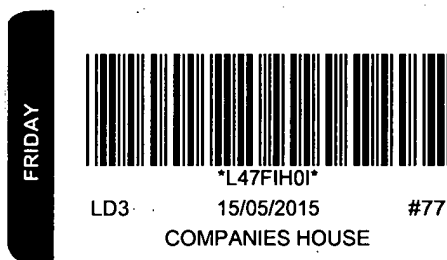


Dunedin Claret Limited
Annual report and consolidated
financial statements
Registered number 07639139
For the year ended 31 March 2014



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Strategic report

Dunedin Claret Limited ('the company' or 'the group') is a specialist recruitment company focusing on contract and permanent recruitment in the SAP environment on a worldwide basis and the provision of consulting services in Europe. 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.

Business Review

The group achieved an increase in turnover (after the impact of the change in accounting policy for permanent placement income had been accounted for – see note 1 for more information) of £10.3m (2013: increase of £10.7m), and an increase in gross profit of £0.9m (2013: increase of £3.3m).

During the year the group's permanent recruitment division suffered a decline in profitability, caused largely by the loss of some experienced consultants and a decline in overall consultant productivity. In addition, the company's consulting business failed to secure any significant new projects, resulting in a loss for the period. Following on from a strategic review it was decided to withdraw from the consulting businesses in Europe and America and actions have been taken to eliminate any future losses.

In January 2014, the board appointed Andrew McRae as the new Chief Executive Officer of the company.

During the final quarter of the year, a reorganisation took place in order to position the company to better take advantage of growth opportunities, involving the appointment of new senior management and the implementation of a geographically focused management structure.

In April 2014, the board appointed Craig Mitchell as Chief Financial Officer.

Principal Risk and Uncertainty

The performance of the group is significantly affected by changes to underlying economic activity, particularly in its key geographies of the UK and Germany.

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 on either a permanent or contract basis.

The group is also reliant on its ability to recruit, train, develop and retain staff to drive profitable growth.

Key Performance Indicators

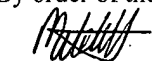
A number of key performance indicators are used within the group to monitor performance as follows:

	2014	2013
Turnover growth, by geography		
UK	18%	(2%)
Continental Europe	(4%)	17%
Rest of World	89%	28%
Gross profit Percentage	23%	25%
Conversion ratio	20%	23%

Funding

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

By order of the board



C Mitchell
Director

14 MAY. 2015

First Floor,
51 Gresham Street,
London,
EC2V 7EH

Directors' report

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

Principal activities

The principal activity of the group is the provision of IT recruitment and staffing services.

Dividends

The directors do not recommend payment of a dividend.

Directors

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

D Williams (resigned 28th April 2015)
A Hunt (resigned 27th March 2015)
R Vercesi (resigned 26th February 2014)
S Lawrence (resigned 27th May 2014)
I Martin
L Hayman
C Mitchell (appointed 28th April 2014)
A McRae (appointed 16th April 2014)
R Marshall

Political and charitable contributions

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

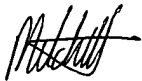
Provision of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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

By order of the board



C Mitchell
Secretary

First Floor,
51 Gresham Street,
London,
EC2V 7EH

14 MAY 2015

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

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

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 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 Dunedin Claret Limited

We have audited the financial statements of Dunedin Claret Limited for the year ended 31 March 2014 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Mark Sheppard (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

14 May 2015

Consolidated profit and loss account
for the year ended 31 March 2014

	<i>Notes</i>	2014 £'000	Restated (note 1) 2013 £'000
Turnover	2	80,879	70,488
Cost of sales		<u>(62,057)</u>	<u>(52,587)</u>
Gross profit		18,822	17,901
Total administration expenses		<u>(17,815)</u>	<u>(16,163)</u>
Operating profit	3	1,007	1,738
Net finance expense	6	<u>(5,440)</u>	<u>(4,662)</u>
(Loss)/Profit on ordinary activities before taxation		(4,433)	(2,924)
Taxation on (loss)/profit on ordinary activities	7	<u>(834)</u>	<u>(45)</u>
Loss for the period	15	<u><u>(5,267)</u></u>	<u><u>(2,969)</u></u>

All amounts are from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

Consolidated balance sheet

at 31 March 2014

	Note	2014	Restated (note 1)
		£'000	2013
		£'000	£'000
Fixed assets			
Goodwill	8	31,797	33,639
Tangible assets	9	<u>697</u>	<u>766</u>
		32,494	34,405
Current assets			
Debtors	11	17,464	14,965
Cash at bank and in hand		<u>822</u>	<u>3,135</u>
		18,286	18,100
Creditors: amounts falling due within one year	12	<u>(14,810)</u>	<u>(13,689)</u>
Net current assets		<u>3,476</u>	<u>4,411</u>
Total assets less current liabilities		35,970	38,816
Creditors: amounts falling due after more than one year	13	<u>(45,427)</u>	<u>(42,941)</u>
Net liabilities		<u>(9,457)</u>	<u>(4,125)</u>
Capital and reserves			
Called up share capital	14	125	125
Share premium account	15	210	210
Own shares held	15	(45)	-
Profit and loss account	15	(9,747)	(4,460)
Equity shareholders' deficit		<u>(9,457)</u>	<u>(4,125)</u>

The notes on pages 12 to 23 form part of these financial statements.

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



C Mitchell
Director

Company balance sheet

at 31 March 2014

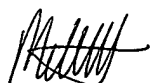
	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	10	-	228
Current assets			
Debtors	11	51	2,001
Creditors: amounts falling due within one year	12	<u>(456)</u>	<u>(322)</u>
Net current (liabilities)/assets		<u>(405)</u>	<u>1,679</u>
Total assets less current liabilities		(405)	1,907
Creditors: amounts falling due after more than one year	13	<u>(2,257)</u>	<u>(2,044)</u>
Net liabilities		<u>(2,662)</u>	<u>(137)</u>
Capital and reserves			
Called up share capital	14	125	125
Share premium account	15	210	210
Own shares held	15	(45)	-
Profit and loss account	15	<u>(2,952)</u>	<u>(472)</u>
Equity shareholders' deficit		<u>(2,662)</u>	<u>(137)</u>

The notes on pages 12 to 23 form part of these financial statements.

These financial statements were approved by the board of directors on
signed on its behalf by:

14 MAY

2015 and were



C Mitchell
Director

Consolidated cash flow statement
for the year ended 31 March 2014

	<i>Note</i>	2014 £'000	2013 £'000
Net cash flow from operating activities	18	1,727	5,647
Returns on investments and servicing of finance	19	(923)	(1,128)
Taxation		(485)	(177)
Capital expenditure and financial investment	19	(249)	(506)
		<hr/>	<hr/>
Cash inflow before financing		70	3,836
Financing	19	<hr/> (1,121) <hr/>	<hr/> (3,411) <hr/>
(Decrease)/Increase in cash in the period		<hr/> (1,051) <hr/>	<hr/> 425 <hr/>

Reconciliation of net cash flow to movement in net debt

	<i>Note</i>	2014 £'000	2013 £'000
(Decrease)/Increase in cash in the period		(1,051)	425
Cash (inflow) from increase in debt financing		-	-
Cash outflow from repayments		<hr/> 1,121 <hr/>	<hr/> 3,411 <hr/>
Change in net debt resulting from cash flows		70	3,836
Foreign currency movement		186	2
Amortisation of debt issue costs		(317)	(317)
Accrued interest		<hr/> (3,549) <hr/>	<hr/> (2,932) <hr/>
Movement in net debt in the period		(3,610)	589
Net debt at the start of the period		<hr/> (42,305) <hr/>	<hr/> (42,894) <hr/>
Net debt at the end of the period	20	<hr/> (45,915) <hr/>	<hr/> (42,305) <hr/>

Consolidated statement of total recognised gains and losses
for the year ended 31 March 2014

	2014 £'000	2013 £'000
Loss for the financial period	(5,267)	(2,969)
Forex (loss)/gain on retranslation of foreign currency net investments	(20)	13
Total recognised gains and losses relating to the financial period	(5,287)	(2,956)
Prior year adjustment (note 1)	(1,044)	
Total gains and losses recognised since last annual report	(6,331)	

Reconciliation of movements in shareholders' deficit
for the year ended 31 March 2014

	Group 2014 £'000	Company 2014 £'000	Restated Group 2013 £'000	Company 2013 £'000
Loss for the financial period	(5,267)	(2,480)	(2,969)	(266)
Exchange differences	(20)	-	13	-
Purchase of own shares	(45)	(45)	-	-
Net addition to shareholders' funds	(5,332)	(2,525)	(2,956)	(266)
Opening shareholders' (deficit)/funds (originally £3,081,000) restated for prior year adjustment of £1,044,000	(4,125)	(137)	(1,169)	129
Closing shareholders' (deficit)/funds	(9,457)	(2,662)	(4,125)	(137)

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

1 Accounting policies

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

Basis of preparation

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

- As explained in note 24, on 31 March 2015 the Dunedin Claret Limited group's ("the group's") loan facility agreements and financial covenants were amended.
- The directors have assessed the validity of the going concern status of the Dunedin Claret Limited group. Based on detailed cashflow projections prepared by the group through to 31 March 2017, including sensitivity analysis on key assumptions, the directors consider that the group will continue to operate within the amended facilities and remain compliant with the revised banking covenants.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

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

Goodwill and negative goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired, arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, a period which is assumed by the directors to be no greater than twenty years.

On the subsequent disposal or termination of a business acquired, the profit or loss on disposal or termination is calculated after charging (crediting) the unamortised amount of any related goodwill (negative goodwill).

In the company's financial statements, investments in subsidiary undertakings are stated at cost.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	-	20-50% straight line
Computer equipment	-	20-50% straight line

Foreign currencies

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

Notes (continued)

1 Accounting policies (continued)

Leases and hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The group operates a group personal pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

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

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

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 on placing a candidate with a client. Provisions are made for possible cancellations of placements prior to or shortly after the commencement of employment.

Permanent Income Recognition – change in policy

During the financial year a change was made to the accounting policy on recognising Permanent Income. Previously income was recognised in the Profit & Loss Account as and when a permanent placement deal was agreed by both the client and candidate. Permanent Income is now recognised on the start date of the candidate. The impact of this change in accounting policy is to transfer Permanent Income, value £1,315,000, previously reported in FY13 into FY14. As the impact between FY12 and FY13 is very similar there is no material impact on either year's profit and loss account. Opening reserves at 1 April 2012 are reduced by £1,044,000 as a result of the post-tax impact of this change.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds.

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 parent 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.

Notes (continued)

2 Segmental information

	2014 Turnover £'000	2013 Turnover £'000
Geographical destination:		
UK	11,875	9,516
Rest of Europe	56,830	55,374
Rest of the World	12,174	5,598
	<u>80,879</u>	<u>70,488</u>

3 (Loss)/Profit on ordinary activities before taxation

	2014 £'000	2013 £'000
<i>(Loss)/Profit on ordinary activities before taxation is stated</i>		
<i>After charging</i>		
Auditors' remuneration:		
Group:		
Audit of these financial statements	45	54
Non-audit fees	13	-
Company:		
Audit of these financial statements	2	2
Depreciation of fixed assets	318	140
Amortisation of goodwill	1,842	1,843
Operating lease rentals – plant and machinery	3	3
Operating lease rentals – other	<u>742</u>	<u>722</u>

4 Remuneration of directors

	2014 £'000	2013 £'000
Directors' emoluments	785	565
Company contributions to money purchase pension schemes	21	21
Amounts paid to third parties in respect of directors' services	<u>80</u>	<u>80</u>
	<u>886</u>	<u>666</u>

The aggregate of emoluments of the highest paid director was £363,252 (2013: £189,486) and company pension contributions of £7,500 (2013: £7,167) were made to a money purchase scheme on their behalf. The company made contributions to money purchase pension schemes for three directors.

Notes (continued)

5 Staff numbers and costs

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

	2014 No.	2013 No.
Administration	44	34
Sales	134	161
	<u>178</u>	<u>195</u>

The aggregate payroll costs of these persons were as follows:

	2014 £'000	2013 £'000
Wages and salaries	9,956	8,875
Social security costs	1,416	1,317
Other pension costs	126	101
	<u>11,498</u>	<u>10,293</u>

6 Finance income and expense

	2014 £'000	2013 £'000
Interest payable and similar charges		
Bank interest	145	115
Bank loans and overdrafts	779	910
Secured loan notes	3,549	2,932
Amortisation of debt issue costs	317	417
	<u>4,790</u>	<u>4,374</u>
Loss/(gain) on foreign exchange	<u>650</u>	<u>288</u>
Net interest payable	<u>5,440</u>	<u>4,662</u>

Notes (continued)

7 Taxation

Analysis of charge in year

	2014 £'000	2013 £'000
<i>Current tax</i>		
UK tax on income for the year	271	256
Adjustment in respect of prior years	185	(178)
Overseas tax	437	74
	<hr/>	<hr/>
Total current tax	893	152
<i>Deferred tax</i>		
Movement in deferred tax for the year	(73)	(97)
Adjustment in respect of prior years	5	(10)
Effect of tax rate change	9	(-)
	<hr/>	<hr/>
	(59)	(107)
	<hr/>	<hr/>
Tax on (loss)/ profit on ordinary activities	834	45

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 23% (2013: 24%).
The differences are explained below:

	2014 £'000	2013 £'000
<i>Current tax reconciliation</i>		
(Loss)/Profit on ordinary activities before tax	(4,433)	(2,923)
	<hr/>	<hr/>
Current tax at 23% (2013: 24%)	(1,020)	(702)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	111	487
Goodwill amortisation not deductible for tax purposes	424	442
Other timing differences	311	20
Adjustment in respect of prior years	185	(178)
Interest disallowed under ATCA agreement with HMRC	530	24
Difference in local tax	11	(18)
Losses carried forward	276	81
Depreciation for period lower than capital allowances	65	(4)
	<hr/>	<hr/>
Total current tax charge (see above)	893	152

Notes (continued)

8 Intangible fixed assets

	Goodwill £'000
Group	
Cost	
At beginning and end of year	<u>36,863</u>
Amortisation	
At beginning of year	(3,224)
Charged in year	<u>(1,842)</u>
At end of year	<u>(5,066)</u>
Net book value	
At 31 March 2014	<u>31,797</u>
At 31 March 2013	<u>33,639</u>

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.

9 Tangible fixed assets

	Computer equipment £'000	Furniture & office equipment £'000	Total £'000
Group			
Cost			
At beginning of year	570	420	990
Additions	183	66	249
Disposals	-	-	-
At end of year	<u>753</u>	<u>486</u>	<u>1,239</u>
Depreciation			
At beginning of year	183	41	224
Charge for year	145	173	318
Disposals	-	-	-
At end of year	<u>328</u>	<u>214</u>	<u>542</u>
Net book value			
At 31 March 2014	<u>425</u>	<u>272</u>	<u>697</u>
At 31 March 2013	<u>387</u>	<u>379</u>	<u>766</u>

Notes (continued)

10 Fixed asset investments - Company

	Shares in group undertaking £'000
Cost and net book value at beginning of year	228
Provision made in the year	(228)
Net book value at end of year	-

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

<i>Subsidiary undertakings</i>	Country of incorporation	Principal activity	Direct/ Indirect	Class and percentage of shares held in Company
Red Commerce Limited	England & Wales	IT staffing	Indirect	Ordinary 100%
Red Commerce GmbH	Germany	IT staffing	Indirect	Ordinary 100%
Rouge Commerce AB	Sweden	IT staffing	Indirect	Ordinary 100%
Rouge 1 Limited	England & Wales	Holding company	Indirect	Ordinary 100%
Rouge 2 Limited	England & Wales	Holding company	Indirect	Ordinary 100%
Dunedin Claret Bidco Limited	England & Wales	Holding company	Indirect	Ordinary 100%
Dunedin Claret 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%

11 Debtors

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Trade debtors	14,391	-	12,975	-
Other debtors	529	-	339	49
Prepayments and accrued income	2,544	-	1,651	-
Corporation tax	-	51	-	51
Amounts due from Subsidiary Companies	-	-	-	1,901
	<u>17,464</u>	<u>51</u>	<u>14,965</u>	<u>2,001</u>

Notes (continued)

12 Creditors: amounts falling due within one year

	Group 2014 £'000	Company 2014 £'000	Restated Group 2013 £'000	Company 2013 £'000
Invoice finance	478	-	1,741	-
Trade creditors	7,873	-	6,675	-
Taxation and social security	535	-	293	-
Accruals and deferred income	4,830	-	3,952	-
Other creditors	48	-	123	-
Bank loans	832	-	758	-
Corporation tax payable	214	-	147	-
Amounts owed to subsidiary undertaking	-	456	-	322
	<u>14,810</u>	<u>456</u>	<u>13,689</u>	<u>322</u>

13 Creditors: amounts falling due after more than one year

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Bank loans	9,257	-	10,448	-
Loan notes	<u>36,170</u>	<u>2,257</u>	<u>32,493</u>	<u>2,044</u>
	<u>45,427</u>	<u>2,257</u>	<u>42,941</u>	<u>2,044</u>

Analysis of debt:

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Debt can be analysed as falling due:				
In one year or less, or on demand	832	-	758	-
Between one and two years	2,112	-	2,109	-
Between two and five years	43,315	2,257	9,170	-
Over five years	-	-	31,662	2,044
	<u>46,259</u>	<u>2,257</u>	<u>43,699</u>	<u>2,044</u>

Bank loans bear interest at varying rates, comprising EURIBOR at the dates of commencement of the relevant interest period plus a margin ranging from 4.0% - 4.5%. The loans are secured by guarantees and debentures given by the company and certain group companies. Loan A is repayable over a 6 year period expiring 31 August 2017. Loan B is to be repaid on 31 August 2017.

Secured Eurobond loan notes bear interest at the rate of 8% to 15% per annum. The loan notes are secured by a debenture given by the group. The loan notes are redeemable at par on 31 December 2018. The Eurobond A loan notes are listed on the Channel Islands Stock Exchange

Unsecured Management Loan notes bear interest at the rate of 8% to 12% per annum. The loan notes are redeemable at par on 31 December 2018.

Notes (continued)

14 Called up share capital

	2014 £'000	2013 £'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
	<u>125</u>	<u>125</u>
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
	<u>125</u>	<u>125</u>

15 Share premium and reserves

	Share premium account £'000	Own shares held £'000	Profit and loss account £'000
Group			
At beginning of year	210	-	(3,416)
Retained loss for the year	-	-	(5,267)
Exchange differences on retranslation of foreign currency net investments	-	-	(20)
Prior Year Adjustment – see note 1	-	-	(1,044)
Purchase of own shares	-	(45)	-
At end of year	<u>210</u>	<u>(45)</u>	<u>(9,747)</u>
Company	£'000	£'000	£'000
At beginning of year	210	-	(472)
Retained loss for the year	-	-	(2,480)
Purchase of own shares	-	(45)	-
At end of year	<u>210</u>	<u>(45)</u>	<u>(2,952)</u>

During the year the Company set up an ESOP trust to hold shares to be allocated to employees. It acquired shares during the year 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). The trust also sold shares to certain employees. The net consideration paid was £45,000 and shareholders' funds have been reduced by this amount.

Notes (continued)

16 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014 Land and Buildings £'000	2013 Land and Buildings £'000
Group		
Operating leases which expire:		
Within one year	31	27
In the second to fifth years inclusive	<u>682</u>	<u>511</u>
	<u>713</u>	<u>538</u>

Company

The company does not have any operating leases.

17 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 £126,124 (2013: £85,508).

18 Reconciliation of operating profit to operating cash flows

	2014 £'000	2013 £'000
Operating profit	1,007	1,738
Amortisation/Depreciation	2,160	1,983
(Increase)/Decrease in debtors	(2,556)	2,021
Increase in creditors	1,972	184
Loss on foreign exchange	(836)	(288)
(Gain)/Loss on foreign exchange on retranslation of foreign currency net investments	<u>(20)</u>	<u>9</u>
Net cash inflow from operating activities	<u>1,727</u>	<u>5,647</u>

Notes (continued)

19 Analysis of cash flows

	2014		2013	
	£'000	£'000	£'000	£'000
Returns on investment and servicing of finance				
Interest received	-		-	
Interest paid	(923)		(1,218)	
		(923)		(1,218)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(249)		(506)	
Sale of tangible fixed assets	-		-	
		(249)		(506)
Financing				
New loans	-		-	
Issue costs	-		-	
New shares	-		-	
Loan repayments	(1,121)		(3,411)	
		(1,121)		(3,411)

20 Analysis of net debt

	At beginning of year £'000	Cash flow £'000	Foreign currency movement £'000	Other non- cash changes £'000	At end of Year £'000
Cash in hand, at bank	3,135	(2,313)	-	-	822
Invoice financing	(1,741)	1,263	-	-	(478)
Debt due within one year	(758)	1,121	186	(1,381)	(832)
Debt due after one year	(42,941)	-	-	(2,486)	(45,427)
Total	(42,305)	71	186	(3,867)	(45,915)

Notes (continued)

21 Ultimate parent company and ultimate controlling party

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

22 Related party transactions

During the period, the group paid fees to Dunedin Capital Partners of £80,000 (2013: £80,000) for the services of two directors. This amount is included in directors' remuneration in note 4. The amount outstanding at the period end was £nil (2013: £nil).

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. At 31 March 2014 amounts owed totalled £10.7 million.

The company has guaranteed loan notes issued by Dunedin Claret Midco Limited. At 31 March 2014 amounts owed under the loan notes totalled £34.1 million.

24 Post balance sheet events

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