

Gi Group Recruitment Limited

Annual Report and Financial Statements

Registered number 01949160

For the year ended
31 December 2021

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Gi Group Recruitment Limited

Registered number 01949160

31 December 2021

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Directors and Other Information

Year ended 31 December 2021

Directors

Steve Cook
Paulo Canoa
Paul Smith
James O'Brien
Davide Toso
Thibault Lefebvre

Company Secretary

Steve Cook

Registered Address

Draefern House
Dunston Court
Dunston Road
Chesterfield
Derbyshire
S41 8NL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

Strategic report

Introduction

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform shareholders and help them to assess how the Directors have performed their duty to promote the success of Gi Group Recruitment Limited ("the Company").

Principal activities

The principal activity of Gi Group Recruitment Limited ("the company") is that of a services provider supplying temporary labour, and an employment agency providing permanent staff.

Business model

The company, as part of Gi Group ("the group") provides services to its clients through two principal delivery channels:

1. A nationwide network of (predominantly) high street based branches supplying temporary and permanent staff to a combination of local businesses and larger corporate clients.
2. Its SMS (Site Managed Services) division within which large numbers of temporary workers are supplied and managed through teams of Gi Group people situated permanently on the client's own premises. This model mainly serves the needs of larger, corporate clients with significant year round requirements for temporary labour.

Value is added to the basic recruitment services provided in a range of ways, dependent on the requirements of the client. Typically these might include the provision of management information, HR consultancy services, shift planning, skills training and provision of apprenticeships.

Business review and results

The company delivered an EBITDA profit as a consequence of focusing on higher value clients and continued tight cost control, with a much reduced overall loss for the year. The company delivered an operating loss before tax, depreciation, amortisation & other operating income of £135,795 (2020: loss of £1,238,820), resulting in an operating loss of £718,243 (2020: loss of £1,639,573). The net assets of the company at year end were £5,149,828 (2020: £6,619,785).

Our business continues to benefit from strong long-term relationships with major blue-chip clients and we continue to develop our client accounts through the provision of value-added services through other businesses in the group.

Our reputation as an established, legally compliant, ethical and reliable supplier is important in reassuring major companies that we are a respected, qualified, suitable partner for the supply of temporary labour – particularly in our increasingly regulated environment.

With a robust sales pipeline, continued focus on profitable sales activities, further cost controls and continued support from the group, the directors remain optimistic about the future performance and profitability of the company.

Continuing progress was made during the year in the development of plans for improving our front and back office operating systems and the supply of higher quality management information to our clients. The Board continues to see technology and innovation as a key strategic area of importance going forward, and new systems and processes will continue to be implemented.

Strategic report *(continued)***Key performance indicators**

The company continues to operate a number of Key Performance Indicators (KPIs), both financial and non-financial.

The primary financial KPIs and ratios monitored for internal management reporting are Turnover, adjusted EBITDA (excluding Group management recharges of £232,390 (2020: £207,388)), Debtor Days and Gross Profit %. The results of these KPIs for the year and prior year are in the table below.

	2021	2020
Turnover (£'000)	231,764	215,945
Adjusted EBITDA (£'000)	306,023	(877,151)
Average Debtor Days during the year	46.4	50.6
Gross Profit Percentage	6.0%	4.9%

Non-financial KPIs include the measures used in managing a sales focused organisation, including activity levels, sales conversion ratios, sales volumes and values and client retention statistics, in addition to employee related KPIs such as attrition rates and FTE headcount.

Section 172 (1) Statement

In accordance with section 172 of the Companies Act 2006, the Board have the views of the key stakeholders of the business in mind and have considered the below matters during Board discussion and in their decision making.

The matters as set out in section 172(1) (a) to (f) are:

- 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 between members of the company.

The key stakeholders identified include but are not limited to, our clients, our colleagues, our candidates, and the wider community and environment, each of whom are considered in any decisions we make. This is in addition to our shareholders and ultimate beneficial owners within the group.

The Board delegates authority for day-to-day management of the business to the Executive Management Team ("EMT") for setting, approving and overseeing the execution of the business strategy and related policies. The EMT hold monthly meetings at which all business matters are discussed including business performance, risk management, any client issues or updates, health and safety updates, and employee matters. The construction of the EMT represents all areas of the operational business and support functions with a wealth of experience in the business brought to the table. The experience of the EMT including their drive and passion will ensure that decisions made are fair and beneficial to the majority of stakeholders in the long term, and will result in the long-term success of the business.

Strategic report *(continued)*

We have held working relationships with many of our clients on a long-term basis and work alongside many of them on site alongside their own colleagues. The length of the relationships we have held with many of these clients is testament to the good working relationship we have with them and how we consider them as key stakeholders.

Contract renegotiations are always a balance between the needs for continued success of our business alongside the provision of their workforce requirements for their continued success. As a result during the year we stepped away from some long term key contracts in order to pursue a strategic aim of generating higher gross profit percentage.

Our business is founded on building relationships, both with clients where we look to be a key part of their workforce supply chain and also with candidates where we look to be an employer of choice.

Significant efforts are made by the company in ensuring the wellbeing of our employees. We have an employee survey that is run globally on a periodic basis and with regular 'pulse surveys' in between to monitor progress in certain areas. The feedback from the surveys will drive the focus of global and local management within the Group to focus on specific areas of wellbeing. The success of the business is dependent on our employees and as such it is critical that any decisions that are made have our employees front of mind.

The company is committed to preventing opportunities for modern slavery to occur both within its own and its supply chain's daily business activities. We are Gangmasters and Labour Abuse Authority (GLAA) licenced and have a number of business activities in place to enable us to identify areas of risk and ensure prevention of occurrences of modern slavery.

The company is committed to the adoption of environmentally responsible policies and practices throughout its operation. Whilst accepting that as a business operating in the service sector without any raw materials or any production operations, our impact on the environment is not as substantial as that of a manufacturing organisation, we aim to encourage a positive impact through our activities via consumers, employees, communities and stakeholders. Additional disclosure regarding our SECR energy compliance can be obtained in the immediate parent company accounts, Gi Recruitment Ltd.

Principal risks and uncertainties

Our business continues to benefit from strong long-term relationships with major clients, however the market remains subject to competition. As part of a large international group, the company is well-placed to add to its portfolio of such clients, though this of course is accompanied by the risks attendant in any competitive, tender based business, subject to increasing attention by professional procurement departments.

Compliance with all relevant regulations continues to be a high priority for the Board, and the company's reputation as an ethical, reliable and substantial entity continue to make it an attractive partner for major and often international clients.

Future developments

The Board anticipates a period ahead in which the economic situation remains uncertain due to the ongoing recovery from Covid-19 and the rise in costs. However, with good stable relationships with existing major clients and with its robust pipeline of prospective business, the company should continue to enjoy solid growth.

Investment will continue to be made in the IT infrastructure of the company to ensure its systems meet the increasing demands of the market in this important area. We have a focus on ensuring our customer experience is appropriate given the current technologies available, and utilising technology to drive efficiency in our internal processes.

Strategic report *(continued)*

The company continues to operate a fully-fledged Corporate Social Responsibility programme. This is seen by the Board as an increasingly important focus as our employees and clients place more emphasis on this in choosing GI as an employer of choice and as a key supplier.

On behalf of the Board:



Steve Cook

Director

20th December 2022

Gi Group Recruitment Limited

Registered number 01949160

31 December 2021

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

Results and dividends

The loss for the year after taxation was £1,469,957 (2020: loss of £2,338,421). During the year, the directors have not paid any interim dividends or recommended payment of a final dividend (2020: £nil).

Going concern

As part of the going concern assessment, the Directors have considered the company's principal risk areas including current economic conditions that they consider material to the assessment of going concern including completed cash flow forecasts for at least 12 months from now, considering severe but plausible downsides too. They have also considered the facilities available to the company, including its rolling invoice discounting facility and ongoing support from Gi International S.r.L.. Having completed this assessment, the Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Gi International S.r.L.. The Directors have received written confirmation that Gi International S.r.L. intends to support the company for at least one year from the date of signing of these financial statements.

Post balance sheet events

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report.

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

Paul Smith	
Davide Toso	
Paolo Caramello	(resigned 1 July 2021)
Paulo Canoa	
Steve Cook	
James O'Brien	
Thibault Lefebvre	(appointed 1 July 2021)

The directors and the secretary who served at 31 December 2021 had no interests in shares in, or debentures of, the company. Their interests in the shares of the ultimate parent company are disclosed in that company's accounts.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Employees

The company's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity regardless of sex, religion or ethnic origin. The company does all that is practicable to meet its responsibilities towards the employment and training of disabled people. In the event that an employee becomes disabled, every effort will be made to provide continuity of employment in the same job or a suitable alternative.

Directors' report *(continued)*

Employee engagement statement

The company involves staff in the decision-making process and communicates regularly with them during the year through a GiUK Communication email. Their involvement in the company's performance is encouraged with an employee bonus scheme.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The directors acknowledge the need to foster the company's business relationships with suppliers, customers and others with the effect to continue the working relationship with them.

Statement of Corporate governance arrangement - Wates Principles

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the company has applied the Wates Corporate Governance principles for Large Private Companies (the 'Wates Principles') – published by the Financial Reporting Council – as an appropriate framework for disclosing our corporate governance arrangements.

Principle one – Purpose and Leadership

The Company's mission, aligned with that of the Group – "Through our services we want to contribute, as a key player and on a global basis, to the evolution of the labour market and to emphasize the personal and social value of work."

The mission was the starting point for defining the 6 core values of the Group. The work of each individual and each Company in Gi Group is based on a set of values consistent with our approach to the labour market and the society in which we operate. These are *Work, Responsibility, Care, Economic Efficiency, Continuous Learning & Innovation* and *Team Spirit*.

The mission and the core values are at the heart of what we do and the Board works to ensure that these are embedded throughout the Company. All employees receive induction training to raise awareness, and they are visible on many presentations and webcasts that the Group CEO provides.

Feedback from employees is obtained in a number of ways including engagement surveys and exit interviews to monitor the culture of the business.

Principle Two – Board Composition

The Board of the company is the Executive Management Team ("EMT") who are responsible for the running of all of the UK companies within Gi Group, of which the company is one.

The EMT consists of the CEO (Chair), the CFO, the Managing Directors of the operational brands within the UK Group and Heads of Support Functions. The members of the EMT have a wealth of experience in the industry with relevant technical knowledge with which to ensure the continued success of the Company while considering the views and interests of the stakeholders of the business. The size and composition of the EMT is appropriate and proportionate to the size of the business. The EMT meet formally on a monthly basis.

Principle Three – Director Responsibilities

Directors of the Company and members of the EMT are all aware of the policies and procedures by which the business is run. All policies are reviewed by the EMT prior to publication and on a periodic basis. The EMT will consider relevant policies when making decisions about the business. EMT meetings are an open forum where individual opinions are sought, considered and challenged to ensure that the decisions made are fair and in the best interests of stakeholders.

Directors' report *(continued)*

Principle Four – Opportunity and Risk

The EMT is at the forefront of the Company's efforts to continue to evolve its offering to clients, operate in new areas, and seek out new business opportunities. They are responsible for the long term growth and sustainability of the business and part of their reward is based thereon. Any new opportunities are discussed with the EMT.

The risks of the business, both financial and non-financial are monitored by the EMT. There are two primary formal risk frameworks in place with regular reporting cycles. A risk register is maintained and updated on a quarterly basis which is reviewed by EMT and reported to Group each quarter. There is also a review of key controls across the business on an annual basis. Overall risk management is also overseen by the Group risk management procedures.

Principle Five – Remuneration

The remuneration of the EMT is overseen by the CEO and CFO of the Company, with the remunerations of senior positions, including CEO and CFO being reviewed by the Group in Italy. External market factors are balanced with overall profitability of the business when considering remuneration to ensure the long-term sustainability of the business.

Principle Six – Stakeholder Relationships and Engagement

The EMT recognise the importance of stakeholder management and of building effective relationships with our key stakeholders. For further details regarding the way in which the Company interacts with Stakeholders, please refer to the Section 172 (1) Statement within the Strategic report on page 3.

Streamlined Energy and Carbon Reporting (SECR) disclosure

Our SECR disclosure can be found in the consolidated results of the immediate parent company, Gi Recruitment Limited. Included within the energy performance data within the Gi Recruitment Limited annual report are all Gi Group entities in the UK, being all direct and indirect subsidiaries of Gi Group Holdings Recruitment Limited.

Financial risk management

The company has established a risk and financial management framework whose primary objective is to ensure sufficient working capital exists and to monitor the management of risk at a business unit level.

The company aims to mitigate credit and liquidity risk by managing cash generation by its operations and applying cash collection targets. The company also manages liquidity via a group invoice discounting facility.

We forecast prudent wage increases below inflation in order to maintain control over operating expenditure. Cost increases with respect to temporary worker wages are passed onto our clients.

Research and development

The company performed no research and development in the year (2020: £nil).

Political contributions

The company made no political donations or incurred any political expenditure during the year (2020: £nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware;

Directors' report *(continued)*

and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board:



Steve Cook
Director

20th December 2022

Independent auditors' report to the members of Gi Group Recruitment Limited

Report on the audit of the financial statements

Opinion

In our opinion, Gi Group Recruitment Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income; the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's base case forecast and severe but plausible scenarios and the funding facilities currently available;
- challenging management on the assumptions used in the scenarios and considering alternate downside scenarios;
- obtaining the letter of support received by the company from the Gi Group Holding S.p.A. and assessing the ability of the parent to provide this support through review of group facilities held, current trading performance and forecast performance; and
- considering the adequacy of the disclosures made in the financial statements in relation to the above.

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 company's ability

Independent auditors' report to the members of Gi Group Recruitment Limited *(continued)*

to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

Independent auditors' report to the members of Gi Group Recruitment Limited (continued)

In preparing the financial statements, the directors are responsible for assessing the 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 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and UK employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to journal entries to improve the reported financial position and / or performance of the business and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- enquiries of management and those charged with governance around actual or potential litigation or instances of known or suspected non compliance with applicable laws and regulations;
- reviewing minutes of meeting with those charged with governance;
- reviewing financial statement disclosures and testing these to supporting documentation to assess compliance with applicable laws and regulations;
- identifying and testing unusual journal entries;
- incorporating elements of unpredictability in the audit procedures; and
- challenging assumptions made by management in determining significant accounting estimates, in particular in relation to the valuation of assets.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Gi Group Recruitment Limited *(continued)*

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

20 December 2022

Gi Group Recruitment Limited

Registered number 01949160

31 December 2021

Statement of Comprehensive Income

For the year ended 31 December 2021

	<i>Note</i>	2021 £	2020 £
Turnover	4	231,763,929	215,944,952
Cost of sales		(217,797,954)	(205,345,212)
Gross profit		13,965,975	10,599,740
Administrative expenses		(15,284,395)	(27,498,649)
Other operating income	8	600,177	15,259,336
Operating loss	5	(718,243)	(1,639,573)
Interest receivable and similar income	9	188,385	130,774
Interest payable and similar expenses	10	(1,090,396)	(844,098)
Loss before taxation		(1,620,254)	(2,352,897)
Taxation on loss	11	150,297	14,476
Loss for the financial year		(1,469,957)	(2,338,421)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive expense for the year		(1,469,957)	(2,338,421)

The above results relate to the continuing operations of the company.

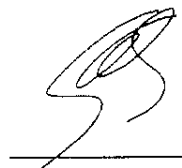
Balance Sheet

at 31 December 2021

	<i>Note</i>	2021 £	2020 £
Fixed assets			
Intangible assets	12	219,143	438,275
Tangible assets	13	262,308	520,397
Investments	14	11,630	11,630
		493,081	970,302
Current assets			
Debtors: amounts falling due within one year	15	69,013,631	65,151,502
Cash and cash equivalents		184,278	107,472
		69,197,909	65,258,974
Creditors: amounts falling due within one year	16	(64,541,162)	(47,936,001)
Net current assets		4,656,747	17,322,973
Total assets less current liabilities		5,149,828	18,293,275
Creditors: amounts falling due after more than one year	17	-	(11,673,490)
Net assets		5,149,828	6,619,785
Capital and reserves			
Called up share capital	18	20,200	20,200
Retained earnings		5,129,628	6,599,585
Total shareholders' funds		5,149,828	6,619,785

The notes on pages 17 to pages 30 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 20th December 2022, and are signed on behalf of the board by:



Steve Cook
Director
20th December 2022

Gi Group Recruitment Limited

Registered number 01949160

31 December 2021

Statement of changes in equity

For the year ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total Shareholders' funds £
Balance at 1 January 2020	20,200	8,938,006	8,958,206
Total comprehensive expense for the year			
Loss for the financial year	-	(2,338,421)	(2,338,421)
Other comprehensive income	-	-	-
Total comprehensive expense for the year	-	(2,338,421)	(2,338,421)
Balance at 31 December 2020	20,200	6,599,585	6,619,785
Balance at 1 January 2021	20,200	6,599,585	6,619,785
Total comprehensive expense for the year			
Loss for the financial year	-	(1,469,957)	(1,469,957)
Other comprehensive income	-	-	-
Total comprehensive expense for the year	-	(1,469,957)	(1,469,957)
Balance at 31 December 2021	20,200	5,129,628	5,149,828

Notes to the Financial Statements

Year ended 31 December 2021

1 General information

Gi Group Recruitment Limited (the "company") is a private company limited by shares and incorporated in England, United Kingdom. The address of its registered office is Draefern House, Dunston Court, Dunston Road, Chesterfield, Derbyshire, S41 8NL.

2 Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and the Companies Act 2006.

The Company's immediate parent undertaking, Gi Recruitment Limited includes the company in its consolidated financial statements. The consolidated financial statements of Gi Recruitment Limited are available to the public and may be obtained from Draefern House, Dunston Court, Dunston Road, Chesterfield, Derbyshire, S41 8NL. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Gi Recruitment Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

3.1 Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, except certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.7

Notes to the Financial Statements *(continued)*

The presentation currency of these financial statements is sterling, which is the functional currency of the company. All amounts in the financial statements have been rounded to the nearest £1.

3.2 Going concern

As part of the going concern assessment, the Directors have considered the company's principal risk areas, including the current economic condition that they consider material to the assessment of going concern including completed cash flow forecasts for at least 12 months from now, considering severe but plausible downsides too. They have also considered the facilities available to the company, including its invoice discounting facility and ongoing support from Gi International S.r.L.. Having completed this assessment, the Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Gi International S.r.L.. The Directors have received confirmation that Gi International S.r.L. intends to support the company for at least one year from the date of signing of these financial statements.

3.3 Turnover

Turnover comprises the amount derived from services falling within the company's activities after deduction of trade discounts, rebates and excluding Value Added Tax. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Turnover is derived from the company's principal activity and is attributable to the UK market. Income received in advance of services provided is taken to deferred revenue.

Turnover for temporary workers is recognised in the period the work took place. Fees for permanent placements are agreed in advance with the customer, with turnover being recognised when the candidate commences employment.

The costs relating to the provision of operational staff is classified as a cost of sale.

3.4 Basis of investments

In the financial statements, investments in subsidiaries are carried at cost less impairments.

3.5 Goodwill and amortisation

The goodwill arising on the transfer of trade and net assets is capitalised and amortised over its expected useful life, being 20 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

3.6 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items of tangible assets.

The company assesses at each reporting date whether tangible assets are impaired.

Notes to the Financial Statements *(continued)*

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible assets. The estimated useful lives are as follows:

- Leasehold improvements the shorter of the period of the lease or 10 years
- Fixtures and fittings 3 - 5 years
- Office equipment 3 - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

3.7 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Impairment of trade and other debtors

The company makes an estimate of the recoverable amount of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The assessment for the recovery of amounts owed by group undertakings is based on the financial support offered from the parent company. See note 15 for the net carrying amount of the debtors and associated impairment provision.

3.8 Basic financial instruments*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. The company has in place a confidential invoice discounting facility where the counterparty has full recourse to all monies advanced against book debts, and for one client a factoring agreement is in place.

3.9 Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution plans.

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees. The assets of the plan are held separately from the company in independently administered funds.

Holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Notes to the Financial Statements *(continued)*

3.10 Expenses

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange gains or losses that are recognised in the profit and loss account (see Foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on intercompany loans.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

3.11 Foreign currency accounting

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions. At each period end foreign currency monetary items measured at historical cost are translated using the exchange rate at the closing rate and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

3.12 Government grants

Government grants are recognised against expenses in the period in which they are intended to compensate. Grants are only recognised when there is reasonable assurance that any conditions attached to them will be complied with and that the grant will be received.

3.13 Exceptional items

Items of income and expense that are material by size and/or nature and are non-recurring are classified as exceptional items in the profit and loss account within their relevant category.

3.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes to the Financial Statements *(continued)*

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3.15 Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared and approved by the shareholders prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

3.16 Related parties

As a subsidiary undertaking of SCL Holding S.p.A. the company has taken advantage of the exemption in FRS 102 Section 33 from disclosing transactions with other members of the group headed by SCL Holding S.p.A.

4 Turnover

Turnover is attributable to the company's principal activity. The split between temporary and permanent recruitment activity is not deemed material to require further disclosure. All turnover arose from the UK.

5 Operating loss

Operating loss is stated after charging / (crediting) the following expenses, included in the administrative expenses:

	2021	2020
	£	£
Loss on disposal of tangible assets	-	11,103
Depreciation of tangible assets	336,082	181,621
Amortisation of intangible assets	219,132	219,132
Impairment of receivables	70,010	19,704
Operating lease rentals – land and buildings	208,457	169,424
Operating lease rentals – plant and machinery	189,076	182,027

Exceptional costs of £168,622 (2020: £79,370) are included within administrative expenses, representing costs relating to restructuring activities. Employment costs within administrative expenses of £600,177 (2020: £15,259,336) have been subsequently recovered through CJRS grants split between £50,061 (2020: £219,736) relating to permanent administration staff and £550,116 (2020: £15,039,600) relating to operational staff.

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Notes to the Financial Statements (continued)**5 Operating loss (continued)**

Auditors' remuneration:

	2021	2020
	£	£
Audit of these financial statements	129,996	126,382
Taxation compliance services for the company	-	-

6 Staff numbers and costs

The average monthly number of people employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Operational staff	6,364	7,989
Permanent administration staff	208	212
	6,572	8,201

The aggregate payroll costs of these people were as follows:

	2021	2020
	£	£
Wages and salaries	208,209,773	196,177,917
Social security costs	16,669,483	14,958,968
Other pension costs (see note 21)	3,041,893	2,795,088
	227,921,149	213,931,973

The above includes £10,664,913 (2020: £23,263,247) of cost that has been recharged from other group entities for services provided and £12,936,769 (2020: £15,463,853) of cost relating to subcontractor invoices.

7 Directors' remuneration

	2021	2020
	£	£
Directors' remuneration	510,605	479,103
Company contributions to money purchase pension plans	53,973	11,073

The aggregate of remuneration of the highest paid director was £366,099 (2020: £308,652) and company pension contributions of £43,646 (2020: £438) were made to a money purchase scheme on their behalf.

Notes to the Financial Statements *(continued)***7 Directors' remuneration** *(continued)*

	Number of directors	
	2021	2020
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2
Defined benefit schemes	-	-

The emoluments of Directors not included above are paid by another group company which makes no recharge to the company.

8 Other operating income

	2021	2020
	£	£
Government Grants	600,177	15,259,336

Other operating income represents monies received/receivable in relation to the Coronavirus Job Retention Scheme (CJRS). In accordance with FRS 102 the amounts claimed under this scheme from the UK Government must be shown gross of the related employee costs. At the year-end a total of £nil (2020: £24,872) was recorded within other operating income relating to amounts receivable under the scheme but not settled as at the balance sheet date.

Amounts receivable from the UK government are recognised when the right to claim under the government scheme has been reached and all conditions are met. Where the payments relate to compensation for costs incurred (as is the case with CJRS) or have no further ongoing obligations the amounts are recognised in other operating income as and when the costs are incurred or when the company has reached the point of being able to make a valid claim.

9 Interest receivable and similar income

	2021	2020
	£	£
Interest receivable on intercompany loan	188,385	130,774
Total interest receivable and similar income	188,385	130,774

10 Interest payable and similar expenses

	2021	2020
	£	£
Bank interest	924,281	662,105
Interest charged on intercompany loan	166,116	181,993
Total interest payable and similar expenses	1,090,396	844,098

Notes to the Financial Statements *(continued)*

11 Taxation on loss

11.1 Total tax credit recognised in the profit and loss account

	2021	2020
	£	£
<i>Current tax</i>		
Adjustments in respect of prior periods	-	-
Total current tax	-	-
<i>Deferred tax (see note 19)</i>		
Origination and reversal of timing differences	(128,734)	(11,065)
Adjustment in respect of previous periods	9,612	6,828
Effect of tax rate change on opening balance	(31,175)	(10,239)
Total deferred tax	(150,297)	(14,476)
Total tax credit	(150,297)	(14,476)

The actual tax charge for the current and previous year varies from the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%) for the reasons set out in the following reconciliation:

11.2 Reconciliation of tax (credit) / charge

	2021	2020
	£	£
Loss for the year	(1,469,957)	(2,338,421)
Total tax credit	(150,297)	(14,476)
Loss before taxation	(1,620,254)	(2,352,897)
Loss before taxation multiplied by the standard UK corporation tax rate of 19.0% (2020: 19.0%)	(307,848)	(447,050)
Expenses not deductible for tax purposes	6,097	3,589
Fixed asset differences	39,829	46,132
Adjustments to tax charge in respect of previous periods	9,612	6,828
Remeasurement of deferred tax for changes in tax rates	(31,175)	(10,239)
Closing gross timing difference	(150,398)	-
Other permanent differences	48	-
Group relief surrendered/(claimed)	190,303	-
Deferred tax not recognised	93,235	386,264
Total tax (credit) / expense included in profit or loss	(150,297)	(14,476)

In the Spring Budget 2021, the UK Government announces that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the Financial Statements *(continued)*

11 Taxation on loss *(continued)*

	2021			2020		
	£ Current tax	£ Deferred tax	£ Total tax	£ Current tax	£ Deferred tax	£ Total tax
Recognised in profit and loss	-	(150,297)	(150,297)	-	(14,476)	(14,476)
Total tax	-	(150,297)	(150,297)	-	(14,476)	(14,476)

12 Intangible assets

	Goodwill £
Cost	
Balance at 1 January and 31 December 2021	4,382,656
Accumulated Amortisation	
Balance at 1 January 2021	3,944,381
Amortisation for the year	219,132
Balance at 31 December 2021	<u>4,163,513</u>
Net book value	
At 31 December 2021	<u>219,143</u>
At 31 December 2020	<u>438,275</u>

The amortisation is recognised in the administration expenses line in the statement of comprehensive income.

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Notes to the Financial Statements *(continued)***13 Tangible assets**

	Fixtures, fittings and other equipment £
Cost	
Balance at 1 January 2021	1,676,988
Additions	77,993
Disposals	(799,536)
Balance at 31 December 2021	<u>955,445</u>
Accumulated depreciation	
Balance at 1 January 2021	1,156,591
Depreciation charge for the year	336,082
Disposals	(799,536)
Balance at 31 December 2021	<u>693,137</u>
Net book value	
At 31 December 2021	<u>262,308</u>
At 31 December 2020	<u>520,397</u>

14 Investments

	2021 £	2020 £
Excel Resourcing (Recruitment Consultants) Limited	1,530	1,530
Right4Staff Limited	100	100
Total Work Services Limited	10,000	10,000
Total investments	<u>11,630</u>	<u>11,630</u>

Notes to the Financial Statements *(continued)*

14 Investments *(continued)*

The company has the following investments in subsidiaries:

	Address	Country of incorporation	Principal activity	Class and % of shares held	Ownership
<i>Subsidiary undertakings</i>					
Excel Resourcing (Recruitment Consultants) Limited	Draefern House Dunston Court Chesterfield, S41 8NL	UK	Supply of labour	Ordinary 100%	Direct
Right4Staff Limited	Draefern House Dunston Court Chesterfield, S41 8NL	UK	Dormant	Ordinary 100%	Direct
Total Work Services Limited	Draefern House Dunston Court Chesterfield, S41 8NL	UK	Dormant	Ordinary 100%	Direct

The directors believe that the carrying value of the investments is supported by their underlying net assets as well as the future performance and forecast of these respective entities resulting in no impairment trigger at the year-end.

15 Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	36,428,071	34,092,129
Amounts owed by group undertakings	31,611,346	30,391,384
Other debtors	110	26,287
Deferred tax assets (see note 19)	258,631	108,334
Prepayments and accrued income	715,473	533,368
	69,013,631	65,151,502

Trade debtors are stated after provisions for impairment of £70,010 (2020: £19,704).

Amounts owed by group undertakings are unsecured, interest of £188,385 (2020: £130,774) was earned and they are repayable on demand. Interest is charged at UK base rate plus 1.5%.

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Notes to the Financial Statements (continued)**16 Creditors: amounts falling due within one year**

	2021	2020
	£	£
Bank loans and overdrafts	23,290,616	14,756,879
Trade creditors	7,557,525	6,216,512
Amounts owed to group undertakings	20,189,649	4,923,472
Other creditors	862,914	617,200
Taxation and social security	11,186,353	20,967,441
Accruals and deferred income	1,454,105	454,497
	<u>64,541,162</u>	<u>47,936,001</u>

Bank loans and overdrafts are secured on the company's trade debtors.

Taxation and social security movement is mainly the VAT deferral scheme balance, repayment was complete in February 2022.

Of the amounts owed to group undertakings, £20,189,649 (2020: £4,923,472) are unsecured, interest free and repayable on demand.

17 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Amounts owed to group undertakings	-	11,673,490
	<u>-</u>	<u>11,673,490</u>

Amounts owed to Group undertakings were unsecured, with an interest rate of 12 month Euribor + 2% and were due for repayment 31 December 2022.

18 Called up share capital

	2021	2020
	£	£
<i>Authorised</i> 25,000 (2020: 25,000) ordinary shares of £1 each	25,000	25,000
<i>Allotted, called up and fully paid</i> 20,200 (2020: 20,200) ordinary shares of £1 each	20,200	20,200

There is a single class of ordinary share. There are no restrictions on the distribution of dividend and the repayment of capital.

Notes to the Financial Statements *(continued)***19 Deferred tax assets**

There are deferred tax assets of £258,631 (2020: £108,334). Deferred tax assets are attributable to the following:

	2021 £	2020 £
Brought forward	108,334	93,858
Deferred tax recognised to Profit and Loss account	150,297	14,476
Carried forward	<u>258,631</u>	<u>108,334</u>
	2021 £	2020 £
Fixed assets timing differences	57,543	10,082
Short term timing differences	201,088	98,252
Net deferred tax assets	<u>258,631</u>	<u>108,334</u>

Amount of deferred tax asset not recognised on the balance sheet was £946,454 (2020: £853,219).

For the effective rate of deferred tax see note 11.

20 Capital and other commitments**Operating leases**

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Payments Due:		
Less than one year	478,044	374,187
Between one and five years	1,040,091	945,195
More than five years	157,491	295,038
	<u>1,675,626</u>	<u>1,614,420</u>

During the year £397,534 (2020: £351,451) was recognised as an expense in the profit and loss account in respect of operating leases.

The company had no other capital or other commitment of other off balance sheet arrangements.

Notes to the Financial Statements *(continued)*

21 Employee benefits

The company operates a defined contribution pension scheme. The total expense relating to this plan in the current year was £3,041,893 (2020: £2,795,088). At 31 December 2021 contributions amounting to £600,578 (2020: £444,149) were payable to the scheme and are included in creditors.

22 Contingent liabilities

In considering recent case law on holiday entitlement, impacting entitlement for employees on permanent contracts with irregular working patterns the Group is evaluating the impact, if any of the ruling. *In line with others in the industry, the Company is unable to assess the potential impact, if any, on the business at this stage due to the significant uncertainty over the financial impact as well as the likelihood and timing of any potential outflow.*

23 Ultimate controlling party

The company is a subsidiary undertaking of Gi Recruitment Limited, a company incorporated in the UK. The ultimate parent undertaking and controlling party is SCL Holding S.p.A. a company incorporated in Italy.

The smallest group in which the results of the company are consolidated is Gi Recruitment Limited, a company incorporated in the UK, and whose financial statements are available to the public. Copies can be requested from the Company Secretary at Draefern House, Dunston Court, Dunston Road, Chesterfield, Derbyshire S41 8NL.

The largest group in which the results of the company are consolidated is SCL Holding S.p.A. a company incorporated in Italy, which is also the ultimate parent undertaking and controlling party, and whose financial statements are available to the public. Copies can be requested from Milano via Cosimo del Fante 4 – 20122.

As a subsidiary undertaking of SCL Holding S.p.A. the company has taken advantage of the exemption in FRS 102 Section 33 from disclosing transactions with other members of the group headed by SCL Holding S.p.A..