INTERIOR SERVICES GROUP PLC
PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2009

Interior Services Group plc is pleased to announce a robust set of results, delivered in a challenging global economic environment. The strategy of diversifying the business by activity, sector and geography continues.

Highlights

- An excellent set of results, in the current environment, in line with management expectations
- Strong performances in Retail and Regional Construction offset London's anticipated decline
- Order book at 30 June was £822m (2008 - £1,051m), of which £686m (2008 - £756m) is for delivery in the current financial year and £122m (2008 - £283m) for the next financial year
- Tentative signs of improvement in pipelines in Asia, Europe and London Fit out

Results

- Revenue marginally down at £1,049m (2008 - £1,090m)
- Adjusted profit before tax[1] declined 7% to £13.1m (2008 - £14.1m)
- Profit before tax decreased 7% to £11.7m (2008 - £12.6m)
- Adjusted basic earnings per share[2] decreased by 8% to 33.24p (2008 - 36.22p)
- Basic earnings per share decreased by 19% to 29.67p (2008 - 36.44p)
- Final dividend of 9.66p bringing total for the year to 13.66p (2008 - 13.20p), a rise of 3.5%
- Net cash as at 30 June 2009 was £32.1m (2008 - £35.3m) with £5.9m of bank borrowings repaid

Operations

London

- Anticipated decline in revenue by 33% to £380m (2008 - £569m), operating profit declined by 34% to £5.3m (2008 - £7.9m)
- Evidence of signs of improvement in pipeline for Fit out albeit highly competitive
- Volumes in London Fit out to be maintained in the current financial year, lower in London Build due to weaker pipeline

Regional Construction

- Revenue up 22% to £367m (2008 - £302m), operating profit up 31% to £3.0m (2008 - £2.3m)
- Significant growth in public sector work to 62% of revenue (2008 - 40%)
- Some softening in public sector workload anticipated

Retail

- Revenue up 52% to £208m (2008 - £137m), operating profit up 69% to £6.7m (2008 - £3.9m)
- Operating margin improved to 3.2% (2008 - 2.9%)
- Ongoing involvement in food retail and bank branch roll out frameworks
- Confident of maintaining activity levels

Asia

- Revenue increased 24% to £63m (2008 - £51m), operating profit up 23% to £2.1m (2008 - £1.7m)
- Revenue from China operations up 160% largely driven by retail sector. Singapore experienced lower activity levels, but increased demand for our services in the current year
- Improved order book of £42m (2008 - £34m) with new wins since year end

Middle East

- Continued to resource our joint venture with Al Habtoor Leighton Group
- Anticipate a positive contribution in the first half of the current financial year on the back of current order book of £12m and strong pipeline in Dubai and Abu Dhabi

Europe

- Revenue declined by 4% to £29m (2008 - £30m), operating profit declined by 56% to £1.4m (2008 - £3.1m)
- Experienced severe reaction to global economic climate in second half
- Continuing to invest in infrastructure and expand in Eastern Europe
- Since year end have seen an increase in demand for services

Strong Balance Sheet

- Net cash as at 30 June 2009 was £32.1m (2008 - £35.3m) with £5.9m of bank borrowings repaid

[1] *before amortisation of intangible assets*
[2] *before amortisation of intangible assets and in the prior year adjusting for the release of a UK corporation tax provision*

David Lawther, Chief Executive, said:

"The business has positioned itself towards more resilient regions and sectors and has achieved an excellent set of results delivered in a challenging global economic environment.

In the UK our Retail frameworks continue to give us visibility through the current year, where our clients are committed to maintaining their capital investment programmes in both the food and retail banking sectors. In London and our Regional Construction businesses, we have already secured two thirds of our targeted revenue for the current financial year.

Overseas we continue to develop and expand our capabilities and are particularly excited about Asia and UAE.

We are now seeing tentative signs of improvement in our pipelines in some of our major markets in Asia, Europe and London Fit out with our core clients in the financial services, petrochemical and technology sectors once again making strategic investments. This is giving us an increased level of optimism for the longer term."

8 September 2009

Enquiries

Interior Services Group plc	
David Lawther, Chief Executive	**020 7392 5250**
Jonathan Houlton, Group Finance Director	
College Hill	
Matthew Smallwood, Adam Aljewicz	**020 7457 2020**
Numis Securities Ltd	
Nominated Advisor: Michael Meade/Simon Blank	**020 7260 1000**
Corporate Broking: Chris Wilkinson/Rupert Krefting	

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CHAIRMAN'S STATEMENT

Against a very difficult economic backdrop I am pleased to report that for the year ending 30 June 2009 profit before tax and amortisation of intangible assets amounted to £13.1m and adjusted earnings per share[1] to 33.24p. This compares with profit before tax and amortisation of intangible assets of £14.1m and adjusted earnings per share[1] of 36.22p for the previous year. These results demonstrate the robustness and diversity of ISG's portfolio of businesses, and accordingly, the Board recommends a final dividend of 9.66p per share, making a total dividend for the year of 13.66p per share. This represents an increase of 3.5% on last year. Our business is cash generative and the balance sheet is strong with net cash of £32.1m.

ISG has not been immune from the impact of the global economic climate. However, as these results demonstrate, our diversification policy has given the business much greater resilience. Our retail and regional construction businesses have adapted and performed particularly well to offset the anticipated sharp decline in the London office market. We are a significantly more robust business than in the last downturn in 2005 where our adjusted earnings per share fell to 11.18p. Selective acquisitions have also raised our exposure to overseas growth markets and broadened our ability to service our international customers.

Over the last twelve months our strategic priorities have been firstly to align our UK cost base to revenue, secondly to continue to expand our UK activities in the retail and public sectors and thirdly to continue to invest in higher growth overseas markets.

Each year my statement gives me the opportunity to pay tribute to the hard work and dedication of our staff. This has been a particularly difficult time for our staff as we have had to downsize our resources in the UK to match business levels. Despite this they have continued to provide the dedicated, high quality service to our clients which is the hallmark of our business. Their hard work and commitment to the values of ISG have been especially appreciated in this challenging year.

In December, Steve Trotter retired as an Executive Director and stood down from the ISG Board at the end of the financial year. Steve joined the group in 1997 to set up our London New build activities and joined the ISG Board in 2005 taking responsibility for all of our London operations. I would like to thank him for his contribution to the group and on behalf of the Board wish him well in his retirement.

At the start of the current financial year the in year order book stood at £686m a decline of only 9% compared to the same date last year. There are signs of a recovery in demand for office space in London but this will not benefit our business until 2010. By contrast we expect our retail businesses to continue to perform well as the supermarkets continue to add space and as banks again realise the importance of modernising their branch network in order to attract retail deposits. Whilst UK private sector construction will remain subdued, we expect overseas, particularly Asia, to lead the recovery.

Overall our markets remain highly competitive but the business continues to trade in line with our expectations. This year has demonstrated our success in transforming the business into one that is far more able to withstand an uncertain economic environment. We will continue to search out opportunities overseas to maintain that momentum.

Roy Dantzic
Chairman
8 September 2009

[1] *before amortisation of intangible assets and in the prior year adjusting for the release of a UK corporation tax provision*

CHIEF EXECUTIVE'S STATEMENT

Overview

I am pleased to announce an excellent set of results, delivered in a challenging global economic environment. Our diversification strategy over the past four years to reduce the group's dependency on the London office sector has paid off and demonstrated the robustness of ISG's businesses.

We have continued to expand our service offering and now offer:

- fit out and project management services to customers in many of the major European, Middle Eastern and Asian cities;
- fit out, refurbishment and new build services to food retail, retail banking and retail fashion clients nationally across the UK; and
- new build and refurbishment services to public and private sector clients across England and South Wales.

In addition, whilst maintaining our leading market position in the office sector, we have broadened our offering in the London market where we offer fit out, new build and refurbishment services to include both the public and private sectors.

This has enabled the group to offset the decline in the UK and Western European office sectors by our exposure to more resilient sectors such as food retail, retail banking, technology and public sector projects as well as our increased exposure to the Asian markets.

Results

For the year ended 30 June 2009, adjusted profit before tax[1] declined by 7% to £13.1m (2008 - £14.1m) on revenue that decreased by 4% to £1,049m (2008 - £1,090m). Adjusted earnings per share[2] decreased by 8% to 33.24p (2008 - 36.22p).

Net cash as at 30 June 2009 of £32.1m was slightly behind prior year (2008 - £35.3m). In the year there was net cash inflow from operating activities of £6.8m (2008 - £20.4m), and the group repaid £5.9m of bank borrowings. The group continues to trade well within its banking covenants. In addition, the group retains an undrawn working capital revolving credit facility of £10.0m which expires in 2013.

Dividends

An interim dividend of 4.00p was paid in April 2009. The Board has decided to increase by 5% the level of final dividend. Hence a final dividend of 9.66p is proposed bringing the total to 13.66p (2008 - 13.20p), an overall increase of 3.5%. Subject to shareholder approval at the AGM on 4 December 2009, the final dividend will be payable on 7 December 2009 to shareholders on the register on 6 November 2009. The ex-dividend date will be 4 November 2009. The closing date for elections for the Dividend Re-Investment Plan is 12 November 2009.

[1] *before amortisation of intangible assets*
[2] *before amortisation of intangible assets and in the prior year adjusting for the release of a UK corporation tax provision*

Trading

The following is a summary of revenue, volumes[3] and order book for each of the group's business segments:

12 months to 30 June	REVENUE 2009	REVENUE 2008	VOLUMES [3] 2009	VOLUMES [3] 2008	ORDER BOOK 2009	ORDER BOOK 2008
	£m	£m	£m	£m	£m	£m
London						
– Fit out	**153**	**309**	**218**	**309**	**159**	**174**
– Build	**227**	**260**	**230**	**279**	**188**	**357**
	380	**569**	**448**	**588**	**347**	**531**
Regional Construction	**367**	**302**	**367**	**302**	**286**	**305**
Retail	**208**	**137**	**208**	**137**	**135**	**173**
Overseas						
– Asia	**63**	**51**	**64**	**51**	**42**	**34**
– Middle East	**2**	**1**	**3**	**1**	**6**	**-**
– Europe	**29**	**30**	**29**	**31**	**6**	**8**
Total	**1,049**	**1,090**	**1,118**	**1,110**	**822***	**1,051**

* Of the total order book, £686m (2008 - £756m) relates to the current financial year ("the in year order book").

The recent series of economic and political events in the world have had an impact on our business with many of our corporate clients becoming more cautious in their decision making in the last quarter of calendar year 2008 and the first quarter of 2009, leading to some projects being delayed or cancelled.

With group revenue decreasing in the year by 4%, adjusted group operating profit[1] decreased by 8% to £13.9m (2008 - £15.1m) resulting in an operating margin on revenue of 1.3% (2008 - 1.4%).

In London, revenue declined by 33% to £380m, resulting in operating profits falling to £5.3m (2008 - £7.9m). London now represents 31% (2008 - 43%) of group trading operating profit. The operating profit of our Regional Construction businesses increased to £3.0m (2008 - £2.3m) resulting from a 22% increase in revenue, and now represents 17% (2008 - 12%) of group trading operating profit and includes a full year's contribution from Pearce Construction (2008 - seven and a half months).

Our Retail operations generated operating profits of £6.7m (2008 - £3.9m) resulting from a 52% increase in revenue and now represents 38% (2008 - 21%) of group trading operating profit and includes a full year's contribution from Pearce Retail (2008 - seven and a half months).

Our Asia operations generated operating profits of £2.1m (2008 - £1.7m) resulting from a 24% increase in revenue and now represents 12% (2008 - 9%) of group trading operating profit. Our Middle East operations generated an operating loss of £0.4m (2008 - nil) as we invested in the start up of these operations. Our European operations generated operating profits of £1.4m (2008 - £3.1m), with the decline due to the substantial reduction in revenue in the second half of the year caused by the economic crisis.

In respect of the order book of £822m at the end of June 2009, only 26% of the activity relates to the corporate office sector (2008 - 36%) with 37% relating to education, affordable housing and government sectors (2008 - 34%) and 27% to the retail and leisure sector (2008 - 25%).

London

In our Annual Report for 2008, we anticipated a slow down in the office market and reduced the volume target for our London businesses in the financial year by 20%. With the severity of the credit crunch particularly on commercial developer clients, volumes in the year declined by 24% to £448m (2008 - £588m) and revenue by 33% to £380m (2008 - £569m). Operating profit decreased by 34% to £5.3m (2008 - £7.9m) resulting in an operating margin on revenue of 1.4% (2008 - 1.4%). With the anticipated decline in volumes we have been actively managing the level of our resources.

[1] *before amortisation of intangible assets*
[3] *definition of volumes is given in Note 2*

London Fit out
London Fit out volumes[3] have declined 29% to £218m (2008 - £309m). Notable project delivery successes were the completion of the new London offices for Mayer Brown International, Reed Smith, Standard Bank and the Financial Services Authority, new offices for Unilever in Leatherhead, the third phase of the refit of Shell House on the South Bank and a £75m data centre fit out for EDS. In addition, we have also been working on the pre-construction phase of the circa £60m fit out of KPMG's new UK headquarters building in Canary Wharf, which started on site in May 2009.

The business has an order book of £159m as at June 2009 (2008 - £174m), of which £137m is to be delivered in the current financial year (2008 - £102m). Since the year end the business has been awarded eleven projects in the residential, technology and office sectors with a total value of £68m, of which £40m is for delivery in the current financial year. In the last few months we have noted tentative signs of improvement in the pipeline of major fit out opportunities, with the pipeline of contracts we expect to tender in the next six months increasing over the previous six months. We have seen also some signs of improvement in the smaller end of the market albeit it continues to be highly competitive. As such we anticipate volumes being maintained in the current financial year.

London Build
As expected, revenue in London Build has declined by 13% to £227m (2008 - £260m) due to the reduced demand for new build and refurbishment of office space in Greater London. In the year we completed several projects for commercial developers including the Stratton Street project for Grafton Advisors, the Fleetway House scheme for Tishman Speyer, 107 Cheapside for Carlyle Group and the Savannah House scheme for Standard Life. Recent wins include the £13.5m Mechanical Engineering building for Imperial College, for whom we have carried out over 30 projects since our first project in 2000. We are making good progress on the Nido Spitalfields 35 storey student accommodation tower for Blackstone which is due for completion in August 2010. In February 2009 we started on site on the Velodrome for the London 2012 Olympics and have achieved an Olympic Development Authority's key milestone of completing the Velodrome foundations by May 2009.

The business has an order book of £188m (2008 - £357m), of which £140m is to be delivered in the current financial year (2008 - £200m). With the decline in the pipeline of office new build and refurbishment opportunities, we would anticipate revenue in 2009/10 to be 33% lower than 2008/09 levels.

Regional Construction
Our Regional Construction businesses which include the activities of our offices based in Manchester, Bradford, Birmingham, Bristol, Ipswich and Maidstone, performed well despite the reduction in private sector work. Revenue in the period increased by 22% to £367m (2008 - £302m). The results include a full year's contribution from Pearce Construction (2008 - seven and a half months). On a like for like basis, revenue for the Regional Construction businesses grew by 10%.

Operating profit increased by 31% to £3.0m (2008 - £2.3m), resulting in an operating margin on revenue of 0.8% (2008 - 0.7%).

During the year, 62% of revenue related to public sector clients (2008 - 40%). Across our Regional Construction businesses we now have the benefit of a significant number of public sector frameworks covering core sectors of affordable housing, local authorities, health and prisons. These frameworks delivered £66m of revenue and we have already been allocated £50m of projects for the current financial year, including £22m under the Aspire Ministry of Defence framework and £13m under the North West Prison framework. In May we were appointed as one of eleven contractors to the Construction Framework South West, a four year framework expected to deliver £500m of construction activity. We were also successful in being appointed as one of three contractors on a three year framework for Severn Trent Water.

During the year, we worked on 45 education projects with a total revenue of £118m (2008 - £50m) including the Suffolk Sixth Form Centre in Ipswich, Gateway College in Leicester, St John's School in Marlborough, St Brendan's College in Bristol and Sir John Deane's College in Cheshire. We have an education order book of £108m as at the end of June 2009 (2008 - £90m), which includes the recently won City Technology Centre Kingshurst Academy in Solihull and the motor neurone disease research centre at the University of Sheffield.

Work for our private sector clients included building two new Asda stores in South Wales, Manchester Airport Terminal 1 airside refurbishment, our fourth Village Hotel, the Toronto Square development in Leeds, the Salthouse Hotel on the Ipswich waterfront, and commercial offices for Standard Life in Guildford.

[3] *definition of volumes is given in Note 2*

As at 30 June 2009, the total order book for the Regional Construction businesses stands at £286m (2008 - £305m), of which 62% relates to public sector works and £224m is to be delivered in the current financial year (2008 - £238m). With the likely pressure on public sector capital spending we are anticipating that revenues will decline by circa 10% in the current financial year.

Retail

Overall our Retail operations, Pearce Retail and ISG Cathedral, performed in line with expectations during the year, with revenue increasing by 52% to £208m (2008 - £137m). Our Retail operations are currently focused primarily on major food retail and bank branch roll out frameworks. The results include a full year contribution from Pearce Retail (2008 - seven and a half months). On a like for like basis the revenue for our Retail operations grew by 12% year on year.

Operating profit increased by 69% to £6.7m (2008 - £3.9m), resulting in an operating margin on revenue of 3.2% (2008 - 2.9%).

During the year Pearce Retail, which focuses primarily on major food retail customers, undertook a total of 67 projects (2008 - 56 projects) comprising new builds, shell fit outs, extensions and refurbishments for Tesco, Asda, Sainsbury's, Marks & Spencer and Morrisons. The business experienced a reduction in refurbishment programmes by its key customers, but this has been compensated for by our ability to offer a wider range of services with an increased allocation of new build and extension projects, particularly by Asda and Morrisons. In addition we have just been awarded our first new build opportunity for Tesco and anticipate being allocated further opportunities shortly.

Since acquiring Pearce Retail, we have been successful in expanding the geography over which we service our food retail customers from Pearce's historic South West market.

For the current financial year our customers are continuing to be committed to their capital spend programmes to increase square footage and hence the business has already been allocated by its major food retail customers contracts totalling approximately £84m (2008 - £103m). Since the year end we have received further instructions from customers for projects valued in excess of £30m and we have been notified of increased allocations by Asda, Tesco and Marks & Spencer for projects starting in the second half of the year.

During the year ISG Cathedral focused primarily on bank branch roll out frameworks undertaking 195 projects for Barclays Bank, Lloyds Banking Group, RBS and HSBC, including Barclays' flagship branch projects in Manchester and London Piccadilly, the latter of which won the National Association of Shopfitters Design Partnership Award in conjunction with Aukett Tytherleigh. ISG Cathedral was successfully appointed to a new four year framework agreement with Barclays and successfully re-bid a four year framework agreement with the Lloyds Banking Group.

In addition ISG Cathedral undertook nine new concept projects for high street fashion retail clients at Westfield, White City including Tiffany & Co, La Senza and Monsoon, its 100th store for T-Mobile in the year, two projects for Primark and refurbishment works on two hotel projects for The Doyle Collection.

For the current financial year, ISG Cathedral has already been allocated 340 projects by Barclays Bank, Lloyds Banking Group, RBS and HSBC resulting in an order book of £51m (2008 - £70m). Our retail banking customers continue to be committed to their capital spend programmes recognising the importance of their UK depositor bases in the present economy and commencing implementation of rebranding programmes.

Overall our Retail operations have an order book as at 30 June 2009 of £135m (2008 - £173m). With recent allocations from our major food retail clients and bank branch roll out framework clients, we are confident of maintaining activity levels throughout the current financial year.

Asia
In our Asia operations, revenue increased by 24% to £63m (2008 - £51m). The business increased operating profit by 23% to £2.1m (2008 - £1.7m), representing 12% (2008 - 9%) of group trading operating profit, resulting in an operating margin on revenue of 3.4% (2008 - 3.4%).

The business enjoyed higher activity levels from its offices in China (Beijing, Tianjin and Shanghai) with revenue up 160% and a retail refurbishment project for Swire Properties in Beijing contributing significantly to this increase. However Hong Kong, Tokyo, Malaysia and particularly Singapore were impacted by the global economic situation and the collapse of Lehman Brothers, which short term led to a loss in confidence and the delay/cancellation of a number of projects.

In the year the business provided consultancy services and delivered projects for a broad range of clients in the retail, financial and corporate sectors including Apple, Emporio Armani, UGG, Mandarin Oriental, Swire Properties, Standard Chartered Bank, Bohai Bank, Barclays, Credit Suisse, JP Morgan, Fidelity, Merrill Lynch, Shell, ExxonMobil, Ogilvy & Mather and Deloitte.

In Asia we have continued to strengthen our management resources for the next phase of growth and we have invested in larger offices in China to support the growth.

The business is carrying forward an order book of £42m as at June 2009 (2008 - £34m) and this includes the recent securing of two fit out opportunities for Marina Bay Sands totalling £21m in Singapore. Since the year end we have secured further fit out projects totalling £15m. With the improved order book and continuing improving prospects for the region, we are anticipating increased activity levels of approximately 20% in the current financial year.

Middle East
We have continued to resource the joint venture with Al Habtoor Leighton Group which is to provide fit out and joinery services across the Middle East, and this has led to an operating loss of circa £0.4m in the year on revenue of £2.3m. The joint venture was completed in June 2009 and we anticipate it making a positive contribution in the first half of the current financial year on the back of a current total order book of £12m, which includes the refurbishment project of the Sheikh Zayed Sports Stadium in Abu Dhabi. We continue to build a strong pipeline of opportunities in Dubai and Abu Dhabi and since year end we have been selected for three further projects totalling £8m.

Europe
Our European business, which has the shortest order book of all our businesses, experienced the most severe reaction to the global economic situation in the second half of the financial year. Post Lehman Brothers, the business's key customer base of international financial services and technology companies delayed or cancelled their strategic projects across Europe. As a result of this revenue declined by 4% to £29m (2008 - £30m). On a like for like basis the business showed a decline in revenue in the year of 17%. The business contributed an operating profit of £1.4m (2008 - £3.1m), representing 8% (2008 - 17%) of group trading operating profit, resulting in an operating margin on revenue of 4.8% (2008 - 10.3%). The lower margin reflects a trend towards a higher proportion of tendered work and increased investment in the business's infrastructure as we expand our coverage in both sector and geographical offerings.

With offices in Paris, Frankfurt, Milan and Geneva the business delivered projects for RBS, the Accor Group, Iron Mountain, Cardinal Health, Yahoo, Ace Insurance, Adobe, Google and General Reinsurance.

The business has agreed a strategic partnership with a leading international petrochemical customer, where we have now completed one project and anticipate working on five further projects totalling £20m over the next 18 months in Europe and the Middle East.

The business has throughout the period devoted resources to developing its supply chain into Eastern Europe and is now delivering a number of projects in Moscow, Poland and Bulgaria for international clients. In addition it has opened an office in Amsterdam to service the Benelux countries.

As at June 2009, the business had an order book of £6m (2008 - £8m) reflecting the quieter commercial office market in Paris and the completion of a number of projects in Geneva. Since year end we have seen an increase in demand for our services and we have been awarded a further £13m of work including a project with Rolls Royce in Poland, a project for Hackett in Paris and projects for our leading international petrochemical customer in Brussels and Hanover.

Outlook

At the end of June 2009, our total order book was £822m (2008 - £1,051m), of which £686m (2008 - £756m) is for delivery in the current financial year and £122m (2008 - £283m) for the next financial year. The business continues to position itself towards more resilient regions and sectors.

In the UK our Retail frameworks continue to give us visibility through the current year, where our clients are committed to maintaining their current capital investment programmes in both the food and retail banking sectors.

In London and our Regional Construction businesses we have already secured two thirds of our targeted revenue for the current financial year.

In our Asia business demand continues to be driven from China aided by a strong recovery in the Singapore market. In the Middle East from a low base we are continuing to build a strong pipeline that should enable the business to grow in profitability. In Europe we continue to widen our geography and are making progress in diversifying into other sectors.

We are now seeing tentative signs of improvements in pipelines in some of our major markets including Asia, Europe and London Fit out, with our core clients in the financial services, petrochemical and technology sectors once again making strategic investments. This is giving us an increased level of optimism for the longer term.

David Lawther
Chief Executive
8 September 2009

CONSOLIDATED INCOME STATEMENT

Year ended 30 June 2009

AUDITED

	Notes	2009 £'000	2008 £'000
REVENUE	2	**1,049,164**	1,090,076
Cost of sales		**(985,071)**	(1,025,692)
Gross Profit		**64,093**	64,384
Share of profits of associates and joint ventures		**19**	227
Amortisation of intangibles	8	**(1,424)**	(1,448)
Administrative expenses		**(50,166)**	(49,479)
OPERATING PROFIT	2	**12,522**	13,684
Finance income	3	**872**	1,346
Finance costs	4	**(1,677)**	(2,405)
Profit before tax	2	**11,717**	12,625
Taxation	5	**(3,198)**	(2,641)
Profit for the period		**8,519**	9,984
Basic earnings per ordinary share	7	**29.67p**	36.44p
Diluted earnings per ordinary share	7	**29.63p**	36.06p

The results presented above are all derived from continuing operations.

CONSOLIDATED BALANCE SHEET

At 30 June 2009

AUDITED

	Notes	2009 £'000	2008 £'000
Non-current assets			
Goodwill	8	79,925	77,982
Other intangible assets	9	8,051	9,402
Property, plant and equipment		7,162	8,014
Investment in associates and joint ventures		290	121
Deferred tax assets		1,368	782
Trade and other receivables		3,756	4,412
		100,552	100,713
Current assets			
Inventories		3,156	4,240
Trade and other receivables		123,790	159,591
Due from customers for contract work		84,234	77,816
Cash and cash equivalents	10	51,190	60,259
		262,370	301,906
Total assets		362,922	402,619
Current liabilities			
Borrowings	11	(6,797)	(5,909)
Trade and other payables		(288,795)	(322,767)
Due to customers for contract work		(3,920)	(6,394)
Current tax liabilities		(1,317)	(1,382)
Provisions		(183)	(383)
		(301,012)	(336,835)
Non-current liabilities			
Borrowings	11	(12,267)	(19,086)
Deferred tax liabilities		(2,144)	(2,544)
Trade and other payables		(2,060)	(7,112)
Provisions		(167)	-
		(16,638)	(28,742)
Total liabilities		(317,650)	(365,577)
TOTAL NET ASSETS		45,272	37,042
Equity			
Called up share capital	12	311	295
Share premium account	12	19,876	17,481
Foreign currency reserves	12	3,041	1,755
Investment in own shares	12	(3,854)	(3,634)
Retained earnings	12	25,898	21,145
TOTAL EQUITY		45,272	37,042

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

Year ended 30 June 2009

AUDITED

	Notes	2009 £'000	2008 £'000
Exchange differences arising on translation of foreign operations	12	1,151	2,752
Net income recognised directly in equity		1,151	2,752
Profit for the year	12	8,519	9,984
Total recognised income and expense		9,670	12,736

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2009

AUDITED

	Notes	2009 £'000	2008 £'000
Cash flows from operating activities			
Operating profit	2	**12,522**	13,684
Share of profits of associates and joint ventures		**(19)**	(227)
Amortisation of intangibles	8	**1,424**	1,448
Depreciation on property, plant and equipment		**2,968**	2,076
Loss / (gain) on disposal of property, plant and equipment		**94**	(32)
Share based payment expense	12	**165**	86
Movements in working capital:			
Decrease / (increase) in inventories		**1,084**	(1,830)
Decrease / (increase) in trade and other receivables		**31,020**	(21,026)
(Decrease) / increase in trade and other payables		**(39,862)**	27,448
Cash generated from operations		**9,396**	21,627
Taxation		**(2,546)**	(1,183)
Net cash inflow from operating activities		**6,850**	20,444
Cash flows from investing activities			
Interest received		**872**	1,346
Interest paid		**(1,110)**	(2,405)
Dividends received from associates and joint ventures		**88**	209
Investment in joint ventures		**(238)**	-
Loan granted to joint ventures		**(981)**	-
Payments for property, plant and equipment		**(2,442)**	(2,926)
Proceeds from disposal of property, plant and equipment		**51**	79
Acquisition of subsidiaries		**(3,629)**	(19,629)
Net cash acquired with subsidiaries		**-**	20,139
Net cash outflow from investing activities		**(7,389)**	(3,187)
Cash flows from financing activities			
Payments for own shares	12	**(220)**	(1,004)
Dividends paid	7	**(3,800)**	(3,434)
Issue of shares (net)		**29**	-
Payments for hire purchase contracts principals		**(79)**	(138)
Proceeds from borrowings		**-**	9,960
Repayment of borrowings		**(5,940)**	(3,387)
Net cash (outflow) / inflow from financing activities		**(10,010)**	1,997
Net (decrease) / increase in cash and cash equivalents		**(10,549)**	19,254
Cash and cash equivalents at the beginning of the period	10	**60,259**	40,290
Effects of exchange rate changes	12	**1,480**	715
Cash and cash equivalents at the end of the period	10	**51,190**	60,259

NOTES

AUDITED

1. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 June 2009 or 2008, but is derived from those accounts. Statutory accounts for 2008 have been delivered to the Registrar of Companies and those for 2009 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

The information has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"). This announcement does not contain sufficient information to comply with all the disclosure requirements of IFRS.

The directors have prepared cash flow forecasts for the group for a period in excess of twelve months from the date of approval of these consolidated financial statements. These forecasts are based on the group's existing order book and reflect an assessment of current and future market conditions, their impact on the group's trading performance and the actions taken by management in response to the challenging market conditions. The forecasts completed on this basis demonstrate that the group will be able to operate within the current committed debt facilities and show continued compliance with the financial covenants. In addition, management has considered various mitigating actions that could be taken in the event that future market conditions deteriorate beyond their current assessment. Such measures include further improvements in working capital within management's control, further reductions in costs and capital expenditure and use of the group's undrawn credit facilities.

On the basis of the exercise described above, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the group and the company.

IFRS 8 *'Operating Segments'* has been adopted in 2009. This has had no material impact on the financial statements except for changes to the disclosure requirements in the segmental information note.

As was stated in Note 33 on page 75 of the 2008 annual report and accounts, the fair value adjustments arising on the acquisition of ISG Europe SAS (previously IASA Holdings SAS) and ISG Pearce Holdings Ltd (previously Pearce Group Ltd) were provisional, which was in accordance with IFRS 3 *'Business Combinations'*. The fair value exercise has now been completed and the final acquisition balance sheet and the related fair value adjustments are consolidated within the balance sheet of these financial statements.

NOTES (CONTINUED)

AUDITED

2. SEGMENTAL INFORMATION

Management have determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from both a geographic and a product perspective. Geographically, management considers the performance of UK, Asia, Middle East and Europe. The UK is further segregated by product into London, Regional Construction and Retail.

Although the Asia, Europe and the Middle East segments do not meet the quantitative thresholds required by IFRS 8, management has concluded that this segment should be reported. All are closely monitored by the Board as potential growth regions and are expected to materially contribute to group revenue in the future.

The principal activities of each of these divisions are as follows:

London	-	provision of new build, refurbishment and fit out services in London.
Regional Construction	-	provision of new build, refurbishment and fit out services in UK outside London.
Retail	-	provision of retail and leisure fit out and refurbishment services in UK.
Asia	-	provision of fit out, refurbishment, project management and commissioning management services in Asia.
Middle East	-	provision of fit out, refurbishment and project management services in the Middle East, including Al Habtoor - ISG joint venture.
Europe	-	provision of fit out services in Europe, mainly France, Switzerland and Germany.
Other	-	consists of the group's discontinued activity in property development.

a. Revenue analysis by segment

	2009 Volumes £'000	**2009 Revenue £'000**	2008 Volumes £'000	2008 Revenue £'000
London	**447,856**	**379,885**	587,895	569,539
Regional Construction	**367,355**	**367,355**	301,635	301,635
Retail	**207,886**	**207,886**	137,103	137,103
Asia	**63,577**	**63,026**	51,227	50,678
Middle East	**2,909**	**2,289**	1,044	1,044
Europe	**28,710**	**28,710**	31,411	30,059
Other	**13**	**13**	18	18
Total	**1,118,306**	**1,049,164**	1,110,333	1,090,076

Volumes includes revenue of the group plus the value of work undertaken on construction management contracts undertaken by the group and the group's share of associates' and joint ventures' revenue.

NOTES (CONTINUED)

AUDITED

2. SEGMENTAL INFORMATION (CONTINUED)

b. Profit analysis by segment

	2009				
	Operating profit	Operating profit margin	Finance income	Finance cost	Profit before tax
	£'000	%	£'000	£'000	£'000
London	5,257	1.4%	926	(50)	6,133
Regional Construction	2,962	0.8%	621	(41)	3,542
Retail	6,667	3.2%	269	(448)	6,488
Asia	2,111	3.4%	-	-	2,111
Middle East	(406)	-	-	-	(406)
Europe	1,367	4.8%	212	(16)	1,563
Other	(739)	-	6	(63)	(796)
Segment total "Group Trading"	17,219	1.6%	2,034	(618)	18,635
Unallocated:					
Group activities	(3,273)	-	594	(1,244)	(3,923)
Elimination of intercompany interest	-	-	(1,756)	1,756	-
Cost of acquisition finance	-	-	-	(1,571)	(1,571)
Adjusted	13,946	1.3%	872	(1,677)	13,141
Amortisation of intangibles	(1,424)	-	-	-	(1,424)
Consolidated	12,522	1.2%	872	(1,677)	11,717

NOTES (CONTINUED)

AUDITED

2. SEGMENTAL INFORMATION (CONTINUED)

b. Profit analysis by segment (continued)

	2008				
	Operating profit	Operating profit margin	Finance income	Finance cost	Profit before tax
	£'000	%	£'000	£'000	£'000
London	7,926	1.4%	2,005	(602)	9,329
Regional Construction	2,258	0.7%	884	(312)	2,830
Retail	3,936	2.9%	432	(18)	4,350
Asia	1,726	3.4%	62	-	1,788
Middle East	47	4.5%	-	-	47
Europe	3,086	10.3%	194	(62)	3,218
Other	(422)	-	83	(63)	(402)
Segment total "Group Trading"	18,557	1.7%	3,600	(1,057)	21,160
Unallocated:					
Group activities	(3,425)	-	1,721	(3,181)	(4,885)
Elimination of intercompany interest	-	-	(4,035)	4,035	-
Cost of acquisition finance	-	-	-	(2,202)	(2,202)
Adjusted	15,132	1.4%	1,346	(2,405)	14,073
Amortisation of intangibles	(1,448)	-	-	-	(1,448)
Consolidated	13,684	1.3%	1,346	(2,405)	12,625

c. Assets by segment

	2009			
	Goodwill	**Other assets**	**Liabilities**	**Net assets**
	£'000	**£'000**	**£'000**	**£'000**
London	**835**	**87,288**	**(78,635)**	**9,488**
Regional Construction	**28,925**	**65,519**	**(71,550)**	**22,894**
Retail	**34,250**	**72,347**	**(57,006)**	**49,591**
Asia	**3,849**	**25,699**	**(18,208)**	**11,340**
Middle East	**-**	**238**	**-**	**238**
Europe	**12,066**	**15,535**	**(11,372)**	**16,229**
Other	**-**	**177**	**(1,970)**	**(1,793)**
Group activities	**-**	**9,655**	**(72,370)**	**(62,715)**
Consolidated	**79,925**	**276,458**	**(311,111)**	**45,272**

NOTES (CONTINUED)

AUDITED

2. SEGMENTAL INFORMATION (CONTINUED)

c. Assets by segment (continued)

	2008			
	Goodwill	Other assets	Liabilities	Net assets
	£'000	£'000	£'000	£'000
London	835	139,001	(131,256)	8,580
Regional Construction	31,841	73,285	(71,940)	33,186
Retail	28,634	58,866	(52,197)	35,303
Asia	3,613	24,673	(18,984)	9,302
Middle East	-	413	(469)	(56)
Europe	13,059	20,750	(15,603)	18,206
Other	-	1,869	(3,106)	(1,237)
Group activities	-	5,780	(72,022)	(66,242)
Consolidated	77,982	324,637	(365,577)	37,042

3. FINANCE INCOME

	2009	2008
	£'000	£'000
Interest revenue:		
Bank deposits	**872**	1,346
Total interest revenue	**872**	1,346

4. FINANCE COSTS

	2009	2008
	£'000	£'000
Interest on bank overdrafts and loans	**1,104**	1,776
Unwinding of discount on deferred consideration	**401**	447
Interest on obligation under finance leases	**6**	11
Loan arrangement fee	**85**	67
Amortisation of fees	**81**	104
Total interest expense	**1,677**	2,405

NOTES (CONTINUED)

AUDITED

5. TAXATION

	2009 £'000	2008 £'000
UK current tax		
United Kingdom corporation tax	**3,370**	2,675
Adjustment in respect of prior years	**(33)**	(1,082)
	3,337	1,593
Foreign current tax		
Overseas taxation - current year	**807**	1,574
Double tax relief	**(8)**	(1)
Total current tax expense	**4,136**	3,166
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	**(938)**	(525)
Total tax expense	**3,198**	2,641

6. DIVIDENDS

	2009 £'000	2008 £'000
2009 Interim paid - 4.00p per ordinary share (2008 - 4.00p)	**1,152**	1,181
2008 Final paid - 9.20p per ordinary share (2007 - 8.20p)	**2,648**	2,253
Ordinary dividends on equity shares	**3,800**	3,434
2009 Proposed final dividend per ordinary share - 9.66p (2008 - 9.20p)	**3,182**	2,700

In accordance with IAS 10, dividends are accounted for in the period in which they are paid and approved by the shareholders. Accordingly the final dividend proposed in respect of the year ended 30 June 2009 has not been included as a liability as at 30 June 2009.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year, determined in accordance with the provisions of IAS 33 *"Earnings per share".*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all dilutive potential ordinary shares. The group has only one category of dilutive potential ordinary shares, being share options granted where the exercise price is less than the average price of the company's ordinary shares during the year.

Adjusted basic earnings per share is calculated by dividing the earnings attributed to ordinary shareholders, pre-amortisation of intangible assets and before significant non-recurring items such as the profit/loss on disposal of associates and subsidiaries and one-off releases of taxation provisions, by the weighted average number of ordinary shares during the year.

NOTES (CONTINUED)

AUDITED

7. EARNINGS PER SHARE (CONTINUED)

	2009 £'000	2008 £'000
Profit for the financial year	**8,519**	9,984
Basic and diluted earnings attributable to ordinary shareholders	**8,519**	9,984
Post tax amortisation of intangible assets	**1,025**	1,021
Adjustment relating to release of prior year UK corporation tax provision	**-**	(1,082)
Adjusted earnings attributable to ordinary shareholders	**9,544**	9,923
	2009 Number	2008 Number
Weighted average number of ordinary shares	**28,709,387**	27,398,773
Dilutive share options	**40,436**	287,496
Diluted weighted average number of ordinary shares	**28,749,823**	27,686,269
Basic earnings per ordinary share	**29.67p**	36.44p
Diluted earnings per ordinary share	**29.63p**	36.06p
Adjusted basic earnings per ordinary share	**33.24p**	36.22p
Adjusted diluted earnings per ordinary share	**33.20p**	35.84p

8. GOODWILL

	£'000
Cost	
Balance at 1 July 2007	48,895
Recognised on acquisition of subsidiary	27,417
Net foreign exchange differences	1,741
Adjustment in respect of prior year	(71)
Balance at 30 June 2008	**77,982**
Net foreign exchange differences	**1,213**
Adjustment in respect of prior year	**730**
Balance at 30 June 2009	**79,925**
Carrying amount	
As at 30 June 2009	**79,925**
As at 30 June 2008	77,982

Goodwill has been allocated for impairment testing purposes to five groups of cash-generating units ("CGUs") identified according to operating segments, being London, Regional Construction, Retail, Asia and Europe. The allocation of goodwill is dependent on the CGU that is expected to benefit from the business combination. Details on the split of the goodwill balance across these CGUs are given in Note 2.

The group tests goodwill bi-annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations.

AUDITED

The key assumptions for the value in use calculations are those regarding the discount rates and growth rates for the period.

8. GOODWILL (CONTINUED)

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the business, giving a discount rate of 10.07%. The group discount rate is applied to all CGUs. The growth rates are based on industry growth forecasts and long-term growth in gross domestic product.

The group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolates cash flows for the following five years based on an estimated growth rate of 2.25%. The rate used in the calculation does not exceed the average long-term growth rate for the relevant markets.

At 30 June 2009 and 30 June 2008, the carrying amounts of goodwill for CGUs were tested for impairment and deemed not to be impaired. Sensitivity analysis has been performed on the discount rate (varying between 10% and 15%) and growth rate (0% to 2.25%) with the conclusion that no reasonably probable changes in key assumptions would cause the recoverable amount to be less than the carrying amount.

Acquisitions

In the year ended 30 June 2008 the group completed the acquisitions of ISG Europe SAS and ISG Pearce Holdings Ltd. Fair value adjustments have been finalised in accordance with IFRS 3. The final acquisition balance sheet and related fair value adjustments are consolidated in the balance sheet of these financial statements.

ISG Pearce Holdings Ltd has had fair value adjustments made to property, plant and equipment, trade and other receivables, trade and other payables and deferred tax due to revaluations of initially determined amounts, reclassifications and the tax effects of these adjustments. Deferred consideration balances have crystallised in the period and as a result of ISG Pearce Holdings Ltd meeting their performance conditions specified in the purchase agreement further amounts were payable. This has had the effect of increasing the goodwill on acquisition.

The deferred consideration has crystallised in ISG Europe SAS as at 30 June 2009. Performance conditions set within the purchase agreement have not been met and thus the level of deferred consideration has been reduced accordingly. This has resulted in a decrease in the value of goodwill for the acquisition.

There is £4,555,000 of deferred consideration payable on the acquisitions as at 30 June 2009 to be fulfilled in cash of £2,055,000 and shares worth £2,500,000. The amounts are payable in September 2009.

NOTES (CONTINUED)

AUDITED

9. OTHER INTANGIBLE ASSETS

	Customer relationships £'000	Customer contracts £'000	Total £'000
Cost			
Balance at 1 July 2007	3,063	580	3,643
Acquisitions through business combinations	7,226	376	7,602
Net foreign currency exchange differences	304	-	304
Balance at 1 July 2008	**10,593**	**956**	**11,549**
Net foreign currency exchange differences	**395**	**-**	**395**
Balance at 30 June 2009	**10,988**	**956**	**11,944**
Accumulated amortisation			
Balance at 1 July 2007	119	580	699
Charge for the year	1,072	376	1,448
Balance at 1 July 2008	**1,191**	**956**	**2,147**
Charge for the year	**1,424**	**-**	**1,424**
Net foreign currency exchange differences	**322**	**-**	**322**
Balance at 30 June 2009	**2,937**	**956**	**3,893**
Carrying amount			
As at 30 June 2009	**8,051**	**-**	**8,051**
As at 30 June 2008	9,402	-	9,402

10. ANALYSIS OF NET CASH

	2008 £'000	Cash flow £'000	Other non-cash charges £'000	2009 £'000
Cash and cash equivalents	60,259	**(9,069)**	**-**	**51,190**
	60,259	**(9,069)**	**-**	**51,190**
Loans due after one year	(18,108)	**5,940**	**(99)**	**(12,267)**
Loans due within one year	(5,827)	**-**	**(7)**	**(5,834)**
Loan notes	(968)	**18**	**-**	**(950)**
Hire purchase contracts	(92)	**79**	**-**	**(13)**
Net cash	35,264	**(3,032)**	**(106)**	**32,126**

NOTES (CONTINUED)

AUDITED

11. BORROWINGS

	2009 £'000	2008 £'000
Current		
Bank loans[1]	**5,939**	6,111
Unamortised cost of debt	**(105)**	(284)
Loan notes[2]	**950**	-
Obligations under hire purchase contracts	**13**	82
	6,797	5,909
Non-current		
Bank loans[1]	**12,446**	18,213
Unamortised cost of debt	**(179)**	(105)
Loan notes[2]	**-**	968
Obligations under hire purchase contracts	**-**	10
	12,267	19,086
Total	**19,064**	24,995

[1] The group has two principal bank loans:

(a) a loan of £2.4m (2008 - £4.4m). The loan was taken out on 28 September 2005. Repayments commenced on 28 December 2005 and will continue until 28 September 2010. The loan carries a variable interest rate of 1.91% as at 30 June 2009.

(b) a loan of £16.0m (2008 - £20.0m), which was drawn down between May 2007 and May 2008. Repayments commenced on 22 February 2009 and are scheduled to continue until 24 May 2013. The loan carries a variable interest rate of 1.91% as at 30 June 2009.

Bank covenants include total interest cover, net debt to earnings before interest, tax, depreciation and amortisation and total debtors to total utilisation. There have been no breaches of bank covenants during all periods. The bank loans are guaranteed by material subsidiaries of the group by way of a debenture. The group does not have any of its property and equipment pledged as security over bank loans.

[2] The £950,000 of loan notes (2008 - £950,000) were payable to the vendors of ISG Cathedral and were redeemable semi-annually at the company's option, up to July 2009 when the remaining balance was payable. Interest was payable semi-annually at a fixed rate of 7%. The £18,000 loan notes included in the prior year balance were settled during the year and were payable to certain vendors of ISG Pearce Holdings Ltd.

The group had the committed undrawn borrowing facilities at 30 June 2009 of £10.0m. Undrawn facilities comprise a joint revolving credit facility of £10.0m with Bank of Scotland plc and The Royal Bank of Scotland plc (2008 - £10.0m). The facility bears a floating interest rate (with reference to LIBOR) and remained undrawn throughout the current period and the prior year. This facility expires on 24 May 2013.

NOTES (CONTINUED)

AUDITED

12. RECONCILIATION OF MOVEMENTS IN EQUITY

	Share capital £'000	Share premium £'000	Foreign currency reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total £'000
At 1 July 2007	277	12,513	(400)	(2,630)	13,912	23,672
Profit for the period	-	-	-	-	9,984	9,984
Payment of dividends	-	-	-	-	(3,434)	(3,434)
Issue of shares	18	4,968	-	-	-	4,986
Recognition of investment in own shares	-	-	-	(1,004)	-	(1,004)
Recognition of share-based payments	-	-	-	-	86	86
Exchange differences arising on translation of foreign operations	-	-	2,155	-	597	2,752
At 1 July 2008	295	17,481	1,755	(3,634)	21,145	37,042
Profit for the period	**-**	**-**	**-**	**-**	**8,519**	**8,519**
Payment of dividends	**-**	**-**		**-**	**(3,800)**	**(3,800)**
Issue of shares	**16**	**2,395**	**-**	**-**	**-**	**2,411**
Recognition of investment in own shares	**-**	**-**	**-**	**(220)**	**-**	**(220)**
Tax credit on Long Term Incentive Plan	**-**	**-**	**-**	**-**	**4**	**4**
Recognition of share-based payments	**-**	**-**	**-**	**-**	**165**	**165**
Exchange differences arising on translation of foreign operations	**-**	**-**	**1,286**	**-**	**(135)**	**1,151**
Balance as at 30 June 2009	**311**	**19,876**	**3,041**	**(3,854)**	**25,898**	**45,272**

NOTES (CONTINUED)

AUDITED

13. CONTINGENT LIABILITIES

There are group cross guarantees from the company for all monies due to certain of the group's banks and surety lenders. No monies were outstanding at 30 June 2009 (2008 - nil). In the normal course of business there are contingent liabilities including the provision of bonds in respect of completed and uncompleted contracts.

As reported in last year's financial statements, in March 2006 the Office of Fair Trading ("OFT") visited the offices of Totty Construction, a subsidiary of the Propencity Group, along with many other construction companies, in relation to potential breaches of competition law in earlier years prior to ISG's ownership. As reported in the prior year the Propencity Group entered into a leniency agreement with the OFT in respect of the alleged infringements and has submitted a response to the OFT's Statement of Objections. Similarly Pearce Construction (Midlands) Ltd, a subsidiary of the Pearce Group, was issued with a Statement of Objections by the OFT. The business is defending its position and the group has received an indemnity from the vendors of the Pearce Group, which will serve to mitigate risk in this matter. The group remains unable to estimate the size of any potential liability and as a result no provision has been made in these accounts.

14. RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There have been no material transactions between the group and its associates or joint ventures during the year.

15. APPROVAL OF ACCOUNTS

The annual accounts were approved by the Board of directors on 8 September 2009.