shareholders.

The Quoted Companies Alliance has published a corporate governance code for small and mid-sized quoted companies, which includes a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the "QCA Code"). Bilby has adopted the QCA Code.

The nature of the principal risks and uncertainties faced by the Group have not changed significantly from those set out within the Bilby Plc annual report and accounts for the year ended 31 March 2020.

3. Non-underlying items

Operating profit includes the following items which are considered by the Board to be exceptional in size, one off in nature or non-trading related.

	Note	Unaudited 6 months to 30 September 2020 £'000	Unaudited 6 months to 30 September 2019 £'000	Audited Year ended 31 March 2020 £'000
Amortisation of customer relationships	(a)	963	963	1,925
Share based payment charge	(b)	18	28	39
Restructuring costs	(c)	371	-	-
		1,352	991	1,964

All non-underlying items have been charged to other operating expenses.

(a) *Amortisation of customer relationships*
Amortisation of acquisition intangibles was £0.963 million for the period (H1 2019: £0.963 million) and relates to amortisation of the customer relationships identified by the Directors on the acquisition of Purdy, DCB, Spokemead and R. Dunham.

(b) *Share based payment charge*
A Group share option scheme is in place during the period. No options were granted during the period (2019: none). The share based payment charge has been separately identified as it is a non-cash expense.

(c) *Restructuring costs*
Comprise redundancy and associated costs and costs of the rationalisation of the property portfolio resulting from the restructure of the Group operations and were one off and non-recurring.

4. Cash flows from operating activities

	Unaudited 6 months to 30 September 2020 £'000	Restated* unaudited 6 months to 30 September 2019 £'000	Audited Year ended 31 March 2020 £'000
(Loss)/profit before income tax	(192)	711	1,727
Adjusted for:	-	-	
Finance costs	248	215	565
(Profit/(loss) on disposal of property, plant and equipment	(2)	12	162
Depreciation	505	510	1,059
Amortisation of intangible assets	976	973	1,956
Share based payments	18	28	39
Fair value adjustment	-	(100)	(100)
Movement in receivables	3,826	993	(759)
Movement in payables	(1,770)	(2,033)	(116)
Movement in inventories	(605)	(292)	(647)
Tax paid	-	-	-
Net cash from operating activities	3,004	1,017	3,886

* See note 10 for details of the prior year restatement

5. Earnings per share

The calculation of basic and diluted earnings per share is based on the result attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year. Basic earnings per share amounts are calculated by dividing net profit for the year or period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted earnings per share is calculated as follows:

	Unaudited 6 months to 30 September 2020 £'000	Unaudited 6 months to 30 September 2019 £'000	Audited Year ended 31 March 2020 £'000
Profit used in calculating basic and diluted earnings per share	(155)	542	1,379
Weighted average number of shares for the purpose of basic earnings per share	58,721,845	40,540,027	47,105,684
Weighted average number of shares for the purpose of diluted earnings per share	58,721,845	40,540,027	47,105,684
Basic earnings per share (pence)	(0.26)	1.34	2.93
Diluted earnings per share (pence)	(0.26)	1.34	2.93

Adjusted earnings per share

Profit after tax is stated after deducting non-underlying items totalling £1.352 million (2019: £0.991 million). Non-underlying items are either exceptional in size, one off in nature or non-trading related. These are shown separately on the face of the Consolidated Statement of Comprehensive Income.

The calculation of adjusted basic and adjusted diluted earnings per share is based on the result attributable to shareholders, adjusted for non-underlying items, divided by the weighted average number of ordinary shares in issue during the year.

	Unaudited 6 months to 30 September 2020 £'000	Unaudited 6 months to 30 September 2019 £'000	Audited Year ended 31 March 2020 £'000
Adjusted Earnings Per Share			
Profit after tax	(155)	542	1,379
Add back:			
Amortisation of acquisition intangible assets	963	963	1,925
Share based payment charge	18	28	39
Restructuring costs	371	-	-
Impact of above adjustments on corporation tax	(70)	-	-
	1,127	1,533	3,343
Weighted average number of shares for the purpose of basic adjusted earnings per share	58,721,845	40,540,027	47,105,684
Weighted average number of shares for the purpose of diluted adjusted earnings per share	58,721,845	40,540,027	47,105,684
Basic adjusted earnings per share (pence)	1.92	3.78	7.10
Diluted adjusted earnings per share (pence)	1.92	3.78	7.10

6. Borrowings

	Unaudited 30 September 2020 £'000	Unaudited 30 September 2019 £'000	Audited 31 March 2020 £'000
Non-current borrowings			
Bank and other borrowings;			
Term loans	4,833	-	-
Mortgage loan	228	-	-
Other loans	145	212	176
Total non-current borrowings	5,206	212	176
Current borrowings;			
Bank and other borrowings;			
Term loans	2,000	4,167	3,333
Mortgage loans	57	342	314
Other loans	62	55	59
Overdraft	-	6,303	3,351
Total current borrowings	2,119	10,867	7,057
Bank and other borrowings;			
Term loans	6,833	4,167	3,333
Mortgage loans	285	342	314
Other loans	207	267	235
Overdraft	-	6,303	3,351
Total borrowings	7,325	11,079	7,233

The fair value of the borrowings outstanding as at 30 September 2020 is not materially different to its carrying value since interest rates applicable on the loans are close to market rates.

On 22 May 2020 the Group secured new debt facilities totalling £9.8m, consisting £7.3 million term loan facility (2019: £3.3m) and £2.5 million overdraft facility (2019: £6.5m). The facility expires in September 2022 with quarterly repayments of £0.5 million, the first of which was made in August 2020.

The first covenant test for the new facility will be to achieve a minimum EBITDA of £1.1 million for the year ending 31 March 2021. The covenants for the period beyond 31 March 2021 will be tested quarterly and they are (i) achievement of minimum levels of EBITDA; (ii) debt service cover; and (iii) interest cover.

7. Share capital

Ordinary shares of £0.10 each	Unaudited 6 months to 30 September 2020 *£'000*
At the beginning of the period	5,872
Issued in the period	-
At the end of the period	**5,872**

Number of shares	Unaudited 6 months to 30 September 2020
At the beginning of the period	58,721,845
Issued in the period	-
At the end of the period	**58,721,845**

8. Dividends

The Board do not recommend an interim dividend for the year ending 31 March 2021.

9. Taxation

The income tax charge for the six months ended 30 September 2020 is calculated based upon the effective tax rates expected to apply to the Group for the full year of 19% (2019: 19%). Differences between the estimated effective rate and the statutory rate of 19% are due to non-deductible expenses.

10. Prior year restatement

At the point the interim results for the six month period ended 30 September 2019 were published the Group was still in the process of determining the basis of adopting IFRS 16 Leases for the first time, and it was therefore not reflected in the results. The project was subsequently completed and the full effect included in the March 2020 annual financial statements. The comparatives for the six months ended 30 September 2019 have been restated to reflect the effect of IFRS 16 to present the results on a comparable basis.

This resulted in an immaterial impact on the administrative expenses due to the minor differences between the amortisation of leases and previously reported rental charges. Interest costs were also not significant in the period. However the balance sheet has been restated to show the IFRS16 lease liability and the capitalisation of the leases at a value of £2,245,000.

11. Forward-Looking statements

This report contains certain forward-looking statements with respect to the financial condition of Bilby Plc. These statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There could be a number of factors which influence the actual results and developments. These could impact on the forward-looking statements included in this report.

12. Interim Report

Copies of this Interim Report will be available to download from the investor relations section on the Group's website www.bilbyplc.com.