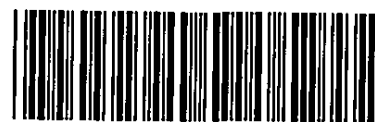


**REGISTERED NUMBER: 3093787 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2010  
FOR  
GIANT GROUP PLC**

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**GIANT GROUP PLC (REGISTERED NUMBER: 3093787)**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MAY 2010**

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**GIANT GROUP PLC**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST MAY 2010**

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**DIRECTORS:**

M J Brown  
M McAllister

**SECRETARY:**

M Wahab

**REGISTERED OFFICE:**

5th Floor  
1 New Oxford Street  
London  
WC1A 1GG

**REGISTERED NUMBER:**

3093787 (England and Wales)

**AUDITORS:**

Joseph Kahan Associates LLP  
Chartered Accountants  
Statutory Auditors  
923 Finchley Road  
London  
NW11 7PE

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2010**

The directors present their report with the financial statements of the company and the group for the year ended 31st May 2010

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the provision of outsourced administrative and payroll services and the provision of consultancy services via contracts with recruitment agencies

**REVIEW OF BUSINESS**

Despite difficult economic conditions, the directors are satisfied with the group's robust results for the year and its financial position as at 31st May 2010. The most significant risk faced by the group is regulatory risk in relation to changes in employment and tax legislation.

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

	2010	2009
	£	£
Turnover	336,038,768	394,119,505
Gross Profit	9,310,605	12,218,682

**DIVIDENDS**

No interim dividends had been paid during the year (2009 - £392,000). The Directors do not recommend the payment of a final dividend.

**DIRECTORS**

The directors during the year under review were

M J Brown  
M J Healy  
M McAllister

- resigned 15 7 2009

The beneficial interests of the directors holding office on 31st May 2010 in the issued share capital of the company were as follows

	31 5 10	1 6 09
<b>Ordinary £1 shares</b>		
M J Brown	37,650	37,650
M McAllister	2,510	2,510

**GROUP'S POLICY ON PAYMENT OF CREDITORS**

The group's current policy concerning the payment to suppliers is to -

a) Agree the terms of payments when agreeing the terms of each transaction, and ensure that suppliers are made aware of their inclusion in contracts

b) Pay in accordance with its contractual and other legal obligations

The average creditor payment days in 2010 were 30 days

**DONATIONS**

During the year the Group donated £13,651 (2009 - £195) to charitable causes. The Group made no EU political donations during the year (2009 - £Nil).

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2010**

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**STAFF POLICY**

The Group is committed to employment policies which follow best practice, with regards to the employment, training, career development and promotion of disabled people. These policies are based on equal opportunities for all employees irrespective of sex, race, national origin, religion, colour, disability, sexual orientation, age or marital status.

Employees are kept closely involved in major changes affecting them through such measures as team meetings, briefings, internal communications and opinion surveys. There are well established procedures, including regular meetings to ensure that the view of employees are taken into account in reaching decisions.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The group uses various financial instruments including cash, receivables and payables to raise finance for the company's day to day operations.

The group's main risk arising from company's financial instruments are liquidity risk, legislation risk and credit risk.

**Liquidity risk** - The group ensures that sufficient funds are available on a day to day basis to meet future liabilities.

**Legislation risk** - The group is committed to responding positively to changes to employment and tax legislation introduced by the government. This may affect the way the company operates.

**Credit risk** - The main risk arises from its customers unable to fulfil their financial obligations to the group. However, this is monitored on a regular basis as to ensure the risk is minimised.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 company and the group 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 accounting standards have been followed, 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 company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

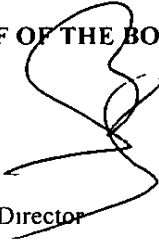
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2010**

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**AUDITORS**

The auditors, Joseph Kahan Associates LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to be 'M J Brown', written over the text 'ON BEHALF OF THE BOARD'.

M J Brown - Director

2nd February 2011

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GIANT GROUP PLC

---

We have audited the financial statements of Giant Group Plc for the year ended 31st May 2010 on pages six to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on 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 31st May 2010 and of the group's profit for the year then ended,
- the group financial statements 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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.



Akiva Kahan FCA (Senior Statutory Auditor)  
for and on behalf of Joseph Kahan Associates LLP  
Chartered Accountants  
Statutory Auditors  
923 Finchley Road  
London  
NW11 7PE

Date 3/2/2011

**GIANT GROUP PLC (REGISTERED NUMBER: 3093787)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MAY 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	336,006,165	394,119,506
Cost of sales		<u>326,156,921</u>	<u>381,900,821</u>
<b>GROSS PROFIT</b>		9,849,244	12,218,685
Administrative expenses		<u>8,772,683</u>	<u>12,038,263</u>
<b>OPERATING PROFIT</b>	4	1,076,561	180,422
Interest receivable and similar income		<u>205,459</u>	<u>769,413</u>
		1,282,020	949,835
Interest payable and similar charges	5	<u>-</u>	<u>105,807</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,282,020	844,028
Tax on profit on ordinary activities	6	<u>392,869</u>	<u>108,714</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>889,151</u></u>	<u><u>735,314</u></u>

**CONTINUING OPERATIONS**

None of the group's activities were discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements



**GIANT GROUP PLC (REGISTERED NUMBER: 3093787)**

**CONSOLIDATED BALANCE SHEET  
31ST MAY 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	9	105,876	180,239
Investments	10	-	-
		<u>105,876</u>	<u>180,239</u>
<b>CURRENT ASSETS</b>			
Debtors	11	13,673,948	17,785,033
Cash at bank and in hand		17,267,143	18,211,103
		<u>30,941,091</u>	<u>35,996,136</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	29,800,980	35,819,539
		<u>29,800,980</u>	<u>35,819,539</u>
<b>NET CURRENT ASSETS</b>		<u>1,140,111</u>	<u>176,597</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,245,987</u></u>	<u><u>356,836</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	12,700	12,700
Profit and loss account	15	1,233,287	344,136
		<u>1,245,987</u>	<u>356,836</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>1,245,987</u></u>	<u><u>356,836</u></u>

The financial statements were approved by the Board of Directors on 2nd February 2011 and were signed on its behalf by



M J Brown - Director


The notes form part of these financial statements

## GIANT GROUP PLC (REGISTERED NUMBER: 3093787)

COMPANY BALANCE SHEET  
31ST MAY 2010

	Notes	2010 £	£	2009 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		-		-
Investments	10		8		2,007
			<u>8</u>		<u>2,007</u>
<b>CURRENT ASSETS</b>					
Cash at bank		14,121		16,689	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>211</u>		<u>2,329</u>	
<b>NET CURRENT ASSETS</b>			<u>13,910</u>		<u>14,360</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,918</u>		<u>16,367</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		12,700		12,700
Profit and loss account	15		<u>1,218</u>		<u>3,667</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>13,918</u>		<u>16,367</u>

The financial statements were approved by the Board of Directors on 2nd February 2011 and were signed on its behalf by



M J Brown - Director

The notes form part of these financial statements

**GIANT GROUP PLC (REGISTERED NUMBER: 3093787)**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MAY 2010**

	Notes	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	1	(1,035,920)	17,823,260
Returns on investments and servicing of finance	2	205,459	663,606
Taxation		(108,715)	(1,114,077)
Capital expenditure	2	(4,784)	(37,566)
Equity dividends paid		-	(392,000)
(Decrease)/Increase in cash in the period		<u>(943,960)</u>	<u>16,943,223</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(943,960)</u>	<u>16,943,223</u>
Change in net funds resulting from cash flows		<u>(943,960)</u>	<u>16,943,223</u>
Movement in net funds in the period		<u>(943,960)</u>	<u>16,943,223</u>
Net funds at 1st June		<u>18,211,103</u>	<u>1,267,880</u>
Net funds at 31st May		<u>17,267,143</u>	<u>18,211,103</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MAY 2010**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2010 £	2009 £
Operating profit	1,076,561	180,422
Depreciation charges	83,155	182,650
Profit on disposal of fixed assets	(4,008)	-
Decrease in debtors	4,111,085	52,866,564
Decrease in creditors	(6,302,713)	(35,406,376)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,035,920)</b>	<b>17,823,260</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	205,459	769,413
Interest paid	-	(105,807)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>205,459</b>	<b>663,606</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(15,784)	(37,566)
Sale of tangible fixed assets	11,000	-
<b>Net cash outflow for capital expenditure</b>	<b>(4,784)</b>	<b>(37,566)</b>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 6 09 £	Cash flow £	At 31 5 10 £
Net cash			
Cash at bank and in hand	18,211,103	(943,960)	17,267,143
	18,211,103	(943,960)	17,267,143
<b>Total</b>	<b>18,211,103</b>	<b>(943,960)</b>	<b>17,267,143</b>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MAY 2010

---

1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

**Revenue recognition**

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due, net of value added tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Short leasehold	- Over the period of the lease
Fixtures and fittings	- 33 33% p a on cost
Motor vehicles	- 25% p a on cost
Computer equipment	- 33 33% p a on cost

**Deferred tax**

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date

**Investments**

Fixed asset investment are stated at the lower of cost and net realisable value

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

**Basis of Consolidation**

The consolidated financial statements incorporate the results of Giant Group Plc and all of its subsidiary undertakings as at 31st May 2010 using the acquisition method of accounting

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group and were all derived within the United Kingdom

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2010

## 3 STAFF COSTS

	2010	2009
Wages and Salaries	263,584,049	264,723,823
Social security costs	29,853,013	34,708,028
Pension costs	2,946,249	486,698
	<u>296,383,311</u>	<u>299,918,549</u>

The average monthly number of employees during the year was as follows

	2010	2009
Non-administrative employees	6,780	8,023
Administrative	70	99
Directors	3	3
	<u>6,853</u>	<u>8,125</u>

## 4 OPERATING PROFIT

	2010 £	2009 £
The operating profit is stated after charging/(crediting)		
Depreciation -owned assets	83,155	182,650
Operating leases-land and buildings	337,500	180,558
(Profit) on disposal of fixed assets	(4,008)	-
Auditors remuneration-current	32,500	42,000
Auditors remuneration-non audit	10,315	-
Foreign exchange differences	1,763	734
	<u>3,370,218</u>	<u>5,597,989</u>
Directors emoluments	46,234	62,115
Directors pension		
Emoluments for the highest paid director as follows		
Director's emoluments	2,452,128	3,585,902
Director's pension	24,000	24,000
	<u>2,476,128</u>	<u>3,609,902</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2010

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest	-	3,278
Other interest	-	102,529
	<u>-</u>	<u>105,807</u>

## 6 TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	392,868	165,928
Prior year taxation	1	(57,214)
	<u>392,869</u>	<u>108,714</u>
Tax on profit on ordinary activities		

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>1,282,020</u>	<u>844,028</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	358,966	236,328
Effects of		
Depreciation	23,314	54,028
Capital allowances	(18,428)	(83,068)
Disallowed expenses	40,060	27,651
Marginal relief	(4,054)	620
Elimination on Consolidation of Goodwill and Trademark costs impairment	-	(126,845)
Effect of tax loss relief	<u>(6,989)</u>	<u>-</u>
Current tax charge	<u>392,869</u>	<u>108,714</u>

## 7 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(2,449) (2009 - £3,214 profit)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2010

## 8 DIVIDENDS

	2010 £	2009 £
Ordinary shares of £1 each		
Interim	-	392 000

## 9 TANGIBLE FIXED ASSETS

## Group

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1st June 2009	84,749	84,730	22,375	446,097	637,951
Additions	-	3,196	-	12,588	15,784
Disposals	-	-	(22,375)	-	(22 375)
At 31st May 2010	84,749	87,926	-	458,685	631,360
<b>DEPRECIATION</b>					
At 1st June 2009	65,678	62,679	13,052	316,303	457,712
Charge for year	19,071	7,893	2,331	53,860	83,155
Eliminated on disposal	-	-	(15,383)	-	(15,383)
At 31st May 2010	84,749	70,572	-	370,163	525,484
<b>NET BOOK VALUE</b>					
At 31st May 2010	-	17,354	-	88,522	105,876
At 31st May 2009	19,071	22,051	9,323	129,794	180,239

## 10 FIXED ASSET INVESTMENTS

## Company

	Shares in group undertakings £
<b>COST</b>	
At 1st June 2009	2,007
Additions	1
Disposals	(2,000)
At 31st May 2010	8
<b>NET BOOK VALUE</b>	
At 31st May 2010	8
At 31st May 2009	2,007



# GIANT GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MAY 2010

### 10 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

#### Subsidiaries

##### Giant Services Limited

Nature of business Entering into consultancy service contracts

	%
Class of shares	holding
Ordinary	100 00

##### Giant Consultancy Limited

Nature of business Leasing out its short leasehold premises

	%
Class of shares	holding
Ordinary	100 00

##### Winventa Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

##### Giant Strongbox Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

##### Giant Management Limited

Nature of business Provision of employees to perform consultancy services

	%
Class of shares	holding
Ordinary	100 00

##### Giant Enterprises Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

##### Giant Transactions Limited

Nature of business Provision of payroll, employment & administrative services

	%
Class of shares	holding
Ordinary	100 00

##### Giant Resources Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

The company was dissolved on 2nd March 2010

**GIANT GROUP PLC (REGISTERED NUMBER: 3093787)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2010**

**10 FIXED ASSET INVESTMENTS - continued**

**11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	2010	2009
	£	£
Trade debtors	12,318,295	10,338,605
Other debtors	249,492	304,605
VAT	921,809	6,710,791
Prepayments and accrued income	184,352	431,032
	<u>13,673,948</u>	<u>17,785,033</u>

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	<b>Company</b>	
	2010	2009	2010
	£	£	£
Trade creditors	66,084	3,673	105
Tax	392,868	108,714	-
Social security and other taxes	12,985,322	21,096,982	-
Other creditors	975,436	811,601	-
Accruals and deferred income	15,381,270	13,798,569	106
	<u>29,800,980</u>	<u>35,819,539</u>	<u>211</u>
			<u>2,329</u>

**13 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

<b>Group</b>		<b>Land and buildings</b>	
		2010	2009
		£	£
Expiring			
Between one and five years		<u>337,500</u>	<u>337,500</u>

**14 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
50 200	Ordinary	£1	<u>12,700</u>	<u>12,700</u>

50,200 Ordinary shares of £1 each have been issued by the company of which 50,000 shares are part paid and 200 ordinary shares are fully paid

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MAY 2010**

**15 RESERVES****Group**

	Profit and loss account £
At 1st June 2009	344,136
Profit for the year	889,151
At 31st May 2010	<u>1,233,287</u>

**Company**

	Profit and loss account £
At 1st June 2009	3,667
Deficit for the year	<u>(2,449)</u>
At 31st May 2010	<u>1,218</u>

**16 PENSION COMMITMENTS**

The Group operates a defined contribution pension scheme on behalf of its directors and employees. The assets of the scheme are held separately from that of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The annual commitment under this scheme is for contributions of £2,946,249 (2009 - £486,698).

The outstanding amount included in the other creditors for pension commitments as at 31st May 2010 amounted to £273,618 (2009 - £7,138).

**17 TRANSACTIONS WITH DIRECTORS**

Sales include an amount of £201,600 (2009 - £181,200) for services provided to Giant Precision Limited, of which is controlled by one of the directors of Giant Group Plc. Included in trade debtors is an amount of £Nil (2009 - £Nil) relating to Giant Precision Limited.

The cost of services provided to Giant Precision Limited was charged on a cost only basis.

Cost of Sales include an amount of £420,000 (2009 - £140,000) for services provided by Giant Precision Limited, of which is controlled by one of the directors of Giant Group Plc. Included in trade creditors is an amount of £Nil (2009 - £Nil) relating to Giant Precision Limited.

The cost of services provided by Giant Precision Limited was charged on a cost only basis.

Sales includes an amount of £56,634 (2009 - £79,507) for services provided to Giant Accounting Limited, of which is controlled by one of the directors of Giant Group Plc. Included in trade debtors is an amount of £Nil (2009 - £Nil) relating to Giant Accounting Limited.

The cost of services provided to Giant Accounting Limited was charged on a cost only basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MAY 2010**

**18 RELATED PARTY DISCLOSURES**

The company has relied upon the exemption under FRS8 "Related Party Transactions" not to disclose transactions with its subsidiary undertakings where 100% or more of the voting rights are controlled by Giant Group Plc

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****Group**

	2010	2009
	£	£
Profit for the financial year	889,151	735,314
Dividends	-	(392,000)
	<u>889,151</u>	<u>343,314</u>
Net addition to shareholders' funds	889,151	343,314
Opening shareholders' funds	356,836	13,522
	<u>356,836</u>	<u>13,522</u>
Closing shareholders' funds	<u>1,245,987</u>	<u>356,836</u>

**Company**

	2010	2009
	£	£
(Loss)/Profit for the financial year	(2,449)	3,214
Dividends	-	(392,000)
	<u>(2,449)</u>	<u>(388,786)</u>
Net reduction of shareholders' funds	(2,449)	(388,786)
Opening shareholders' funds	16,367	405,153
	<u>16,367</u>	<u>405,153</u>
Closing shareholders' funds	<u>13,918</u>	<u>16,367</u>

**20 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is M J Brown, a director of the company