Annual Report 2021

Deep foundations, new horizons







POLICE


Our vision is to become the world's most dynamic construction services company, delivering places that help people and businesses thrive.

2021 at a glance

Strategic report

Annual financial statements

Key achievements

Making it work for our people

Our continued efforts to create an unbeatable employment experience for our people are having the right results. In 2021 we achieved a 4.4 out of 5.0 rating on Glassdoor, placed 16th in the Best Companies™ 'Top 25 Best Big Companies to Work For' list in the UK, and achieved a two-star Best Companies™ employer classification a year ahead of target.

Strengthening our supply chain

We pull out all the stops to build long-term relationships with all our supply chain partners. In 2021 we further strengthened relationships across our supply chain through regular supply chain forums, increased spend with our strategic partners, improved payment times, and the digitisation of our procurement process which provides greater transparency and rigour.

Waltham Forest Town Hall, Waltham Forest Council, Walthamstow, UK

Offering outstanding customer service

With an average customer satisfaction score of 89% and a Net Promoter Score of +84, it's clear that our focus on building strong client relationships is working. In 2021 we saw a further increase in the amount of business we're getting from repeat customers – now 67% (2020: 65%) – and have continued to enhance our customer experience (CX) programme to further embed a CX mindset across ISG and make sure we understand and deliver on client expectations from the outset (see page 35).

Focusing on a sustainable future

Climate change is one of the greatest challenges facing our planet and our industry has a critical role to play. If we are to chart a sustainable future, first we need to understand where we are now and ISG's industry-leading research and insight report, Sustainable Buildings Monitor, set out the international variations in the carbon emissions and energy consumption due to the operation of commercial buildings.

Prioritising well-being

ISG aims to be a leader on mental health and well-being in our industry. In 2021 we held our first global Pause for Mental Health (see page 33), introduced a new workplace strategy with flexibility and well-being at its heart (see page 33), and renewed our partnership with Mental Health UK for a further two years.

Performance at a glance

Financial performance

£2.2bn
revenue
(2020: £2.0bn)

£43.4m
underlying EBITDA
(2020: £37.6m)

£119.9m
net cash position at year end
(2020: £101.5m)

£1.6bn
forward order book at year end
(2020: £1.5bn)

Performance against strategic goals

Offer an unbeatable employment experience

93%
employees agreed they can make a valuable contribution to ISG's success

78%
employees who would recommend ISG as a great place to work

87%
employees proud to work for ISG

79%
employees completed the b-Heard employee feedback survey

2 star
Best Companies™ accreditation

16th
Best Companies™ 'Top 25 Best Big Companies to Work For' list
(2020: 17th)

1.57
Accident Incident Rate (AIR)
(2020: 0.82)

1.45
High Potential Severity Rate (HPSR)
Number of high-potential incidents per 100,000 hours worked
(2020: 1.65)

Provide the best customer experience in our industry

89%
customer satisfaction score
(2020: 89%)

67%
revenue from repeat customers
(2020: 65%)

+84
Net Promoter Score (NPS)
(2020: +73)

Achieve optimal operational efficiency

2.0%
net margin
(2020: 1.9%)

2.2t/£100,000
construction waste production / revenue (UK)
(2020: 2.2t/£100,000)

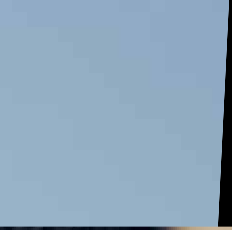
54%
procurement through ISG's key supply chain partners (UK)
(2020: 50%)

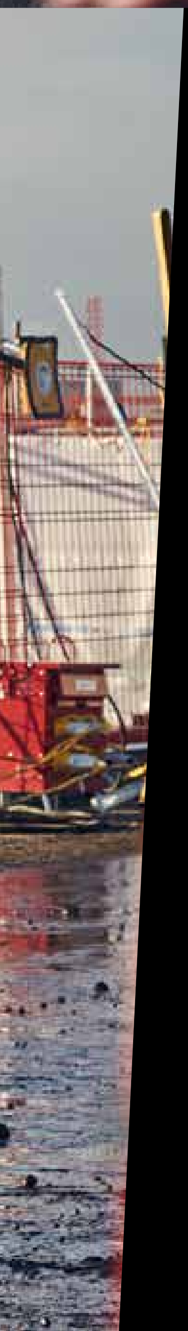
Drive revolutionary change in the construction industry

4%
reduction in greenhouse gas emissions compared to 2020 normalised with turnover (tCO_2e/£100,000)
(2020: 19%)

99.0%
diversion of construction and demolition waste from landfill (UK)
(2020: 98.9%)

3,509
apprentice weeks (UK)
(2020: 3,709)





Strategic report

Message from our CEO

In October 2021 Paul Cossell announced his intention to step down as CEO after six years at the helm. Under Paul's leadership, ISG has gone from strength to strength, and as I step into his shoes at the start of 2022, I feel privileged to be inheriting a business with a track record of success.

In my first Annual Report message as CEO, I am pleased to be able to report that, despite the ongoing uncertainties and disruption caused by COVID-19, 2021 saw us start returning to the levels of growth we were seeing before the pandemic.

As predicted in last year's Annual Report, our financial performance has recovered to almost pre-pandemic levels, and we finished the year with revenue up 10% to £2.2bn (2020: £2.0bn) and underlying EBITDA up 15% to £43.4m (2020: £37.6m). On top of this, we continued to maintain our zero-debt position, increased our net cash balance by 18% to £119.9m (2020: £101.5m), and finished the year with a record forward order book of £1.6bn (2020: £1.5bn).

Our 'All 4 by 24' strategy, which was introduced in 2018, has been central to our success, helping guide us on our journey to become a better employer, a better business for our customers, more focused on operational efficiency and more innovative. In 2021 we continued to make progress on this journey.

In March we achieved two-star accreditation from Best Companies™ a year ahead of plan, and moved up to 16th on its 'Top 25 Best Big Companies to Work For' list. With our teams around the world continuing to pull out all the stops to do the right thing for our clients, suppliers and each other, employee well-being remained a key priority. This year we renewed our partnership with Mental Health UK for two more years, raised over £150,000 for mental health charities around the world, and held our first global Pause for Mental Health to help break down the stigmas associated with mental well-being in our industry.

Our client focus also remains strong, and this year we further increased our Net Promoter Score to +84 (2020: +73) and retained an industry-leading client satisfaction rate of 89% (2020: 89%). We responded to some of our clients' biggest challenges with our thought-leadership publications and events around the future of the workplace (The power of place) and the journey to net zero (Sustainable Buildings Monitor). We work with some of the world's leading brands across all parts of our business and have continued to strengthen our relationships with long-standing clients, expanding our work with them into new geographies and sectors.

We also made good progress in our pursuit of operational excellence, getting even closer to our suppliers, sharpening our focus on data and continuous improvement, and introducing new tools and processes to simplify things for our project teams.

ISG today is a resilient business with a unique culture and clear sense of purpose. Our financial strength and deep foundations as a business mean we are perfectly positioned to respond to our rapidly changing world and industry.

As CEO, I strongly believe that our success rests not just on our financial strength but on us being a good company – a company that does the right thing for our planet, people, clients and suppliers, and a company that holds itself accountable for the impact it has on society. Besides simply being the right thing to do, it is how we will stay relevant and attractive as an employer and is what our clients are increasingly looking for from us.

In 2021 we set out our approach to sustainability with the launch of our four new sustainability policies (see page 38). 2022 will see us build on this further by aligning to the United Nations Sustainable Development Goals, and evolving our business strategy to one focused primarily on our environmental, social and governance (ESG) agenda, supported by the use of technology and modern methods of construction (MMC).

Our industry must transform itself if it is to keep pace with our rapidly changing world – and I believe ISG's vision, capability and resilience mean we are perfectly placed to take a leading role in that transformation.

Matt Blowers
Chief Executive Officer
1 June 2022

"ISG today is a resilient business with a unique culture and clear sense of purpose. Our financial strength and deep foundations as a business mean we are perfectly positioned to respond to our rapidly changing world and industry."

About ISG

ISG is a dynamic global construction services company. We have had a hand in some of the world's most impactful and recognisable places, but our legacy is about far more than buildings. Across Europe, the Middle East and Asia, we deliver places where people and businesses make memories, forge new experiences, and reach their goals. In short, we deliver the places that enable people and businesses to thrive.

Our leadership and business structure

Matt Blowers
Chief Executive Officer

Karen Booth
Chief Financial Officer

Richard Hubbard
Chief Marketing Officer

Jane Falconer
Chief Human Resources Officer

Zoe Price
Chief Operating Officer, UK

Bart Korink
Chief Operating Officer, International

Tom Smith
Chief Commercial Officer

In January 2022, Matt Blowers was appointed as ISG's new CEO. His appointment followed Paul Cossell's decision to step down from the Statutory Board (Stat Board) and move into the role of Vice Chairman of ISG. Matt has been with ISG for over 20 years and previously been a Stat Board member as Chief Operating Officer for ISG's global Fit Out business.

At the same time, we welcomed Tom Smith to the Stat Board in a new role as Chief Commercial Officer, reflecting the increasing importance we place on building the best supply chain relationships in our sector, and excellence in commercial and risk management across the business.

We also simplified our internal business structure, dividing our 11 business units, which are a combination of service-led and regional businesses, into two strategic groupings.

Those business units that are almost solely UK-focused sit under the leadership of Zoe Price, Chief Operating Officer, UK, and those that have a broader, more international reach are now overseen by Bart Korink, Chief Operating Officer, International.

Our vision and values

Our vision

Every day our talented people deliver exceptional outcomes for our clients. We do this by upholding our vision and brand promise, committing to our corporate goals, and living our values and behaviours.

Our vision is to become the world's most dynamic construction services company, delivering places that help people and businesses thrive.

Our values

Our core values underpin our activities and drive our behaviours. They are deeply embedded in our business, and our people own and live them every day.

Dream smart

We encourage new thinking and bold ideas backed by knowledge, sound decision-making and first-rate implementation.

Speak frankly

We value clarity and honesty, and we are open and straightforward in all of our dealings. We never shy away from tough conversations.

Always care

We take pride in the quality of our work and demonstrate respect and care for the well-being, health and safety of our customers, our people, and our world.

Never stop learning

We encourage and reward great ideas. We constantly strive to improve by seeking new knowledge and skills.

Our corporate goals

Our 'All 4 by 24' corporate goals were developed in 2018, setting out ambitious business goals in the context of our vision, our risks and opportunities, and the issues material to the kind of impact we want to have on the world around us. The four goals represent long-term objectives with short-term key performance indicators (KPIs) and encapsulate the areas of greatest urgency and focus for our business through to 2024.

By 2024, we aim to:

Offer an unbeatable employment experience, recruiting and developing the best talent in our sector.

Provide the best customer experience in our industry, before, during and after project delivery.

Achieve optimal operational efficiency.

Drive revolutionary change in the construction industry.

These goals have served us well, helping us grow and develop as a business over the past three years. We will continue to hold ourselves to account to them, but are now starting to look at how we build on them and evolve our strategy in response to our rapidly changing industry and the world more generally. We have already increased our focus on the impact of our business on the world around us (see pages 38-43) and in 2022 will take that a step further, unveiling a new strategy and stretching set of ambitions focused primarily on environmental, social and governance (ESG) issues.

Our services

We work across 10 key sectors – central and local government; education; financial and professional services; healthcare; high-tech manufacturing and production; life sciences, pharmaceutical and research; logistics and distribution; real estate and development; retail, hospitality and leisure; and technology, media and telecommunications – offering services in three areas:

Fit Out

Our roots as a business are in fit out, and we have a highly competitive track record in this area. We deliver large-scale and complex offices in the UK and across Europe, the Middle East and Asia, in addition to retail and hospitality spaces, and smaller-scale projects across various sectors via our Agility service.

Construction

We deliver construction projects throughout the UK, ranging from public sector framework-based projects to large-scale private sector schemes, including commercial offices, educational campuses, hotels, sports and leisure facilities, and student living.

Engineering Services

We deliver technically complex and highly engineered projects for major clients across the UK and continental Europe. Our projects in this area include hospitals and scientific labs, datacentres, high-tech manufacturing plants, and logistics and distribution hubs.

Our 2021 performance

CFO's report

Karen Booth
Chief Financial Officer

	2020	2021
Revenue	£2.0bn	**£2.2bn**
Underlying EBITDA*	£37.6m	**£43.4m**
Forward order book at year end	£1.5bn	**£1.6bn**
Net cash position at year end**	£101.5m	**£119.9m**

Financial review

We entered 2021 in a strong financial position: A healthy cash balance, zero debt and a solid forward order book. This allowed us to navigate the continued challenging circumstances arising from COVID-19.

Strong cashflow

ISG's reported net cash** balance was £119.9m on 31 December 2021, which is an 18% increase on 2020, in line with our increased profitability. The Group remained debt free throughout the year.

In 2021 we invested in measures to reduce creditor days across the business. This included increased communication with suppliers on process, extra internal resource and oversight, and additional payment runs. As a result we have successfully reduced our creditor days from 27 to 23.

As a signatory to the Prompt Payment Code in the UK, we are proud that we pay 99% (2020: 96%) of all invoices within 60 days. This is higher than the Code's requirements and in fact, our average payment period is 20 days, down from 30 days in 2020.

Net cash outflow for investing activities of £4.6m comprised investment in IT and system improvements. Net cash outflow from financing activities was driven by the payment of operating lease liabilities. Cash outflow following the disposal of our operations in France, Malaysia and Hong Kong was £19.9m (see Note 27).

Balance sheet

The consolidated balance sheet at 31 December 2021 shows growth and further strengthening of the Group's financial position over 2021. Net assets have increased to £135.8m (2020: £127.2m) and net current liabilities reduced to £72.1m (2020: £77.4m). We continue to focus on working capital management to continue the trend of decreasing net current liabilities in 2022.

Bond facilities

The Group continues to have bonding facilities with a range of UK and international banks and UK insurance companies. These facilities allow us to issue performance bonds on certain projects in line with market practice in our industry. As our projects grow in size and number, we work to maintain capacity on these facilities to meet future global operating plans. During the year, we increased the bonding lines by £71.5m to £381.3m at 31 December 2021 (2020: £309.8m), of which 40.9% was utilised (2020: 45.8%).

Foreign exchange

During the year, we made a loss of £1.0m (2020: £1.2m gain) on foreign exchange. The effect of volatile short-term currency movements on profits is reduced, as the Group accounts for foreign profits using average exchange rates.

ISG looks to match its cash inflows and outflows in the same currency to reduce any exposures. In addition, we review suitable hedging instruments as appropriate and monitor our currency risk on a regular basis.

What's next

Looking ahead to 2022, we expect revenue growth and higher profitability levels. Our forward order book of £1.6bn provides a strong basis as we move into 2022, and we continue to lay the foundations for that growth by making targeted investments to deliver operational efficiency. These include recruiting the best talent to support business growth, investing in software solutions and centres of excellence, training and educating on improved compliance, and stress-testing our strategic direction to ensure we are always investing for the longer term.

* Underlying EBITDA is an alternative performance measure used by management to monitor the underlying performance of the Group. See the Business review section on page 13, which explains the components of this measure. ISG's financial statements are prepared under IFRS. Management considers several alternative performance measures (APMs) important to improve the transparency and relevance of our published results, as well as the comparability of our results with other companies. APMs do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

** Net cash is defined as our cash balance less our borrowings; it excludes our lease liabilities.

Business review

For ISG, 2021 was a year that saw us start returning to pre-pandemic levels of growth, continue to improve both our employee and customer experience, and drive greater efficiencies across our global business.

The Group achieved revenue of £2.2bn, underlying EBITDA of £43.4m, and ended the year with a forward order book of £1.6bn.

The financial information in the review below follows the Group's internal measures: Using an EBITDA (earnings before interest, tax, depreciation and amortisation) profit measure and excluding non-underlying items (as these are not attributable to the results of the service lines); see the presentation of the income statement for management purposes on page 95.

The underlying results are broken down by our service lines as follows:

£'m	Year	Fit Out	Construction	Engineering Services	Group
Underlying revenue	**2021**	**1,393.7**	**669.6**	**163.6**	**2,226.9**
	2020	1,042.3	690.8	293.3	2,026.4
Underlying EBITDA	**2021**	**36.5**	**4.4**	**2.5**	**43.4**
	2020	28.9	1.9	6.8	37.6
Forward order book	**2021**	**776.8**	**530.5**	**263.4**	**1,570.7**
	2020	699.5	498.9	312.4	1,510.8

The Post Building, Nationwide Building Society, London, UK

Fit Out

Our global Fit Out business achieved revenue of £1,393.7m (2020: £1,042.3m), EBITDA of £36.5m (2020: £28.9m) and ended the year with a forward order book of £776.8m (2020: £699.5m).

2021 review

Our global Fit Out business continues to prosper, recording one of its most profitable years to date, and moving into 2022 with a record forward order book.

In continental Europe, we further increased our profile in the fit out market, securing large-scale projects with global technology, media and telecom (TMT) sector clients. These included our biggest-ever fit out project to date in continental Europe – an office fit out for a leading global technology provider in Germany – and our first project in Spain with one of our key global strategic clients. We have also strengthened our relationships with long-standing tech fit out clients in Spain, extending our work with them to support their datacentre needs in the region.

COVID-19 continued to suppress the markets in Asia and the Middle East, although Dubai Expo provided a steady stream of work during 2021. This is likely to continue as the focus now turns to adapting the event site to the new District 2020 urban development. In Asia, our operations are centred on the Singapore market following our decision to exit both Malaysia and Hong Kong. Most of our work in the region is centred on offices, hospitality, finance, banking, and media and tech projects for local and global clients.

The fit out market in the UK came back strongly in 2021, with many projects that were delayed in 2020 getting off the ground. As a result, our UK Fit Out business recorded its highest-ever revenue, with the Agility team, which focuses on smaller projects, breaking the £100m barrier for the first time.

We continued to gain momentum in the public sector, successfully handing over our projects for Waltham Forest Council and Epping Forest District Council, and winning a stream of work with the Department for Work and Pensions in conjunction with ISG's Construction business. The financial sector continues to offer significant opportunities with major wins this year with two of our key repeat banking clients.

Our UK Retail business continued its upward trajectory, with record revenue and a 33% headcount increase, as the business strengthened its UK presence and sector expertise outside London.

Confidential client, Spain

The Office Group, Frankfurt, Germany

We continue to work with core repeat clients on frameworks within the food retail and financial services sectors, helping them to rationalise, right-size and transform their estates, and this year saw the completion of Nationwide's new London headquarters at The Post Building.

The logistics and distribution (L&D) market remains a rich revenue stream, and in 2021 we won over £150m of work with key developers, improving our resilience and reducing our dependence on one or two clients in that sector.

And 2021 saw our sustainable delivery credentials boosted with our work on a net zero carbon outlet in South Wales for a major coffee retailer, and the Littlebrook project in Dartford, UK, for which we received a Green Apple Environment Award for Environmental Best Practice.

Looking ahead

We start 2022 with a healthy pipeline of work, and a strong platform and client-base from which to grow. The ever more urgent need for sustainable solutions across all sectors offers opportunities for us to leverage our existing skill set to move into new areas, such as retrofitting building stock to meet net zero carbon targets, building electric vehicle (EV) charging stations, and upgrading forecourts with EV charging capability. And our increased experience and capability in the L&D space opens us up to adjacent opportunities in areas such as air freight, cold storage and sea ports.

Construction

Our Construction business achieved revenue of £669.6m (2020: £690.8m), EBITDA of £4.4m (2020: £1.9m) and ended the year with a forward order book of £530.5m (2020: £498.9m).

2021 review

Our Construction business saw its profit margin increase significantly in 2021, thanks to the success of a focus on larger projects and working with long-term strategic clients. In addition to a strong financial year, we recorded a further increase in our customer satisfaction score, secured a host of significant project wins, and saw our projects recognised across the industry.

Despite the ongoing disruptions and uncertainty caused by COVID-19, work continued at pace on major schemes across the UK including the Sky Labs project in London, UK, which is targeting a BREEAM 'Excellent' environmental performance rating and is due to complete in spring 2022. The £122m Interchange project in Cardiff, for Rightacres, is also progressing well.

2021 also saw some significant new project wins including the revamp of Millennium Bridge House in Central London, UK, and the modernisation of the National Cycling Centre in Manchester, UK. The latter was procured through the North West Construction Hub framework, and is just one example of how our strategy of targeting public sector frameworks continues to deliver. Other examples include our appointment on the University of Wolverhampton's National Brownfield Institute scheme in Wolverhampton, UK, through the Pagabo Major Works framework, and our success in securing over £80m of work through the Department for Education's construction framework, along with re-appointment to the latest iteration of the framework across increased lots. We were also appointed to the UK government's Ministry of Justice (MOJ) £1bn New Prisons Programme, which will see us collaborating with three other contractors to develop a delivery methodology that prioritises modern methods of construction (MMC).

Our new office in Cardiff, which opened in October 2021, is setting the standards for any future new ISG space. Designed with features such as a living wall, zonal controls heating and biophilic planting promoting greater efficiency, flexible working practices and well-being, the new office supports our move to an operating model based around centres of excellence in the north and south of the UK.

Interchange, Rightacres, Cardiff, UK

Looking ahead

We move into 2022 in a strong position with £530.5m of work already secured and a great platform from which to build in relation to public sector frameworks. We will also continue to target larger-scale projects, using a relationship-based model and anticipate this as a potential growth revenue stream in the future.

The restructure of the ISG business, which sees Zoe Price, former Chief Operating Officer for the Construction business, taking on a wider UK-focused role (see page 10), will provide opportunities for greater collaboration and sharing of resources across our overarching workstreams.

A key area of focus for us in 2022 will be to ensure environmental and social considerations are ingrained within our project delivery model and that we are leading the way in sustainable construction. As part of this we will be working closely with our suppliers to further develop our Platform approach for Design for Manufacture, Assembly and Disassembly (P-DfMA+D) and growing our plans around MMC.

Award-winning projects

School of Architecture and the Built Environment, University of Wolverhampton, Wolverhampton, UK

Constructing Excellence Midlands Awards 2021: Conservation & Rejuvenation Award

Chartered Association of Building Engineers (CABE) Built Environment Awards: New Build Award

Pagabo Awards: Best project delivered above £15m

Richmond Building, Richmond upon Thames College, Twickenham, UK

Education Estates Awards 2021: Project of the Year – Colleges

Wellington House, Columbia Threadneedle Investments, London, UK

Architects' Journal Retrofit Awards 2021: Workplace 2,000-10,000m^2 Award

Sir Michael Uren Hub, Imperial College London, London, UK

Engineering Services

Our Engineering Services business achieved revenue of £163.6m (2020: £293.3m), EBITDA of £2.5m (2020: £6.8m) and ended the year with a forward order book of £263.4m (2020: £312.4m).

2021 review

While ongoing project delays and travel restrictions as a result of COVID-19 impacted our Engineering Services business throughout the year, we still managed to generate a profit thanks to the success of our focus on large-scale schemes, broadening our client base with new and long-term strategic clients, and our investment in new technologies and processes.

In addition to several project wins, the business saw its customer satisfaction score increase to 86% (2020: 82%). It also recorded no major reportable accidents, with an Accident Incident Rate (AIR) of 0.0. Despite the disruptions and uncertainty, work on major schemes continued to gather pace across Europe and, with a third of our forward order book confirmed for 2022, we finished the year on a high.

The science and health sector continues to remain a strong market for the UK business, with 2021 seeing us secure significant milestones on two large-scale construction projects in London: UCL's centre of excellence for neuroscience, which will strive to find a cure for dementia, and The Royal Marsden's new cancer treatment centre. Our cleanroom technology credentials also grew with our appointment to deliver a research laboratory for Achilles Therapeutics.

Our datacentre business continues to grow its client base with three new multinational cloud and co-location operators, for which we are delivering some of the world's largest and technically complex projects in the UK and several locations in continental Europe. A successful 2021 now brings our total value for hyperscale projects over the past 10 years to approximately £2.5bn.

The high-tech manufacturing and European L&D sectors remain buoyant, and we are building on our heritage of delivering large-scale mega-schemes with preconstruction and preparation works commencing on ISG's largest-ever project and the UK's first battery manufacturing 'gigaplant', for Britishvolt. We were also appointed on our first semiconductor facility in continental Europe – a sector we anticipate growing further in 2022 and beyond.

Looking ahead

Our strategy for 2022 is clear as we continue focusing on key growth sectors and taking our capability into new markets, and evolve our strategy in line with our ambition to become an even more purpose-led business (see page 8). Our expansion in Europe gathers momentum in new territories for our datacentre business, and we continue to explore further opportunities in the growing high-tech manufacturing market across Europe.

We remain focused on the satisfaction and experience of our customers, supporting them with their environmental and social value agendas, such as at the Cambridge Institute for Sustainability Leadership (CISL) in Cambridge, UK, where our approach is a world first when it comes to delivering a sustainable retrofitted office environment.

We will also continue to drive greater delivery efficiency and predictability, and nurture a diverse and inclusive culture, as we bring the best talent to market. As part of this, we work closely with our suppliers, embracing new technologies to evolve our revolutionary Platform approach for Design for Manufacture, Assembly and Disassembly (P-DfMA+D).

The Oak Cancer Centre, The Royal Marsden NHS Foundation Trust, London, UK

Our stakeholders

Our ambition to create places that help people and businesses thrive is not confined to the buildings we help deliver. It is engrained in all aspects of our operation and extends to all our stakeholders and those impacted by the work we do.

Stakeholder needs

Customers

In addition to absolute certainty of delivery, our customers seek specialist expertise, agile service and business insights, to thrive and remain competitive in their markets.

Employees

Our people want to work for a business with a clear and compelling vision, shared values, and in an environment that keeps them healthy and safe and enables them to grow both personally and professionally.

Supply chain

Our supply chain seeks to build strong partnerships with us that enable their own sustainable growth. They want us to work collaboratively and respectfully with them and establish mutual understanding and shared expectations.

Communities

The communities where we work have a vested interest in the quality of the spaces we deliver and the way in which we deliver them. They benefit from engagement, communication and the creation of opportunities.

Industry bodies

The construction industry has evolved slowly over the past few decades and is ripe for innovation. It seeks strong, strategic and values-driven leadership that will help to position it as a positive and effective force for the future.

Financial institutions

Banks, bondsmen and credit insurers seek to understand ISG's performance and outlook so they can provide financial services to our business and supply chain.

Investors

ISG is part of the Cathexis Group, a US-based investment group, with the ultimate controlling party of William Harrison, our Chairman. Cathexis supports our vision and is invested in the long-term growth of ISG.

Stakeholder engagement

To promote the ongoing success of ISG, the Stat Board believes our outcomes are aligned closely with the needs of our stakeholders, and so it's crucial that they play a key role in informing our decisions and strategy.

For this reason, we regularly connect with our stakeholders to get a greater insight into their needs and concerns. This information helps us to gain a better understanding of the immediate and long-term impact of our decisions on their interests, and underpins good governance across our business.

This section provides an overview of how we have engaged with our stakeholders, the feedback we have received, and the impact of that feedback on ISG's policies, processes and procedures.

Customers (see page 35: Customers)

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Introduction of a project kick-off review as a mandatory part of the customer journey with ISG – a key step in understanding and delivering on the customer's expectations. ■ Engagement survey with 200 key consultants regarding the effects of the pandemic on customers and their sectors. ■ Internal survey with 170 employees across all levels to review the understanding, effectiveness and influence of the Customer Experience (CX) programme. ■ Launch of a group-wide Live CX reporting dashboard. ■ Bespoke CX engagement plans for key customers and public sector frameworks.	■ Training and development of new group-wide CX champions to increase CX engagement across the key stages of our projects. ■ Further development of CX dashboards to include corrective actions, key trends around performance and future visibility of CX engagement. ■ Group-wide CX workshop forum to continue embedding a customer-centric approach. ■ Customer-specific lessons learned and improvement workshops. ■ A Net Promoter Score (NPS) of +84 (2020: +73). ■ A consistent customer satisfaction rating of 89%.	■ Investment in the creation of an online CX management dashboard, giving all teams group-wide 24/7 access to CX data and trends, to identify improvement and training requirements. ■ Directing guidance to our health and safety, supply chain and quality teams on implementing approach as per customer expectations. ■ Directing changes in our CX programme with further engagement from Stat Board members to attend reviews. ■ Supporting customers with the net zero carbon commitments in the build design. ■ Supporting customers with community and social value initiatives throughout their construction programmes.

Employees (see page 32: Employees)

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Annual employee engagement survey, as well as pulse checks. ■ Robust internal communications including CEO emails, MD newsletters, online news hub, employee intranet, manager briefing packs, regular business unit yearly updates and end-of-year communications events. ■ Ongoing internal communications programme to support employees around COVID-19 including regular CEO updates and dedicated online hub. ■ Annual employee awards event – the Global Value Awards. ■ Bi-annual Global Leadership Conference (GLC) for senior leaders across the business (approximately 50 people). ■ Annual Performance Development Review (PDR) process and mid-year check-ins for all employees. ■ Targeted communications with employees regarding changes in regulations and opportunities within the business. ■ Corporate and local charity partner activity, and ongoing volunteering, community and charitable engagement initiatives. ■ Focus on mental well-being and helping to raise awareness through webinars, resources and training, as well as giving something back through volunteer, community and fundraising activities.	■ High-level data insights session held with Stat Board, and after with the GLC, to gain business leader awareness and commitment. ■ Action plans developed at Group level and locally from the survey insights. ■ HSQE campaigns focused on issues raised, development of training and changes in policy and procedure. ■ Involving employees in giving back to our local and global communities, and providing opportunities for skills development where possible, including resilience training, and training to become mental health first aiders. ■ Record levels of involvement and fundraising in our main global charity fundraising event – Move for Charity. ■ Involving employees in shaping and delivering the outcomes needed to improve operational excellence.	■ Changes in the culture and tone of the business driven from the top. ■ Development of our health and well-being strategy and initiatives to drive positive change. ■ Investment in our people, technology and internal communications. ■ Development and delivery of a comprehensive learning and development curriculum through ISG's training hub, to allow our people to fulfil their potential. ■ Extension of partnership with ISG's UK charity partner, Mental Health UK, for a further two years, exemplifying ISG's commitment to changing the conversation around mental health and supporting our people's mental health and resilience. ■ Development of employees across business units and geographies, providing opportunities for development and promotion. ■ Informing the appointment and direction of community and charitable partnerships that align with business priorities, employee interests and community needs.

Supply chain (see page 34: Supply chain)

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Supply chain pre-qualification and ongoing management process. ■ Regular meetings between ISG's supply chain team, senior management and supply chain partners to discuss performance, review potential opportunities and upskill through ISG's core enabling departments. ■ Close engagement with supply chain partners, enabling us to track and monitor global risks within the supply chain caused by COVID-19 and additional supply disruptions. ■ Implementation of supply chain partners into continental Europe, redefining the service level agreements and implementation of a relationship charter. ■ Ongoing engagement with project teams from pre-construction to post-completion. ■ Targeted topical communications regarding market updates and changes in regulations.	■ Approved supply chain that meets local statutory compliance, and is assessed financially, monitored, and evaluated by the HSQE team in the UK. Outside the UK further compliance assessment is utilised. ■ Improved compliance, driving increased spend through fewer companies, and mitigating risks associated with poor performance, quality and financial stability. ■ Upskilling supply chain partners in modern slavery, right to work, net gain, cyber security, health and safety, and quality. ■ Awareness within site and commercial teams of potential supply risks caused by COVID-19, with reports shared and distributed through internal communications. ■ Central information hub for regional teams, showing supplier and manufacturer closures, and live COVID-19 updates. ■ Supporting business growth in new territories by investigating supply chain opportunities across new sectors. ■ Tender and preconstruction meetings supporting collaboration and innovative solutions to come forward. ■ Construction and post-construction meetings supporting lessons learned and performance improvement. ■ Sharing ISG's strategy, plans and expectations with our supply chain through regular communications.	■ Investment in industry-leading source-to-pay solution to be delivered throughout 2021/22. ■ Increased investment in research and development (R&D) to support Platform approach for Design for Manufacture, Assembly and Disassembly (P-DfMA+D) construction methods in future projects. ■ Better understanding of challenges faced by our supply chain in delivery, and therefore supporting collaborative conversations and updated framework partnerships. ■ Future investment in supply chain due diligence, redefining our strategic partners, implementing a relationship charter, and aligning to ISG's core values. ■ Increased understanding of risks associated with material supply disruption and increased lead times.

Communities (see page 36: Society – social value)

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Consultations with local authorities, and commercial and residential stakeholders, through planning and during construction. ■ Discussions with key community stakeholders in the development of social value plans. ■ Engagement and support of educational establishments, charities and community organisations. ■ Engagement with new local supply chains and employment and training providers.	■ Forming project programmes and construction methods to minimise impacts on neighbours, and facilitation of ongoing communication. ■ Identifying community needs e.g. targeted investment, employment, training, engagement etc. ■ Supporting the development of our early careers talent pipeline and that of our supply chain. ■ Delivering social value to local communities by using local suppliers and upskilling and employing local people. ■ Sharing our knowledge and expertise on net zero carbon with communities. ■ Involving our people in creating value through volunteering, mentoring, charitable giving, pro bono and gifts in kind.	■ Development and alignment of our early careers and social value strategies. ■ Investment in human and material resources and tools to deliver, record and report social value.

Industry bodies

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Participation in industry forums and working groups, including Paul Cossell's appointment as the Build UK Chairman. ■ Membership of 45 different organisations that range from covering supply chain, to health and safety, to professional standards and bodies. These include the British Safety Council, Build UK, CHAS (CAS), the Chartered Institution of Building Services Engineers (CIBSE) and the Considerate Constructors Scheme (founder member). ■ Consultation with legal advisors and industry professionals. ■ Attendance at industry conferences and marketing events. ■ Conducting interviews with industry media.	■ Continued sharing of best practice on the COVID-19 response across the industry. ■ Tackling industry issues, such as achieving net zero carbon and the circular economy. ■ Reviewing and developing our management systems. ■ Growing our own knowledge of industry issues and how to solve them, and developing our understanding of technologies, and how to adopt them for mutual benefit. ■ Sharing knowledge and thought leadership with our industry colleagues.	■ Continued focus on innovation through investment in Building Information Modelling (BIM), P-DfMA+D and new mobile technologies. ■ Continued development and implementation of a high-rise residential building (HRRB) management process with a designated committee, including a suitably qualified independent fire engineer. ■ Commitment to setting targets and agreeing implementation strategies to reduce our emissions to a net zero carbon position by 2030 (see pages 38-43).

Financial institutions

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Regular meetings with banks, bondsmen and insurers by ISG's CFO and the Treasury team. ■ Informal conversations with each institution during the year, covering a range of topics. ■ Annual meetings with banks, bondsmen and insurers to present strategy and forward-looking plans in addition to monthly performance reporting.	■ Opportunities to discuss the industry landscape and market environment. ■ Banks, bondsmen and insurers able to broaden their understanding of ISG's performance and operations. ■ Continued support from the institutions.	■ Decision to increase ISG's capacity of the performance bond lines, supporting sustainable growth of the business.

Investors

Engagement interactions	Outcomes from engagement	Effects of engagement on Board decisions
■ Regular communication with ISG's ultimate controlling party, William Harrison (Chairman) and the Cathexis Group. ■ Bi-annual strategy discussions. ■ Monthly trading updates.	■ Involvement in all key commercial and strategic decisions of the Group.	■ Board decisions are aligned with investor expectations and risk profile.

Our material issues

During 2021 the world around us has changed dramatically, highlighting the ever more pressing need for action to address the climate crisis and wide-ranging impacts from the global pandemic. As we look to the future and determine how we will deliver on our commitment to a sustainable future, we have refreshed our materiality assessment, to reflect this ever-changing landscape, engaging our key stakeholders to help us determine material environmental, social and governance (ESG) aspects for our business to address.

This year we have started to align our reporting with the Global Reporting Initiative (GRI) Standards to communicate our environmental, economic and social impacts in a more transparent way with reference to a globally recognised framework. Our GRI content index with reference to GRI Standards can be found in Appendix 1.

Reviewing our material issues

Through our customer engagement, employee surveys, management workshops, participation in industry stakeholder groups, membership of professional bodies and monitoring global developments, we continually scan the horizon to determine issues impacting the sectors and geographies where we work. This helps us to identify and minimise risks and maximise opportunities to develop and secure a sustainable business.

ISG's senior leadership team has identified nine key material topic areas, some which relate to our existing policy areas and some which needed further policy and strategy developments, as listed on page 25. This list and our progress against it is being considered further during the course of this year, as part of the wider development of ISG's ESG strategy.

2021 Winter Global Leadership Conference

Materiality assessment 2021

ISG's senior leadership team has identified nine key material topic areas, some which relate to our existing policy areas and some which needed further policy and strategy developments, as listed below.

Material topic	Description	Action	ISG ESG policy area	UN Sustainable Development Goal supported
Net zero construction	Quantifying and measuring against our net zero carbon targets.	Developing targets in 2022 that relate to each project in terms of carbon emissions per £100,000 of annual turnover.	Climate change and carbon	11 Sustainable cities and communities
Supply chain carbon emissions	Measuring our supply chain carbon emissions.	Improving carbon reporting of our supply chain and rewarding those suppliers that achieve carbon neutrality. Supporting our supply chain to bring in innovative ideas to reduce carbon emissions.	Climate change and carbon	13 Climate action
Circular economy	Embedding circular principles in all our activities.	Ensuring we embed circular principles in all that we do including our MMC / P-DfMA+D work. Developing materials passports and internal material reuse platform.	Circular economy	12 Responsible consumption and production
Social value	Enhancing the measurement of social value.	Developing a group-wide social value action plan, including global operations.	Social value	4 Quality education; 8 Decent work and economic growth
Measuring biodiversity	Achieving biodiversity measurements on our sites.	Developing a net gain biodiversity plan and targeting our largest projects (over £10m) first to start measuring biodiversity.	Environmental management	15 Life on land
Modern slavery	Detecting modern slavery throughout the supply chain.	Continually improving detection of modern slavery throughout our supply chain by identifying risk areas.	Governance	8 Decent work and economic growth
Education on ESG	Developing education programmes for all employees, including working groups on different policy topics.	Establishing an ESG training programme for all staff in 2022. This includes working groups, chaired by members of the sustainability team, to embed our new policy areas across all projects and involve all employees.	All	4 Quality education
Investment in ESG innovations	Investing to develop innovations across all subjects, with a proposal for a percentage of turnover to be used for ESG innovation each year.	Developing innovation projects with our owners and our advisors Rebellion that aim to advance ESG improvements across our industry. A key focus of this will be developing sustainable site cabins and ensuring we offer sustainable retrofit solutions to our clients.	All	9 Industry, innovation and infrastructure
ESG data management system	Improving how we manage our ESG data.	Initiating the review of ESG data management systems to establish which one will best meet our future needs and enable all employees to participate and have visibility of our ESG achievements.	All	9 Industry, innovation and infrastructure

Governance and management

Governance

ISG's Stat Board – and various sub-committees including the Risk Committee – is the primary governance and oversight body for the business, and its responsibilities include providing entrepreneurial leadership.

As noted elsewhere in this report, Matt Blowers assumed the role of CEO from 1 January 2022, taking over from Paul Cossell, who took on the role of Vice Chairman on the same date. Matt is supported by all members of the Stat Board in taking overall responsibility for ISG, our strategy and our subsidiary undertakings across the world: Karen Booth, CFO; Richard Hubbard, CMO; Jane Falconer, CHRO; Zoe Price, COO, UK; Bart Korink, COO, International; and Tom Smith, CCO.

The Stat Board is supported by enabling teams that are responsible for strategy development, implementation and performance reporting across core functions including health and safety, finance, legal, governance, compliance, data privacy, supply chain management, HR, IT, marketing and communications, business development, quality and sustainability.

The Stat Board leads our efforts to achieve our 'All 4 by 24' corporate goals (see page 11), and is responsible for developing and implementing strategy with the support of our enabling departments and operational teams.

Our governance structure and controls ensure we behave ethically and responsibly, effectively responding to matters that have the potential to impact our financial, operational and reputational performance.

Understanding the importance of talent within our business, we also have personal development and succession-planning structures in place to secure our leadership into the future, and to support our ability to create value in the short, medium and long term.

We regularly review and maintain our company management systems. They detail our policies and procedures relevant to the geographies and sectors where we work. The processes to achieve our strategy have been developed and integrated within our management systems, safeguarding our journey and vision to become the world's most dynamic construction services company, and providing resilience against changes in personnel and leadership.

Modern slavery

In line with the items identified in our 2021 modern slavery and human trafficking statement, we have developed and progressed several actions to enhance our approach to driving modern slavery out of our industry.

At a corporate level we have started to take a closer look at our supply chain and its approach to mitigating the risk that modern slavery poses. To facilitate this, we have begun the process of auditing our supply chain by carrying out a small number of trial compliance checks in relation to right to work and anti-slavery. The number of these subcontractor compliance checks will increase in 2022.

We have also introduced a subcontractor right to work and anti-slavery questionnaire as part of our pre-qualification questionnaire (PQQ) process, which has been completed by our strategic subcontractors in the UK. Our Group compliance team is collating responses to assist in further developing our supply chain risk-mapping processes.

We have further strengthened our anti-slavery supply chain commitment document, aligning this with recognised standards such as the Ethical Trading Initiative base code. We also ensured that modern slavery formed a key section in the agenda of our strategic supply chain briefings carried out throughout 2021.

At a project level, we continued to work closely with one of our key customers at a confidential scheme in West London, UK, and have implemented several measures across the construction programme, including:

- Third-party, independent supply chain audits
- Pilot worker-engagement programmes
- Worker stand downs, with a specific focus on modern slavery and its impact.

We plan to build on these actions as part of our commitment to this topic moving forward.

Situation in Ukraine

Following the outbreak of war in Ukraine, we have carried out a review of our supply chain and client base. We have identified no significant exposure to Ukraine or Russia through our operations but will continue to monitor escalating energy prices and the potential further impact on supply chain costs generally.

We have created a new working group comprising subject matter experts from across the business to assess and manage the impact of the situation in Ukraine on our employees, clients, supply chain, IT systems and infrastructure, and financial processes and procedures.

The group works as a sub-committee of ISG's Risk Committee and meets regularly to feed back its findings and plans to the Risk Committee and Stat Board.

Managing our risks

The ability to identify, evaluate, monitor and, where appropriate, implement action to mitigate risks and exploit opportunities within the Group is fundamental to ISG's continued success. A key objective of the Group's directors (the Stat Board) and its senior management team is to safeguard and, where possible, increase the value of the Group and its assets.

It is the responsibility of the Stat Board to set appetite levels for risk management, to be adopted within each area of the business, and to ensure that effective and relevant frameworks and internal controls are in place. The potential impacts of the Group's material risks, and relevant responses, are regularly monitored at a central level by the Stat Board, and monitored at a local business unit level by Business Unit Boards.

As a business we continually horizon-scan our industry, legislation, our supply chain, and the socio-economic conditions of the geographies and sectors in which we work. Operational business units and central enabling departments complete monthly reports on performance, and highlight any risks in the current operations.

The Stat Board is the principal decision-making forum for ISG, through which all strategies affecting the Group are ratified and approved for action.

A central Risk Committee, headed by Chief Financial Officer, Karen Booth, convenes every two months to review risks, identifying the appropriate mitigation measures or actions to be taken, and any investment required to effectively address matters in the short, medium and long term. The Risk Committee reports directly to the Stat Board and has strong links with the Business Change Board and other key forums to advise on change management from a risk mitigation perspective.

The Risk Committee:

- Identifies key business risks via risk registers, and ensures registers are accurately maintained and regularly reviewed.
- Seeks to understand the impact that changes in regulations and legislation have on our risk profile.
- Ensures high risks are appropriately managed, with effective mitigations, resource, timescales and owners agreed; progress is monitored and challenged on a regular basis.
- Monitors the output of the internal audit function in accordance with the Stat Board's prioritisation on emerging issues.
- Reviews policies that are included in the Group's Key Policy Framework, together with their associated communication and training plans.
- Reviews the adequacy and effectiveness of the Group's compliance procedures, including monitoring the whistleblowing reporting.
- Reviews external-facing risk reporting.
- Reports progress and makes recommendations to the Stat Board.

It should be noted that the Group's procedures can only help to reduce certain risks, rather than eliminate them entirely. Some issues identified may be, to a greater or lesser extent, beyond the Group's influence or control.

A summary of the principal risks and uncertainties, that have been identified by the Group that could impact on its performance, is shown in the table on the following pages, together with details of the mitigation actions that are being taken. These identified risks and uncertainties are specific to the Group and exclude overarching risk that will impact most businesses e.g. macro-economic, political, financial market and climate change risks. These overarching risks are monitored by the Stat Board and the various management forums through the lens of the impact to the Group.

Risks and impact	Mitigation
Supply chain, procurement and labour practices Subcontractors and suppliers may not be able to meet their material and service provision obligations due to reasons such as overstretching their capacity, going into receivership, or mismanagement of their supply chain. Subcontractors and suppliers may contravene legislation through a lack of understanding of the risks, and competence in their own procurement practices, putting ISG at risk of non-compliance with legislation and local codes of practice. Risk of prosecution and financial penalties, and potential impact on reputation.	We have various checks and balances in place to ensure the Group is not dependent on or exposed to anyone, or a small number of, subcontractors or other suppliers. The financial stability of each subcontractor is monitored daily through Dun & Bradstreet, with automated emails triggered by fluctuations in report scores, late filings and legal proceedings. In addition, appropriate retentions are held. Parent company guarantees, third-party bonds, and / or other appropriate security is required from subcontractors or suppliers. We also carry out a thorough pre-qualification process before appointing new subcontractors or suppliers. This involves financial checks and a full competency assessment. We also regularly monitor their performance through KPI reviews completed at site level both by operational and commercial teams. This is supported by robust management procedures and training for our employees and suppliers. ISG has corporate policies in place to address key issues such as The Modern Slavery Act 2015, The Bribery Act 2010, and prohibiting the use of products from species prohibited under CITES or from illegal sources. Our supply chain must commit to all of these in writing before the order is raised. In the UK, existing and potential new subcontractors are required to sign up to our anti-slavery and human trafficking supply chain commitment (the Supply Chain Commitment) as part of the subcontractor approval process. We will be aligning our continental Europe supply chain to the same standard during 2022. Relevant employees are required to undertake mandatory e-learning modules on Modern Slavery and Anti-Bribery. We also provide awareness training for our site workforce on relevant topics through site inductions, bespoke workshops where appropriate, and awareness materials displayed on site.
Recruitment, development, and retention of employees A high-calibre workforce is crucial to delivering the Group's strategy and in ensuring the delivery of a high-quality service. Growth of the business through increased revenue, exceeding talent availability to service our projects, could put our quality of service and product at risk, impacting customer experience. Competitors may try to poach key employees from within the Group who are difficult to replace. A loss of key employees may cause staffing issues, which may adversely impact on both project delivery and wider growth opportunities. A lack of externally available, suitably effective training courses to meet the skills and development needs of employees and the supply chain could result in a knowledge gap, and impact the quality of our service and product.	Resource planning ensures that we can build the pipeline of talent we need to meet business requirements. A robust talent acquisition process with line managers trained to make the best hiring decisions and onboarding processes ensure new starters are integrated into the business effectively. Our PDR process provides the opportunity for regular performance discussions, identifies areas for personal development, and allows for a conversation about career aspirations. ISG's in-house learning and development vehicle, Smartspace, allows employees to access learning that ensures we develop the capabilities we need, while also supporting personal growth and development. A global annual employee survey is carried out, which allows us to develop action plans to drive improvements in employee engagement. The remuneration of employees is firmly linked to performance, and where bonus plans are part of the total remuneration offering, they are linked to the achievement of business goals.

Risks and impact	Mitigation
Project delivery and quality of service / product The ability of the Group to continue winning contracts at appropriate profit margins and with acceptable terms and conditions, in markets that are competitive. Failure to manage or deliver a key project in accordance with the agreed contract, to an appropriate standard and within the timescales agreed. This may lead to disputes and have an adverse impact on both the profitability of the Group and its reputation. Overstretching of the Group's supply chain as both markets and sectors grow, which could lead to subcontractor failure.	The Group has a controlled approach to contract bidding and selection (within clearly defined delegated authority levels and agreed sector focus). This ensures that work undertaken matches the capability and resources available, that contractual terms are acceptable, and that clear responsibility for scrutiny and approval is given to the appropriate level of management. Contracts that are in progress are controlled and managed through the Group's operating structure. Regular and detailed reviews take place within each business unit and centrally to monitor forecast revenues, costs to complete the project and cashflows. Appropriate Group risk registers are maintained. Enhanced management and supervision are necessary for projects that are deemed to be higher risk. Regular reviews are also undertaken of each business unit's results, together with monthly / quarterly operational and budgeting / forecasting reviews. The Group operates a project audit team that reports into the Risk Committee to help ensure that projects are delivered to cost and timetable. During 2021 ISG's Advanced Audit and Assurance (AAA) process was further developed in relation to site-related activities; designed to measure project delivery and quality of service / product. This process will continue with even greater emphasis in 2022.
Health, safety and well-being of stakeholders A failure to manage the Group's health and safety risks could result in serious harm to employees, subcontractors, the public or the environment. The Group could be exposed to significant potential liabilities and reputational damage. There may be a breach of local regulatory requirements.	In the UK and several other countries in which the Group currently operates, its processes and procedures comply with the requirements of OHSAS 18001. Efforts are being made to gradually introduce these standards in all parts of the business. The safety of the Group's employees, supply chain, and members of the public, is of paramount importance. A comprehensive policy and framework is in place (to include regular site visits, the recording of accidents, near miss and hazard reporting). The Accident Incident Rate (AIR) is monitored closely in all business units within the Group. The Stat Board also reviews these Group AIR statistics at the start of each monthly Board meeting, to consider trends within the business and discuss specific issues or concerns. Best practice is shared within the Group via a health and safety forum, which operates under a zero-tolerance approach to unsafe practices. Health and safety leaders are appointed within each business unit. A health and safety committee also meets regularly, which is made up of representatives from across the business. Regulatory requirements in relation to health and safety, and any changes to these, are regularly monitored by the group health and safety director.

Risks and impact	Mitigation
Pollution control and environmental management A failure in our environmental management could potentially result in a pollution incident, or adversely affect biodiversity, causing environmental harm and resulting in potential liability and reputational damage. Management of incidents may also impact on time and costs associated with investigation, remediation and loss of working hours / impact on programme.	The Group is committed to fulfilling its environmental compliance obligations and to take every reasonable measure to conduct its business activities in a safe and responsible manner. The Group aims to minimise negative impact and, where possible, provide positive enhancements to the environment in line with our 'net gain' sustainability strategy. Our environmental management systems are developed and maintained in line with the best practice recommendations of ISO 14001:2015, and all applicable environmental legislation and regulations. ISG is committed to protecting and, where possible, enhancing the environment. We have in place management procedures, guidance and training to support the effective planning and execution of our operations while minimising and mitigating environmental risks. This also includes robust incident reporting and investigation procedures, with trend analysis, informing any appropriate updates and changes to our management systems. We submit to audit by third-party certification bodies, and our clients where requested, demonstrating our responsible approach to environmental management and commitment to continual improvement.
Overreliance on key customers	ISG monitors the levels of work with each customer and actively seeks a balanced portfolio of work both within public and private sectors, across geographies and industry sectors. The nature of our projects can result in high trading levels with single customers in a specific financial year, however, when reviewed on a longer-term basis, a more balanced level of work is seen across the customer portfolio.
Legal, regulatory and reporting compliance The Group is required to ensure compliance with ever-changing and increasing legal, regulatory and reporting requirements, in the United Kingdom (UK), European Union (EU) and other countries in which it operates. This includes (but is not limited to) matters such as health and safety, the environment, accounting and taxation, human resources, anti-bribery, modern slavery and the General Data Protection Regulation (GDPR). Part of the Group's growth strategy requires entry in new countries and markets, where there may be different and / or additional legal, regulatory and compliance frameworks. A failure to comply with such requirements could lead to large financial penalties and / or reputational damage.	A regular review of the Group's key policies is carried out at Board level to ensure they remain relevant for the business and in line with legal and regulatory requirements. The Group uses external advisors / consultants, where deemed necessary, to advise on policy and the various compliance responsibilities that need to be adhered to. We have a group-wide 'Code of ethics and business conduct', which provides a clear set of standards for all areas of the Group to follow, in terms of the laws and principles governing our behaviour and decision-making processes, both now and in the future. At the heart of the Code is the basic principle that the Group should always follow the laws of the countries in which it operates. Beyond the law, the Group must always be guided by its values and ensure that it does the right thing for its stakeholders, which includes employees, customers, suppliers, shareholders and the wider community.

Outlook

We have outlined above the principal risks and uncertainties facing our business, and what we are currently doing to mitigate these.

We build resilience in our business model by ensuring that our business decisions are made from a position of sound knowledge and trusted advice. We maintain involvement in key industry steering groups across our geographies, and collaborate with our customers and supply chain partners to identify and address future risks and opportunities.

By engaging our internal and external stakeholders in a regular review of our material issues, we ensure flexibility in the goals we set and the business model to achieve them in the short, medium and long term.

This is supported by investing in the development of our talent pipeline, training and upskilling our employees and supply chain, and succession planning to secure the future leadership of our business. We believe in equipping our people to enhance, implement and, where appropriate, change our strategies, for the future success of our business.

People

Employees

Employee experience in numbers

78%
employees who would recommend ISG as a great place to work

2 star
Best Companies™ accreditation

3,001
employees, with

1,016
new employees hired during 2021

164
new apprentices and graduates

2.5
training days delivered per person, which is

15
hours per employee

98%
CEO approval rating on Glassdoor

4.4
overall rating on Glassdoor

Our people are what makes ISG special, and we want them to thrive in an inclusive, diverse environment.

Throughout 2021 we continued to build the deep foundations of an unbeatable employment experience, achieving a 4.4 out of 5.0 rating on Glassdoor, receiving a two-star Best Companies™ employer classification, and ranking 16th in the Best Companies™ 'Top 25 Best Big Companies to Work For' list in the UK.

Three areas have been integral to our success:

- Attracting talent and enabling business growth
- Retaining and developing talent to build organisational resilience
- Optimising our performance

Attracting talent and enabling business growth

Employer of choice

The ISG brand is premium and dynamic, and we aim to reflect those same characteristics in our employment offering. To achieve our goal of offering an unbeatable employment experience, and thus becoming an established employer of choice, we have homed in on the employee experience, including from the very start of the journey.

In 2021 all line managers received training in recruitment skills and processes to ensure candidates have a positive, consistent experience with ISG from the outset.

Building on this, our new onboarding hubs provide new starters and their line managers with all the tools and skills needed for the first six months of employment.

In 2021 we hired 1,016 new employees, and continue to invest in developing a pipeline of industry-leading talent through our unique early careers programmes. Last year we doubled our intake, welcoming 164 graduates and apprentices, who are already making a positive contribution to the business.

Retaining and developing talent to build organisational resilience

Caring for our people

Our people's well-being is paramount, and this will continue to be a top priority in 2022. Our global Pause for Mental Health campaign in May allowed us to start breaking down some of the stigmas surrounding mental health. We're eager to build on this, and a working party is looking at increasing awareness and accessibility of our health and well-being resources, while building a strategy for the future.

Flexible and healthy workplaces

In September we launched 'Work for You', a new workplace strategy designed to improve well-being through greater flexibility and healthier, tech-enabled workplaces. We know that achieving a more flexible working approach is more challenging on our projects, and so the Stat Board gave our 2021 Futures Group the task of unlocking the pressures impacting the well-being of people on our sites. The Futures Group, which is made up of high-potential individuals from across the business, has been trialling some possible solutions and will be engaging with more schemes in 2022.

Personal growth

It is crucial we provide every employee with the opportunity to grow and reach their potential at ISG. We have increased the visibility of internal job opportunities, and are facilitating a mentoring programme for those looking for insight and guidance from experts within the business. All employees receive annual performance and career development reviews, and this year we introduced a mid-year review to further strengthen our focus on continuous feedback and development.

Giving something back

We have a strong social conscience, as do our people, who take part in community volunteering and fundraising activities throughout the year. As a business, we focus our efforts on raising awareness and funds to support mental health charities around the world. In 2021 we extended our UK charity partnership with Mental Health UK for a further two years, and the value of the partnership currently sits at over £380,000. We have also used our expertise to improve some of Mental Health UK's own facilities. Across the globe, our people also support other mental health charities, including Alusamen in Iberia, Aktionsbündnis für Seelische Gesundheit in Germany, Pro Mente Sana in Switzerland, Resilience Collective in Singapore, and the Dubai Centre for Special Needs in the Middle East.

Reaching for balance

Creating a diverse business is not only the right thing to do, but it also helps us to become the kind of global business we want to be. Our 'Reaching for balance' strategy aims to accelerate our workforce balance at all levels. We continue to make progress in addressing our gender pay gap and our Stat Board is one of the most diverse in the industry, with 43% females. In addition, 37% of our 2021 early careers intake were female.

Optimising our performance

Predictable delivery is central to our drive for operational excellence. We are embedding a consistent ISG way of delivering our projects by investing in and equipping our project teams.

Over the past 12 months we have made good progress when it comes to the processes, data, tools and systems that support project delivery. And we have also started to look at how we make sure our project management community has the relevant knowledge, capabilities and a career framework to enable them to succeed. We have defined our project lead framework, identified the required competencies, and started measuring our current capability.

We will build on this in 2022 by developing a clearly defined career roadmap for our project management community, offering learning opportunities, coaching and mentoring, and formalised accreditations aligned to the globally recognised Association of Project Managers (APM) standards.

BPIC Awards 2021

We received two accolades at the Black Professionals in Construction (BPIC) Awards 2021 – Best Inclusion Innovation and Best Industry Contractor.

The award wins were as a result of partnering with one of our global media clients in London, UK, on its diversity and inclusion initiative.

The project team was recognised for delivering an outstanding diversity and inclusion programme, which included a variety of activities and events to celebrate diversity and inspire an under-represented talent pool, focusing on ways to make the project a 'Vehicle for Change'.

Supply chain

Supply chain in numbers

54%
procurement through ISG's key supply chain partners (UK)

5,600
approved subcontract partners

1,340
suppliers pre-qualified through IntegrityNext

Our supply chain is integral to everything we do. Without it, not a single project would be won or delivered – that's why we go the extra mile to build long-term relationships with all our supply chain partners. In 2021 we took some major steps forward in our continued drive to strengthen relationships across our supply chain:

Increasing strategic supply chain partner spend

Our relationships with our strategic supply chain partners enable consistent, high-quality delivery, while also reducing risk and ensuring the highest standards. In 2021 we achieved 54% of procurement with our strategic supply chain partners in the UK, an improvement on 50% in 2020. We expect this to increase throughout 2022 and beyond.

Supply chain forums

During 2021 we held five supply chain forums, each attended by over 100 of our strategic supply chain partners. Through these forums, specialists from across ISG delivered over 1,000 hours of training to upskill our supply chain on critical issues such as health and safety, quality, cyber security, right to work and environmental, social and governance (ESG) issues.

Looking ahead to 2022 we will build on this, providing a forum where ISG and its supply chain can communicate regularly on pressing issues such as ESG reporting, tender feedback, pipeline information and market intelligence such as material availability and delays.

Right to work

Through our strategic partnership forums we identified right to work and anti-slavery as key training areas for our supply chain, and have assessed the strength of over 120 partners on right to work compliance.

Improved payment performance

We are committed to the fair payment terms of all our supplier partners and have signed up to the UK government's Prompt Payment Code, which requires us to pay 95% of invoices within 60 days, or 30 days for companies employing 50 people or less. Over the past few years we have reduced the time it takes to pay our suppliers, while the number of payments made within terms has improved by 8%*. ISG pays on average within 20** days, faster than the industry average of 38***.

Improved data and information

In 2021 we launched an internal supply chain information portal to share data and market intelligence about our supply chain across our internal teams. This enables us to identify material risks within the supply chain, and to make more informed decisions when it comes to supply chain considerations on our projects.

Digitised procurement

During 2021 we invested in a new procurement system called SmartSource. SmartSource launched in December and will control the pre-qualification of all supply chain partners globally as a single platform. We will also start using it for our material purchase-to-pay and subcontract order-to-pay activity, as we further digitise the procurement journey and increase transparency in terms of payment, pre-qualification, risk and performance.

Sustainable procurement

In 2021 we recruited a sustainability supply chain manager, who has been bringing together several key supply chain documents into a sustainable procurement policy and supply chain charter. These will form part of the standards that we will expect our supply chain to adhere to, without exception. We have also teamed up with the supply chain sustainability school, and in 2022 will be supporting partners with a free carbon reporting tool and ESG training.

Supply chain forum, Dubai, UAE

* January to June 2021 compared to July to November 2021.
** July to November 2021.
*** Industry average of top 100 UK construction companies (Source: Construction News).

Customers

Customers in numbers

89%
customer satisfaction score

67%
revenue from repeat customers

+84
Net Promoter Score (NPS)

Our customers play a key role in shaping our business. As a result, we have been developing our approach to customer experience through our CX programme for six years.

In 2021 we continued to evolve and enhance the programme, introducing several measures designed to embed a CX mindset across ISG and make sure we understand and deliver on client expectations from the outset:

Kick-off reviews

2021 saw us introduce project 'kick-off' reviews on our projects. This is a key step in ensuring we understand, and subsequently deliver in line with, the customer's expectations.

Engagement plans

In 2021 we placed greater emphasis on developing bespoke CX engagement plans, along with lessons learned and improvement workshops for key customers and key public sector frameworks.

Embedding a CX culture

An internal survey of 170 employees gave us a greater understanding of the levels of understanding, effectiveness and influence of the CX programme within our organisation. Building on this feedback, we identified and trained new CX champions across the business, to help increase CX engagement at key stages of our projects.

Using data to get ahead

Our new online CX management dashboard highlights corrective actions and, most importantly, provides us with greater visibility of key trends and forthcoming opportunities for CX engagement.

Society – social value

Our social value in numbers

£1.4bn
social value for communities (UK)

£156,000
raised for Mental Health UK (UK)

1,300
hours donated to pro bono work

110
pro bono activities

Partnering with communities

We continue to promote engagement and support community partnerships, focusing on health and well-being, upskilling and training, employability, and opportunities for Small Medium Enterprises (SMEs) and Voluntary Community Small Enterprises (VCSEs). Highlights include:

- Transforming a community hub in Dudley, UK: Together with Alliance Leisure, Dudley Council and our supply chain partners, we donated more than £40,000 of materials and labour to transform a community hub, kitchen and garden.
- Changing lives of homeless people across Cardiff, UK, with The Wallich: We have been supporting The Wallich for over six years with volunteering, donations, employment and engagement, and facility renovation.

Leaving a legacy

To leave a legacy in our communities, it's important that we engage local stakeholders to understand local needs. Our ambition is to return to our communities and review the impact of our work – it allows us to develop a strong portfolio of legacy achievements which we can share across our projects and industry.

The nature of what we do means we impact the lives of people and communities around the world every day. During 2021 our social value strategy evolved to ensure that we maximise the value we bring to the communities in which we operate, long after we have handed over the keys to their new spaces.

To make sure we have a lasting impact in local areas, we involve communities to set objectives and targets from the get-go. We do this by assessing local needs, engaging stakeholders and developing community partnerships, leaving long-term legacies and delivering measurable social value.

In 2021 we created 86 new jobs, engaged with over 4,300 students through learning and careers events, and delivered £1.4bn worth of social value for communities across the UK – as measured by the Social Value Portal.

Inspiring the next generation

To inspire people to pursue careers in construction, we opened 10 of our projects across the UK for Open Doors 2021, an industry-wide initiative delivered by Build UK in partnership with the CITB, and in association with the Considerate Constructors Scheme and Building magazine. In a first for ISG, we also opened our head office in London, UK, to provide an exclusive insight into other areas of the business that are so crucial in supporting successful project delivery.

Championing mental health

We have continued to support our UK charity partner, Mental Health UK (MHUK), raising funds to support people living with mental health problems as well as raising awareness, upskilling our people and providing healthy working environments. This year saw #TeamISG step up once again, raising a staggering £156,000 and counting for MHUK. Our fundraising and awareness initiatives have contributed to MHUK seeing over 12 million visits to its support resources, 12,500 people receiving help through MHUK helplines, and 8,000 new registrations to its Clic peer support platform.

Transforming Temple Learning Academy

In 2016 we were awarded a £10m contract to transform a disused leisure centre into a brand-new school in Leeds, UK. We went back four years later to see the school thriving at full capacity, with pupils and teaching staff alike revelling in the spacious learning areas. Revisiting projects like Temple Learning Academy helps make us better at what we do, enabling us to learn and grow.

Breaking Move for Charity records

Our people, clients, supply chain partners and loved ones around the world embarked on our second annual move challenge to raise a record-breaking £115,000 for our global mental health charity partners. Clocking up over 62,000km, our global communities held football tournaments, table tennis events, walked across Spain and Germany, and took part in scenic Singapore running clubs. In a further boost to our fundraising efforts, our owner, Cathexis Group, has agreed to add to the amount raised, bringing our total to £230,000.

Health and safety

At ISG, we do everything we can to safeguard the immediate and long-term health, safety and well-being of all the people we reach – employees, supply chain, customers and communities. With a leading performance in our industry, we continue to strive for excellence, raising the standards for our people, providing consistent and strong leadership, embedding a safety culture, and setting the bar high for our industry.

In 2021 our global Accident Incident Rate (AIR) was 1.57. When looking at our 2021 performance compared to 2020, it becomes clear the impact of the pandemic has made 2020 something of an outlier statistically, due in part to there being far fewer operatives on sites and fewer hours worked in general.

This makes it difficult to compare trends accurately, so there is more benefit to looking at performance over a longer period of time.

The AIR trends outlined in the table below show the trend is down overall. When we do compare 2020 to 2021, a key comparison shows a reduction in the number of High Potentials, which fell from 46 to 42. In real terms this represents a greater improvement, given the significant difference in the number of hours worked.

2021 Awards

11
Gold for Construction (Royal Society for the Prevention of Accidents (RoSPA) Awards)

2
British Safety Council (International Safety Awards) for UK Fit Out and Agility

1
Order & Distinction for UK Fit Out & Engineering Services (RoSPA)

1
Order & Distinction for UK Fit Out (Major Projects) (RoSPA)

1
President's Award for Agility (RoSPA)

	2018	2019	2020	2021
Working hours on site	35.7m	41.0m	32.4m	37.2m
AIR	1.62	1.74	0.82	1.57
High Potentials	–	–	46*	42**
Fatalities	0	0	0	0
High-consequence work-related injuries (incident numbers) – RIDDORs	(16+6) 22	(16+11) 27	(7+3) 10	(13+9) 22
Recordable work-related injuries (number and rate*) – OSHA recordable accidents**	104 (out of which 79 were lost time injuries) Rate: 0.58	130 (out of which 105 were lost time injuries) Rate: 0.63	93 (out of which 75 were lost time injuries) Rate: 0.57	150 (out of which 125 were lost time injuries) Rate: 0.80

* Six-month period of July to December 2020.
** Twelve-month period of January to December 2021.
*** Rate calculated based on 200,000 hours worked. Working hours cover both employees and subcontractors.

Planet

Our sustainability policies and targets

As a business we are committed to a sustainable future and dedicated to ensuring that we accelerate sustainable change by taking our people, suppliers and subcontractors on the journey with us.

Our new 'net gain' sustainability strategy, which launched in January 2021, has evolved beyond simply preventing negative impacts, to securing a lasting legacy. It's an approach that doesn't stop at project completion, and ultimately helps us deliver places where people and businesses thrive.

Our strategy consists of four key policy areas that we feel are at the forefront of current sustainability thinking:

- Environmental management
- Climate change and carbon
- Circular economy
- Social value

A senior member of our sustainability team is responsible for the delivery strategy for each policy, including measurement and reporting against eight ambitious targets that we have set our sights on achieving by 2024 or 2030.

Environmental management

Environmental management has formed a core part of our management systems for nearly 20 years. Our processes and procedures comply with the latest legislation and are subject to a continuous cycle of improvement.

We have re-launched our environmental management policy, which continues to deliver best practice in managing environmental issues while introducing new ways of working to mitigate increased risks.

We have targeted two crucial goals that will help us operate in an environmentally sustainable way:

1. Reducing water consumption by targeting on-site and office use by 2024.
2. Aiming for net gain biodiversity outcomes on projects over £20m by 2030.

Climate change and carbon

Research shows that to have a reasonable chance of limiting global warming, we must reach net zero carbon emissions by 2050. The construction industry accounts for 38% of CO_2 emissions, and we are taking steps to achieve net zero carbon by commencing internal carbon investment funding in 2024. Our projects will contribute the cost of buying carbon offsets to a central 'investment fund' that will be used to reduce carbon emissions across our estate and projects.

Our carbon targets are:

1. For all projects to be contributing to the internal carbon investment fund by 2024.
2. To be carbon neutral by 2030, 20 years ahead of the UK's 2050 target.

Circular economy

We are a founding sponsor of the UK Green Building Council's (UKGBC) circular economy programme, which means that we are committed to assisting clients in creating buildings that follow circular economy principles. Our policy aims to change the way we design, procure and install products, systems and materials. At end of use, these elements can be reused, repurposed or recycled at their highest value, without causing an adverse environmental impact and being cost-neutral or less.

Our circular economy targets are:

1. Internal ecommerce platform for materials and storage facility – we will develop methods for storing materials that are removed from one project, which can then be reused on other projects, by 2024.
2. All Building Information Modelling (BIM) projects with a level of development over 500 to compile an ISG materials passport by 2030.

Social value

Increasingly, organisations are considering their activities holistically, taking account of social value – a term that captures the wider economic, social and environmental effects a business has. Our social value policy ensures the work we undertake maximises returns for our partners and clients, while acting in a socially sustainable and responsible manner.

Using the National Themes, Outcomes and Measures (TOMs) and Social Value Portal, we put monetary values to society against the initiatives and actions we undertake, ensuring all projects meet the following targets for achieving social value:

1. Achieving a Group social value, as measured by the Social Value Portal, of 25% of turnover by 2024.
2. Achieving a Group social value, as measured by the Social Value Portal, of 50% of turnover by 2030.

See page 36 for more details.

Task Force on Climate-Related Financial Disclosures (TCFD)

The TCFD recommendations provide guidance to companies on how to report the potential financial impacts from climate change on their businesses. We currently focus on reporting the impact of ISG on the environment, but will review whether we will voluntarily report against the TCFD recommendations in our 2022 Annual Report, which will be published in March 2023.

Beyond Social Services, Singapore

Environment

Environmentally, we have had another successful year, with no major incidents reported. We did identify that the reporting of near misses is an area that requires improvement and as a result, our processes and procedures are under review. A campaign to increase awareness of these requirements will be launched in 2022.

We are making progress with collating water use data from our projects. Our objective is to be able to benchmark and set targets against our performance by the end of 2022.

Aiming for net gain biodiversity outcomes on all projects over a £20m contract value by 2030 is a key target. In 2021 we confirmed we would adopt the UK government's Department for Environment, Food & Rural Affairs (DEFRA) Biodiversity Metric tool with support from preferred ecology consultants. We will trial this methodology on a number of major projects in 2022.

2021 Winter Global Leadership Conference

Climate change and carbon

During 2021 we made good progress in reducing the carbon emissions of our own operations, as indicated in the table below:

	2019	2021	% change
Absolute totals (tCO_2e)	12,401	8,454	-32%
Normalised totals (tCO_2e/£1m)	4.8	3.7	-22%

Our Streamlined Energy and Carbon Reporting (SECR) information is reported in Appendix 2.

For calculating the carbon emissions reported, we used the internationally recognised Greenhouse Gas Protocol Corporate Accounting and Reporting Standard from the World Resources Institute and World Business Council for Sustainable Development, known as the GHG Protocol Corporate Standard. Our figures have undergone independent third-party verification (limited assurance) in accordance with the requirements of ISO 14064-3:2019, carried out by Avieco.

Our reporting approach

ISG takes the financial control approach to the consolidation of its organisational boundary. It leases all its offices and equipment except for a small number of owned cars. According to the GHG Protocol Corporate Standard on the categorisation of greenhouse gas emissions associated with leased assets, emissions from leased assets which have operating leases, not finance / capital leases, should be categorised as scope 3 under the financial control approach. As such, ISG has no scope 2 emissions, and the only scope 1 emissions in its footprint are those from a small number of owned cars.

This approach was influenced by us being initially a fit out contractor, where electricity supplies on site are provided by our clients, but we recognise the need to capture a greater sphere of influence in terms of our carbon footprint. We initially set out to capture our emissions in line with an operational control approach in 2020. However, the onset of the COVID-19 pandemic meant this was put on hold until we transitioned to our 'new' normal way of operating. We therefore plan to re-baseline our carbon footprint across a broader set of scopes under operational control in 2022.

With the exception of non-UK electricity, conversion factors from the UK government's Department for Business, Energy & Industrial Strategy (BEIS) have been used to convert activity data into emissions and also to convert fuel and distance units in kWh where required. For non-UK electricity, conversion factors from the International Energy Agency (IEA) have been used to convert kWh of electricity into tCO_2e emissions.

When target setting, we have taken the data collected under a financial control approach and aligned it with our plans to move to an operational control approach, targeting reductions based on a 2022 baseline. Given the timeframes involved for this new baseline, we have used our 2019 baseline to set targets for 2022 operations and have realigned the scopes as if they were reported under an operational control approach. Doing this allows us to model a reduction trajectory and set targets in line with methodology developed by the Science Based Targets initiative (SBTi).

Llancarfan Primary School, Vale of Glamorgan Council, Vale of Glamorgan, UK

The Entopia Building, Cambridge Institute for Sustainability Leadership (CISL), University of Cambridge, Cambridge, UK

Global ISG emissions data 2021 (financial control approach)

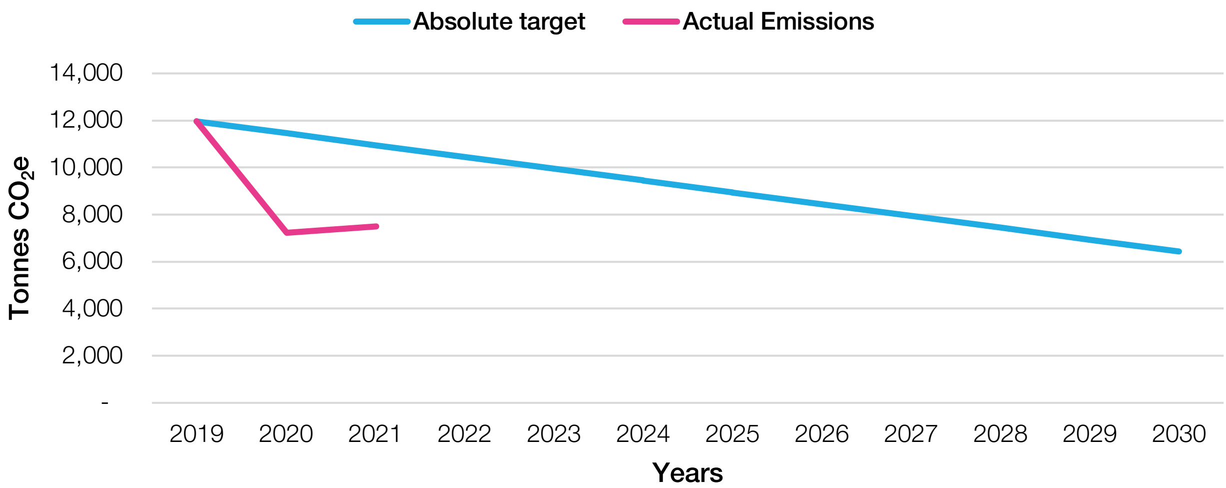
Scope	Location-based	Market-based
Scope 1 emissions (tCO_2e)	32	32
Scope 2 emissions (tCO_2e)	0	0
Scope 3 emissions (tCO_2e)	12,466	11,547
Total emissions (tCO_2e)	**12,498**	**11,579**

Global ISG energy consumption 2021 (kWh)

	Renewable	Non-renewable	Renewable+Non-renewable
Fuel consumption*	863,566	15,783,033	**16,646,599**
Purchased electricity	5,980,317	3,364,178	**9,344,495**
Total	**6,843,883**	**19,147,211**	**25,991,094**

* Renewable fuel used includes woodchips used in biomass boilers and HVO. Non-renewable fuel consumption includes fuel used in generators, construction equipment, boilers and vehicles controlled by the organisation.

Target emissions



Regarding scope 3 emissions reduction targets, we will be setting these against a wider boundary once our new 2022 baseline has been recorded.

Some of the actions that account for this reduction in our emissions include:

- Energy consumption at offices and sites is down due to reduced occupancy levels during the pandemic.
- An increased proportion of larger, higher-value, longer-duration projects resulting in:
  - Faster connection to grid energy and reduced reliance on diesel-powered site generators / plant.
  - More delivery staff dedicated to single sites rather than travelling to multiple projects.
- Greater use of remote working facilities through the pandemic.
- Use of hybrid / electric plant and machinery on sites.
- Incorporation of renewable technologies for temporary power on project sites.
- Continued procurement of renewable grid energy.

2021 was the eighth year ISG has voluntarily responded to the CDP climate change programme. Our 2021 submission saw us score a B and aligning with the construction industry average score and staying ahead of the global average of a B-.

Last year we continued with our Planet Mark certification, demonstrating year-on-year carbon reductions in line with the programme. Through this partnership we are also fully committed to the UN Race to Zero.

Other process and certification actions that we started in 2021, and will continue into 2022, include:

- Independent verification of our emissions annually by Avieco.
- Voluntary submission to CDP on an annual basis, also completing supply chain modules for clients.
- Sponsorship of several UKGBC workstreams, including:
  - UKGBC Advancing Net Zero Programme
  - UKGBC Circular Economy Programme
  - UKGBC Nature Based Solutions Programme
- Ongoing participation on the London Business Climate Leaders Forum.
- Increased focus on sustainability within our supply chain forums.
- Recruitment of a supply chain sustainability manager to embed sustainability requirements across our supply chain and foster greater collaboration on carbon reduction activities in supply chain delivery.
- Carbon literacy training for all parts of the business, with roll-out beginning in 2022.
- Expansion of sub-metering strategies across projects, to capture more granular data and target reduction initiatives at high-usage activities.

Alongside reducing carbon in our own operations, 2021 was a year in which we increasingly supported our clients' net zero carbon aspirations. Some of the key projects we worked on in 2021 include:

- Llancarfan Primary School, Vale of Glamorgan, UK – Wales' first school designed as net zero for operational energy when in use.
- Two Bridges School, Thornbury, UK – a net zero in operation and low embodied carbon special educational needs and disabilities (SEND) school.
- Two Rivers CofE Primary School, Keynsham, UK – targeting Passivhaus Plus certification.
- Working with the UK government's Ministry of Justice (MOJ) to deliver a net zero estate through the New Prisons Programme.
- Delivering a deep retrofit to EnerPHit standards at The Entopia Building for the University of Cambridge's Cambridge Institute for Sustainability Leadership (CISL), Cambridge, UK.

This support hasn't been purely confined to a project environment but extended through our wider industry engagement as a trusted partner on some key frameworks. As part of the SCF's Climate Emergency Response Group (CERG), along with other framework contractor partners, we have delivered early decision-making guidance for clients through the SCF's Net Zero Carbon Guidance tool.

Waste reduction and circular economy

Waste reduction and diversion from landfill will remain key metrics and we continue to monitor performance against targets. We will also be introducing a waste segregation target to encourage higher recycling rates.

As part of our circular economy policy, we wish to work more collaboratively with our supply chain to eliminate waste and reuse materials, products and systems wherever possible. We will look to solve the logistics, storage and distribution barriers to reuse, work collaboratively with industry to produce a standard for digitalising reuse information, and develop our approach to modern methods of construction (MMC) in order to embrace disassembly. In 2022, we will be setting circular economy metrics on the themes of material reuse, materials passports and materials designed to incorporate disassembly.

ISG waste 2021

	Total waste (tonnes)	Diverted from landfill (tonnes)
Non-hazardous waste	**166,363**	**155,571**
Construction	41,358	40,860
Demolition	26,753	26,585
Excavation	87,452	77,432
Other (e.g. canteen, septic tank)	10,799	10,694
Hazardous waste	**1,438**	**30**
Construction	41	22
Demolition	861	8
Excavation	536	-
Other (e.g. canteen, septic tank)	-	-
Construction and demolition non-hazardous (ISG KPI)	**68,112**	**67,445** (99.0% diversion from landfill rate)

The above figures include waste generated at UK sites and at the MAD01 project in Spain; waste generated in Germany, the Middle East, Singapore and Iberia is not included.

Confidential client, Singapore

Shoreditch Village Phase Two, Brockton Capital, London, UK

Annual financial statements

ISG Limited
DIRECTORS' REPORT

The directors of ISG Limited present their annual report and the audited financial statements for the 12-month period ended 31 December 2021.

Principal activities
ISG is an international construction services company, operating from three service lines: fit out, construction and engineering services. The Group works across a number of core sectors: offices, technology, science and health, retail; hospitality, leisure and living; and education and public sector, and operates in Europe, the Middle East and Asia.

Business review
A review of the Group's activities during the period, trends and factors likely to affect the business and its future prospects are set out within various sections of the strategic report, to include the performance at a glance section on pages 4 to 5, Chief Executive Officer's review on page 8, the business review on pages 13 to 19, the financial review on page 12 and the managing risk section on pages 27 to 31.

The directors' report is prepared for the members of the Group and should not be relied upon by any other party for any other purpose. Some sections of the strategic report contain certain forward-looking information and statements in relation to the Group's operations, economic performance and financial conditions. These statements are made by the directors in good faith based on the information available to them at the time of their approval of this report and, although they believe that the expectations reflected in such forward-looking statements are reasonable, they should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking statements or information.

The Group disposed of three subsidiaries during the year, being the ISG trading entities in France, Malaysia and Hong Kong/Macau; details of the disposals are shown in Note 27.

Going concern
Information on the business environment in which the Group operates, including the factors that are likely to impact the future prospects of the Group, are included within various sections of the strategic report, including Chief Executive Officer's review on page 8, the material issues section on pages 24 to 25, and the managing risks section on pages 27 to 31. The financial position of the Group, its cash flows, liquidity position and debt facilities are described in the financial review on page 12. In addition, the consolidated financial statements on page 53 onwards set out the Group's objectives, policies and processes for managing its capital, financial risks, financial instruments and hedging activities, as well as its exposure to credit risk and liquidity risk.

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 forward order book and workload together with assumptions in respect of new business. They reflect an assessment of current and future market conditions and risks and uncertainties in the business, their impact on the Group's trading performance, and the actions taken by management in response to current market conditions. The forecasts completed on this basis demonstrate that the Group will be able to operate with its available resources. In addition, management has considered various mitigating actions that could be taken if future market conditions deteriorate beyond their current assessment.

As explained on page 26, following the outbreak of war in Ukraine, the Group has carried out a review of its supply chain and client base. We have identified no significant exposure to Ukraine or Russia through our operations but will continue to monitor escalating energy prices and the potential further impact on supply chain costs generally. A sub-committee of ISG's Risk Committee currently meets weekly to feed back their findings and plans to the Risk Committee and Stat Board.

Based on 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.

Governance
Following the introduction of the UK Corporate Governance Code and the publication of the Wates Principles, and considering full reviews of its own governance arrangements, the Board continues not to apply any formal corporate governance code. It is governed by its own guidelines which are broadly consistent with the Wates Principles. The Group's governance position will be kept under review by the Board. See the governance section of the strategic report on page 26 onwards.

ISG Limited
DIRECTORS' REPORT

Section 172 (1) Statement
In all decisions the Board has taken during the year ended 31 December 2021, the directors have acted in the way they consider to be in good faith, most likely to promote the success of the Group and the Company for the benefit of its members as a whole, and in doing so have regard to:

a. The likely consequences of any decision in the long term
b. The interests of the company's employees
c. The need to foster the company's business relationships with suppliers, customers and others
d. The impact of the company's operations on the community and the environment
e. The desirability of the company maintaining a reputation for high standards of business conduct, and
f. The need to act fairly as between members of the company.

See the Stakeholder engagement section of the strategic report on pages 20 to 23.

Results and dividends
Revenue for the year ended 31 December 2021 was £2.3bn (2020: £2.0bn); underlying EBITDA amounted to £43.4m (2020: £37.6m) and statutory profit before tax amounted to £18.5m (2020: £8.9m). No dividends have been paid or are proposed for the financial year ended 31 December 2021 (2020: £nil).

Share capital
The Company has one class of shares, being ordinary shares of 1p each, that carry no rights to fixed income.

Directors
The directors who held office throughout the financial year ended 31 December 2021 and to the date of this directors' report unless otherwise stated were:

W Harrison
P Cossell
R Hubbard
J Moy (resigned 31 December 2021)
J Falconer
M Blowers
B Korink
Z Price
K Booth
T Smith (appointed 1 January 2022)
J S Rinando III (appointed 1 January 2022)

Directors' indemnities
The directors have the benefit of an indemnity from the Company in respect of liabilities incurred as a result of their office. This indemnity is provided under the Company's Articles of Association and satisfies the indemnity provisions of the Companies Act 2006.

The Company has taken out an insurance policy in respect of those liabilities for which the directors may not be indemnified. Neither the indemnity nor the insurance provide cover in the event that a director is proved to have acted dishonestly or fraudulently.

Employees
Employment of disabled persons
At ISG, we are fully committed to equality in the workplace and engage, promote, and train staff on the basis of their capabilities, qualifications, and experience without discrimination of any kind. This is underpinned by the policies and practices embedded within the Company. All employees receive equal opportunity to progress within the Company ensuring we have access to the widest talent pool. We make reasonable adjustments to the business premises and working arrangements for disabled applicants and employees, including employees who become disabled during their employment.

ISG Limited
DIRECTORS' REPORT

Employee Involvement
At ISG, employee engagement is very important to us and we actively seek the views and opinions of our staff through our global employee engagement survey. Staff participation is encouraged at many levels, such as choosing our UK Charity Partner or recognising colleagues for our global values awards. Our Company intranet provides a wider platform to share information throughout the business and we have in place multiple communication channels which allows us to ensure information flows freely throughout the organisation. We also encourage employees to support both their local and our global community and we endeavour to do this by promoting apprenticeships with our supply chain partners and within our own operations, engaging with schools, colleges and universities to promote and support, learning and employability, targeting hard to reach groups to promote social inclusivity and targeting under-represented groups to enhance diversity in the industry. To support the above aims we offer volunteering opportunities and matched charity funding to permanent employees.

Health and safety
The Board considers health and safety to be a key priority within the Group and has continued to maintain its focus on this area throughout the period. It is essential that we take all reasonable measures to conduct our business to ensure the health, safety and wellbeing of all our employees and all other persons who may be affected by our activities, including members of the public, customers and our supply chain that we work with. Our commitment to health and safety is demonstrated by our Accident Incident Rate which during the year was 1.57 (2020: 0.82).

Environmental reporting
The Board is committed to ensuring that the Group continues to fulfil its environmental compliance obligations and to take every reasonable measure to conduct its business activities in a safe and responsible manner. The Group aims to minimise negative impact and, where possible provide positive enhancements to the environment.

Streamlined Energy and Carbon Reporting (SECR)
The requirements are reported on pages 40 to 41 in the Climate change and carbon section of the strategic report.

Political donations
The Company made no political donations during the financial year ended 31 December 2021 (2020: £nil). Charitable donations to our charitable partners for the year totalled £82k (2020: £64k).

Disclosure of information to the auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he or she ought to have taken as a director, in order to make him or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue as the Group's auditor.

Approval
By order of the Board.

N Heard
Company Secretary
1 June 2022

ISG Limited
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards; and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group or Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether they have been prepared in accordance with United Kingdom adopted international accounting standards for the group financial statements and United Kingdom Generally Accepted Accounting Standards for the company, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board.

M Blowers
Chief Executive Officer
1 June 2022

K Booth
Chief Financial Officer
1 June 2022

ISG Limited
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ISG LIMITED

Opinion on the financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ISG Limited (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 31 December 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information
The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ISG Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISG LIMITED

Other Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Auditors responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at Group and significant component levels to respond to the risk. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. The procedures carried out included:

- discussion with management, internal audit and the Group's in-house legal advisors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- consideration of management's controls designed to prevent and detect irregularities;
- review of the financial statement disclosures to underlying supporting documentation;
- assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to contract accounting and impairment of goodwill and intangible assets; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

ISG Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISG LIMITED

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Geraint Jones

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Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
1 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ISG Limited

CONSOLIDATED INCOME STATEMENT | 12 months ended 31 December 2021

	Notes	**12 months ended 31 December 2021 £'m**	12 months ended 31 December 2020 £'m
Revenue	5	**2,263.7**	2,043.1
Cost of sales		**(2,112.2)**	(1,925.6)
Gross profit		**151.5**	117.5
Administrative expenses		**(132.6)**	(107.7)
Operating profit[1]	6	**18.9**	9.8
Finance income	8	**0.5**	0.1
Finance costs	9	**(0.9)**	(1.0)
Profit before tax		**18.5**	8.9
Taxation	10	**(6.7)**	(4.9)
Profit for the period		**11.8**	4.0
Attributable to:			
Owners of the company		**11.8**	4.0
Non-controlling interests	25	**-**	-
		11.8	4.0

The accompanying notes form part of these financial statements.

[1] Including impairment losses on trade and other receivables of £13.3m (2020: £4.6). See Note 22.

ISG Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME │12 months ended 31 December 2021

	Notes	**12 months ended 31 December 2021 £'m**	12 months ended 31 December 2020 £'m
Profit for the period		**11.8**	4.0
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(3.2)**	0.2
Total comprehensive income for the period		**8.6**	4.2
Attributable to:			
Owners of the company		**8.6**	4.2
Non-controlling interests	25	**-**	-
		8.6	4.2

The accompanying notes form part of these financial statements.

ISG Limited

CONSOLIDATED BALANCE SHEET | As at 31 December 2021

	Notes	2021 £'m	2020 £'m
Non-current assets			
Goodwill	11	**162.1**	164.4
Other intangible assets	12	**19.1**	23.0
Property, plant, and equipment	13	**27.1**	30.0
Deferred tax assets	16	**5.7**	6.8
Trade and other receivables	14	**50.2**	38.6
		264.2	262.8
Current assets			
Current tax assets		**4.5**	20.4
Trade and other receivables	14	**278.4**	290.4
Due from customers for contract work	19	**185.9**	123.9
Cash and cash equivalents	15	**119.9**	101.5
		588.7	536.2
Total assets		**852.9**	799.0
Current liabilities			
Lease liabilities	17	**(6.3)**	(5.9)
Current tax liabilities		**(2.2)**	(21.3)
Trade and other payables	18	**(634.6)**	(567.8)
Due to customers for contract work	19	**(17.7)**	(18.6)
		(660.8)	(613.6)
Non-current liabilities			
Lease liabilities	17	**(15.8)**	(18.7)
Deferred tax liabilities	16	**(3.1)**	(3.3)
Trade and other payables	18	**(37.4)**	(36.2)
		(56.3)	(58.2)
Total liabilities		**(717.1)**	(671.8)
TOTAL NET ASSETS		**135.8**	127.2
Equity			
Called up share capital	23	**0.5**	0.5
Share premium account	23	**-**	-
Foreign currency translation reserve		**(2.0)**	1.2
Retained earnings		**137.2**	125.4
Equity attributable to owners of the company		**135.7**	127.1
Non-controlling interests	25	**0.1**	0.1
TOTAL EQUITY		**135.8**	127.2

The consolidated financial statements of ISG Limited (company number 10081578) were approved by the Board of directors and authorised for issue on 1 June 2022. They were signed on behalf of the Board of directors. The accompanying notes form part of these financial statements.

M Blowers
Chief Executive Officer

K Booth
Chief Financial Officer

ISG Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 12 months ended 31 December 2021

	Notes	Share capital £'m	Share premium £'m	Foreign currency translation reserve £'m	Retained earnings £'m	Total £'m	Non-controlling interests £'m	Total equity £'m
Balance at 1 January 2020		49.5	34.1	1	38.3	122.9	0.1	123.0
Profit for the period		-	-	-	4.0	4.0	-	4.0
Other comprehensive income		-	-	0.2	-	0.2	-	0.2
Total comprehensive income		-	-	0.2	4.0	4.2	-	4.2
Share capital reduction	23	(49.0)	(34.1)	-	83.1	-	-	-
Balance at 1 January 2021		0.5	-	1.2	125.4	127.1	0.1	127.2
Profit for the period		-	-	-	11.8	11.8	-	11.8
Other comprehensive income		-	-	(3.2)	-	(3.2)	-	(3.2)
Total comprehensive income		-	-	(3.2)	11.8	8.6	-	8.6
Balance at 31 December 2021		**0.5**	**-**	**(2.0)**	**137.2**	**135.7**	**0.1**	**135.8**

The foreign currency translation reserve is used to record cumulative translation differences on foreign operations. The cumulative translation differences are recycled to the income statement on disposal of the foreign operation.

Non-controlling interests (NCI) represent the share of net assets allocated to minority shareholders for entities that are consolidated, and the Group does not own 100% of the share capital.

The accompanying notes form part of these financial statements.

ISG Limited

CONSOLIDATED CASH FLOW STATEMENT | 12 months ended 31 December 2021

	Notes	**12 months ended 31 December 2021 £'m**	12 months ended 31 December 2020 £'m
Cash flows from operating activities			
Operating profit for the period		**18.9**	9.8
Amortisation of intangible assets	12	**5.2**	5.3
Loss on disposal of property, plant, and equipment		**-**	0.8
Disposal of subsidiaries excluding cash disposed	27	**7.0**	3.9
Depreciation on property, plant, and equipment	13	**8.7**	9.2
Movement in trade and other receivables		**(76.4)**	70.9
Movement in trade and other payables		**95.4**	(93.9)
Cash generated from operations		**58.8**	6.0
Income taxes paid		**(8.9)**	(4.5)
Net cash inflow from operating activities		**49.9**	1.5
Cash flows from investing activities			
Net payments for property, plant and equipment, and software	12/13	**(4.6)**	(3.4)
Net cash disposed with subsidiaries	27	**(19.9)**	(5.8)
Net cash outflow from investing activities		**(24.5)**	(9.2)
Cash flows from financing activities			
Net interest paid		**(0.1)**	-
Payment of lease liability interest	17	**(0.8)**	(0.9)
Payment of principal lease liabilities	17	**(5.4)**	(6.0)
Net cash outflow from financing activities		**(6.3)**	(6.9)
Net increase/(decrease) in cash and cash equivalents		**19.1**	(14.6)
Cash and cash equivalents at the beginning of the period		**101.5**	116.9
Effects of exchange rate changes on balances of cash held in foreign currencies		**(0.7)**	(0.8)
Cash and cash equivalents at the end of the period	15	**119.9**	101.5

The accompanying notes form part of these financial statements.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

1. GENERAL INFORMATION

ISG Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act. The address of the registered office is Aldgate House, 33 Aldgate High Street, London, EC3N 1AG.

2. ADOPTION OF NEW AND REVISED STANDARDS

During the financial period, the Group has adopted no new accounting standards that have had a significant effect on the annual financial statements for the year ended 31 December 2021.
The Group does not expect any other changes to accounting standards issued but not yet effective to have a material impact to the Group.

3. ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into the UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The group transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting from the transition.

The financial information set out in this report has been prepared under the historical cost convention. The presentational and functional currency of the Group is Pounds Sterling.

Going concern

The financial statements have been prepared on a going concern basis. 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 forward order book which secures a significant amount of forecast revenue through 2022 and 2023. Together with this forward order book the board has considered assumptions in respect of new business, as well as including assessments of current and future market conditions and other risks and uncertainties in the business. The forecasts completed on this basis demonstrate that the Group will be able to operate within is current resource of cash reserves, and no external borrowing is currently planned. .

In addition, the Board has also considered downside scenarios including revenue decline and increase in cost base. Whilst the cash flow of these scenarios will be different to the current forecast, mitigating actions have also been reviewed. These mitigating steps include cash management within management's control to improve working capital, reduction, or deferral strategies for operating and capital expenditure. With these factors considered the Board believes that the Group is well placed to manage the current business risks.

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 at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the Group and the Company.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities controlled by the company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the month end closest to the effective date of acquisition or to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intra-group transactions, balances, unrealised gains and losses, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's reporting format determined in accordance with IFRS 8 'Operating segments'.

Impairment tests are performed annually by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where an impairment test is performed a discounted cash flow analysis is carried out based on the cash flows of the cash-generating unit compared with the carrying value of that goodwill. The discount rates are estimated as the risk-effected cost of capital for the particular cash-generating units.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Where a subsidiary is part of a CGU, a portion of that CGU's goodwill is attributed to that subsidiary if appropriate, in proportion to the subsidiary as part of the CGU.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

Other intangible assets

The assessment of criteria of capitalisation is carried out by considering stages of internally developed products: the preliminary project stage, the product's development stage, and the post-implementation stage.
The preliminary projects stage costs are related to making planning decisions such as; should project be undertaken, determining product performance requirements, timescales, budget authorisation and selection of vendors and consultants to aid implementation
Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits
- expenditure on the project can be measured reliably.

The preliminary projects stage costs and post implementation costs such as training, and maintenance are recognised in the consolidated statement of **comprehensive** income as incurred.

The cost of intangible assets acquired in a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and is based on its fair values as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost and amortised over the estimated useful lives on a straight-line basis. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The categories of intangible assets and their estimated useful lives are as follows:

Trademark and licences	2-10 years
Customer relationships	3 years
Software	3 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense of intangible assets with finite lives is recognised in the income statement.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss has been recognised.

Property, plant and equipment

Property, plant, and equipment are stated at historical cost net of accumulated depreciation and any recognised impairment loss. Cost includes expenditure associated with bringing the asset into use.

Depreciation is provided to write off the cost of assets to their residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful lives are as follows:

Leasehold improvements	Life of the lease
IT and office equipment	2-5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The residual values and useful lives of all property, plant and equipment are reviewed and adjusted if appropriate at least each financial period.

Impairment of non-financial assets other than goodwill

The carrying amounts of the Group's non-financial assets are reviewed at each reporting period date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate with the individual cash generating unit cash flow forecasts risk adjusted.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

Financial instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. A financial liability is derecognised when the contract that gives rise to it is settled, sold, cancelled, or expires.

The principal financial assets and liabilities of the Group are as follows:

(a) Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost, less any impairment.

In relation to trade receivables, a provision for expected credit losses is made based on an assessment of credit risk and aging. The carrying amount of the receivables is reduced through use of an allowance provision account. The expense recognised on creating the provision is recognised within administrative expenses in the consolidated income statement. Impaired debts are derecognised when they are assessed as uncollectible.

If collection is expected in more than one year, receivables are classified as non-current assets and are adjusted for the time value of money.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term highly-liquid investments that are readily convertible (with a maturity of three months or less) to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(c) Trade payables

Trade payables are not interest bearing and are recognised at fair value and subsequently measured at amortised cost.

(d) Borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Impairment of financial assets

The Group classifies its financial assets into categories based on the accounting treatment, either as fair value through profit and loss or amortised cost, depending on the purpose for which the asset was acquired. During the reported periods the Group only had assets in the amortised cost category.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. then the twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Leases

At inception of a contract the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - The Group has the right to use the asset; or
  - The Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the

commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share capital

The ordinary share capital of the Company is recorded at the proceeds received, net of directly attributable incremental issue costs.

Foreign currencies

Transactions in foreign currencies are translated into the individual subsidiary company's functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Group's income statement in the period in which they arise. Exchange differences on non-monetary items are recognised in the statement of comprehensive income to the extent that they relate to a gain or loss on that non-monetary item.

The assets and liabilities in the financial statements of foreign subsidiaries and related goodwill and intangibles are translated into the Group's presentational currency (Pounds Sterling) at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the actual rate of the transactions or average rates for the period. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are recognised in other comprehensive income and accumulated in the "foreign currency translation reserve" in equity. On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the income statement as part of the gain or loss on disposal.

Revenue recognition

Revenue represents the fair value of consideration received or receivable for goods and services provided to external customers, net of trade discounts and excluding value added tax and similar sales-based taxes. The Group recognises revenue based on when customers obtain control of goods or services. Contracts are typically accounted for as a single performance obligation; even when a contract (or multiple combined contracts) includes both design and build elements, they are considered to form a single performance obligation as the two elements are not distinct in the context of the contract given that each is highly interdependent on the other.

Long-term contracts
Revenue from long-term contracts (including construction contracts) includes the amount initially agreed in the contract, plus any variations in contract work to the extent that it is highly probable that the variation will result in revenue that can be reliably measured (usually when instructions have been received from the client), plus any claim recoveries to the extent that negotiations have reached an advanced stage such that it is highly probable that the customer will accept the claim and the amount can be reliably measured. Management does not expect a financing component to exist. Revenue relates to the creation or enhancement of construction assets, which the customer controls, as the asset is created.

The Group has chosen to use an output method to measure progress for contracts where revenue is recognised over time. The revenue recognised reflects the value of the contract at the reporting date, with reference to a survey of work performed. Normally the survey is conducted by a third party and a valuation certificate received. Internal valuations are also used. The value of work carried out during the period includes amounts which have not been invoiced at the period end. This method, the output method, has been deemed the most appropriate method of contract progression.

Where the outcome of the contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred, where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. Contract costs include costs that relate directly to the specific contracts and costs that are attributable to contract activity in general and can be allocated to the contract.

Full provision is made for all known or expected losses on individual contracts immediately, once such losses are foreseen.

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The amount due from customers for contract work is shown as a receivable. The amount due comprises costs incurred plus recognised profits less the sum of recognised losses and progress billings.

Where the sum of recognised losses and progress billings exceeds costs incurred plus recognised profits, the amount is shown as a liability. Amounts recoverable on construction contracts are recorded at fair value and subsequently measured at cost and reduced by allowances for estimated irrecoverable amounts. Progress payments for contracts are deducted from amounts recoverable. Retentions are recognised on invoicing of the associated trade receivable. Any payments received in excess of revenue recognised are recognised as contract liabilities within trade and other payables.

Costs to obtain contracts
Costs incurred to obtain contracts are expensed until the contract has been won or is expected to be won (for example if the Group has achieved preferred bidder status) when subsequent costs are carried in the balance sheet (in other debtors) and are charged to profit over the fulfilment of the performance obligation in the contract. If a contract is loss making, capitalised costs in relation to that contract are expensed immediately.

Other services
Revenue from maintenance contracts is recognised by reference to the stage of completion, as measured by reference to services performed to date as a percentage of total services to be performed. This is in line with the total value of the contract and the programme of works agreed before commencing with customers.

Revenue from consulting works is measured on a time plus agreed expenses not exceeding the agreed total value with customers.

Recoveries from claims against third-parties

The recognition of expected recoveries resulting from certain third-party claims is accounted in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. These are assessed against the requirements of IAS 37 to be ‘virtually certain’ before an asset can be recognised which involves judgements around the Group’s entitlement to revenue.

Employee benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave are recognised when the service is performed by the employee, measured at the amount expected to be paid when the liabilities are settled.

Pensions
The Group operates defined contribution pension schemes. The assets of the schemes are invested and managed independently of the finances of the Group. Contributions to the defined contribution pension schemes are charged to the income statement as they become payable in accordance with the rules of the schemes.

Termination payments
Termination benefits are payable when employment is terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy.

Government grant income

Government grant income is considered compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity and is recognised in profit or loss of the period in which it becomes receivable. During 2020 and 2021 the Group took advantage of the Government Coronavirus Job Retention Scheme, which are not repayable, and reported these amounts as a deduction against staff cost. Amounts received as grant income are disclosed in Note 6.

Finance income and costs

Finance income comprises interest income on the Group’s cash and cash equivalents and other interest earned. Interest income is recognised as it accrues in the income statement using the effective interest rate method.

Finance costs comprise interest on bank overdrafts, lease liabilities, the unwinding of discounts on contingent deferred consideration and the amortisation of prepaid bank facility arrangement fees and commitment fees charged by lenders on the undrawn portion of available bank facilities that have been amortised over the length of the associated facilities.

Taxation

The Group’s tax charge is the sum of the total current and deferred tax charges. Current tax is the tax payable on the taxable profits for the period and any adjustment in respect of prior periods. Where this amount is an asset the Group have made payments on account in accordance with the requirements of a specific jurisdiction.

The Group has made claims for repayable tax credits for qualifying research and development expenditure in the UK under the Finance Act 2013 (‘RDEC’) in prior years and it will continue to do so for the current and future years in accordance with the relevant HM Revenue and Customs regulations. The credit is calculated as a percentage of the qualifying research and development expenditure at a current rate of 13.0%. The credit is recorded as income within profit before tax (as part of cost of sales), netted against the relevant research and development expenditure.

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Deferred tax liabilities are recognised in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial and reporting purposes and the amounts used for taxation purposes. The recognition of deferred tax assets is based upon whether it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity or tax group against which to utilise the tax assets in the future. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled. Deferred tax assets and liabilities are offset to the extent they arise from the same tax jurisdiction.

Current tax and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited directly to equity, in which case the relevant tax is also accounted for within equity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements under IFRS requires management to make judgements, estimates and assumptions about the carrying amount of assets and liabilities, the amount of income and expenditure recognised in the period and the disclosure of contingent liabilities. Actual results may differ from these estimates and assumptions. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Revenue and profit margin recognition

The Group's revenue recognition and long-term construction and service contracts' policies are set out in Note 3 above. These policies are central to the way in which the Group values the work it has carried out at each reporting date and the estimation of the percentage completion of the contract. These policies require forecasts to be made of the outcome of long-term construction and service contracts and require assessments and assumptions to be made on the recovery and agreement of pre-contract costs, variations in work scopes, claim recoveries, expected contract costs to complete and the progress on contract programmes. These forecasts require a degree of estimation.

The estimation of final contract value may include assessment of the recovery of variations or claims which are not yet agreed with the customer. These are assessed against the requirements of IFRS 15 and revenue for variations or claims is recognised when it is highly probable to be agreed which involves judgements around the Group's entitlement to revenue. Any amount of revenue recognised is restricted to the amounts that the Group considers is highly probable of not being subject to significant reversal and adjustments are made for any expected contractual delay deductions. On a number of contracts, work is completed on a cost-plus basis, so the element of revenue and profit margin uncertainty is reduced for these contracts.

The Group has appropriate control procedures in place to ensure revenue and cost estimates are calculated on an appropriate basis for each contract. In many cases revenue assessments are validated by third-party surveyors on behalf of customers who certify the value of work performed. There remains an element of estimation uncertainty over the agreement of final accounts in relation to both revenue and costs but this is reduced by the experience of the management teams in place and the internal review processes relating to individual contracts.

Contract accruals

Contract accruals relate to contract cost where an invoice has not been received prior to the year end. The Group has appropriate control procedures in place to ensure any estimates are calculated on an appropriate basis for each contract.

Impairment of goodwill and other intangible assets

Determining whether goodwill or other intangible assets are impaired generally requires an estimation of the value in use of the intangible assets or the cash-generating units to which goodwill has been allocated. An assessment is also required in determining the cash-generating units to which goodwill is allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The key areas of assumption were the discount rates and the growth rates that were inputs into the impairment testing. The total value of goodwill was £162.1m (2020 £164.4m). Note 11 details the assumptions that have been applied in assessing impairment of goodwill.

Taxation

The Group is subject to tax in a number of jurisdictions and estimates and assumptions are required in determining the worldwide provision for income taxes. The Group provides for future liabilities in respect of uncertain tax positions; such provisions are based upon management's assessment of exposures.

As set out in Note 3 above, deferred tax is accounted for on temporary differences using the balance sheet liability method, with deferred tax liabilities being provided for in full, and deferred tax assets being recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Note 16 details the unused tax losses for which deferred tax assets have not been recognised.

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5. REVENUE

All revenue arises from the provision of construction-related services and amounts receivable from and payable under construction contracts are included in Note 14 and Note 18.

Disaggregation of Revenue by country of destination:

Year to 31 December 2021	**Fit Out**	**Construction**	**Engineering Services**	**Total 2021**
	£'m	**£'m**	**£'m**	**£'m**
United Kingdom	**1,014.3**	**669.6**	**115.8**	**1,799.7**
Netherlands	**-**	**-**	**0.9**	**0.9**
Belgium	**-**	**-**	**1.2**	**1.2**
Germany	**127.9**	**-**	**-**	**127.9**
Hong Kong	**33.1**	**-**	**-**	**33.1**
Singapore	**32.3**	**-**	**-**	**32.3**
Spain	**76.6**	**-**	**40.7**	**117.3**
UAE	**49.7**	**-**	**-**	**49.7**
France	**2.8**	**-**	**-**	**2.8**
Malaysia	**0.9**	**-**	**-**	**0.9**
Other	**92.9**	**-**	**5.0**	**97.9**
Total revenue	**1,430.5**	**669.6**	**163.6**	**2,263.7**
Revenue from external customers	**1,430.5**	**669.6**	**163.6**	**2,263.7**

Year to 31 December 2020	Fit Out	Construction	Engineering Services	Total 2020
	£'m	£'m	£'m	£'m
United Kingdom	651.5	690.8	78.7	1,421.0
Netherlands	-	-	23.9	23.9
Belgium	-	-	165.0	165.0
Germany	150.0	-	8.1	158.1
Hong Kong	58.7	-	-	58.7
Singapore	14.3	-	13.1	27.4
Spain	55.9	-	0.6	56.5
UAE	30.6	-	-	30.6
France	9.9	-	-	9.9
Malaysia	6.8	-	-	6.8
Other	81.2	-	4.0	85.2
Total revenue	1,058.9	690.8	293.4	2,043.1
Revenue from external customers	1,058.9	690.8	293.4	2,043.1

During both periods all revenue is recognised over time during the contract works phase.

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Revenue recognised in relation to Contract Liabilities:

	31 December 2021 £'m	31 December 2020 £'m
- Revenue recognised that was included in contract liability balance at the beginning of period	**18.4**	98.6
- Revenue recognised from performance obligations satisfied in previous periods	**-**	(0.1)

Remaining Performance Obligations:

At 31 December 2021	**2022 £'m**	**2023 – 2025 £'m**	**Total £'m**
- Revenue from contracts already secured and due to be recognised in future periods	**1,250.0**	**320.7**	**1,570.7**

6. OPERATING PROFIT

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
Amortisation of intangible assets	**5.2**	5.3
Depreciation	**8.7**	9.2
Foreign exchange loss/(profit)	**1.0**	(1.2)
Research and development expenses	**16.8**	6.2
Research and development expenditure tax credit	**(2.9)**	(0.8)
Short-term lease expense	**0.4**	0.1
Low value lease expense	**0.1**	0.1
Expense relating to variable lease payments not included in the measurement of lease liabilities	**-**	-
Covid-19 grant income	**(0.1)**	(6.1)

In 2020 and 2021, the Group has received government grants in various countries in which it operates relating to assistance for employers during the COVID-19 pandemic.

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	**0.1**	0.1
Fees payable to the company's auditor and its associates for other services to the Group:		
- Audit of the company's subsidiaries pursuant to legislation	**0.7**	0.7
Total fees payable to Group's auditor	**0.8**	0.8

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7. STAFF COSTS INCLUDING DIRECTORS' REMUNERATION

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
Salaries and wages	**220.9**	182.0
Social security costs	**21.8**	21.5
Termination payments	**1.9**	4.4
Long-term benefits costs including defined contribution pension costs	**7.5**	7.3
	252.1	215.2

Certain subsidiary undertakings of the Group operate defined contribution pension schemes. The assets of the schemes were held separately from those of the Group by an independently administered fund. The only other pension contributions made by the Group are to employees' personal pension schemes under a salary waiver arrangement.

Employees	**12 months ended 31 December 2021 Number**	12 months ended 31 December 2020 Number
Average number of persons (including directors) employed by Group in the period:		
Construction	**835**	822
Fit Out	**1,529**	1,539
Engineering Services	**284**	408
Head office	**334**	327
	2,982	**3,096**

In the table above seven directors are included in Head office for 2021 (2020: five).

Remuneration of key management personnel

All key management personnel are directors of the Group. The remuneration of key management personnel is included in the directors' emoluments disclosure shown below.

Directors' emoluments

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
Short-term employee benefits	**8.7**	4.5
Post-employment benefits	**-**	0.1
	8.7	**4.6**

Directors' emoluments (excluding social security costs) include £2.5m (2020 £2.2m) of short-term employee benefits and £nil (2020 £nil) post-employment benefits for the highest paid director. As at 31 December 2021, the outstanding directors' bonus accrual was £5.0m, of which £2.5m was due to be paid within 12 months, and £2.5m to be paid after 12 months. (2020: £7.2m, paid within 12 months). During the period four directors received contributions under a defined contribution scheme (2020: six).

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8. FINANCE INCOME

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
Interest on bank deposits	**-**	-
Other finance income	**-**	0.1
Interest receivable from immediate parent	**0.5**	-
Total finance income	**0.5**	**0.1**

9. FINANCE COSTS

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
Interest on bank overdrafts and loans	**-**	-
Interest expense on lease liabilities	**0.8**	0.9
Interest payable to immediate parent	**-**	-
Other interest costs	**0.1**	0.1
Total finance costs	**0.9**	1.0

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

a. Taxation charge

	12 months ended 31 December 2021 £'m	12 months ended 31 December 2020 £'m
UK current tax		
UK corporation tax on profits for the period	**6.6**	2.0
Double tax relief	**-**	-
Adjustment in respect of prior periods	**(2.2)**	1.8
	4.4	3.8
Overseas current tax		
Overseas taxation on profits for the period	**2.0**	2.4
Adjustment in respect of prior periods	**(0.6)**	0.1
Total current tax	**5.8**	6.3
Deferred tax		
Origination and reversal of temporary differences arising in the period	**(1.2)**	-
Adjustment in respect of prior periods	**2.5**	(0.8)
Effect of change in tax rates	**(0.4)**	(0.6)
Total deferred tax (Note 16)	**0.9**	(1.4)
Total tax expense	**6.7**	4.9

UK Corporation tax is calculated at 19.0% (2020: 19.0%) of the estimated taxable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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b. Taxation reconciliation for continuing operations

The charge for the period can be reconciled to the profit per the income statement as follows:

		2021 £'m	**2021 %**		2020 £'m	2020 %
Profit before tax		**18.5**			8.9	
Tax due if paid at the applicable UK corporation tax rate of 19.0% (2020: 19.0%)		**3.5**	**19.0%**		1.7	19.0%
Adjusting items						
Adjustment relating to release of prior period corporation tax provisions	**(2.8)**			1.9		
Recognition of tax losses previously unrecognised	**(2.0)**			-		
Tax effect of utilisation of tax losses not previously recognised	**(0.1)**			(0.3)		
Effect of different tax rates of operations in other jurisdictions	**0.2**			0.5		
Tax effect of expenses that are not deductible in determining taxable profit	**2.0**			2.3		
Effect of current year losses not utilised	**3.8**			3.2		
Effect of prior year movements in deferred tax	**2.5**			(0.9)		
Effect of deduction in relation to research and development expenditure	**-**			0.2		
Tax effect of changes in tax rate	**(0.4)**			(0.7)		
Tax effect of income that is not taxable in determining taxable profit	**-**			(3.0)		
Income tax expense recognised in the income statement	**6.7**	**36%**		4.9		55.1%

11. GOODWILL

	£'m
Cost	
Balance at 1 January 2020	168.9
Disposals in the period	(6.0)
Net foreign currency exchange differences	1.5
Balance at 31 December 2020	164.4
Net foreign currency exchange differences	(2.3)
Balance at 31 December 2021	**162.1**
Carrying amount	
As at 31 December 2021	**162.1**
As at 31 December 2020	164.4

Goodwill has been allocated for impairment testing purposes to the following businesses:

	2021 £'m	**Basis**	**Discount Rate %**	**Growth Rate Applied %**
Fit Out	**124.6**	Value in use	10.0	2
Engineering Services	**37.5**	Value in use	12.4	2
	162.1			

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The recoverable amounts of goodwill are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. The directors estimate discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Changes in selling prices and direct costs are based on past practices and expectations on future changes in the market.

The impairment tests were based on the latest management information from the annual budgeting process. This covered the period 2022 to 2024 period, and it considered all known factors that would impact on future growth. After this period, cash flows have been extrapolated using a growth rate of 2.0 per cent (2020: 2.0 per cent) which does not exceed the long-term growth rate for the relevant markets. The cash flow forecasts have been discounted using a post-tax discount rate of 10 per cent in Fit Out CGU and 12.4 per cent for Engineering Services CGU (2020: 10 per cent Fit Out, and 12.4 per cent in Engineering Services). Sensitivities were applied by changing the discount and growth rate. The headroom arising on the impairment tests was £634.8m. A 1% increase in the discount rate reduces the headroom by £101.1m. A 1% decrease in the growth rate reduces the headroom by £72.1m.

Following the impairment reviews performed by the Group, no impairment charge was recorded in the year ended 31 December 2021.

12. OTHER INTANGIBLE ASSETS

	Trademarks and licences £'m	Customer relationships £'m	Software £'m	Total £'m
Cost				
Balance at 1 January 2020	31.1	23.8	10.0	64.9
Net foreign currency exchange differences	0.3	-	-	0.3
Additions	-	-	1.4	1.4
Disposals	-	-	-	-
Balance at 1 January 2021	31.4	23.8	11.4	66.6
Net foreign currency exchange differences	(0.3)	-	-	(0.3)
Additions	-	-	1.6	1.6
Disposals	-	-	-	-
Balance at 31 December 2021	**31.1**	**23.8**	**13.0**	**67.9**
Accumulated amortisation				
Balance as of 1 January 2020	(11.6)	(23.8)	(2.9)	(38.3)
Charge for the period	(3.0)	-	(2.3)	(5.3)
Disposals	-	-	-	-
Balance as of 1 January 2021	(14.6)	(23.8)	(5.2)	(43.6)
Charge for the period	(3.0)	-	(2.2)	(5.2)
Disposals	-	-	-	-
Balance at 31 December 2021	**(17.6)**	**(23.8)**	**(7.4)**	**(48.8)**
Carrying amount				
As at 31 December 2021	**13.5**	**-**	**5.6**	**19.1**
As at 31 December 2020	16.8	-	6.2	23.0

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13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'m	IT and office equipment £'m	Total £'m
Cost			
Balance at 1 January 2020	36.0	14.4	50.4
Additions	1.3	2.0	3.3
Disposals	(1.7)	(3.6)	(5.3)
Impact of modification of lease terms	(1.3)	-	(1.3)
Net foreign currency exchange differences	0.3	-	0.3
Balance at 1 January 2021	34.6	12.8	47.4
Additions	4.3	1.8	6.1
Disposals	(0.5)	(1.4)	(1.9)
Impact of modification of lease terms	-	-	-
Net foreign currency exchange differences	0.2	-	0.2
Balance at 31 December 2021	**38.6**	**13.2**	**51.8**
Accumulated depreciation			
Balance at 1 January 2020	(6.5)	(5.8)	(12.3)
Disposals	1.1	3.0	4.1
Charge for the period	(5.6)	(3.6)	(9.2)
Balance at 1 January 2021	(11.0)	(6.4)	(17.4)
Disposals	0.6	1.0	1.6
Charge for the period	(4.8)	(3.9)	(8.7)
Net foreign currency exchange differences	(0.1)	(0.1)	(0.2)
Balance at 31 December 2021	**(15.3)**	**(9.4)**	**(24.7)**
Carrying amount			
As at 31 December 2021	**23.3**	**3.8**	**27.1**
As at 31 December 2020	23.6	6.4	30.0

Right-of-use assets

Included within tangible assets are right-of-assets, which consist of assets arising from operating lease arrangements accounted for under IFRS 16, finance lease agreements and hire purchase agreements:

	Leasehold improvements £'m	IT and office equipment £'m	Total £'m
Carrying amount at 1 January 2021	18.0	1.9	19.9
Additions	4.1	0.1	4.2
Disposals	(0.9)	(0.1)	(1.0)
Depreciation charge for the period	(4.4)	(0.8)	(5.2)
Modification to lease terms	-	-	-
Foreign Exchange movement	0.1	0.2	0.3
Carrying amount at 31 December 2021	**16.9**	**1.3**	**18.2**

Short-term lease expense, Low value lease expense and Expense relating to variable lease payments not included in the measurement of lease liabilities are disclosed in Note 6. Interest expense on lease liabilities are detailed in Note 9. Lease liabilities are disclosed in Note 17. The accounting policy for leases is disclosed in Note 3.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

14. TRADE AND OTHER RECEIVABLES

	2021	2020
	£'m	£'m
Non-current		
Trade receivables (including retentions)	**48.2**	37.9
Other receivables	**2.0**	0.7
Total non-current trade and other receivables	**50.2**	38.6
Current		
Trade receivables (including retentions)	**257.7**	259.7
Less: provision for impairment	**(13.3)**	(4.6)
Trade receivables net	**244.4**	255.1
Other receivables	**8.8**	7.7
Receivable from related parties	**18.0**	18.9
Prepayments	**7.2**	8.7
Total current trade and other receivables	**278.4**	290.4
Total trade and other receivables	**328.6**	329.0

The Board considers that the carrying amount of trade and other receivables approximates their fair value. The Group measures expected credit losses by division based on credit risk and the aging of these receivables. These are determined by, amongst other considerations, reference to past default experience, and specific provisions are raised as needed after taking an individual view to debt recoverability. Trade receivables amounting to £122.8m were pledged under a Cathexis Group loan arrangement, (2020: £122.1m).

Due to the nature of the Group's operations, it is normal practice for customers to hold retentions in respect of contracts completed. Non-current retentions held by customers as at 31 December 2021 were £43.4m (2020 £34.8m) and current retentions held by customers as at 31 December 2021 were £64.7m (2020 £73.1m) and current. Under the normal course of business, the Group does not charge interest on its overdue receivables.

Included in other receivables at 31 December 2020 is an amount of £0.6m relating to assets held for sale of the planned disposal of ISG Asia (Malaysia) Sdn. Details of the disposal of Malaysia are shown in Note 27

15. ANALYSIS OF NET CASH POSITION

	Balance at 1 January 2020	**Cash flow**	**Foreign exchange**	**Balance at 31 December 2020**	**Cash flow**	**Foreign exchange**	**Balance at 31 December 2021**
	£'m	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**
Cash and cash equivalents	116.9	(16.2)	0.8	101.5	**19.0**	**(0.6)**	**119.9**
Net cash	**116.9**	**(16.2)**	**0.8**	**101.5**	**19.0**	**(0.6)**	**119.9**

The Group's exposure to interest rate and exchange risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 22.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

16. DEFERRED TAX

Deferred tax liabilities represent sums that might become payable in tax in future years as a result of transactions that have occurred in the current period. The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current reporting period.

Deferred tax assets

	Accelerated tax depreciation £'m	Right-of-use assets £'m	Lease liability £'m	Other £'m	Tax losses £'m	Total £'m
Balance at 1 January 2020	1.0	(5.4)	6.2	2.3	1.8	5.9
(Charge)/credit to income	0.2	1.3	(1.4)	0.1	-	0.2
(Charge)/credit due to change in tax rate	0.1	(0.4)	0.5	0.3	0.2	0.7
Balance at 1 January 2021	1.3	(4.5)	5.3	2.7	2.0	6.8
(Charge)/credit to income	(0.7)	(0.3)	-	(2.0)	1.2	(1.8)
(Charge)/credit due to change in tax rate	0.1	0.1	-	(0.0)	0.5	0.7
Balance at 31 December 2021	**0.7**	**(4.7)**	5.3	**0.7**	**3.7**	**5.7**

Deferred tax liabilities

	Intangible assets £'m	Total £'m
Balance at 1 January 2020	(3.8)	(3.8)
Credit to income	0.5	0.5
Balance at 1 January 2021	(3.3)	(3.3)
(Charge)/credit due to change in tax rate	(0.3)	(0.3)
Credit to income	0.5	0.5
Balance at 31 December 2021	**(3.1)**	**(3.1)**

Other deferred tax assets comprise movements on provisions and other short-term timing differences. At the balance sheet date, there were unused tax losses of approximately £90.0m that are available for offset against future profits. A deferred tax asset of £3.7m has been recognised in relation to £17.5m of these losses. Recognised temporary differences total £0.7m of which £0.6m relates to unpaid bonuses with the balance relating to short term timing differences on contractual liabilities.

The average tax rate applied to deferred tax is greater than the current UK mainstream rate of 19%. This is in line with the substantively enacted UK tax rate at 31 December 2021. Following the substantive enactment of the 2021 Finance Bill on 24 May 2021, of the increase to the main rate of corporation tax, a tax rate of 25% has been applied to all timing differences that are expected to reverse on or after 1 April 2023. This has meant a credit to the tax expense of £0.4m

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17. LEASE LIABILITIES

	2021 £'m	2020 £'m
Lease liabilities included in the balance sheet		
Current	**6.3**	5.9
Non-current	**15.8**	18.7
Total	**22.1**	24.6
Reconciliation of carrying amount		
Carrying amount at 1 January	**24.6**	30.6
Additions	**3.6**	1.9
Interest expense	**0.8**	0.9
Disposals	**(0.5)**	(0.4)
Modification to lease terms	**-**	(1.3)
Lease payments	**(6.2)**	(6.9)
Foreign exchange movement	**(0.2)**	(0.2)
Carrying amount at 31 December	**22.1**	24.6
Maturity analysis – contractual undiscounted cash flows		
Lease liabilities which expire:		
Within one year	**6.4**	6.4
Within two to five years	**18.1**	18.9
After five years	**0.5**	2.6
Total undiscounted lease liabilities at 31 December	**25.0**	27.9
Cash and non-cash movements in lease liabilities		
Cash movements	**(6.2)**	(6.9)
Non-cash movements	**3.7**	0.9
	(2.5)	(6.0)

See related lease disclosure in the financial statements as follows: Short-term lease expense, Low value lease expense and Expense relating to variable lease payments not included in the measurement of lease liabilities are disclosed in Note 6. Interest expense on lease labilities are detailed in Note 9. Right-of-use assets are disclosed in Note 13. The accounting policy for leases is disclosed in Note 3.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

18. TRADE AND OTHER PAYABLES

	2021	2020
	£'m	£'m
Non-current		
Trade payables (including retentions)	**37.2**	36.2
Other payables	**0.2**	-
Total non-current trade and other payables	**37.4**	36.2
Current		
Trade payables (including retentions)	**182.3**	195.1
Contract accruals	**332.4**	308.8
Other taxation and social security	**10.9**	14.3
Other payables	**13.6**	20.1
Payable to related party	**7.2**	5.4
VAT	**62.5**	7.7
Accruals	**25.7**	16.4
Total current trade and other payables	**634.6**	567.8
Total trade and other payables	**672.0**	604.0

An analysis of the maturity of debt is given in Note 22.

Non-current retentions owed to customers as at 31 December 2021 were £37.4m (2020 £36.3m) and current retentions owed to customers as at 31 December 2021 were £50.5m (2020 £59.7m) and current.

The Group's policy is to fix payment terms when agreeing the terms of each transaction. It is the Group's general policy to pay suppliers according to the agreed terms and conditions, provided that the supplier has complied with those terms. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. Therefore, under the normal course of business, the Group is not charged interest on overdue payables. The Board considers that the carrying amount of trade and other payables approximates their fair value.

19. CONSTRUCTION CONTRACTS

Contact assets and liabilities are disclosed on the balance sheet as amounts due from construction contract customers and amounts due to construction contract customer. Where there is a corresponding contract asset and liability in relation to the same contract, the balance sheet is shown in the net position. The timing of the work performed (aligned to the revenue recognised), billing profiles and cash collection results in trade receivables (amounts billed to date and unpaid), contract assets (unbilled amounts where revenue has been recognised and customer advances and deposits (contract liabilities) where corresponding work has yet to be performed, being recognised on the Group's balance sheet.

The reconciliation of the opening to closing contract balance is shown below:

	Contract asset £'m	**Contract liability £'m**
As at 1 January 2020	104.6	(98.6)
Revenue recognised in the year	1,944.5	98.6
Net cash received in advance of performance obligations being fully satisfied	-	(18.6)
Transfers from contract assets to trade receivables	(1,925.2)	-
As at 1 January 2021	123.9	(18.6)
Revenue recognised in the year	2,247.6	18.6
Net cash received in advance of performance obligations being fully satisfied	-	(17.7)
Transfers from contract assets to trade receivables	(2,185.6)	-
As at 31 December 2021	**185.9**	**(17.7)**

Revenue for performance obligations that are not fully satisfied at the year end are expected to be recognised as disclosed in Note 5.

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20. CAPITAL AND OTHER COMMITMENTS

At 31 December 2021, the Group and the Company had no capital commitments (2020 £nil).

21. CONTINGENT LIABILITIES

There are Group cross guarantees from the company with certain subsidiaries with the Group's banks and surety lenders. No monies were outstanding as at 31 December 2021 (2020 £nil). In the normal course of business there are contingent liabilities including the provision of bonds in respect of completed and uncompleted contracts. Bonds are treated as contingent liabilities until such time as it becomes probable payment will be required under the terms of the bond agreement. The total amount of such bank and surety bonds in issue at 31 December 2021 was £155.9m (2020 £141.9m).

22. FINANCIAL INSTRUMENTS

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group from which financial instrument risk arises are shown in the table following.

Categories of financial instruments

	2021	2020
	£'m	£'m
Financial assets (amortised cost)		
Trade receivables (non-current)	**48.2**	37.9
Other receivables (non-current)	**2.0**	0.7
Trade receivables (current)	**244.4**	255.1
Other receivables including related parties (current)	**26.8**	26.6
Cash and cash equivalents	**119.9**	101.5
Total financial assets	**441.3**	421.8
Financial liabilities (amortised cost)		
Trade payables (non-current)	**37.2**	36.2
Other payables (non-current)	**0.2**	-
Lease liabilities (non-current)	**15.8**	18.7
Lease liabilities (current)	**6.3**	5.9
Trade payables (current)	**182.3**	195.1
Other payables (current)	**20.8**	13.8
Contract accruals	**332.4**	308.8
Accruals	**25.7**	16.4
Total financial liabilities	**620.7**	594.9

Financial instruments not carried at fair value
The Board considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximate to their fair values, due to the short maturity of the instruments or because they bear interest at rates approximate to the market.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

Financial risk management

The Group’s activities expose it to a variety of risks, the key risks identified being:

- Market risk
- Credit risk
- Foreign currency risk
- Liquidity risk
- Interest rate risk

This note presents information about the Group’s exposure to each of the above risks and the Group’s objectives, policies and procedures for measuring and managing risk. Please refer also to the principal business risks on pages 26 to 31.

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group’s activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Board reviewed and agreed the policy for managing interest rate risk and foreign currency risk, and the potential impact of any significant economic changes are discussed at monthly Board meetings. Refer to both foreign currency risk and interest rate risk headings below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group’s principal financial assets are cash and cash equivalents, trade and other receivables, and contract assets, that represent the Group’s maximum exposure to credit risk in relation to financial assets. The Group’s credit risk is primarily attributable to its trade and other receivables. The amounts presented in the consolidated balance sheet are net of allowances for doubtful receivables, estimated by the Group’s management based on prior experience and their assessment of the current economic environment.

Cash and cash equivalents
The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies such as Standard and Poor’s, Moody’s and Fitch. No material credit exposure is permitted to a financial institution with a rating lower than BBB- or equivalent. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved financial institutions.

Trade receivables
Trade receivables consist of a large number of customers, spread across diverse geographical areas, and the Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group’s customer base, including default risk of the industry and country in which the customers operate, has less of an influence on credit risk. The Group manages the collection of retentions through its post-completion project monitoring procedures and ongoing contact with customers to ensure that potential issues that could lead to the non-payment of retentions are addressed as soon as they are identified.

The Group does not have any significant net credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets... The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined by references to past default experience and historical data of payment statistics for similar financial assets.

Before accepting any new customer, the Group runs credit checks to assess the potential customer’s credit quality. The Group monitors exposure to individual clients and all customers are subject to standard terms of payment for each division.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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The lifetime expected loss provision for trade receivables is as follows:

	2021 Gross £'m	**Expected Loss Rate**	**2021 Loss Provision £'m**	2020 Gross £'m	Expected Loss Rate	2020 Loss Provision £'m
Not past due	**182.0**	**0%**	**-**	207.5	0.%	-
Past due 0 – 30 days	**14.7**	**3%**	**0.4**	24.1	0%	-
Past due 30 – 60 days	**8.7**	**95%**	**8.3**	8.0	0%	-
Past due 60 – 90 days	**2.1**	**0%**	**-**	4.9	0%	-
Past due 90 – 120 days	**18.3**	**1%**	**0.2**	3.5	0%	-
Past due greater than 120 days	**31.9**	**14%**	**4.4**	11.7	39%	4.6
	257.7	**5%**	**13.3**	259.7	2%	4.6

None of these trade receivables have has a significant change in credit risk since initial recognition and therefore with the Group's history of very low levels of non recoverable amounts there is no collective loss component of the expected credit loss provision applied. Specific loss components of the expected credit loss have been recognised for certain receivables that are in the category of past due 0-30 days, past due 30-60 days, past due 90- -120 days and greater than 120 days.

The following table shows the movement in lifetime expected credit losses that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	2021 £'m	2020 £'m
Balance as at 1 January	**4.6**	2.6
Increase in impairment provision recognised	**11.4**	3.1
Receivables written off as uncollectible	**-**	(0.1)
Amounts recovered during the period	**(2.7)**	(1.0)
Balance as at 31 December	**13.3**	4.6

The increase in the impairment provision in the year is related to the specific impairment of a trade receivable of £8.7m.
In the prior year, impairment provision was related to two customer balances which were recovered in the current year.

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External credit ratings
The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2021	2020
	£'m	£'m
Trade receivables		
A	**158.8**	178.1
B	**60.5**	26.8
Without credit rating	**25.1**	50.2
Total trade receivables	**244.4**	255.1
Cash at bank		
AAA	**-**	-
AA	**5.0**	3.7
A	**114.0**	94.2
BBB	**0.9**	3.6
BB	**-**	-
Without credit rating	**-**	-
Total cash at bank	**119.9**	101.5

Foreign currency risk

The Group has international operations and is exposed to foreign exchange risk. The rate that has the most impact on the results of the Group is primarily the Euro (EUR). The main risk is from net investments in foreign operations, recognised assets and liabilities and future trading transactions. A 10% increase/decrease in Pounds Sterling (GBP) against the EUR would have had a circa £0.6m (2020 £1.7m) impact on trading operating profits. This analysis assumes all other variables, in particular interest rates, remain constant. The Group is exposed to a lesser extent to transactional foreign currency gains and losses through movements in foreign exchange rates as a result of its global operations. A large proportion of the Group's revenues are matched with corresponding operating costs in the same currency. The impact of transactional foreign exchange gains or losses are consequently mitigated and are recognised in the period in which they arise.

The Group monitors the net balance sheet exposure to foreign currency movements and would consider hedging against any material exposure arising. During the period the Group decided not to hedge any exposure to fluctuations in the value of the EUR, SGD, HKD and AED against the GBP since it believed that the cost outweighs the benefit and it would not be in the interests of the Group.

Foreign exchange risk is reviewed on a regular basis by the Treasury Department and the Board, and if considered necessary a strategy to minimise any potential risk will be discussed and implemented. Significant foreign exchange movements are also reviewed by the Board and the process of reviewing different options is undertaken on a quarterly basis.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, relating to operations carried out in local functional currencies, at the reporting date are as follows:

	2021 Assets	**2021 Liabilities**	2020 Assets	2020 Liabilities
	£'m	**£'m**	£'m	£'m
GBP	**318.6**	**522.0**	210.1	432.9
EUR	**85.3**	**128.9**	158.6	157.2
AED	**12.5**	**20.1**	15.4	14.0
HKD	**13.6**	**0.1**	35.7	18.0
SGD	**11.9**	**19.3**	21.3	10.0
MYR	**-**	**-**	5.0	4.4
CNY	**0.9**	**-**	1.2	0.1
BRL	**-**	**0.4**	0.2	2.9
KRW	**-**	**-**	0.8	0.8
Other	**8.5**	**6.7**	0.8	1.2
	451.3	**697.5**	449.1	641.5

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Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate cash reserves, and banking facilities; and by monitoring, forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Further details relevant to the Group's liquidity position and its status as a going concern are included within the directors' report on page 46 and Note 3.

The Group reviews its treasury position daily. A daily cash flow forecast for the next four weeks is prepared on a weekly basis and a six-month forecast is produced monthly. These forecasts are reviewed at a company and Group level. Additionally, there is a detailed review of the assumptions underpinning these forecasts by group finance. Minimum cleared cash levels have been imposed on each subsidiary company and actual balances are monitored against the minimum levels daily. In addition, the top and bottom ten cash contracts by company are reviewed at company and Group level on a monthly basis.

The Group maintains cash pooling structures with relationship banks in GBP and EUR to improve access to cash and to reduce liquidity risk.

Liquidity risk tables
The following tables detail the Group's remaining contractual maturity for its financial assets and liabilities. The tables below have been drawn up based on the earliest date on which the Group can settle the debt. The tables include both interest and principal cash flows.

2021	Carrying amount £'m	Contractual cash flows £'m[1]	Less than 1 year £'m	1-2 years £'m	2-5 years £'m	More than 5 years £'m
Non-derivative financial assets						
Trade receivables (current and non-current)	**292.6**	**292.6**	**244.4**	**40.8**	**7.4**	**-**
Other receivables including related parties (current and non-current)	**28.8**	**28.8**	**26.8**	**1.2**	**0.8**	**-**
Cash and cash equivalents	**119.9**	**119.9**	**119.9**	**-**	**-**	**-**
	441.3	**441.3**	**391.1**	**42.0**	**8.2**	**-**
Non-derivative financial liabilities						
Lease liabilities (current and non-current)	**22.1**	**22.1**	**6.3**	**9.4**	**6.4**	**-**
Trade payables (current and non-current)	**219.5**	**219.5**	**182.3**	**31.2**	**6.0**	**-**
Other payables (current and non-current)	**21.0**	**21.0**	**20.8**	**0.2**	**-**	**-**
Contract accruals and accruals	**358.1**	**358.1**	**358.1**	**-**	**-**	**-**
	620.7	**620.7**	**567.5**	**40.8**	**12.4**	**-**

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2020	Carrying amount £'m	Contractual cash flows £'m[1]	Less than 1 year £'m	1-2 years £'m	2-5 years £'m	More than 5 years £'m
Non-derivative financial assets						
Trade receivables (current and non-current)	293.0	293.0	255.1	37.9	-	-
Other receivables including related parties (current and non-current)	27.3	27.3	26.6	0.7	-	-
Cash and cash equivalents	101.5	101.5	101.5	-	-	-
	421.8	421.8	383.2	38.6	-	-
Non-derivative financial liabilities						
Lease liabilities (current and non-current)	24.6	24.6	5.9	3.6	13.7	1.4
Trade payables (current and non-current)	231.3	231.3	195.1	36.2	-	-
Other payables (current and non-current)	13.8	13.8	13.8	-	-	-
Contract accruals and accruals	325.2	325.2	325.2	-	-	-
	594.9	594.9	540.0	39.8	13.7	1.4

[1] Under IFRS 7 contractual cash flows are undiscounted and include any related future interest payments and therefore may not agree with the carrying amounts in the balance sheet.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument, or cash flows associated with the instrument, will fluctuate due to changes in market interest rates. The Group's only interest-bearing asset is cash.

The Group is exposed to interest rate risk primarily through borrowing funds at floating interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages interest rate risk on borrowings by ensuring access to diverse funding and through monitoring interest rate movements with monthly reports.

Interest rate risk is reviewed on a regular basis and if considered necessary a strategy to minimise any potential risk through interest rate swaps is discussed and implemented. Currently the effect of interest rate changes on net interest income and expense is immaterial to the Group. If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the period would neither increase nor decrease (2020 increase or decrease by £nil) in respect to exposure to the Group's borrowings.

Capital risk management

The Board is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. The Board manages its capital (cash, borrowings and reserves) to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders as well as sustaining the future development of the business.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of ISG Limited, comprising issued capital, reserves and retained earnings.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

23. SHARE CAPITAL

	2021 Group and Parent Company Number	**2021 Group and Parent Company £'m**	2020 Group and Parent Company Number	2020 Group and Parent Company £'m
Ordinary shares of 1p each (2020 1p each) allotted	49,483,864	0.5	49,483,864	0.5
Ordinary shares of 1p each (2020 1p each) allotted and fully paid	49,483,864	0.5	49,483,864	0.5

The company has one class of ordinary shares that carries no rights to fixed income.

On 26 August 2020, the Company completed a share capital reduction amending the nominal value of each share from £1 to 1p. Additionally, the share premium reserve was fully cancelled on the same date.

24. DIVIDENDS

During the period to 31 December 2021 no dividends have been declared or paid. During 2020 no dividends have been declared or paid.

25. NON-CONTROLLING INTERESTS

	2021 £'m	2020 £'m
Balance at the beginning of the period	0.1	0.1
Purchase of NCI	-	-
Other	-	-
Balance at the end of the period	**0.1**	0.1

26. 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. Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The UK subsidiaries are part of the UK tax group that includes the immediate parent, and as such, UK corporation tax group relief is transferred between the UK subsidiaries and the immediate parent.

As at December 2021 there was a £1.4.m creditor (2020 £0.2m), disclosed in payable to related party Note 18, owing to Cathexis UK Holdings Limited relating to UK corporation tax group relief. This balance is payable on demand and does not bear interest.

During 2019 the parent group entered a loan facility, as part of the overall security certain of the Group's trade receivable balances are included in the security pledged, see Note 14.

The Group provides construction services to a fellow subsidiaries of the Cathexis Group (Cathexis Luxembourg Sarl and Ramsgate Lux SCspIV. During the year the Group charged £12.8m (2020: £23.7m) of which £5.5mm (2020: £16.4m) was outstanding and disclosed within trade receivables and retentions as at 31 December 2021 (Note 14).

The Group provides construction management services and management and related services to the Yondr Group, a fellow group in the wider Cathexis Group. During the year the Group charged £0.7m (2020: £0.6m) for management and related services and £0.6m (2020: £9.8m) for construction management services) of which £1.2m (2020: £5.2m) was outstanding and disclosed within trade receivables as at 31 December 2021 (Note 14). During the year, Yondr Group provided construction services to the Group and charged £12.1m (2020: £25.5m) to the Group . As at 31 December 2021 £5.8m (2020: £5.2m) was owed by the Group to Yondr and is disclosed within trade payables and retentions (Note 18).

On 31 December 2020, the Group completed a transaction to transfer the ownership of Commtech Asia Limited and its subsidiaries ("Commtech Group") to become a separate group within the wider Cathexis Group. Details of the disposal are shown in Note 27. On 31 December 2021, the balance of £11.4m inclusive of interest remains unpaid at the end of the year and is disclosed in Note 14, receivable from related parties.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

27. DISPOSAL OF SUBSIDIARIES

During 2021 the Group completed the sale of the following subsidiaries:

ISG Europe SAS ("France") was completed with an effective date of 31 March 2021, with consideration of €1.

A sale and purchase agreement for ISG Asia (Malaysia) Sdn Bhd ("Malaysia") was entered into on 16 December 2020, and the transaction was completed on 1 May 2021. Consideration received was MYR 1. At 31 December 2020, the net assets of Malaysia of £0.6m were disclosed in other receivables, as assets held for sale.

In July 2021 the Group entered into a sale and purchase agreement for the sale of ISG Asia (Hong Kong) Limited ("Hong Kong") and its subsidiary ISG Asia (Macau) Ltd. The sale was completed on 1 September 2021, with initial consideration of HK1.1m and deferred consideration of HK20m payable in 30 equal instalments commencing on 1 March 2022.

The results of the disposed subsidiaries have not been shown as discontinued as the Group continues to operate in the Fit Out arena and the results of the disposals are not material to the Group. The loss on disposal of £7m is included in administrative overheads and in non-underlying items, on page 95, in the income statement for management purposes – unaudited.

Details of the disposals are shown below:

	France £'m	Malaysia £'m	Hong Kong £'m	Total £'m
Cash consideration received	-	-	0.1	**0.1**
Cash disposed	(11.5)	-	(8.5)	**(20.0)**
Net cash disposed of	(11.5)	-	(8.4)	**(19.9)**
Deferred consideration	-	-	1.9	**1.9**
Less net liabilities (other than cash) disposed of:	(6.7)	0.3	(4.6)	**(11.0)**
Pre-tax loss on the disposal of subsidiaries	**(4.8)**	**(0.3)**	**(1.9)**	**(7.0)**
Related tax	-	-	-	**-**
Post tax loss on the disposal of subsidiaries	**(4.8)**	**(0.3)**	**(1.9)**	**(7.0)**

On 31 December 2020, the Group completed a transaction to transfer the ownership of Commtech Asia Limited and its subsidiaries ("Commtech Group") to become a separate group within the wider Cathexis Group. This resulted in the shares of Commtech Asia Limited being sold to Cathexis UK Holdings Limited for £10.9m.

Disposal of Commtech Group	**£'m**
Consideration	10.9
Less	
Net assets of Commtech Group at date of disposal	(8.8)
Disposal of Goodwill (Note 11)	(6.0)
Loss on disposal	**3.9**

Included in the net assets of £8.8m was a cash balance of £5.8m.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

28. PARENT AND ULTIMATE PARENT

The immediate parent company is Cathexis UK Holdings Limited, a company incorporated and registered in the United Kingdom. At 31 December 2021, the company's ultimate parent company was Cathexis Holdings LP, a company incorporated in the United States. The largest group of undertakings for which group accounts are drawn up and of which the company is a member is the group headed by Cathexis Holdings LP. The smallest such group is the group headed by Cathexis UK Holdings Limited. Copies of the group financial statements of Cathexis UK Holdings Limited are available from Companies House. The ultimate controlling party is W B Harrison by virtue of his beneficial interests in the ultimate parent company.

29. POST BALANCE SHEET EVENTS

On 30 March 2022 the Group acquired 60.7% of shares in Kardomagh Holdings Ltd, (“ESS”) for €10.4m in cash. ESS specialise in delivery of modern methods of construction (“MMC”) and also have manufacturing facilities within the UK and Ireland. The principal reason for this acquisition is to bring additional MMC capability and utilise its manufacturing facilities to the wider ISG business and to fast-track ISG’s journey developing and implementing leading-edge built solutions.

Details on the fair value of identifiable assets, liabilities and goodwill at the acquisition date are not able to be provided at the time of reporting as the valuation of the business is underway and not yet finalised.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

30. ADDITIONAL INFORMATION ON SUBSIDIARIES

The details of all the subsidiary companies as at 31 December 2021 were:

Subsidiary undertakings	Country of incorporation/ registration and operation	Address	Activity	Proportion of ordinary shares held by the Group %	Direct/ Indirect Holding
ACE-Engenharia e Construções Limiteda 35.213.630.744	Brazil	Avenida Corifeu, 2.315, 1º andar, sala 03, bairro Butantã, São Paulo/SP, CEP: 05581-001	Non trading	100	Indirect
Interior Services Group Iberia, S.L B85817633	Spain	Avda. de Córdoba 21, 2nd floor, office 1, 28026 Madrid	Fit out and project management	100	Indirect
Interior Service Group Netherlands BV 34327616	Netherlands	Drechterwaard 100 1824 DX Alkmaar Netherlands	Engineering and project management	100	Indirect
Interior Service Group Österreich GmbH FN532793	Austria	1010 Wien Hegelgasse 13 Vienna Austria	Engineering and project management	100	Indirect
ISG (Schweiz) AG CHE.114.516.167	Switzerland	Uetlibergstrasse 132, CH-8031 Zürich, Switzerland	Fit out and project management	100	Indirect
ISG Asia (Singapore) Pte Ltd 199901695H	Singapore	180 Clemenceau Avenue #01-01 Haw Par Centre, Singapore 239922	Fit out and project management	100	Indirect
ISG Asia Group Services Pte Limited 200615572D	Singapore	180 Clemenceau Avenue #01-01 Haw Par Centre, Singapore 239922	Non trading	100	Indirect
ISG Asia Investment (Hong Kong) Limited 0771797	Hong Kong	20/F Parkview Centre, 7 Lau Li Street Tin Hau, Hong Kong	Holding company	100	Indirect
ISG Building Contracting LLC* 772526	UAE	Warehouse no 07, Sulaiman Abdul Khaliq property, Al Quoz Industrial 3, Dubai, United Arab Emirates	Non trading	49	Indirect
ISG Central Services Limited 02997684	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Group services	100	Direct
ISG Construction Limited 00450103	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Construction services	100	Indirect
ISG Construction Services SRL 0846.128.624	Belgium	Auguste Reyerslaan 80, 1030 Schaerbeek, Belgium	Engineering and project management	100	Indirect
ISG Deutschland GmbH HRB73933	Germany	Am Hauptbahnhof 18, 60329, Frankfurt am Main, Germany	Fit out and project management	100	Indirect
ISG Engineering Services Limited 10289327	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Engineering and project management	100	Indirect
ISG Engineering Services Nordic APS 37841226	Denmark	c/o BDO Statsautoriseret Partneraktieselskab Havneholmen 29 1561 Copenhagen, Denmark	Non trading	100	Indirect
ISG Europe Investments BV 000047540338	Netherlands	Drechterwaard 100 1824 DX Alkmaar Netherlands	Holding company	100	Indirect
ISG Fit Out Limited 06954059	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Fit out and project management	100	Indirect
ISG Interior Services Group Ireland Limited 538506	Ireland	One Spencer Dock, North Wall Quay, Dublin 1, Ireland	Fit out and project management	100	Indirect

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

ISG Luxembourg S.à.r.l B227389	Luxembourg	37, rue d'Anvers, c/o AFC Benelux Luxembourg, L-1130, Luxembourg	Fit out and project management	100	Indirect
ISG Middle East LLC* 1065741	UAE	Office 602 Sama Tower, Shaikh Zayed Road, Dubai, UAE	Fit out and project management	49	Indirect
ISG Retail Limited 02721627	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Fit out and refurbishment	100	Indirect
Realys Group Limited 1071483	Hong Kong	20/F Parkview Centre, 7 Lau Li Street, Tin Hau, Hong Kong	Holding company	100	Indirect

* The Group has control over these subsidiaries and consolidates them as the Group has more than 50% of the voting and dividend rights of the entity.

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

The following UK subsidiaries are exempt from the requirements under the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A of the Act.

Subsidiary undertakings (English company registration number)	Country of incorporation/ registration and operation	Address	Activity	Proportion of ordinary shares held by the Group %	Direct/ Indirect Holding
Interior Services Group Limited (4545988)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Holding company	100	Indirect
Interior Services Group (UK Holdings) Limited (4446413)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Holding company	100	Indirect
ISG Construction Holdings Limited (7272660)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Holding company	100	Indirect
ISG Interior Services Group UK Limited (2989004)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Group services	100	Indirect
ISG Jackson Limited (767259)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Construction services	100	Indirect
ISG Northern Limited (315305)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Construction services	100	Indirect
ISG Overseas Investments Limited (3791978)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Holding company	100	Indirect
ISG Pearce Limited (409459)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Construction services	100	Indirect
ISG Retail and Leisure Limited (1346138)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Non trading	100	Indirect
ISG South Limited (07276092)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Construction services	100	Indirect
ISG Technology Solutions Limited	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Technology consulting services	100	Indirect
ISG UK Fit Out Limited (7267349)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Holding company	100	Indirect
ISG UK Retail Limited (4491779)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Holding company	100	Indirect
Realys Limited 08254233	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Non trading	100	Indirect
Realys Holdings Limited (9059862)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Holding company	100	Indirect

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

The details of dormant companies as at 31 December 2021 were:

Subsidiary undertakings (English company registration number)	Country of incorporation/ registration and operation	Address	Activity	Proportion of ordinary shares held by the Group %	Direct/ Indirect Holding
Commtech (UK) Limited (3006483)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
Exterior International Limited (3454602)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Asia Limited (7395385)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Cathedral Limited (3151349)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Developments Limited (1098081)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Developments (Southern) Limited (1801647)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Developments UK Holdings Limited (10618277)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Egypt Limited	Egypt	c/o Al Kamel Law Firm 17 Nabil El Wakad St., Dokki, Giza - Egypt	Dormant	100	Indirect
ISG Europe Limited (7662920)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Jackson Special Projects Limited (541763)	England	Aldgate House, 33 Aldgate High Street, London, EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG Middle East Limited (7395542)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
ISG UK Limited (5086130)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
Propencity Limited (2517333)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
Realys Europe Limited (9227207)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
Totty Developments Limited (3119754)	England	Aldgate House, 33 Aldgate High Street, London EC3N 1AG, United Kingdom	Dormant	100	Indirect
Realys Pte Ltd 201323275M	Singapore	180 Clemenceau Avenue #01-01 Haw Par Centre, Singapore 239922	Dormant	100	Indirect

ISG Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS As at 31 December 2021

Details of companies within the ISG Group that are no longer required and are therefore in the process of liquidation as at 31 December 2021:

Subsidiary undertakings (English company registration number)	Country of incorporation/registration and operation	Address	Activity	Proportion of ordinary shares held by the Group %	Direct/ Indirect Holding
ISG Asia (China) Limited 913101156677845791	China	Room 412, Shanghai Xin Business Centre, 286 Dongfang Road, Pudong New District, Shanghai, PRC	In liquidation	100	Indirect
Realys Hong Kong Limited 1959080	Hong Kong	20/F Parkview Centre, 7 Lau Li Street, Tin Hau, Hong Kong	in liquidation	100	Indirect

* The Group has control over these subsidiaries and consolidates them as the Group has more than 50% of the voting and dividend rights of the entity.

The NCI of all subsidiaries that are not 100% owned by the Group is considered to be immaterial

ISG Limited
COMPANY BALANCE SHEET As at 31 December 2021

	Notes	2021 £'m	2020 £'m
Non-current assets			
Investments	4	**66.5**	66.5
Current assets			
Due from subsidiary		**-**	-
Total assets		**66.5**	66.5
Non-current liabilities			
Due to parent		**-**	-
Total liabilities		**-**	-
TOTAL NET ASSETS		**66.5**	66.5
Capital and reserves			
Called up share capital	5	**0.5**	0.5
Share premium account	5	**-**	-
Merger reserve		**(17.1)**	(17.1)
Retained earnings		**83.1**	83.1
TOTAL SHAREHOLDER'S FUNDS		**66.5**	66.5

The financial statements of the company (company number 10081578) were approved by the Board of directors and authorised for issue on 1 June 2022. They were signed on behalf of the Board of directors. The profit for the period included within the financial statements of the parent company is £nil (2020 £nil). The accompanying notes form part of these financial statements.

M Blowers
Chief Executive Officer

K Booth
Chief Financial Officer

ISG Limited

COMPANY STATEMENT OF CHANGES IN EQUITY As at 31 December 2021

	Note	Share capital £'m	Share premium £'m	Merger reserve £'m	Retained earnings £'m	Total £'m
Balance as of 1 January 2020		49.5	34.1	(17.1)	-	66.5
Share capital reduction		(49.0)	(34.1)	-	83.1	-
Balance as of 1 January 2021		0.5	-	(17.1)	83.1	66.5
Balance at 31 December 2021		**0.5**	**-**	**(17.1)**	**83.1**	**66.5**

The merger reserve was created on the acquisition of ISG Central Services Limited in 2016. The merger reserve comprises the difference between the value of shares issued and the carrying value of investments arising from a group reconstruction under common control. The accompanying notes form part of these financial statements.

ISG Limited

NOTES TO THE COMPANY FINANCIAL STATEMENTS As at 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements (FRS 100) and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements have been prepared on a historical cost basis. The presentation currency used is Pounds Sterling and amounts have been presented in millions. The Group consolidated financial statements are also prepared in accordance with International Financial Reporting Standards, the principal accounting policies adopted are the same as those set out in Note 3 to the consolidated financial statements in so far as they are relevant to the parent company financial statements. The Company is included within the consolidated financial statements of ISG Limited.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- the effect of future accounting standards not yet adopted.
- disclosure of related party transactions with other wholly-owned members of the Group headed by ISG Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of ISG Limited. These financial statements do not include certain disclosures in respect of:

- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value).
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).
- impairment of assets.

Investments

Investments are carried at cost, net of any recognised impairment.

2. PARENT COMPANY PROFIT AND LOSS ACCOUNT

The Company has taken advantage of section 408(3) of the Companies Act 2006 and has not presented its own profit and loss account. The profit for the period was included within the financial statements of the parent company and was £nil (2020 £nil). No dividends were declared or paid in the period (2020: £nil).

3. CASH FLOW STATEMENT

The Company had no bank account or cash flows during the period and therefore, has not prepared a cash flow statement.

4. INVESTMENTS

	2021 **£'m**	2020 £'m
Cost		
At 1 January	**66.5**	66.5
Additions	**-**	-
At 31 December	**66.5**	66.5

See Note 30 of the Group accounts for details of the subsidiary undertakings.

5. SHARE CAPITAL AND DIVIDENDS

For details of the share capital see Note 23 of the Group accounts; for details of the dividends see Note 24 of the Group accounts.

6. STAFF COSTS

There were no employees during the period.

ISG Limited

INCOME STATEMENT FOR MANAGEMENT PURPOSES - Unaudited For the 12 months ended 31 December 2021

	12 months ended 31 December 2021			12 months ended 31 December 2020		
	Reported	**Non underlying**	**Total**	Reported	Non underlying	Total
	£'m	**£'m**	**£'m**	£'m	£'m	£'m
Revenue	**2,263.7**	**(36.8)**	**2,226.9**	2,043.1	(16.8)	2,026.3
Cost of sales	**(2,112.2)**	**35.1**	**(2,077.1)**	(1,925.6)	15.0	(1,910.6)
Gross profit/(loss)	**151.5**	**(1.7)**	**149.8**	117.5	(1.8)	115.7
Administrative expenses			**(106.4)**			(78.1)
Underlying EBITDA			**43.4**			37.6
Non underlying items			**(10.7)**			(13.3)
Depreciation			**(8.6)**			(9.2)
Amortisation			**(5.2)**			(5.3)
Finance costs, net			**(0.4)**			(0.9)
Profit before tax			**18.5**			8.9
Taxation			**(6.7)**			(4.9)
Profit for the period			**11.8**			4.0

We assess the performance of the group using a variety of alternative performance measures that are not defined under UK-adopted international accounting standards and are therefore termed non-GAAP measures. The non-GAAP measures we use are underlying revenue and underlying EBITDA.

The alternative performance measures we use may not be directly comparable with similarly titled measures used by other companies.

The directors believe that presentation of the group's results in this way is relevant to an understanding of the group's financial performance as specific items are those that in management's judgement need to be disclosed by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board.

In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors, such as the frequency or predictability of occurrence.

Non underlying items include:

- the trading results of subsidiaries disposed
- losses on the disposal of subsidiaries (Note 27)
- costs of restructuring and reorganisation of existing businesses
- acquisition costs
- impairment of goodwill.

Appendix 1

Global Reporting Initiative (GRI) content index

Statement of use	ISG Limited has reported the information cited in this GRI content index for the period from 1 January 2021 to 31 December 2021 with reference to GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Topic	GRI disclosure number	GRI disclosure title	Location, notes and omissions
Organisational profile	2-1a	Organisational details – legal name	ISG Limited; Annual financial statements, General information, p. 58
	2-1b	Organisational details – nature of ownership and legal form	Privately owned; Limited company Annual financial statements, General information, p. 58
	2-1c	Organisational details – location of its headquarters	Aldgate House, 33 Aldgate High Street, London EC3N 1AG
	2-1d	Organisational details – countries of operation	Business review, p. 13; Annual financial statements, Additional information on subsidiaries, p. 86
	2-3	Reporting period, frequency and contact point	1 January 2021 to 31 December 2021 Annual; Debbie Hobbs - Group Director ESG Client Solutions Debbie.Hobbs@isgltd.com
	2-5	External assurance	Annual financial statements, Independent auditor's report (BDO LLP), p. 50; Carbon emissions, Streamlined energy and carbon reporting (Avieco), p. 40
Activities and workers	2-6	Activities, value chain and other business relationships	Our services, p. 11; Business review, p. 13; Supply chain, p. 34
Governance	2-9	Governance structure and composition	Governance, p. 26; Annual financial statements, Governance, p. 26
	2-11	Chair of the highest governance body	Our leadership and business structure, p. 10
	2-12	Role of the highest governance body in overseeing the management impacts	Governance, p. 26
	2-13	Delegation of responsibility for managing impacts	Governance, p. 26
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Our corporate goals, p. 11; Our sustainability policies and targets, p. 38
	2-28	Membership associations	Industry bodies, p. 23
Stakeholder engagement	2-29	Approach to stakeholder engagement	Stakeholder engagement, p. 20
Material topics	3-1	Process to determine material topics	Reviewing our material issues, p. 24
	3-2	List of material topics	Materiality assessment 2021, p. 25

GRI Standard	Standard number	GRI disclosure	Location, notes and omissions	UN Sustainable Development Goal supported
Circular economy				
GRI 306: Waste 2020	3-3	Management of material topic	Circular economy, p. 38	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	306-3	Waste generated	Waste reduction and circular economy, p. 43	
	306-4	Waste diverted from disposal	Waste reduction and circular economy, p. 43	
	306-5	Waste directed to disposal	Waste reduction and circular economy, p. 43	
Climate change and carbon				
GRI 302: Energy 2016	3-3	Management of material topic	Climate change and carbon, p. 38	13 CLIMATE ACTION
	302-1	Energy consumption within the organisation	Climate change and carbon, p. 99 (Appendix 2)	
GRI 305: Emissions 2016	3-3	Management of material topic	Climate change and carbon, p. 38; 40; 42	
	305-1	Direct (Scope 1) GHG emissions	Climate change and carbon, p. 41; 99 (Appendix 2)	
	305-2	Energy indirect (Scope 2) GHG emissions	Climate change and carbon, p. 41; 99 (Appendix 2)	
	305-4	GHG emissions intensity	Climate change and carbon, p. 99 (Appendix 2)	
	305-5	Reduction of GHG emissions	Climate change and carbon, p. 42	
Supply chain				
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topic	Supply chain, p. 22; 34	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	308-1	New suppliers that were screened using environmental criteria	Supply chain, p. 34	
Health and safety				
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topic	Health and safety, p. 37	3 GOOD HEALTH AND WELL-BEING
	403-1	Occupational H&S management system	Health, safety and well-being of stakeholders, p. 29	
	403-9	Work-related injuries	Health and safety, p. 37	

GRI Standard	Standard number	GRI disclosure	Location, notes and omissions	UN Sustainable Development Goal supported
Employees				
GRI 401: Employment	3-3	Management of material topic	Employees, p. 21; 32	8 DECENT WORK AND ECONOMIC GROWTH
	401-1	New employee hires and employee turnover	Employees, p. 32 Excluding number and rate of employee turnover and excluding breakdown by age group, gender and region	
GRI 404: Training and Education 2016	3-3	Management of material topic	Employees, p. 21; 33	4 QUALITY EDUCATION
	404-1	Average hours of training per year per employee	Employees, p. 32 Excluding breakdown by gender and employee category	
Financial				
GRI 201: Economic Performance 2016	3-3	Management of material topic	Annual financial statements, p. 46	8 DECENT WORK AND ECONOMIC GROWTH
	201-1	Direct economic value generated and distributed	Annual financial statements, p. 46	
	201-4	Financial assistance received from the government	Annual financial statements, Government grant income, p. 67	
GRI 207: Tax 2019	3-3	Management of material topic	Annual financial statements; Taxation, p. 69	
	207-1	Approach to tax	Annual financial statements; Taxation, p. 69; Tax on profit on ordinary activities, p. 69	

Appendix 2

Streamlined Energy and Carbon Reporting (SECR)

	2020			2021			Operational control scope
	Energy	Emissions		Energy	Emissions		
	kWh	tCO_2e (location-based)	tCO_2e (market-based)	kWh	tCO_2e (location-based)	tCO_2e (market-based)	
UK purchased electricity	9,139,403	2,131	1,232	9,107,904	1,934	1,000	Scope 2
UK combustion of gaseous fuels i.e. natural gas and LPG	912,838	169	169	865,664	172	172	Scope 1
UK combustion of other fuels (non-transport) i.e. red diesel, HVO, petrol, diesel, fuel oil	10,956,913	2,820	2,820	12,378,063	3,252	3,252	Scope 1
UK business travel in ISG fleet cars				40,101	8	8	Scope 1
UK business travel in rental cars or employee-owned vehicles where ISG is responsible for purchasing the fuel	7,084,425	1,777	1,777	8,751,952	2,164	2,164	Scope 3
UK total	**28,093,579**	**6,896**	**5,997**	**31,143,683**	**7,530**	**6,596**	
UK intensity ratio (UK carbon emissions by turnover intensity metric)		**0.484** tCO_2e/£100,000 turnover	**0.421** tCO_2e/£100,000 turnover		**0.418** tCO_2e/£100,000 turnover	**0.367** tCO_2e/£100,000 turnover	

Officers and professional advisors

Directors

W Harrison (Chairman)
M Blowers (Chief Executive Officer)
K Booth (Chief Financial Officer)
R Hubbard (Chief Marketing Officer)
J Falconer (Chief Human Resources Officer)
Z Price (Chief Operating Officer, UK)
B Korink (Chief Operating Officer, International)
T Smith (Chief Commercial Officer)
P Cossell (Vice Chairman)
J Rinando (Non-Executive Director)

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N Heard

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