Red Global Limited

Annual report and consolidated financial statements

Registered number 07639139

For the year ended 31 March 2023

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Strategic Report

Red Global Limited ('the Company' or 'the Group') is a specialist recruitment organisation focusing on contract and permanent recruitment in the SAP environment on a worldwide basis. The Group provides services to clients in Europe, the Americas and across Asia Pacific.

The Group's vision is to be the global SAP recruitment partner of choice.

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. Also on 6th October 2022, the Group paid the entire amount outstanding (£47.6m) to settle all of the loan notes issued by the Company and its subsidiary Red Midco 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.

AEA Investors is a New York based leading global private investment firm with ~$19 billion of assets under management.

Business Review

During the year, the Group has reported an increase in turnover of £47.2m *(2022: increase of £31.9m)*, and an increase in gross profit of £10.4m *(2022: increase of £8.0m)*.

Contract recruitment revenue increased by 29% and gross profit increased by 32.3% compared to prior year, whilst permanent recruitment revenue decreased by 4% and total gross profit increased by 29%.

The Group had net current liabilities of £39.8m at the balance sheet date (2022: net assets of £2.2m), £35.8m of which relates to intercompany loans from the immediate parent company. Net cash outflow from operations during the year was £9.1m (2022: £6.2m inflow).

The table below summarises the financial performance of the Group and separates exceptional one-off items as well as non-cash items to isolate the underlying performance. It indicates the Group made a "normalised" operating profit for the year of £13.9m million compared to a normalised profit of £10.9m in the prior year.

	FY23			FY22		
	Actuals	Exceptional / Non-cash	"Normalised" operations	Actuals	Exceptional / Non-cash	"Normalised " operations
	£000	£000	£000	£000	£000	£000
Turnover	210,020	-	210,020	162,806	-	162,806
Cost of sales	(163,574)	-	(163,574)	(126,730)	-	(126,730)
Gross profit	**46,446**	-	**46,446**	**36,076**	-	**36,076**
Direct sales and support costs	(30,310)	-	(30,310)	(24,678)	-	(24,678)
Goodwill amortisation & depreciation	(2,098)	2,098	-	(2,136)	2,136	-
Exceptional finance and restructuring	(1,450)	1,450	-	(117)	117	-
Share-based payment	(3,603)	3,603	-	(4,575)	4,575	-
Operating profit	**8,985**	**7,151**	**16,136**	**4,570**	**6,828**	**11,398**
Bank and Other Interest	(2,224)	-	(2,224)	(476)	-	(476)
Loan notes interest	(5,954)	5,954	-	(3,072)	3,072	-
Amortisation of debt issue costs	-	-	-	-	-	-
Foreign exchange movements	(80)	80	-	(537)	537	-
Profit before taxation	**727**	**13,188**	**13,915**	**485**	**10,437**	**10,922**

Principal risk and uncertainty

The performance of the Group could be significantly impacted by changes to underlying economic and geopolitical activity. Changes in levels of business confidence in the wider economy can significantly impact hiring decisions and levels of candidate confidence, which impacts their propensity to change jobs.

Any significant change in the demand for SAP as an enterprise resource planning software solution is another risk facing the business as any decline in the demand for SAP software would likely reduce the demand for talent recruited through the Group. The Group is also reliant on its ability to recruit, train, develop and retain staff to drive profitable growth.

Strategic Report

(continued)

Key Performance Indicators

A number of key performance indicators are used within the Group to monitor performance. The most important of those are noted below.

	2023	2022
Percentage change in turnover growth, by region		
UK	+40%	+35.6%
Continental Europe	+30%	+23.3%
Rest of World	+26%	+7.6%
Group	+30%	+25%

Funding and going concern

Prior to July 2023, an invoice finance facility with Leumi ABL in the amount of £40m, was in place until October 2025. In July 2023, post year end, the Group terminated the Leumi facility and refinanced, entering into a new invoice finance facility with HSBC alongside loan funding from Mars Global Acquisition Bidco Limited which is repayable in July 2033.

Notwithstanding net liabilities at 31 March 2023 of £24.4 million, net current liabilities at 31 March 2023 of £39.8 million, and a loss for the year then ended of £2.2 million, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company and the intermediate group ("Red Global Group") meets its day to day working capital requirements from a term loan (see note 21), together with operational cash flows, intercompany loan and trading balances with the ultimate group headed by Mars Global Acquisition Topco Limited, the ultimate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the 12 month period from the approval of the financial statements, the going concern assessment period. In doing so they have considered cashflow forecast for the period up to March 2025. This assessment is dependent on its immediate parent company, Mars Acquisition Bidco Limited, not seeking repayment of the amounts currently due to the ultimate group, which at 31 March 2023 amounted to £35,847,000.

Mars Acquisition Bidco Limited has indicated that it does not intend to seek repayment of these amounts currently due to the group which at 31st March 2023 amounted to £35,847,000, during the going concern period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

Michael Joyce
Director

24th November 2023

5th floor,
33 Gracechurch Street,
London,
EC3V 0BT

Directors' Report

The Directors present their annual report and the audited financial statements for the year to 31 March 2023.

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 the Company. Also on 6th October 2022, the Group paid the entire amount outstanding (£47.6m) to settle all of the loan notes issued by the Company and its subsidiary Red Midco 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.

AEA Investors is a New York based leading global private investment firm with ~$19 billion of assets under management.

Principal activities

The principal activity of the Group is the provision of specialist recruitment services in the SAP environment on a worldwide basis. The Group provides services to clients in Europe, the Americas and across Asia Pacific.

Dividends

No dividends were paid or declared during the financial year (2022: Nil).

On 5th October 2022, the Company received a dividend of £2,673,067 and on 19th January 2023, the Company received a dividend of £677,617. Both were paid from Red Midco Limited.

Directors

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

Ross Eades
Michael Joyce

Political and charitable contributions

During the year the Group made no charitable contributions *(2022: £nil)* and no political contributions *(2022: £nil)*.

Directors' duties

In accordance with section 172 of the Companies Act 2006, Directors of a Group must act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholders and wider stakeholders.

The Group discharges these responsibilities in a multitude of ways, inclusive but not limited to the following:

- a campaign has been initiated to address wellbeing of employees including remote classes for yoga and fitness, encouraging peer support and mental health awareness workshops,
- the Group provides yearly salary surveys to our contractors to allow them to benchmark their rates to the market,
- employees are offered flexibility with respect to working from home or in the office,
- events are held to raise money for nominated charitable organisations,
- the Group has a blog site for clients and candidates alike that provides information ranging from how to onboard remote employees to how to write a technical CV.

Directors' Report

(continued)

Greenhouse gas emissions, energy consumption and energy efficiency action

	2023 kg CO2e	2022 kg CO2e
Scope 1 and 2 – Direct emissions		
Gas usage from our occupied – Scope 1		-
Purchased electricity for own use – Scope 2	25,119	24,219
Intensity metric: Total scope 1 and 2 CO2e per £m turnover	119	148
Scope 3 – Indirect emissions		
Business travel – rail, air, ferry, car hire	15,072	9,811
Intensity metric: Total scope 3 CO2e per £m turnover	71	60

To reduce the Group's direct energy consumption, motion sensor lighting is in use ensuring that energy is only in use where it is required. In addition, air conditioning units are turned off when the office is not in use.

Indirect emissions relating to travel are also set to decline due to increased and continued use of video conferencing technology.

Provision of information to 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

Michael Joyce
Director

24th November 2023

5th floor,
33 Gracechurch Street,
London,
EC3V 0BT

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, 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 Group and parent Company 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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company 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 Group and parent 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 Group or the parent 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its 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 Group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Red Global Limited

Opinion

We have audited the financial statements of Red Global Limited ("the Company") for the year ended 31 March 2023 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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 Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's 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 Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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 Group's business model and analysed how those risks might affect the Group and 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 Group or 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 Group or the Company will continue in operation.

Independent auditor's report to the members of Red Global 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 Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group 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 due to the nature, complexity of revenue streams, which are typically high volume, low value transactions, which limits the opportunity and incentive for manipulation.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included:

- journals entries with unusual account pairings to Revenue
- journal entries with unusual account pairings to Cash
- journal entries made to seldom used accounts

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.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group 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.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment laws recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of Red Global Limited *(continued)*

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.

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Red Global Limited *(continued)*

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.

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.

Timothy Rush (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Global House
High Street
Crawley
RH10 1DQ
Date: 24 November 2023

Consolidated Profit and Loss Account
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	210,020	162,806
Cost of sales		(163,574)	(126,730)
Gross profit		46,446	36,076
Administration expenses	4	(33,858)	(26,931)
Share based payment charge	2	(3,603)	(4,575)
Operating profit		8,985	4,570
Net finance expense	8	(8,258)	(4,085)
Profit before taxation		727	485
Taxation expense	9	(2,975)	(2,739)
Loss for the year		(2,248)	(2,255)

All amounts are from continuing operations.

The notes on pages 17 to 33 form part of these financial statements.

Consolidated Other Comprehensive Income
for year ended 31 March 2023

	Note	2023 £000	2022 £000
Loss for the year		(2,248)	(2,255)
Other comprehensive income:			
Foreign exchange differences on translation of foreign operations		(1)	336
Other comprehensive income for the year, net of income tax		(1)	336
Total comprehensive loss for the year		(2,249)	(1,919)

The accompanying notes form part of these financial statements.

Consolidated Balance Sheet
as at 31 March 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Goodwill	*10*	15,228	17,069
Tangible assets	*11*	249	324
		15,477	17,393
Current assets			
Debtors	*13*	53,486	45,299
Cash at bank and in hand		2,774	6,445
		56,260	**51,744**
Creditors: amounts falling due within one year	*14*	(96,108)	(49,586)
Net current (liabilities)/assets		**(39,848)**	**2,158**
Total assets less current liabilities		**(24,371)**	**19,551**
Creditors: amounts falling due after more than one year	*15*	-	(41,690)
Net liabilities		**(24,371)**	**(22,139)**
Capital and reserves			
Called up share capital	*16*	125	125
Share premium account	*17*	230	230
Own shares held	*17*	-	(17)
Capital contribution reserve	*18*	-	23,298
Profit and loss account		(24,726)	(45,775)
Equity shareholders' deficit		**(24,371)**	**(22,139)**

The notes on pages 17 to 33 form part of these financial statements.

These financial statements were approved by the board of Directors on 24th November 2023 and were signed on its behalf by:

Michael Joyce
Director

Company Balance Sheet
at 31 March 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Investments	*12*	-	-
Current assets			
Debtors	*13*	160	21
Creditors: amounts falling due within one year	*14*	(2,213)	(2,641)
Net current liabilities		**(2,053)**	**(2,620)**
Total assets less current liabilities		**(2,053)**	**(2,620)**
Creditors: amounts falling due after more than one year	*15*	-	(1,440)
Net liabilities		**(2,053)**	**(4,060)**
Capital and reserves			
Called up share capital	*16*	125	125
Share premium account	*17*	230	230
Own shares held	*17*	-	(17)
Capital contribution reserve	*18*	-	449
Profit and loss account		(2,408)	(4,847)
Equity shareholders' deficit		**(2,053)**	**(4,060)**

The notes on pages 17 to 33 form part of these financial statements.

These financial statements were approved by the board of Directors on 24th November 2023 and were signed on its behalf by:

Michael Joyce
Director

Consolidated Cash Flow Statement

for year ended 31 March 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Loss for the year		(2,248)	(2,255)
Adjustments for:			
Depreciation, amortisation and impairment		2,099	2,136
Share based payment charge		3,603	4,575
Net finance expense		8,258	3,888
Taxation		2,975	2,739
Increase in trade and other debtors		(8,242)	(13,922)
(Decrease)/Increase in trade and other creditors		(6,520)	10,150
Cash settled share-based payments		(8,178)	-
Tax paid		(875)	(1,092)
Net cash from operating activities		**(9,128)**	**6,219**
Cash flows from investing activities			
Purchase of tangible fixed assets		(194)	(276)
Net cash used in investing activities		**(194)**	**(276)**
Cash flows from financing activities			
(Purchase)/Sale of own shares		-	25
Cash received from Invoice Finance facilities		26,803	-
Interest paid		(2,224)	(476)
Repayment of loan notes		(47,635)	-
Loans from Parent undertaking	*21*	35,847	-
Net cash used in financing activities		**12,791**	**(451)**
Net increase/(decrease) in cash and cash equivalents		3,469	5,492
Cash and cash equivalents at 01 April		(695)	(6,187)
Cash and cash equivalents at 31 March	*24*	**2,774**	**(695)**

The notes on pages 17 to 33 form part of these financial statements.

Consolidated statement of Changes in Equity
for the year ended 31 March 2023

	Share Capital £000	Share Premium £000	Own Shares £000	Capital Contrib'n £000	Profit & Loss £000	Shareholder's Equity £000
Balance at 01 April 2022	125	230	(17)	23,298	(45,775)	(22,139)
Comprehensive income						
Profit & loss	-	-	-	-	(2,248)	(2,248)
Other comprehensive income	-	-	-	-	(1)	(1)
Total comprehensive income	-	-	-	-	**(2,249)**	**(2,249)**
Transactions with owners, recorded directly in equity: Capital Contribution	-	-	17	-	-	17
Transfer to Retained Earnings	-	-	-	(23,298)	23,298	-
Balance at 31 March 2023	**125**	**230**	-	-	**(24,726)**	**(24,371)**

Consolidated statement of Changes in Equity
for the year ended 31 March 2022

	Share Capital £000	Share Premium £000	Own Shares £000	Capital Contrib'n £000	Profit & Loss £000	Shareholder's Equity £000
Balance at 01 April 2021	125	230	(42)	23,298	(43,856)	(20,245)
Comprehensive income						
Profit & loss	-	-	-	-	(2,255)	(2,255)
Other comprehensive income	-	-	-	-	336	336
Total comprehensive income	-	-	-	-	**(1,919)**	**(1,919)**
Transactions with owners, recorded directly in equity: Capital Contribution	-	-	-	-	-	-
Own shares acquired (net)	-	-	25	-	-	25
Balance at 31 March 2022	**125**	**230**	**(17)**	**23,298**	**(45,775)**	**(22,139)**

Company statement of Changes in Equity
for the year ended 31 March 2023

	Share Capital £000	Share Premium £000	Own Shares £000	Capital Contrib'n £000	Profit & Loss £000	Shareholder's Equity £000
Balance at 01 April 2022	125	230	(17)	449	(4,847)	(4,060)
Comprehensive income						
Profit & loss	-	-	-	-	1,990	1,990
Other comprehensive income	-	-	17	-	-	17
Total comprehensive income	-	-	17	-	**1,990**	**2,007**
Transactions with owners, recorded directly in equity:						
Capital Contribution	-	-	-	-	-	-
Own shares acquired (net)	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	(449)	449	-
Balance at 31 March 2023	**125**	**230**	**-**	**-**	**(2,408)**	**(2,053)**

The notes on pages 17 to 33 form part of these financial statements.

Company statement of Changes in Equity
for the year ended 31 March 2022

	Share Capital £000	Share Premium £000	Own Shares £000	Capital Contrib'n £000	Profit & Loss £000	Shareholder's Equity £000
Balance at 01 April 2021	125	230	(42)	449	(4,664)	(3,902)
Comprehensive income						
Profit & loss	-	-	-	-	(183)	(183)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	**(4,847)**	**(4,085)**
Transactions with owners, recorded directly in equity:						
Capital Contribution	-	-	-	-	-	-
Own shares acquired (net)	-	-	25	-	-	25
Balance at 31 March 2022	**125**	**230**	**(17)**	**449**	**(4,847)**	**(4,060)**

Notes to the Financial Statements
(forming part of the Financial Statements)

1 Accounting policies

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

These Group and parent Company 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 parent Company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent Company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included;
- No separate parent Company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included.
- 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 23.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going Concern

Notwithstanding net liabilities at 31 March 2023 of £24.4 million, net current liabilities at 31 March 2023 of £39.8 million, and a loss for the year then ended of £2.2 million, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company and the intermediate group ("Red Global Group") meets its day to day working capital requirements from a term loan (see note 21), together with operational cash flows, intercompany loan and trading balances with the ultimate group headed by Mars Global Acquisition Topco Limited, the ultimate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the 12 month period from the approval of the financial statements, the going concern assessment period. In doing so they have considered cashflow forecast for the period up to March 2025. This assessment is dependent on its immediate parent company, Mars Acquisition Bidco Limited, not seeking repayment of the amounts currently due to the ultimate group, which at 31 March 2023 amounted to £35,847,000.

Mars Acquisition Bidco Limited has indicated that it does not intend to seek repayment of these amounts currently due to the group which at 31st March 2023 amounted to £35,847,000, during the going concern period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes *(continued)*

1.2 *Going Concern (continued)*

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 *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2023. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

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

1.4 *Foreign currency*

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

1.5 *Classification of financial instruments issued by the Group*

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

- they include no contractual obligations upon the Group 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 Group; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity 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 entity'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.

Notes *(continued)*

1.6 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.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.7 Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition, a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.20 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

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 fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Computer equipment: 1 - 5 years

Fixtures and fittings: 2 - 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.

Notes *(continued)*

1.9 Business combinations

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Company elected not to restate business combinations that took place prior to 1 April 2014. In respect of acquisitions prior to the application date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

1.10 Goodwill

Goodwill
Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or Group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Amortisation

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 20 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or Groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire Group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Employee benefits

Defined contribution plans and other long-term employee benefits

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.

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Own shares held by ESOP trust

Transactions of the Company-sponsored ESOP trust are treated as being those of the Company and are therefore reflected in the Company and Group financial statements. In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity.

As of 6th October 2022 notwithstanding the fact that the Company remains the sponsor for the ESOP, the directors consider the ESOP from that date to be in the control of Mars Acquisition Topco Limited (the new ultimate parent company) and have therefore derecognised the amount of own shares held at that time which was £17,000.

1.13 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.14 Turnover

The turnover represents amounts receivable for services, including reimbursed contractor expenses, net of VAT and trade discounts. Turnover from contract assignments is recognised when the services are performed based on hours worked by the consultants placed. Turnover from permanent placements is recognised at the start date of placing a candidate with a client. Provisions are made for possible cancellations of placements shortly after the commencement of employment.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15 Expenses

Operating lease

Payments 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.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange 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 funds invested and net foreign exchange gains.

1.16 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.

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 is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.17 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.

Notes *(continued)*

2 Share based payments

In October 2020, Rouge 1 Limited, a subsidiary company, issued G shares to certain management employees, which enabled them to participate in the growth of the value of the Group, subject to certain thresholds as set out in the Articles of Rouge 1 Limited.

On an exit, as defined in the Articles, the Group would acquire the G shares at a value determined within the Articles. The value was attributable to the G shares, regardless of the number of G shares in issue.

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

	2023 £000	2022 £000
Total share-based payment expense	3,603	4,575
Total carrying amount of liabilities	-	4,575

An exit occurred in October 2022 and the Group acquired the G shares. At the exit, the cumulative balance of the share-based payment liability, being £8,178,000, was settled in cash.

The G share arrangement was considered to be a cash-settled share-based payment arrangement. The accrual of the share based payment liability was spread across the period between when the G shares were issued and when they were purchased, based upon the evolution of the improvement in business performance over that period.

3 Segmental information

	2023 Turnover £'000	2022 Turnover £'000
Geographical destination:		
UK	26,989	19,379
Rest of Europe	137,087	106,596
Rest of the World	45,944	36,831
	210,020	162,806

4 Profit before taxation

	2023 £'000	2022 £'000
Profit on ordinary activities before taxation is stated		
After charging/(crediting)		
Group:		
Depreciation of fixed assets	258	295
Amortisation of goodwill	1,841	1,841
Operating lease rentals – plant and machinery	7	9
Operating lease rentals – other	1,060	1,057

In addition, non-recurring costs in the year were £1,450,461. Non-recurring costs in the prior year were £116,522.

Notes *(continued)*

5 Auditors' remuneration

	2023 £'000	2022 £'000
After charging/(crediting)		
Audit of these financial statements	80	93
Audit of the financial statements of the subsidiaries	55	15
Non audit fees	9	-

6 Remuneration of Directors

	2023 £'000	2022 £'000
Directors' emoluments	835	778
Company contributions to money purchase pension schemes	35	34
Amounts paid to third parties in respect of Directors' services	55	70
	925	882

The aggregate of emoluments of the highest paid Director was £520,000 (*2022*: £466,000). Contributions to money purchase pension schemes were made for two Directors.

7 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2023 No.	2022 No.
Administration	60	47
Sales	221	178
	281	225

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000
Wages and salaries	20,842	16,766
Social security costs	2,612	2,025
Other pension costs	478	371
Share based payments (note 2)	3,603	4,575
	27,535	23,737

Notes *(continued)*

8 Net Finance Expense

	2023 £'000	2022 £'000
Finance expenses and similar charges		
Invoice Finance Facilities	1,113	476
Loan note interest	5,954	3,072
Related party loan interest	997	-
Other Interest	114	-
	8,178	3,548
Loss on foreign exchange	80	537
Net interest expense	8,258	4,085

9 Taxation

Analysis of charge in year

	2023 £'000	2022 £'000
Current tax		
UK tax on income for the year	1,133	1,130
Foreign Tax relief/other relief	(3)	(3)
Overseas tax	1,769	1,015
Prior year adjustment	24	672
Total current tax	2,923	2,814
Deferred tax		
Movement in deferred tax for the year	(5)	7
Adjustment in respect of prior years	59	(82)
Effect of tax rate change	(2)	-
	52	(75)
Tax on profit	2,975	2,739

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 19% (*2022:* 19%). The differences are explained below:

	2023 £'000	2022 £'000
Current tax reconciliation		
Profit before taxation	727	485
Current tax at 19% (2022: 19%)	138	92
Effects of:		
Expenses not deductible for tax purposes	2,726	1,866
Income not taxable	(9)	(14)
Adjustment in respect of prior years	-	672
Impact of higher rates on overseas profits	757	476
Change in tax rate	-	(82)
Effects of foreign exchange	-	1
Net operating losses utilised not previously recognised	(637)	(272)
Total tax charge (see above)	2,975	2,739

In October 2022, the government announced the Corporation Tax rate would increase from 19% to 25% effective from 1st April 2023.

Notes *(continued)*

10 Intangible fixed assets

	Goodwill £'000
Group	
Cost	
At beginning and end of year	37,213
	37,213
Amortisation	
At beginning of year	(20,144)
Charged in year	(1,841)
At end of year	(21,985)
Net book value	
At 31 March 2023	15,228
At 31 March 2022	17,069

The Directors consider acquisitions separately for the purpose of determining the amortisation period of any goodwill that arises. The goodwill is being amortised over a period of 20 years, being the Directors' best estimate of its useful economic life.

11 Tangible fixed assets

	Computer equipment	Furniture & office equipment	Total
Group	**£'000**	**£'000**	**£'000**
Cost			
At beginning of year	1,727	1,410	3,137
Additions	101	82	183
Disposals	-	-	-
At end of year	1,828	1,492	3,320
Depreciation			
At beginning of year	1,521	1,292	2,813
Charge for year	174	84	258
Disposals	-	-	
At end of year	1,695	1,376	3,071
Net book value			
At 31 March 2023	133	116	249
At 31 March 2022	206	118	324

Notes *(continued)*

12 Fixed asset investments - Company

The Company's subsidiary undertakings at the year-end are as follows:

	Country of incorporation	Principal activity	Direct/ Indirect	Class and percentage of shares held in Company
Subsidiary undertakings				
Red Commerce Limited	England & Wales	IT staffing	Indirect	Ordinary 100%
Red Commerce GmbH	Germany	IT staffing	Indirect	Ordinary 100%
Rouge 1 Limited	England & Wales	Holding Company	Indirect	Ordinary 100%
Rouge 2 Limited	England & Wales	Holding Company	Indirect	Ordinary 100%
Red Bidco Limited	England & Wales	Holding Company	Indirect	Ordinary 100%
Red Midco Limited	England & Wales	Holding Company	Direct	Ordinary 100%
Red Commerce Schweiz GmbH	Switzerland	IT staffing	Indirect	Ordinary 100%
Red Commerce Inc	USA	IT staffing	Indirect	Ordinary 100%
Red Commerce Consultoria E Recrutamento LTDA*	Brazil	IT staffing	Indirect	Ordinary 100%
Redcomm Consultancy India Private Limited	India	IT staffing	Indirect	Ordinary 100%

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

The registered addresses of the subsidiaries are as follows:

Subsidiary undertaking	Registered Address
*Red Bidco Limited	5th Floor 33 Gracechurch St, London, England EC3V 0BT
*Red Midco Limited	5th Floor 33 Gracechurch St, London, England EC3V 0BT
*Rouge 1 Limited	5th Floor 33 Gracechurch St, London, England EC3V 0BT
*Rouge 2 Limited	5th Floor 33 Gracechurch St, London, England EC3V 0BT
Red Commerce Limited	5th 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, Switzerland
Redcomm Consultancy India Private Limited	Flat no 94, Pocket-4 Lig Flat sector-11, DWARKA, New Delhi, Delhi, 110075 India

*These subsidiaries are exempt from the requirement of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of the s479A of the Act. Red Global Limited has given a guarantee with regards to the outstanding liabilities at the balance sheet date of the below named subsidiaries pursuant to s479A to S479C of the Act and all members of the companies agree to the exemption of an audit for the period ended 31 March 2023.

Notes *(continued)*

13 Debtors

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Trade debtors	46,822	-	36,475	-
Other debtors	518	139	2,301	-
Prepayments and accrued income	5,861	-	6,182	-
Deferred tax	285	-	341	-
Corporation tax	-	-	-	-
Amounts due from Ultimate parent company and intermediate holding companies	-	21	-	21
	53,486	160	45,299	21

Deferred tax principally relates to differences between depreciation and capital allowances.

14 Creditors: amounts falling due within one year

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Invoice finance	26,803	-	7,141	-
Trade creditors	11,616	-	13,198	-
Taxation and social security	351	-	3,585	-
Accruals and deferred income	15,660	10	17,917	9
Other creditors	53	-	4,501	-
Corporation tax payable	5,778	-	3,244	-
Amounts owed to Ultimate parent company and intermediate holding companies	35,847	2,203	-	2,632
	96,108	2,213	49,586	2,641

The invoice finance facility is secured on the trade receivables. Amounts due to Group undertakings are not expected to be settled within the next year.

Notes *(continued)*

15 Creditors: amounts falling due after more than one year

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Loan notes	-	-	41,690	1,440
	-	-	41,690	1,440

Analysis of debt:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Debt can be analysed as falling due:				
In one year or less, or on demand	-	-	-	-
Between one and two years	-	-	41,690	1,440
Between two and five years				
Over five years	-	-	-	-
	-	-	41,690	1,440

The Group had issued Secured Eurobond loan notes. Interest charges on the loan notes were reduced to 8% from 1 April 2015 and following amendments to the terms on 1 April 2016, the interest charge was reduced to 0%. The loan notes were redeemable at par on 31 December 2018 but following an extension agreed on 19 December 2018, this was extended to 31 December 2023.

The loan notes were secured by debentures given by the Company and its subsidiary companies. The Eurobond A loan notes were listed on the The International Stock Exchange.

On 6th October 2022, the Group repaid the entire amount outstanding (£47.6m) to settle all the loan notes issued by the Company and its subsidiary Red Midco Limited. This included £36.9m in respect of A Eurobonds issued by Red Midco Limited which were subsequently delisted from The International Stock Exchange.

Notes *(continued)*

16 Called up share capital

	2023 £'000	2022 £'000
Authorised:		
Equity:		
203,599 'A' ordinary shares of £0.10 each	20	20
14,902 'B' ordinary shares of £0.10 each	1	1
95,547 'C' ordinary shares of £1.00 each	96	96
22,950 'D' ordinary shares of £0.10 each	2	2
10,000 'G' ordinary shares of £0.10 each	1	1
4,081 'Red 1' ordinary shares of £0.10 each	1	1
4,452 'Red 2' ordinary shares of £1.00 each	4	4
	125	125
Allotted, called up and fully paid		
Equity:		
203,599 'A' ordinary shares of £0.10 each	20	20
14,902 'B' ordinary shares of £0.10 each	1	1
95,547 'C' ordinary shares of £1.00 each	96	96
22,950 'D' ordinary shares of £0.10 each	2	2
8,130 'G' ordinary shares of £0.10 each	1	1
4,081 'Red 1' ordinary shares of £0.10 each	1	1
4,452 'Red 2' ordinary shares of £1.00 each	4	4
	125	125

17 Reserves

The share premium account represents the excess of the value of shares issued over their nominal value.

Company has an ESOP trust which holds shares to be allocated to employees. Since inception it has acquired shares from both employees who left the Group and from Dunedin Buyout Fund II L.P. (which had acquired the shares from employees who had left the Group before the establishment of the ESOP trust) and it has also sold shares to certain employees. As at 6th October 2022 the ESOP has been deconsolidated from the Company as it is in the control of Mars Acquisition Topco Limited being the new ultimate parent company). The net consideration paid as at this time and shown as "Own shares Held" of £17k has been deconsolidated from the company only balance sheet. As at 31 March 2022 the balance was £17k and this represented 12,906 shares.

18 Capital Contribution

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Capital contribution	-	-	23,298	449

On 1 April 2016 the interest rate charged on the Eurobond loan notes held by the principal shareholder was reduced from 8% to 0% until redemption on 31 December 2019. This change in terms gave rise to a gain which was treated as a capital contribution, given that the fair value of the loans on 1 April 2016 was reduced by £11.5million, being the impact of discounting the future obligation to its present value.

On 19 December 2018, the redemption dates on the Eurobond loan notes and the Management loan notes were extended to 31 December 2023. The change in terms gave rise to a further gain which was treated as a capital contribution given the fair value of the loans on 31 December 2018 were reduced by £11.8m collectively (Eurobonds: £11.4m; Management loan notes: £0.4m).

On 6th October 2022 upon repayment of all loan notes, the capital reserve was transferred to Profit and loss account.

Notes *(continued)*

19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Operating leases which expire:	-			
Less than one year	1,048	1,048	-	-
Between one and five years	1,741	2,789	-	-
More than five years	-	-	-	-
	2,789	3,837	-	-

During the year £1,059,535 was recognised as an expense in the profit and loss account in respect of operating leases (2022: £1,057,000)

20 Pension scheme

The Group operates a Group personal pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £477,683 *(2022: £371,222).*

21 Parent Company and ultimate controlling party

Until 6th October 2022, Red Global Limited was the ultimate parent Company of its Group and the only level at which consolidated financial statements were prepared. At 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 and became its immediate parent company. 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 LLP which is now the ultimate controlling party.

In connection with aforementioned transaction and the settlement of the loan notes (see note 15), Mars Global Acquisition Limited entered into loan agreements, all on the same terms, with Red Global Limited, Red Midco Limited and Red Bidco Limited and made the following advances, in accordance with those agreements, which remain outstanding at 31st March 2023:

	2023 £'000	2022 £'000
Intercompany balances with Mars Acquisition Bidco Limited		
Amounts due by Red Bidco Limited	8,442	-
Amounts due by Red Midco Limited	26,425	-
Amounts due by Red Global Limited	980	-
Amount due from Red group undertakings as at 31st March 2023	35,847	-

The loan agreements require interest to be charged at an arm's length rate and have been made for a period of ten years, until October 2033, with the loans due for repayment at the end of the ten-year term, or on any other date specified by Mars Global Acquisition Bidco Limited in a written demand to the Borrower requiring such repayment. The year end balances above include interest charged at 5.5% for the six months ending 31st March 2023.

Each of the Borrowers, may repay their Advance in whole or in part, at any time as agreed by the relevant Borrower and Mars Global Acquisition Bidco Limited.

Notes *(continued)*

22 Related party transactions

During the period, the Group paid fees to Dunedin LLP of £55,000 (*2022: £70,000)* for the services of one Director. This amount is included in Directors' remuneration in note 6. The amount outstanding at the period end was £nil (*2022*: £nil).

Transactions with key management personnel
Total compensation of key management personnel in the year amounted to £835,000 (2022: £778,000).

Management loan notes and accrued interest outstanding at the year-end amounted to *£Nil (2022: £1,439,908)*

23 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 2023 amounts owed totalled £26.8m *(2022: £7.1m)*.

The Company guaranteed loan notes issued by Red Midco Limited. At the beginning of the year, amounts owed under the loan notes totalled £46m *(2022: £46m)*, all of which were repaid in October 2022.

The Group has paid lease deposits for its German offices. At March 2022 deposits held with HSBC totalled £0.1m *(2022: £0.1m)*.

24 Reconciliation of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	2,774	6,445
Invoice finance	-	(7,140)
Cash and cash equivalents	2,774	(695)

25 Accounting estimates and judgements

Critical accounting estimates and judgements in applying the Company's accounting policies

There were no key accounting estimates or critical judgements involved in accounting for the result for the year.