

Company Registration No. 03093787 (England and Wales)

Giant Group Plc

**Annual report and
group financial statements
for the year ended 31 May 2020**

Giant Group Plc

Company information

Directors Matthew Brown
Mark McAllister
Michael Henry
Selina Rabbani

Secretary Michael Henry

Company number 03093787

Registered office 7th Floor
3 Harbour Exchange Square
London
E14 9TQ

Independent auditor Saffery Champness LLP
City Tower
Piccadilly Plaza
Manchester
M1 4BT

Giant Group Plc

Contents

	Page
Strategic report	1 - 3
Directors' report	4 - 6
Directors' responsibilities statement	7
Independent auditor's report	8 - 10
Group statement of comprehensive income	11
Group statement of financial position	12
Company statement of financial position	13
Group statement of changes in equity	14
Company statement of changes in equity	15
Group statement of cash flows	16
Notes to the financial statements	17 - 33

Giant Group Plc

Strategic report

For the year ended 31 May 2020

The directors present the strategic report for the year ended 31 May 2020.

Financial Performance

Gross profit was £5,514k (2019 - £6,462k) generating a 2.5% (2019 -3.8%) gross profit margin and operating profit, excluding depreciation was £1,369k (2019 - £1,874k).

The results for the year and the financial position of the company are as shown in the annexed financial statements.

The group's key financial and other performance indicators during the year are as follows:

	2020	2019
	£	£
Turnover	218,847,847	169,726,018
Profit Before Tax	1,549,027	1,880,192
EBITDA*	1,553,611	1,883,553
Average number of workers on assignment	3,760	3,727

*Earnings Before Interest, Taxation, Depreciation and Amortisation

Fair review of the business

Service levels and performance were achieved at the standard set at the start of the year. No significant deviation from either process or service.

We continue to focus on quality led technology, processes and support services to fulfil our strategy across the Giant group of companies of providing complimentary compliance driven global workforce solutions via our cloud based, end to end proprietary software and managed services.

Margins and contractor employees remain our main key performance indicators for the business together with the monitoring of cash balances and trade debtors. Though average paid contracts were 3,760 for the year but, by May 20 this number was 5,683.

Worker tenure and pay rates positively contributed to improved revenues and margins for the year. Margin management and overhead cost control continue to be the main themes for the success of the business as well as the focus on customer service and technology.

Investment in our business

We continue to invest in our business in line with changes in tax and employment legislation, client requirements and continual improvement of our information technology capability. In addition, we remain focused on quality processes and training for our people to enable excellent customer service.

Investment in our communities

Our company remains committed to supporting our communities where we can either via our key customers or suppliers or from our contacts within the local business community.

The year ahead

Our strategy across the Giant group of companies continues to be providing a mix of software and or services to help companies manage their workforce.

Giant Group Plc

Strategic report (continued) For the year ended 31 May 2020

The announcement of government legislation with regards to Off Payroll Working (IR35) with effect from April 2021 in the private sector will represent significant opportunities across giant group of companies. This matches our theme of innovation and best value customer service and aligns with our strategy seeking growth.

Going Concern and Covid-19

Like many businesses within our sector Covid-19 was a key consideration for the business at the end of our financial period.

Additional management attention was given to the cash flow forecasts on a weekly basis. The Board have considered these forecasts and are satisfied that the cash flow forecasts for the period of 12 months from the date of signing the financial statements, in the light of Coronavirus and taking account of certain Government assistance, show that the company can meet its liabilities as they fall due.

At the start of the Covid-19 pandemic in early March 2020, we were in a position of great financial uncertainty. Following our financial year end of May 2020, we have seen a series of sequential improvements that has allowed us to be in a better financial position and have a more positive outlook than we had initially thought. This gave us the opportunity to settle our VAT liabilities many months earlier than the deferred HMRC deadline of 31st March 2021.

In the spirit of the government's plan to protect and support those in the time of great need we made use of the Coronavirus Job Retention scheme (CJRS).

We claimed and received grants for our permanent workforce primarily for a redundancy decision (Covid-19 related). For all individuals who have returned to employment we have arranged for grants to be refunded to HMRC.

The furlough scheme we operated for our contractor workforce has represented a substantial cost to the business, which is unrecoverable because our business model relies on each contractor generating income from working on temporary assignments for hirers, from which we would normally retain a fixed weekly margin. Had we not made the decision to incur the costs of operating the furlough scheme, a large population of the contingent workforce would have had no income during this period.

Principal risks and uncertainties

From the weekly senior management review meetings and the monthly board meetings the directors of the business together with management teams have created an effective process to identify and evaluate key business risks faced by the business. All risks are assessed against the strategic objectives in place. The business risks include:

- Health and Safety risk
- Operational risks arising from the nature of the work undertaken
- External business risks, including regulatory and compliance obligations
- Legal risks resulting from contracts with suppliers and customers as well as employee contracts
- Financing risks, predominately cash management of debtors
- Tax risk, our tax strategy is published on our website
- Information risks such as data protection, cyber-security and integrity of IT systems.

Our market sectors, competitors, partnerships, and the impact of political decisions may have an effect on our trading activity and therefore primary sources for risk assessments.

Section 172(1) statement and corporate governance

The company recognises the importance of delivering effective corporate governance in supporting the long-term success and sustainability of its business. The members of the board bring a wide range of technical and industrial experience when making decisions. We have considered the UK Corporate Governance Code - July 2018 and as such have the following principles of operation and engagement:

Training

With approaching 30 years' experience in this industry the stakeholders of the business ensure that director awareness of standards, policies and company strategy are understood with a process to enable future development in place. Executive coaching and training are in place with senior leaders.

Board meetings

The company holds monthly Board meetings throughout the year and is supported by management and various departmental divisions providing timely and detailed information in support of the Board's decision-making. The Board operates an agenda of items appropriate to the size and complexity of the business.

Decision making

The fundamental approach to making effective decisions remains the need to consider the interests of the company employees together with the business relationships of our customers and suppliers. With both effective Executive Board meetings and regular management team operational meetings considered decision making remains our focus.

The company actively engages with key customers on a regular basis via service reviews and feedback.

Principal decisions

Principal decisions are undertaken by the operational management teams with clear delegated authority. Any subsequent case due to changes impacting our stakeholders are then referred to Group Directors. The Group Directors (client, operations, IT and finance) together with the Group CEO are the final decision makers for all matters with long term consequences.

Culture

The company values form the principles of the culture, and are used by the Board, acting as a guiding framework for decision making. Good governance and effective communication are essential to ensuring business decisions and conduct are of a high standard. This assists with the delivery of our purpose, whilst at the same time protecting the company's reputation.

On behalf of the board

Michael Henry
Director

23 February 2021

Giant Group Plc

Directors' report For the year ended 31 May 2020

The directors present their annual report and financial statements for the year ended 31 May 2020.

Principal activities

The business employs contract workers who are provided to customers to fulfil a variety of assignments.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Matthew Brown
Mark McAllister
Michael Henry
Selina Rabbani

Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £279,001 (2019: £723,100). The directors do not recommend payment of a final dividend.

Employment and Employee Engagement

Our people and their welfare

Being a privately owned and managed business ensures that the right people principals and culture remains key to our success. We provide a helpline (Employee Assistance Programme) for any additional support that may be required but find our “open door” policy together with being straightforward and clear in our communication the best process.

Employee voice and communication

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

The business has invested and promoted an on-line platform to promote engagement and information across individuals and teams. From anniversaries, recognition and company messaging, the application has had a significant impact on helping people work together. This has had a bigger impact following periods of lockdown where we moved to a “working from home” basis.

Diversity

The group continues to attract and employ regardless of ethnic, religious, culture or gender background. This is reflected in many levels of management across the group as well as amongst our teams.

Giant Group Plc

Directors' report (continued) For the year ended 31 May 2020

Disability

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Financial risk management

Price risk

The group operates in a competitive industry and manages the risk this poses through continued investment in people, equipment, and service offering.

Credit risk

Though minimal for this business due to the business model that is in operation credit sales remains the key credit risk. It is company policy that all new customers are reviewed for creditworthiness and appropriate credit limits are established at the outset of any new customer relationship. Any credit provided outside of standard terms are not provided unless a relevant credit insurance plan is in place.

Liquidity risk

The group manages all aspects of its cash requirements to ensure the group has sufficient liquid resources to meet the operating needs of the business.

Cash flow risk

The group finances its operations through a mixture of retained profits and cash balances. It operates a treasury function appropriate for the sale and complexity of its business, which is responsible for managing the regulatory, liquidity and credit risks.

Foreign currency risk

There is a minimum level of exchange risk for the group as trading is predominately in pounds sterling.

Streamlined energy and carbon report

The group is committed to achieving net zero carbon emissions by 2050, in line with the UK Government's overall target. The group will deliver this by building on our track record of innovation, underpinned by our model of self-delivery.

Managing environmental impacts

The group operates as effectively and positively as it can to consider the office environment within it operates and the expectations of its people.

Reporting boundary

The offices that the group operates from are either fully serviced where they group does not have access to the energy information or they are shared with the other Giant group of companies Giant Precision Limited group. The energy consumption for Giant Precision Limited group and its associated companies, including Giant Group plc, is reporting in the Giant Precision Limited financial statements.

Giant Group Plc

Directors' report (continued) For the year ended 31 May 2020

Corporate social responsibility

The group holds ISO 14001 certification demonstrating its commitment to reducing its impact on the environment and providing assurance to management and employees as well as external stakeholders that its environmental impact is being measured and improved.

Charitable donations

The group launched giant giving – our charitable initiative – with all staff during presentations at the beginning of 2020. The primary chosen charity is the Great Ormond Street Hospital and run campaigns in partnership with well-known brands such as The John Lewis Partnership. The group commits to doubling the donation amount if below £5,000 a year is raised; and tripling the amount if over £5000 is raised.

Matters covered by the strategic report

Details of future developments; events after the year end and the directors regard to the need to foster the group's business relationships are not shown in the Directors' Report because they are instead shown in the Strategic Report under S414(C).

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors, individually have, taken all the necessary steps that they ought to, have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company auditor is aware of that information.

On behalf of the board

Michael Henry
Director

23 February 2021

Giant Group Plc

Directors' responsibilities statement For the year ended 31 May 2020

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Giant Group Plc

Independent auditor's report To the members of Giant Group Plc

Opinion

We have audited the financial statements of Giant Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2020 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Giant Group Plc

Independent auditor's report (continued) To the members of Giant Group Plc

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Giant Group Plc

Independent auditor's report (continued) To the members of Giant Group Plc

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

**Simon Kite BSc FCA (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP**

26 February 2021

**Chartered Accountants
Statutory Auditors**

City Tower
Piccadilly Plaza
Manchester
M1 4BT

Giant Group Plc**Group statement of comprehensive income
For the year ended 31 May 2020**

		2020	2019
	Notes	£	£
Turnover	3	218,847,84	169,726,01
Cost of sales		(213,334,72 <u>98</u>)	(163,263,85 <u>22</u>)
Gross profit		5,513,549	6,462,496
Administrative expenses		(6,667,527)	(5,917,664)
Other operating income		2,517,960	1,268,100
Operating profit	4	1,363,982	1,812,932
Interest receivable and similar income	8	185,045	67,260
Profit before taxation		1,549,027	1,880,192
Tax on profit	9	(276,856)	(381,289)
Profit for the financial year	20	1,272,171	1,498,903

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

Giant Group Plc**Group statement of financial position
As at 31 May 2020**

	Notes	£	2020	2019
			£	£
Fixed assets				
Tangible assets	11		9,712	10,207
Current assets				
Debtors	15	12,062,756	6,186,958	
Cash at bank and in hand		33,385,728	8,809,508	
		<u>45,448,484</u>	<u>14,996,466</u>	
Creditors: amounts falling due within one year	16	(42,598,997)	(13,140,644)	
Net current assets			<u>2,849,487</u>	<u>1,855,822</u>
Total assets less current liabilities			<u><u>2,859,199</u></u>	<u><u>1,866,029</u></u>
Capital and reserves				
Called up share capital	19	12,620	12,620	12,620
Capital redemption reserve	20	10,040	10,040	10,040
Profit and loss reserves	20	2,836,539	1,843,369	1,843,369
Total equity			<u><u>2,859,199</u></u>	<u><u>1,866,029</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 February 2021 and are signed on its behalf by:

Michael Henry
Director

Giant Group Plc**Company statement of financial position
As at 31 May 2020**

			2020		2019
	Notes	£	£	£	£
Fixed assets					
Investments	12		103		5
Current assets					
Debtors	15	-		121	
Cash at bank and in hand		146,017		100,411	
		<u>146,017</u>		<u>100,532</u>	
Creditors: amounts falling due within one year	16	(45,973)		(2)	
		<u>(45,973)</u>		<u>(2)</u>	
Net current assets			100,044		100,530
			<u>100,044</u>		<u>100,530</u>
Total assets less current liabilities			100,147		100,535
			<u><u>100,147</u></u>		<u><u>100,535</u></u>
Capital and reserves					
Called up share capital	19		12,620		12,620
Capital redemption reserve	20		10,040		10,040
Profit and loss reserves	20		77,487		77,875
			<u>100,147</u>		<u>100,535</u>
Total equity			100,147		100,535
			<u><u>100,147</u></u>		<u><u>100,535</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £278,613 (2019 - £722,647 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 23 February 2021 and are signed on its behalf by:

Michael Henry
Director

Company Registration No. 03093787

Giant Group Plc**Group statement of changes in equity
For the year ended 31 May 2020**

	Notes	Share capital £	Profit and loss on reserves £	Total £	
Balance at 1 June 2018		12,620	10,040	1,067,566	1,090,226
Year ended 31 May 2019:					
Profit and total comprehensive income for the year		-	-1,498,903	1,498,903	
Dividends	10	-	-(723,100)	(723,100)	
Balance at 31 May 2019		12,620	10,040	1,843,369	1,866,029
Year ended 31 May 2020:					
Profit and total comprehensive income for the year		-	-1,272,171	1,272,171	
Dividends	10	-	-(279,001)	(279,001)	
Balance at 31 May 2020		12,620	10,040	2,836,539	2,859,199

Giant Group Plc

**Company statement of changes in equity
For the year ended 31 May 2020**

	Notes	Share capital £	Profit and loss on reserves £	Total £	
Balance at 1 June 2018		12,620	10,040	78,328	100,988
Year ended 31 May 2019:					
Profit and total comprehensive income for the year		-	-	722,647	722,647
Dividends	10	-	-	(723,100)	(723,100)
Balance at 31 May 2019		12,620	10,040	77,875	100,535
Year ended 31 May 2020:					
Profit and total comprehensive income for the year		-	-	278,613	278,613
Dividends	10	-	-	(279,001)	(279,001)
Balance at 31 May 2020		12,620	10,040	77,487	100,147

Giant Group Plc**Group statement of cash flows
For the year ended 31 May 2020**

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	24	24,938,131	(3,101,469)
Income taxes paid		(263,866)	(405,113)
		<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities		24,674,265	(3,506,582)
Investing activities			
Purchase of tangible fixed assets		(4,089)	(11,705)
Other income received		-	7,000
Interest received		185,045	67,260
		<u> </u>	<u> </u>
Net cash generated from investing activities		180,956	62,555
Financing activities			
Dividends paid to equity shareholders		(279,001)	(723,100)
		<u> </u>	<u> </u>
Net cash used in financing activities		(279,001)	(723,100)
Net increase/(decrease) in cash and cash equivalents		24,576,220	(4,167,127)
Cash and cash equivalents at beginning of year		8,809,508	12,976,635
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year		33,385,728	8,809,508
		<u> </u>	<u> </u>

1 Accounting policies

Company information

Giant Group Plc (“the company”) is a private limited company incorporated in England and Wales. The registered office is 7th Floor, 3 Harbour Exchange Square, London, E14 9TQ.

The group consists of Giant Group Plc and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 ‘Share based Payment’: Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

1 Accounting policies (continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against the group or negative goodwill. The group financial statements incorporate those of Giant Group Plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 May 2020. 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 and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at fair value of the consideration received excluding discounts, rebates, VAT and other sales taxes.

Revenue is recognised when the agency approves the timesheets submitted by the worker. This is done either by receipt of a payment file, or when the invoice containing the relevant timesheet data is settled by the agency. All unpaid or unapproved timesheets are recognised as deferred income.

1 Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	3 years straight line
Fixtures and fittings	3 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1 Accounting policies (continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies (continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Pay between assignments

The company provides its contractor employees with the potential to receive pay between individual assignments, subject to certain conditions being met. The company has released the fees collected in the year such that only a provision for the potential payments to be made in the following year remains. This is based on management's best estimate using historical results and expected changes to the entity and environment in which it operates.

3 Turnover and other revenue

Turnover is wholly attributable to the primary activity of the company. A geographical analysis of the group's turnover is provided below.

Giant Group Plc**Notes to the financial statements (continued)
For the year ended 31 May 2020****3 Turnover and other revenue (continued)**

	2020	2019
	£	£
Other significant revenue		
Interest income	185,045	67,260
Grants received	1,009,620	-
Release of aged revenue provisions	1,183,939	1,261,100
	<u> </u>	<u> </u>

	2020	2019
	£	£
Turnover analysed by geographical market		
UK	218,521,01	169,210,44
Europe	(37,404)	260,187
Rest of the world	364,234	255,390
	<u> </u>	<u> </u>
	<u>218,847,84</u>	<u>169,726,01</u>
	<u> 7</u>	<u> 8</u>

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	94	125
Government grants	(1,009,620)	-
Depreciation of owned tangible fixed assets	4,584	3,361
Operating lease charges	24,120	19,617
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £94 (2019 - £125).

See strategic report for a description of the government grants.

Giant Group Plc**Notes to the financial statements (continued)
For the year ended 31 May 2020****5 Auditor's remuneration**

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,600	3,500
Audit of the financial statements of the company's subsidiaries	19,825	19,250
	<u>23,425</u>	<u>22,750</u>
For other services		
Taxation compliance services	3,545	4,950
All other non-audit services	3,350	3,250
	<u>6,895</u>	<u>8,200</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Flexible workers	3,760	3,727	-	-
Administrative	97	75	-	-
Directors	4	4	2	2
	<u>3,861</u>	<u>3,806</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	187,925,23	145,704,64	-	-
Social security costs	22,868,579	17,138,780	-	-
Pension costs	2,604,717	2,049,562	-	-
	<u>213,398,52</u>	<u>164,892,98</u>	<u>-</u>	<u>-</u>
	<u>9</u>	<u>3</u>	<u>-</u>	<u>-</u>

Giant Group Plc**Notes to the financial statements (continued)
For the year ended 31 May 2020****7 Directors' remuneration**

	2020	2019
	£	£
Remuneration for qualifying services	422,454	521,273
Company pension contributions to defined contribution schemes	23,940	24,446
	<u>446,394</u>	<u>545,719</u>
	<u><u>446,394</u></u>	<u><u>545,719</u></u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	174,473	284,780
	<u>174,473</u>	<u>284,780</u>
	<u><u>174,473</u></u>	<u><u>284,780</u></u>

During the year 3 directors (2019: 3 directors) accrued benefits under defined contribution pension schemes.

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	45,560	24,816
Other interest income	139,485	42,444
	<u>185,045</u>	<u>67,260</u>
Total income	<u><u>185,045</u></u>	<u><u>67,260</u></u>

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	284,166	382,779
Adjustments in respect of prior periods	(10,735)	-
	<u>273,431</u>	<u>382,779</u>
Total current tax	<u><u>273,431</u></u>	<u><u>382,779</u></u>

Giant Group Plc**Notes to the financial statements (continued)
For the year ended 31 May 2020****9 Taxation**

	2020	2019
	£	£
Deferred tax		(continued)
Origination and reversal of timing differences	3,425	(1,490)
	<u> </u>	<u> </u>
Total tax charge	276,856	381,289
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	1,549,027	1,880,192
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	294,315	357,236
Tax effect of expenses that are not deductible in determining taxable profit	5,031	15,008
Tax effect of income not taxable in determining taxable profit	-	86
Gains not taxable	-	108
Adjustments in respect of prior years	(10,735)	7,706
Deferred tax adjustments in respect of prior years	(11,755)	1,083
	-	62
	<u> </u>	<u> </u>
Taxation charge	276,856	381,289
	<u> </u>	<u> </u>

The main rate of corporation tax for the year ended 31 March 2020 was 19%. The government originally announced that from 1 April 2020 the rate will be 17%. However, at the budget in March 2020 it was proposed that the corporation tax rate from 1 April 2020 would be 19% and the same rate will apply from 1 April 2021.

Giant Group Plc**Notes to the financial statements (continued)
For the year ended 31 May 2020****10 Dividends**

	2020	2019
	£	£
Final paid	279,001	723,100
	<u> </u>	<u> </u>

11 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Computer s £	Total £
Cost				
At 1 June 2019	9,150	22,216	235,739	267,105
Additions	4,089	-	-	4,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2020	13,239	22,216	235,739	271,194
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 June 2019	1,297	20,643	234,958	256,898
Depreciation charged in the year	3,732	580	272	4,584
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2020	5,029	21,223	235,230	261,482
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 May 2020	8,210	993	509	9,712
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2019	7,853	1,573	781	10,207
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company had no tangible fixed assets at 31 May 2020 or 31 May 2019.

12 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Unlisted investments	-	-	103	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Giant Group Plc

Notes to the financial statements (continued) For the year ended 31 May 2020

12 Fixed asset investments (continued)

Movements in fixed asset investments

Company

Investment
s other
than loans
£

Cost or valuation

At 1 June 2019

5

Additions

100

At 31 May 2020

105

Impairment

At 1 June 2019

-

Impairment losses

2

At 31 May 2020

2

Carrying amount

At 31 May 2020

103

At 31 May 2019

5

13 Subsidiaries

Details of the company's subsidiaries at 31 May 2020 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Giant Consultancy Limited	1	Dormant	Ordinary	100.0	0
Giant Professional Limited	1	Third party payroll	Ordinary	100.0	0
Giant Services Limited	1	Services	Ordinary	100.0	0
Giant Strongbox Limited	1	Dormant	Ordinary	100.0	0
Giant Transactions Limited	1	Dormant	Ordinary	100.0	0
Giant Business Limited	1	Dormant	Ordinary	100.0	0

Registered office addresses (all UK unless otherwise indicated):

1 7th Floor, 3 Harbour Exchange Square, London, E14 9TQ, United Kingdom.

Giant Group Plc**Notes to the financial statements (continued)
For the year ended 31 May 2020****14 Financial instruments**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Carrying amount of financial assets				
Financial instruments measured at amortised cost	11,955,041	6,084,661	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	7,521,777	5,717,061	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

15 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	6,016,230	2,019,756	-	-
Amounts owed by group undertakings	-	-	-	121
Other debtors	5,938,811	4,064,905	-	-
Prepayments and accrued income	74,416	65,573	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	12,029,457	6,150,234	-	121
Deferred tax asset (note 17)	33,299	36,724	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	12,062,756	6,186,958	-	121
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Giant Group Plc**Notes to the financial statements (continued)****For the year ended 31 May 2020****16 Creditors: amounts falling due within one year**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	66,773	105,498	-	-
Amounts owed to group undertakings	-	-	12,059	-
Corporation tax payable	206,707	197,142	-	-
Other taxation and social security	34,870,513	7,226,441	-	-
Other creditors	6,017,107	4,655,569	33,914	-
Accruals and deferred income	1,437,897	955,994	-	2
	<u>42,598,997</u>	<u>13,140,644</u>	<u>45,973</u>	<u>2</u>

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2020 £	Assets 2019 £
Fixed asset timing differences	7,544	1,596
Short term timing differences	25,755	35,128
	<u>33,299</u>	<u>36,724</u>

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2020 £	Company 2020 £
Asset at 1 June 2019	(36,724)	-
Charge to profit or loss	3,425	-
Asset at 31 May 2020	<u>(33,299)</u>	<u>-</u>

£25,755 of the deferred tax asset set out above is expected to reverse within 12 months and relates to fixed asset timing differences and short term timing differences on pension.

Giant Group Plc

Notes to the financial statements (continued) For the year ended 31 May 2020

18 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	2,604,717	2,049,562

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The outstanding amount included in creditors for pension contributions as at 31 May 2020 amounted to £803,212 (2019: £322,435).

19 Share capital

	Group and company	
	2020	2019
Ordinary share capital Issued and fully paid	£	£
50,000 Ordinary shares of £1 each	12,620	12,620

Of the 50,000 ordinary shares allotted and issued, 12,620 have been fully paid and 37,380 are unpaid.

20 Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss reserves

This represents cumulative profits or losses net of distributions to owners and other adjustments.

Giant Group Plc

Notes to the financial statements (continued) For the year ended 31 May 2020

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	40,511	21,136	-	-
Between two and five years	31,704	72,216	-	-
	<u>72,215</u>	<u>93,352</u>	<u>-</u>	<u>-</u>

22 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption provided by section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of the group, provided that any subsidiary undertaking which is party to the transactions is wholly owned by a member of the group.

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2020	2019	2020	2019
	£	£	£	£
Group				
Other related parties	1,321,348	423,452	1,687,657	1,244,751
	<u>1,321,348</u>	<u>423,452</u>	<u>1,687,657</u>	<u>1,244,751</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	£	£
Group		
Other related parties	1,724,996	296,858
	<u>1,724,996</u>	<u>296,858</u>

The above balances have been disclosed within other creditors.

Giant Group Plc

Notes to the financial statements (continued) For the year ended 31 May 2020

22 Related party transactions (continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance £	2019 Balance £
Group		
Other related parties	5,107,693	3,943,623

The above balances have been disclosed within other debtors.

23 Controlling party

The ultimate controlling party is Matthew Brown, a director of the company and majority shareholder of Giant Group plc.

24 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,272,171	1,498,903
Adjustments for:		
Taxation charged	276,856	381,289
Investment income	(185,045)	(67,260)
Depreciation and impairment of tangible fixed assets	4,584	3,361
Other income	-	(7,000)
Movements in working capital:		
(Increase) in debtors	(5,879,223)	(2,859,700)
Increase/(decrease) in creditors	29,448,788	(2,051,062)
Cash generated from/(absorbed by) operations	24,938,131	(3,101,469)

25 Analysis of changes in net funds - group

	1 June 2019 £	Cash flows £	31 May 2020 £
Cash at bank and in hand	8,809,508	24,576,220	33,385,728

