

# ISG



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# 06

INTERIOR SERVICES GROUP PLC  
INTERIM ACCOUNTS  
31 DECEMBER 2006

## FINANCIAL HIGHLIGHTS

	<b>6 months ended 31 December 2006</b>	6 months ended 31 December 2005
■ Profit before tax (before goodwill)	£4.2m	£3.6m
■ Profit before tax	£3.1m	£3.1m
■ Fee income	£48m	£36m
■ Gross value of work performed (GVWP)	£411m	£326m
■ Adjusted earnings per share (before goodwill)	11.07p	9.34p
■ Basic earnings per share	7.36p	7.48p
■ Interim dividend	3.30p	3.00p
■ Net cash	£24.4m	£21.4m
■ Order book	£845m	£778m

## CEO HALF YEAR STATEMENT

The strong improvement in trading witnessed in the second half of the last financial year has continued with profit before tax and goodwill in the first half to 31 December 2006 increasing to £4.2m (2005: £3.6m). Included in these results is the exceptional cost of integrating ISG Totty of £0.5m.

As a result of this performance, the interim dividend is being increased by 10% to 3.30p and will be paid on 17 April 2007 to shareholders on the register on 16 March 2007.

This profit improvement was achieved on volumes of £411m (2005: £326m), up 26%, and fee income increased to £48.1m (2005: £35.7m), up 35%. Operating cash flow remained strong with a net cash inflow of £4.6m (2005: £5.2m), resulting in net cash of £24.4m (2005: £21.4m). The adjusted earnings per share (before goodwill) for the period increased by 19% to 11.07p.

### Strategic Developments

In the last six months our priorities have been:

#### ■ Growth in our overseas operations

On 30 October 2006 we acquired 100% of the trading operations of ISG Asia Limited, an entity in which we had held a 22% minority shareholder stake since 01 July 2003. The business, which is branded ISG Asia, employs 350 people. It provides a range of services that includes project management, construction fit out and facilities management to commercial office, hotel, leisure and retail customers through a network of offices in eight cities – Singapore, Hong Kong, Tokyo, Kuala Lumpur, Shanghai, Macau, Seoul and Dubai.

Activity levels for the six-month period to 31 December 2006 for ISG Asia are over 100% up on the corresponding prior year period, with turnover for the period of S\$107m (£36m). The group results include the two-month operating profit contribution before goodwill of £0.1m, and a profit on disposal of our 22% shareholding interest of £0.1m.

We are seeking to further increase our exposure to the high growth Asian markets, and have identified one opportunity where we are now in detailed discussion.

#### ■ Undertake the reorganisation of ISG Totty thereby concluding our integration of the Propensity Group

As reported in last year's Report and Accounts, ISG Totty has been undergoing a process of integration. With the running down of its Accommodation Division, ISG Totty has been re-focusing on offering its traditional core business of new build and refurbishment services to the public and commercial sectors. The cost of this exercise, £0.5m, has been incurred in the first half.

The reorganisation has taken longer than initially anticipated resulting additionally in a first half trading loss of £0.7m. However, with a re-built pipeline of opportunities and a current order book of £51m, it is envisaged that the business will make a positive contribution to the group results in the second half.

#### ■ Take advantage of market conditions to deliver organic growth

Organic growth in London during the first half has focused on the continuing development of fit out teams to tackle projects in the range of £1m - £5m. The teams are exceeding our expectations and we will continue to develop resources in this sector of the market. In the medium term it will not only produce growth but also improve our resilience to fluctuations in the large scale fit out market.

## ■ Retail Fit Out Acquisition

We have been particularly encouraged by the acquisition of ISG Dean and Bowes which has performed ahead of expectations, and as a result we have been looking for acquisition opportunities in this higher margin area. We have now identified a target and are in the process of undertaking detailed due diligence. If completed successfully, our business in the retail fit out sector could double.

## Trading

Our business carries out work for occupiers fitting out space, and for owners seeking to build or refurbish space. The following is a summary of the fee income we earn from managing those projects, the gross value of work performed on those projects and the forward order book:

6 months to 31 December	FEE INCOME		GVWP		FORWARD ORDER BOOK	
	2006 £m	2005 £m	2006 £m	2005 £m	2006 £m	2005 £m
London						
Fit out	16.9	10.2	164	111	280	211
Refurbishment	6.3	6.8	59	77	125	159
New build	3.6	5.4	36	65	158	167
Regional Construction Businesses	13.7	9.5	94	50	239	212
National Retail & Leisure Fit out	4.6	2.2	33	12	22	27
Overseas						
Asia	2.5	1.0	22	8	21	2
Europe	0.5	0.6	3	3	-	-
<b>Total</b>	<b>48.1</b>	<b>35.7</b>	<b>411</b>	<b>326</b>	<b>845</b>	<b>778</b>

Fee income grew strongly over the corresponding period last year, up 35% at £48.1m (2005: £35.7m) on volumes up 26% at £411m (2005: £326m). This increase in group fee income includes a full six-month contribution to fee income of £15.2m from the Propensity Group (ISG Totty, ISG Dean and Bowes, ISG Jackson) on volumes of £104m (2005: £8.6m and £44m respectively). In addition, the acquisition of 100% of ISG Asia's trading operations resulted in an increased fee income of £2.5m (2005: £1.0m) and volumes of £22m (2005: £8m). Excluding Propensity and ISG Asia, fee income still increased by 17%.

In London fee income increased by 20% due to a continuing increase in activity in London Fit out, where the forward order book has increased by 33%. Recent wins have included the new Eurostar Terminal, Standard Chartered Bank and further work with Nomura and Ascot Racecourse. As previously reported, activity in London New build in the first half of the current year had been impacted by the cancellation of projects in the second half of the previous financial year. While the current forward order book is lower than for the same period last year, it is now higher than reported at the end of June increasing from £143m to £158m. Working with clients such as PPG Metro and TAG, London New build's activity should revert to a more normal level in the second half of the year. During the six-month period, the forward order book for London Refurbishment has increased from £103m to £125m, with recent wins including projects for Scottish Widows and Derwent London.

Notwithstanding the reorganisation of ISG Totty, our Regional construction businesses' volumes grew on a like for like basis by 11%, with the forward order book up 13% to a record level.

Our Retail and Leisure Fit out specialist service, ISG Dean and Bowes, grew on a like for like basis by 22%, with turnover for the period of £33m and fee income of £4.6m. During the period it has continued to add new clients such as Marks and Spencer and Woolworths.

Fee income for ISG Asia increased on a like for like basis by 21%, in comparison to an increase in volumes of 111% due to the change in mix of work between fee and non-fee based work. The increase in activity is partly due to the undertaking of the commercial office fit out of 280,000 square feet of Deutsche Bank's new regional centre in Singapore.

In Europe, our associate company IASA, in which we have a 20% shareholding, has continued to grow with turnover up 128% at £2.5m. Profits showed a decline in the period to £0.3m (2005: £0.4m) due to the prior year result including an exceptional final account settlement. Activity in the Paris commercial office market has been buoyant. In addition the business has been extending its offering by providing commercial office fit out services to its international customers in other European cities.

## Prospects

With the current strong demand for our services, the Group's total order book has continued to grow, up from £756m in June 2006 to £845m in December 2006, increasing by 12%.

In London, the higher level of take up of offices by occupiers over the last 30 months looks set to continue. Reflecting this, owners of property are continuing to commit to office projects. Outside London, our Regional businesses are continuing to see strong demand for their services in both the public and private sectors.

We expect ISG Asia to continue to grow significantly in all its markets as our international client base continues to invest in these growth economies.

The outlook for the business remains positive. With a record order book, volumes in the second half of this year are likely to increase further. In addition, we will continue to pursue acquisition opportunities in line with a clear strategy for the further development of the Group.

**David Lawther**  
Chief Executive

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

6 months ended 31 December 2006

Unaudited

		6 months ended 31 December 2006 £'000	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
	Notes			
Gross value of work performed	2	411,299	325,880	746,224
Less: relating to construction management share of joint ventures' and associates' turnover		(26,086) (7,327)	(33,479) (4,937)	(106,921) (10,879)
<b>TURNOVER</b>				
Continuing operations		363,713	287,464	628,424
Acquired operations		14,173	-	-
<b>Group turnover</b>	2	377,886	287,464	628,424
Cost of sales		(360,207)	(274,431)	(597,523)
Gross profit		17,679	13,033	30,901
Administrative expenses:				
Amortisation of goodwill		(1,088)	(482)	(1,616)
Other administrative expenses		(14,627)	(10,226)	(24,519)
		(15,715)	(10,708)	(26,135)
<b>OPERATING PROFIT</b>				
Continuing operations		1,853	2,325	4,766
Acquired operations		111	-	-
<b>Group operating profit - continuing operations</b>		1,964	2,325	4,766
Share of operating profit in joint ventures and associates		330	127	393
<b>Total operating profit</b>		2,294	2,452	5,159
Loss on disposal of subsidiaries		-	-	(2)
Profit on disposal of associates		106	-	-
Net interest receivable and similar income		678	637	1,381
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2, 3	3,078	3,089	6,538
Tax on profit on ordinary activities		(1,135)	(1,151)	(1,460)
<b>PROFIT FOR THE FINANCIAL PERIOD/YEAR</b>		1,943	1,938	5,078
<b>Basic earnings per ordinary share</b>	5	7.36p	7.48p	19.33p
<b>Diluted earnings per ordinary share</b>	5	7.27p	7.41p	19.12p
<b>Proposed ordinary dividends per share</b>	4	3.30p	3.00p	10.00p

## CONSOLIDATED BALANCE SHEET

31 December 2006

Unaudited

		6 months ended 31 December 2006 £'000	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
	Notes			
<b>FIXED ASSETS</b>				
Intangible assets		39,829	34,063	38,157
Tangible fixed assets		5,387	2,419	2,322
Investment in associates		583	1,329	1,492
<b>TOTAL FIXED ASSETS</b>		45,799	37,811	41,971
<b>CURRENT ASSETS</b>				
Stock and work-in-progress		2,749	2,137	3,346
Debtors: amounts falling due within one year		134,435	115,565	113,461
Debtors: amounts falling due after more than one year		3,532	7,523	5,726
Cash at bank and in hand		38,549	32,751	38,215
		179,265	157,976	160,748
<b>CREDITORS: amounts falling due within one year</b>		(198,631)	(171,447)	(174,383)
<b>NET CURRENT LIABILITIES</b>		(19,366)	(13,471)	(13,635)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		26,433	24,340	28,336
<b>CREDITORS: amounts falling due after one year</b>		(7,219)	(7,316)	(8,235)
<b>TOTAL NET ASSETS</b>		19,214	17,024	20,101
<b>CAPITAL AND RESERVES</b>				
Called up share capital		275	271	274
Share premium account	8	12,184	11,480	12,096
Other reserves	8	-	436	436
Own shares	8	(2,504)	(1,568)	(1,457)
Profit and loss account	8	9,259	6,405	8,752
<b>TOTAL SHAREHOLDERS' FUNDS</b>	7	19,214	17,024	20,101

## CONSOLIDATED CASH FLOW STATEMENT

6 months ended 31 December 2006

Unaudited

		6 months ended 31 December 2006 £'000	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Net cash inflow from operating activities	9	4,612	5,179	7,802
Dividends from associates		10	57	162
Returns on investments and servicing of finance	10	669	632	1,373
Taxation		(28)	(584)	(1,294)
Capital expenditure and financial investment	10	(4,426)	(215)	(628)
Acquisitions and disposals	10	(435)	(15,244)	(13,050)
Dividends paid		(1,847)	(1,660)	(2,480)
<b>Cash outflow before financing</b>		<b>(1,445)</b>	<b>(11,835)</b>	<b>(8,115)</b>
Financing:				
Issue of shares (net)		89	137	756
Capital element of payments under hire purchase contracts		(9)	(5)	(14)
Bank loans		2,002	9,882	11,614
Repayment of long term debt		(1,282)	(485)	(1,455)
<b>Net cash inflow from financing</b>		<b>800</b>	<b>9,529</b>	<b>10,901</b>
(Decrease)/increase in cash in the period/year	11	(645)	(2,306)	2,786
<b>Reconciliation of net cash flow to movement in net funds (Note 11):</b>				
(Decrease)/increase in cash in the period/year		(645)	(2,306)	2,786
Cash inflow from debt financing		(724)	(9,388)	(10,109)
Change in net debt resulting from cash flows		(1,369)	(11,694)	(7,323)
Loans & hire purchase contracts acquired with subsidiary		-	(1,012)	(1,012)
Change in net debt resulting from non-cash changes		13	(4)	(36)
		(1,356)	(12,710)	(8,371)
Net cash brought forward		25,778	34,149	34,149
Net cash carried forward		24,422	21,439	25,778

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

6 months ended 31 December 2006

Unaudited

		6 months ended 31 December 2006 £'000	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Profit for the financial period/year:				
Group		1,721	1,860	4,795
Joint ventures and associates		222	78	283
		1,943	1,938	5,078
Currency translation differences: Subsidiaries		(25)	14	15
Currency translation differences: Joint ventures and associates		(9)	57	17
<b>Total recognised gains and losses relating to the period/year</b>		<b>1,909</b>	<b>2,009</b>	<b>5,110</b>

## NOTES TO THE ACCOUNTS

Unaudited

### 1. ACCOUNTING POLICIES

The Interim Accounts, which are unaudited, have been prepared on the basis of the accounting policies set out in the 2006 group accounts.

### 2. SEGMENTAL INFORMATION

Gross value of work performed, turnover and profit before taxation may be analysed as follows:

	6 months ended 31 December 2006 £'000	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
<b>Gross value of work performed by origin and destination:</b>			
United Kingdom	386,633	314,699	724,298
Europe	2,524	2,849	5,060
Asia	22,142	8,332	16,866
	<b>411,299</b>	<b>325,880</b>	<b>746,224</b>
<b>Turnover by origin and destination:</b>			
United Kingdom	363,713	285,724	626,284
Europe	2,524	2,849	5,060
Asia	18,976	3,828	7,959
	<b>385,213</b>	<b>292,401</b>	<b>639,303</b>
Less: Share of joint ventures' and associates' turnover	(7,327)	(4,937)	(10,879)
	<b>377,886</b>	<b>287,464</b>	<b>628,424</b>
<b>Profit on ordinary activities before taxation:</b>			
United Kingdom	2,524	2,613	5,735
Europe	312	444	695
Asia	242	32	108
	<b>3,078</b>	<b>3,089</b>	<b>6,538</b>
<b>Net assets</b>			
United Kingdom	12,770	14,629	17,505
Europe	1,654	1,320	1,484
Asia	4,790	1,075	1,112
	<b>19,214</b>	<b>17,024</b>	<b>20,101</b>
<b>Fee income, which we consider to be a key indicator, is derived as follows:</b>			
Turnover	377,886	287,464	628,424
Trade contractor costs recharged	(330,735)	(252,322)	(548,254)
	47,151	35,142	80,170
Interest receivable	923	552	1,512
<b>Total fee income</b>	<b>48,074</b>	<b>35,694</b>	<b>81,682</b>

## 2. SEGMENTAL INFORMATION (CONTINUED)

Fee income represents fees received directly from clients for construction services provided by the company's employees.

The group has one class of business which is to provide construction services to its customers in the UK and internationally.

In accordance with industry practice, gross value of work performed includes £26,086,000 (December 2005 - £33,479,000; June 2006 - £106,921,000) in respect of the construction costs of projects on which the company acts as construction manager. These construction costs are billed directly to the client and are not invoiced via the group.

Gross value of work performed, turnover and profit before taxation includes three months' activity for the Propensity subsidiaries for the six month period to 31 December 2005 and two months' activity for ISG Asia for the six month period to 31 December 2006.

## 3. RECONCILIATION OF ADJUSTED OPERATING PROFIT AND ADJUSTED PROFIT BEFORE TAXATION

	<b>6 months ended 31 December 2006 £'000</b>	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Total operating profit	2,294	2,452	5,159
Amortisation of goodwill	1,088	482	1,616
Adjusted operating profit	<b>3,382</b>	<b>2,934</b>	<b>6,775</b>
Profit before taxation	3,078	3,089	6,538
Amortisation of goodwill	1,088	482	1,616
Adjusted profit before taxation	<b>4,166</b>	<b>3,571</b>	<b>8,154</b>

We use adjusted operating profit and adjusted profit before taxation as measures to facilitate comparisons between periods.

## 4. DIVIDENDS PROPOSED

	<b>6 months ended 31 December 2006 £'000</b>	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Proposed ordinary dividends on equity shares	908	820	1,920
Proposed ordinary dividends per share	<b>3.30p</b>	<b>3.00p</b>	<b>10.00p</b>

The proposed interim dividend of 3.30p per share was approved by the Board on 26 February 2007 and will be paid on 17 April 2007. As required by FRS 21, the dividend has not been included as a liability as at 31 December 2006.

## 5. EARNINGS PER SHARE

	<b>6 months ended 31 December 2006 £'000</b>	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Profit for the financial period/year	1,943	1,938	5,078
Basic and diluted earnings attributable to ordinary shareholders	1,943	1,938	5,078
Amortisation of goodwill	1,088	482	1,616
(Profit)/loss on disposal of subsidiaries	(106)	-	2
Adjusted earnings attributable to ordinary shareholders	<b>2,925</b>	<b>2,420</b>	<b>6,696</b>
Weighted average number of ordinary shares	26,417	25,899	26,271
Dilutive share options	317	247	285
Diluted weighted average number of ordinary shares	<b>26,734</b>	<b>26,146</b>	<b>26,556</b>
Basic earnings per ordinary share	<b>7.36p</b>	<b>7.48p</b>	<b>19.33p</b>
Diluted earnings per ordinary share	<b>7.27p</b>	<b>7.41p</b>	<b>19.12p</b>
Adjusted basic earnings per ordinary share before goodwill amortisation and profit on disposal of subsidiaries	<b>11.07p</b>	<b>9.34p</b>	<b>25.49p</b>
Adjusted diluted earnings per ordinary share before goodwill amortisation and profit on disposal of subsidiaries	<b>10.94p</b>	<b>9.26p</b>	<b>25.21p</b>

## 6. BORROWINGS

Borrowings are included in the balance sheet as part of creditors due within one year and creditors due after one year.

	<b>31 December 2006 £'000</b>	31 December 2005 £'000	(Audited) 30 June 2006 £'000
Bank overdrafts	2,259	908	1,280
Bank loans	11,829	10,347	11,109
Obligations under hire purchase contracts	39	57	48
	<b>14,127</b>	<b>11,312</b>	<b>12,437</b>
<b>Analysis of repayments</b>			
Bank loans and overdrafts:			
within one year on demand	7,675	4,215	4,993
between one and two years	3,234	1,940	1,940
between two and five years	3,395	5,335	5,659
Obligations under hire purchase contracts			
within one year on demand	18	57	19
between one and two years	14	-	15
between two and five years	7	-	14
Less: Unamortised finance costs of debt	<b>(216)</b>	<b>(235)</b>	<b>(203)</b>
	<b>14,127</b>	<b>11,312</b>	<b>12,437</b>

## 7. RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	<b>6 months ended 31 December 2006 £'000</b>	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Profit for the financial period/year	1,943	1,938	5,078
Dividends paid	(1,847)	(1,660)	(2,480)
	<b>96</b>	278	2,598
Foreign exchange (loss)/profit	(34)	71	32
Movement in own shares	(1,047)	1	112
Proceeds from share issue	89	1,915	2,534
Credit to equity for share based payments	9	-	66
Net (deduction)/addition to shareholders' funds	<b>(887)</b>	2,265	5,342
Opening shareholders' funds	<b>20,101</b>	14,759	14,759
Closing shareholders' funds	<b>19,214</b>	17,024	20,101

## 8. GROUP RESERVES

	<b>Share premium £'000</b>	<b>Other reserves £'000</b>	<b>Own shares £'000</b>	<b>Profit and loss account £'000</b>
Balance at 1 July 2006	12,096	436	(1,457)	8,752
Profit for the period	-	-	-	1,943
Dividends paid	-	-	-	(1,847)
Share premium arising on issue of shares	88	-	-	-
Movement in own shares	-	-	(1,047)	-
Credit to equity for share based payments	-	-	-	9
Realised gain arising on investments	-	(436)	-	436
Exchange differences	-	-	-	(34)
Balance at 31 December 2006	<b>12,184</b>	-	<b>(2,504)</b>	<b>9,259</b>

## 9. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	<b>6 months ended 31 December 2006 £'000</b>	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
Operating profit	1,964	2,325	4,766
Adjustment for share options	9	-	66
Depreciation charges	511	282	791
Amortisation of goodwill	1,088	482	1,616
Profit on sale of tangible fixed assets	-	(2)	-
Decrease/(increase) in stocks	663	(76)	(1,285)
Increase in debtors	(4,947)	(8,581)	(8,891)
Increase in creditors	5,324	10,749	10,739
Net cash inflow from operating activities	<b>4,612</b>	5,179	7,802

## 10. ANALYSIS OF CASH FLOWS

	<b>6 months ended 31 December 2006 £'000</b>	6 months ended 31 December 2005 £'000	(Audited) 12 months ended 30 June 2006 £'000
<b>Returns on investments and servicing of finance:</b>			
Interest received	1,008	870	1,794
Interest paid	(339)	(238)	(421)
Net cash inflow for returns on investments and servicing of finance	<b>669</b>	632	1,373
<b>Capital expenditure and financial investment:</b>			
Payments to acquire tangible fixed assets	(3,384)	(217)	(632)
Receipts from sales of tangible fixed assets	5	2	3
Payments to purchase financial investments	(1,047)	-	-
Receipts from sales of financial investments	-	-	1
Net cash outflow for capital expenditure and financial investment	<b>(4,426)</b>	(215)	(628)
<b>Acquisitions and disposals:</b>			
Purchase of subsidiary undertakings	(4,775)	(11,537)	(11,543)
Net cash acquired with subsidiary	3,113	-	-
Proceeds from sale of associate undertakings	1,227	-	-
Proceeds from sale of subsidiary undertakings	-	-	2,200
Net overdraft acquired with subsidiaries	-	(3,707)	(3,707)
Net cash outflow for acquisitions and disposals	<b>(435)</b>	(15,244)	(13,050)

## 11. ANALYSIS OF NET FUNDS

	30 June 2006 £'000	Cash flow £'000	Non-cash changes £'000	31 December 2006 £'000
Cash at bank and in hand	38,215	334	-	38,549
Overdraft	(1,280)	(979)	-	(2,259)
		(645)		
Debt due after one year	(7,444)	946	-	(6,498)
Debt due within one year	(3,665)	(1,679)	13	(5,331)
Hire purchase contracts	(48)	9	-	(39)
	<u>25,778</u>	<u>(1,369)</u>	<u>13</u>	<u>24,422</u>

## 12. ACQUISITION OF SUBSIDIARY UNDERTAKING

On 30 October 2006 the group acquired the operating businesses of ISG Asia Limited, in which it formerly had a 22.2% shareholding. The transaction was effected through the acquisition of 100% of the issued share capital of ISG Asia's subsidiary ISG Asia Investment (Hong Kong) Limited for a fair value cash consideration before expenses of £4,626,000, of which £1,227,000 was funded through the proceeds of the group's disposal of its 22.2% shareholding in ISG Asia Limited.

The fair value of the assets and liabilities acquired are detailed below and have been determined on a provisional basis as the group is currently in the process of finalising the balance sheet as at the date of acquisition.

	£'000
Tangible fixed assets	197
Stocks	66
Debtors	13,736
Creditors	(15,097)
Cash at bank	3,113
	<u>2,015</u>
Goodwill	2,760
Total consideration	<u>4,775</u>
Satisfied by:	
Cash	4,626
Directly attributable costs	149
	<u>4,775</u>

## 13. APPROVAL OF INTERIM ACCOUNTS

The Interim Accounts were approved by the Board of Directors on 5 March 2007.

## 14. STATUS OF FINANCIAL INFORMATION IN THIS ANNOUNCEMENT

The financial information contained in this report does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The financial information for the six months to 31 December 2006 and the six months to 31 December 2005 is unaudited and has not been reviewed by the group's auditors. The year ended 30 June 2006 comparative figures have been extracted from the audited accounts. The accounts for the year ended 30 June 2006, on which the auditors issued an unqualified audit report and which did not contain a statement under either section 237 (2) or (3) of the Companies Act 1985, have been delivered to the Registrar of Companies.