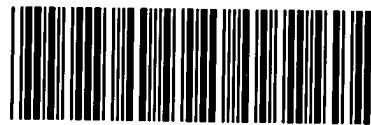


Rouge 1 Limited
Annual report and financial statements
Registered number 05611337
For the year ended 31 March 2022

FRIDAY



AC6BFD7N

A28

23/06/2023

#101

COMPANIES HOUSE

Contents

Strategic Report	2
Directors' Report	3
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements	4
Independent Auditor's Report to the Members of Rouge 1 Limited	5
Profit and loss account	9
Balance sheet	10
Statement of Changes in Equity	11
Notes to the financial statements	12

Strategic Report

The Company is an intermediate holding Company within the Group headed by Red Global Limited and has no significant activity.

The Company's principal subsidiary is Red Commerce Limited and its financial statements contain a full Strategic Report covering its activities. Furthermore, Red Global Limited's Group Strategic Report contains details of the Group's activities.

On 6th October 2022, Mars Global Acquisition Bidco Limited, a UK limited company incorporated on 12th August 2022, acquired 100% of the share capital of Red Global Limited.

Mars Global Acquisition Bidco Limited is ultimately 100% owned by Mars Global Acquisition Topco Limited, also a UK limited company incorporated on 12th August 2022.

Mars Global Acquisition Topco Limited is majority owned and controlled by AEA Investors SBF IV LP, a New York based leading global private investment firm with ~\$19 billion of assets under management.

The Company has incurred a £4.6m expense relating to share based payments – see note 11.

As part of acquisition of the Red Group, the liability recognised under the Company's share-based payment arrangement was settled by way of the immediate parent company acquiring the G shares from the shareholders. The purchase price was £8.2m. As the Company's liability was settled by its immediate parent company, this is deemed to be a capital contribution and will be accounted for as such in the next financial year.

By order of the board



M. Joyce
Director

19th June 2023

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2022.

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 ended 31 March 2022 are set out on page 9.

Dividends

No dividends were paid or declared during the financial year. (2021: Nil).

Since the year end the company has been part of a group wide reorganisation of intercompany debtors and creditors. As part of this exercise, on 5th October 2022, the Company received a dividend of £40,657,742 and paid a dividend of £39,264,279. On 19th January 2023, the Company both received and paid a dividend of £1,000,000.

Directors and Directors' interests

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

R Eades
R Marshall (resigned 6th October 2022)
M Joyce

Political and charitable contributions

During the year the Company made no charitable contributions (2021: £nil) and no political contributions (2021: £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

M Joyce
Director

19th June 2023

5th Floor
33 Gracechurch Street
London
EC3V 0BT

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

The Directors are responsible for preparing the Strategic Report, the 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements 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.
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 are 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, and 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 Rouge 1 Limited

Opinion

We have audited the financial statements of Rouge 1 Limited ("the Company") for the year ended 31 March 2022 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent auditor's report to the members of Rouge 1 Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of Directors and inspection of policy documentation as to the Red Global Limited's policies and procedures to prevent and detect fraud that apply to this Group Company as well as enquiring whether the Directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This Company, as a holding Company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report to the members of Rouge 1 Limited (continued)

Strategic report and Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception.

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

- 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
- the 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Rouge 1 Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities.

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.



Mark Sheppard (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Global House
High Street
Crawley
RH10 1DQ

Date: 20 June 2023

Profit and loss account
for the year ended 31 March 2022

	<i>Notes</i>	2022 £'000	2021 £'000
Share Based Payment charge	11	(4,575)	-
Operating loss		<u>(4,575)</u>	<u>-</u>
Loss before taxation		<u>(4,575)</u>	<u>-</u>
Taxation on loss	3	-	-
Loss for the year		<u><u>(4,575)</u></u>	<u><u>-</u></u>

All results arose from continuing operations.

There was no other comprehensive income in 2021 or 2022.

The notes on pages 12 to 16 form part of these financial statements.

Balance sheet
at 31 March 2022

	<i>Notes</i>	2022 £'000	2021 £'000
Fixed assets			
Investments	4	-	-
Current assets			
Debtors	5	10	10
Creditors: amounts falling due within one year	6	(5,807)	(1,232)
Net current liabilities		<u>(5,797)</u>	<u>(1,222)</u>
Net liabilities		<u>(5,797)</u>	<u>(1,222)</u>
Capital and reserves			
Called up share capital	7	-	-
Share premium account	11	172	172
Profit and loss account	11	(5,969)	(1,394)
Equity shareholders' deficit		<u>(5,797)</u>	<u>(1,222)</u>

The notes on pages 12 to 16 form part of these financial statements.

These financial statements were approved by the board of Directors on 19th June 2023 and were signed on its behalf by:


M. Joyce
Director

Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance on 1 April 2021	-	172	(1,394)	(1,222)
Total comprehensive income for the period				
Profit or loss	-	-	(4,575)	(4,575)
Other comprehensive income	-	-	-	-
Balance on 31 March 2022	<u>-</u>	<u>172</u>	<u>(5,969)</u>	<u>(5,797)</u>

The notes on pages 12 to 16 form part of these financial statements.

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

1 Accounting policies

Rouge 1 Limited (the "Company") is a Company limited by shares and incorporated and domiciled in the UK.

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

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

The Company's ultimate parent undertaking, Red Global Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Red Global Limited are available to the public and may be obtained from the Company's registered office. 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 Red Global Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- 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.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

1.1 *Measurement convention*

The financial statements have been prepared on the historical cost basis.

1.2 *Going concern*

Notwithstanding net current liabilities of £5,797k as of 31 March 2022, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Since the year-end the company has received and paid dividends such that at the date of signing the company has positive net assets and no intercompany indebtedness.

The entity is a holding Company and is not expected to have any cash requirements for the foreseeable future.

Notes (continued)

1.2 Going concern

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus 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.

Investments

Investments in subsidiary undertakings are stated at cost.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Share based payments

Share-based payment transactions in which the entity receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

2 Remuneration of Directors

None of the Directors received remuneration for their services to the Company during the year (2021: £nil).

3 Notes to the profit and loss account

The Company is an intermediate holding Company and does not employ any staff directly (2021: none).

Auditor's remuneration in respect of the audit of these financial statements for the year ended 31 March 2022 is fully borne by Red Commerce Limited, a fellow subsidiary.

The tax charge differs to the equivalent of 19% of the loss before tax as the share-based payment charge is non-deductible.

Notes (continued)

4 Fixed asset investments

The Company has a 100% investment in its subsidiary, Rouge 2 Limited. This investment is held at historical cost of £100.

The Company's 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 2 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%
Red Commerce Inc	USA	IT staffing	Indirect	Ordinary 100%
Red Commerce Schweiz GmbH	Switzerland	IT staffing	Indirect	Ordinary 100%
Red Commerce Consultoria E Recrutamento Ltda*	Brazil	IT staffing	Indirect	Ordinary 100%

*Denotes companies that have had offices closed in the current and previous years and as such, do not have a registered office address

The registered addresses of the subsidiaries are as follows:

Subsidiary undertaking	Registered Address
Rouge 2 Limited	5 th Floor 33 Gracechurch St, London, England EC3V 0BT
Red Commerce Limited	5 th Floor 33 Gracechurch St, London, England EC3V 0BT
Red Commerce GmbH	Gereonstrasse 1-3, 50670 Cologne, Germany
Red Commerce Inc	1200 Route 22 East, Suite 2000, Bridgewater, New Jersey, 08807, USA
Red Commerce Schweiz GmbH	Bärengasse 29, 8001 Zurich

During the year it was confirmed that Rouge Commerce AB (Sweden) has been fully liquidated, with no further liabilities to arise.

5 Debtors

	2022	2021
	£'000	£'000
Amounts due from Group undertakings	10	10

6 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Amounts due to Group undertakings	1,232	1,232
Cash settled share-based payments (note 11)	4,575	-
Corporation Tax	-	-
	5,807	1,232

Notes (continued)

7 Called up share capital

	2022 £	2021 £
<i>Allotted, called up and fully paid</i>		
Equity:		
2,500 ordinary shares of £0.01 each	25	25
7,500 'A' ordinary shares of £0.01 each	75	75
690 'B' ordinary shares of £0.01 each	7	7
12,532 (2021: 14,075) 'G' ordinary shares of £0.001 each	12	14
	<u>119</u>	<u>121</u>

On 18 November 2020, the Company issued 14,075 new "G" shares at a price of £3.08 per share.

On 1 December 2021, the Company passed a special resolution to cancel 1,543 of the issued G1 Ordinary shares of £0.001. A capital redemption reserve of £1.54 arose on the share cancellation.

8 Ultimate parent Company

Red Global Limited was the ultimate parent Company of the Group during the period covered by these financial statements and the only level at which consolidated financial statements were prepared. On 31st March 2022, the ultimate controlling party was Dunedin LLP, the manager of the investment fund which held a controlling stake in Red Global Limited.

On 6th October 2022, Mars Global Acquisition Bidco Limited, a UK limited company incorporated on 12th August 2022, acquired 100% of the share capital of Red Global Limited.

Mars Global Acquisition Bidco Limited is ultimately 100% owned by Mars Global Acquisition Topco Limited, also a UK limited company incorporated on 12th August 2022.

Mars Global Acquisition Topco Limited is majority owned and controlled by AEA Investors SBF IV LP, a New York based leading global private investment firm with ~\$19 billion of assets under management.

As a result, of the transaction on 6th October, the Group's controlling party became Mars Global Acquisition Topco Limited.

The consolidated financial statements of Red Global Limited are available to the public and may be obtained from 33 Gracechurch Street, London, EC3V 0BT.

9 Contingent liabilities

The Company has provided a charge over all its assets to the Group's bankers as security against amounts owed to the bank. On 31 March 2022, amounts owed totalled £7.1 million (2021: £11.9 million).

The Company has guaranteed loan notes issued by Red Midco Limited. On 31 March 2022 amounts owed under the loan notes totalled £40.3 million (2021: £46 million). Since the year end the loan notes have been repaid.

Notes (continued)

10 Accounting estimates and judgements

Key sources of estimation uncertainty and critical accounting judgements

The determination of the expense/liability arising on share-based payment arrangements is both a critical accounting judgement and involves estimation. The key judgement is the extent to which the final liability at which the arrangement was settled in October 2022 had accrued by 31 March 2022. Management have adopted an approach based on the evolution of improvements in business performance over the period from the commencement of the share-based payment arrangement to the settlement date.

11 Share based payments

In October 2020, the company issued growth shares to certain management employees of the group, which enables them to participate in the growth of the value of the group, subject to certain thresholds as set out in the Company's Articles. On an exit, as defined in the Articles, the Company will acquire the G shares at a value determined within the Articles. The value is attributable to the G shares as a whole, regardless of the number of G shares in issue.

The total expenses recognised for the year and the total liabilities recognised at the end of the year arising from share-based payments are as follows:

	2022 £000	2021 £000
Total share-based payment expense	4,575	-
Total carrying amount of liabilities	4,575	-

The G share arrangement is considered to be a cash-settled share-based payment arrangements. The value of the liability on 31 March 2022 has been measured taking into account the eventual liability incurred in acquiring the shares in October 2022 and spreading the accrual of that liability between the pre- and post-year end periods based on the evolution of the improvement in business performance over the period since the G shares were issued.