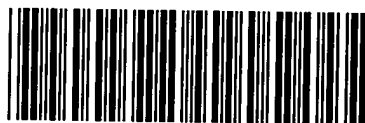


Dunedin Claret Bidco Limited
Annual report and financial statements
Registered number 07551924
For the year ended 31 March 2014

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Strategic report

The company is an intermediate holding company within the Dunedin Claret Limited group and as such has no significant activity in its own right other than the provision of financing through bank loans raised by the company. The company's principal subsidiary is Red Commerce Limited and its financial statements contain a full Strategic Report covering their activities. Furthermore the Dunedin Claret Limited's group Strategic Report contains details of the group's activities.

Subsequent to 31 March 2014 the Group anticipated that during the year ending 31 March 2015 it would breach some of the financial covenant tests that were contained within the Group's bank loan agreements. The Group commenced discussions with the lender who agreed to continue to provide the facilities whilst a refinancing package was negotiated. On 31 March 2015 the facility agreement was amended and the financial covenants reset. As part of the facility amendment, Dunedin Claret Midco Limited issued £6million of new loan notes to reduce the bank indebtedness and provide additional working capital to the Group.

By order of the board

C Mitchell
Secretary



14 May 2015

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Principal activities

The principal activity of the company is to act as an intermediate holding company.

Business review, results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend (2013: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

A Hunt (Resigned 27th March 2015)
R Vercesi (Resigned 26th February 2014)
S Lawrence (Resigned 27th May 2014)
A McRae (Appointed 16th April 2014)
C Mitchell (Appointed 28th April 2014)

Political and charitable contributions

During the year the company made no charitable contributions and no political contributions (2013: £nil).

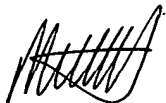
Provision of information to the auditor

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 auditor is unaware; 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



C Mitchell
Secretary

14. May 2015

First Floor
51 Gresham Street
London
EC2V 7EH

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Dunedin Claret Bidco Limited

We have audited the financial statements of Dunedin Claret Bidco Limited for the year ended 31 March 2014 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and Directors' Report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Mark Sheppard (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

14 May 2015

Profit and loss account
for the year ended 31 March 2014

	<i>Notes</i>	2014 £'000	2013 £'000
Administration expenses		<u>(75)</u>	<u>(98)</u>
Operating loss		(75)	(98)
Net finance expense	4	<u>(779)</u>	<u>(1,340)</u>
Loss on ordinary activities before taxation		(854)	(1,438)
Taxation on loss on ordinary activities	5	<u>7</u>	<u>634</u>
Loss for the year	11	<u><u>(847)</u></u>	<u><u>(804)</u></u>

All results arose from continuing operations.

There were no recognised gains or losses for the year other than the retained loss for the year above.

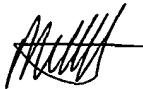
The notes on pages 7 to 11 form part of these financial statements.

Balance sheet
at 31 March 2014

	Note	2014 £'000	2013 £'000
Investments	6	26,840	26,840
Current assets			
Debtors	7	13,313	13,306
Creditors: amounts falling due within one year	8	(32,382)	(30,337)
Net current liabilities		<u>(19,069)</u>	<u>(17,031)</u>
Total assets less current liabilities		7,771	9,809
Creditors: amounts falling due after more than one year	9	<u>(9,257)</u>	<u>(10,448)</u>
Net liabilities		<u>(1,486)</u>	<u>(639)</u>
Capital and reserves			
Called up share capital	10	23	23
Share premium account	11	205	205
Profit and loss account	11	<u>(1,714)</u>	<u>(867)</u>
Equity shareholders' deficit		<u>(1,486)</u>	<u>(639)</u>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 14 May 2015 and were signed on its behalf by:



C Mitchell
Director

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

As explained in note 14, on 31 March 2015 the Dunedin Claret Limited group' ("The Group's") loan facility agreements and financial covenants were amended.

Notwithstanding the foregoing and the fact that the Company has net liabilities of £1.5million at 31 March 2014, the Company's only significant cash requirements in the year ahead relates to interest and capital repayments on the bank loan. The company expects that these cashflows will be funded by the trading subsidiaries within the group, as provided for in the banking agreements. The directors have also received confirmation from fellow group companies that they will not demand repayment of amounts due to them until the company has the ability to repay. Whilst these confirmations are not legally enforceable, there is no past practice of fellow group companies reneging on such arrangements, and these companies have sufficient financial strength to operate without reliance on these liabilities.

The directors have also assessed the validity of the going concern status of the Dunedin Claret Limited group. Based on detailed cashflow projections prepared by the group through to 31 March 2017, including sensitivity analysis on key assumptions, the directors consider that the Group will continue to operate within the amended facilities and remain compliant with the revised banking covenants.

Therefore the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Dunedin Claret Limited, the company's voting rights are controlled within the group headed by Dunedin Claret Limited and the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Dunedin Claret Limited can be obtained from First Floor, 51 Gresham Street, London, EC2V 7EH.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account within finance income and expense.

Investments

Investments in subsidiary undertakings are stated at cost.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

2 Remuneration of directors

None of the directors received remuneration for their services to the company during the year (2013: £nil).

3 Notes to the profit and loss account

The company is an intermediate holding company and does not employ any staff directly (2013: none).

Fees paid to the Company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the Company are not disclosed in Dunedin Claret Bidco Limited's accounts since the consolidated accounts of Dunedin Claret Bidco Limited's ultimate parent, Dunedin Claret Limited, are required to disclose other services on a consolidated basis.

Auditor's remuneration of £3,000 (2013: £2,000) in respect of the audit of these financial statements for the year ended 31 March 2014 is borne by Red Commerce Limited, a fellow subsidiary.

4 Finance income and expense

	2014 £'000	2013 £'000
Interest payable and similar charges		
On secured loan notes	(970)	(1,193)
Gain / (loss) on foreign exchange	191	(147)
	<u>(779)</u>	<u>(1,340)</u>

5 Taxation

Analysis of credit in year

	2014 £'000	2013 £'000
UK corporation tax		
Current tax for the year	7	308
Adjustment in respect of prior years	-	326
	<u>7</u>	<u>634</u>
Tax credit on loss on ordinary activities	<u>7</u>	<u>634</u>

Factors affecting the tax credit for the current year

The current tax credit for the year is not equal to the standard rate of corporation tax in the UK of 23% (2013: 24%) as there is £197k (2013: £154k) of non-taxable income and £998k of tax losses arising in the year. No deferred tax asset has been recognised in respect of these losses as the directors do not anticipate that suitable taxable profits will arise.

Notes (continued)

6 Fixed asset investments

	Shares in group undertaking £'000
Cost at 1 April 2013 and 31 March 2014	26,840

The company's principal subsidiary undertakings at the year end are as follows:

Subsidiary undertakings	Country of Incorporation	Principal activity	Direct/ Indirect	Class and percentage of shares held
Rouge 1 Limited	England & Wales	Intermediate holding company	Direct	Ordinary 100%
Red Commerce Limited	England & Wales	IT staffing	Indirect	Ordinary 100%
Red Commerce GmbH	Germany	IT staffing	Indirect	Ordinary 100%
Rouge Commerce AB	Sweden	IT staffing	Indirect	Ordinary 100%
Rouge 2 Limited	England & Wales	Intermediate holding company	Indirect	Ordinary 100%
Red Commerce Consultoria	Brazil	IT staffing	Indirect	Ordinary 100%
E Recrutamento Ltda				
Red Commerce Inc	USA	IT staffing	Indirect	Ordinary 100%
Red Commerce Schweiz	Switzerland	IT staffing	Indirect	Ordinary 100%

7 Debtors

	2014 £'000	2013 £'000
Corporation Tax	641	634
Amounts owed by group undertaking	12,672	12,672
	<hr/>	<hr/>
	13,313	13,306
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank loan	832	758
Amounts due to group undertakings	31,550	29,552
Accruals	-	57
	<hr/>	<hr/>
	32,382	30,337
	<hr/>	<hr/>

Notes (continued)

9 Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Loan notes	33,914	30,449

Analysis of debt:

	2014 £'000	2013 £'000
Debt can be analysed as falling due:		
In one year or less, or on demand	-	-
Between one and two years	1,500	1,500
Between two and five years	33,049	-
Over five years	-	29,719
Unamortised loan fees	(635)	(770)
	33,914	30,449

The Company has issued Secured Eurobond loan notes which bear interest at rates between 10% and 15% per annum. Interest may be rolled up annually. At the balance sheet date cumulative rolled up interest totalled £7.82million. The loan notes are redeemable at par on 31 December 2018 and are secured by debentures given by the Company, its Parent Company and its subsidiary companies. The Eurobond A loan notes are listed on the Channel Islands Stock Exchange.

The repayment of £1,500,000 of the loan notes is contingent upon the group being deemed to have sufficient excess cashflow.

10 Called up share capital

	2014 £'000	2013 £'000
<i>Allotted, called up and fully paid</i>		
Equity:		
228,325 ordinary shares of £0.10 each	23	23

11 Reserves

	Share Capital Account £'000	Share premium account £'000	Profit and loss account £'000
At beginning of year	23	205	(4,237)
Retained loss for the year	-	-	(3,473)
At end of year	23	205	(7,710)

Notes *(continued)*

12 Ultimate parent company

Dunedin Claret Limited is the ultimate parent company of its group and the highest level at which consolidated financial statements are prepared. The ultimate controlling party is Dunedin Capital Partners (GPII) Ltd, being the administrator of the investment fund which holds a controlling stake in Dunedin Claret Limited.

The consolidated financial statements of this group are available to the public and may be obtained from First Floor, 51 Gresham Street, London, EC2V 7EH.

13 Contingent Liability

The company has provided a charge over all its assets to the Group's bankers as security against amounts owed to the bank. At 31 March 2014 amounts owed totalled £10.7 million.

14 Post balance sheet events

Subsequent to 31 March 2014 the Group anticipated that during the year ending 31 March 2015 it would breach some of the financial covenant tests that were contained within the Group's bank loan agreements. The Group commenced discussions with the lender who agreed to continue to provide the facilities whilst a refinancing package was negotiated. On 31 March 2015 the facility agreement was amended and the financial covenants reset. As part of the facility amendment, Dunedin Claret Midco Limited issued £6million of new loan notes to reduce the bank indebtedness and provide additional working capital to the Group.