

ERM Limited

Annual Report and Financial Statements

For the year ended 31 March 2014

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COMPANIES HOUSE

Registered No: 3128071

Registered No: 3128071

Directors

Andrew Silverbeck
Mark Pearson

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Banker

HSBC Bank plc
West End Corporate Banking Centre
70 Pall Mall
London
SW1Y 5EZ

Registered office

2nd Floor
Exchequer Court
33 St Mary Axe
London
EC3A 8AA

Strategic report

Principal activity and performance

The company is principally engaged as an intermediate group holding company and there is likely to be no change to the company's activities in future periods.

The profit for the year after taxation amounted to £23,344,960, mainly arising from dividend income received from ERM Asia-Pacific Holdings Limited as part of an intra-group UK debt restructuring exercise carried out in December 2013 (2013: profit of £6,020,002). The company presents net current assets of £4,108,323 (2013: net current assets of £38,055,753).

Principal risks and uncertainties

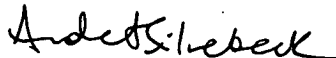
The main risks arising from the company's financial instruments are foreign currency risk and interest rate risk. The board reviews policies for managing each of these risks and they are summarised as follows:

Foreign currency risk

The company operates in local currencies in its main operating jurisdictions. Transactions in other foreign currencies are recorded at the rate ruling at the date of transaction and outstanding balances are regularly revalued to reflect the prevailing rates of exchange.

Interest rate risk

The company borrows and/or lends in its base currency and pays and/or receives interest at the LIBOR equivalent of the currency borrowed plus/minus a margin. The current policy is not to hedge any of these transactions. The company does not have a material exposure to investment risk.



Andrew Silverbeck
Director

7 October 2014

Directors' report

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

Directors and their interests

The directors who served the company during the year were as follows:

Andrew Silverbeck

Mark Pearson

None of the directors had any interests in the shares of the company during the year.

Dividends

The directors, as part of an intra-group UK debt restructuring exercise carried out in December 2013, declared the payment of an ordinary dividend for the year of £57,287,471 to its immediate parent, ERM Holdings Limited, settled by way of the transfer of its loans receivable from group undertakings (2013:£nil).

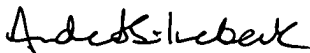
Disclosure of information to auditor

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. This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

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.

On behalf of the board



Andrew Silverbeck

Director

7 October 2014

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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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 company and to prevent and detect fraud and other irregularities

Independent auditor's report

to the members of ERM Limited

We have audited the financial statements of ERM Limited for the year ended 31 March 2014 set out on pages 7 to 16. 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 auditors' 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 4, 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 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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit 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.

Independent auditors' report

to the members of ERM Limited (continued)

Matters on which we are required to report by exception

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

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



Andrew Marshall (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

9 October 2014

Profit and loss account

for the year ended 31 March 2014

		<i>Year ended 31 March 2014 £</i>	<i>Year ended 31 March 2013 £</i>
	<i>Notes</i>		
Other operating charges		<u>(40,105)</u>	<u>(35,703)</u>
Operating loss	2	(40,105)	(35,703)
Dividend income	3	26,380,061	2,359,941
Gain on sale of investments	4	-	133,934
Interest receivable and similar income	5	1,793,693	4,546,273
Interest payable and similar charges	6	<u>(5,690,154)</u>	<u>(4,928)</u>
Profit on ordinary activities before taxation		22,443,495	6,999,517
Tax credit / (charge) on profit on ordinary activities	7	<u>901,465</u>	<u>(979,515)</u>
Profit for the financial year after taxation		<u>23,344,960</u>	<u>6,020,002</u>

There are no material differences between those stated above and those under the historical cost basis.

The accompanying notes on pages 9 to 16 form part of these financial statements.

There are no recognised gains or losses other than as shown above.

Balance sheet

at 31 March 2014

		<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Fixed assets			
Investments	8	<u>16,487,857</u>	<u>16,482,938</u>
Current assets			
Debtors	9	4,115,798	38,950,167
Cash at bank and in hand		-	194,379
		<u>4,115,798</u>	<u>39,144,546</u>
Creditors: amounts falling due within one year	10	<u>(7,475)</u>	<u>(1,088,793)</u>
Net current asset		<u>4,108,323</u>	<u>38,055,753</u>
Total assets less current liabilities		<u>20,596,180</u>	<u>54,538,691</u>
Capital and reserves			
Called up share capital	11	86,824	86,824
Share premium account	12	14,728,501	14,728,501
Profit and loss account	12	<u>5,780,855</u>	<u>39,723,366</u>
Equity shareholders' funds	12	<u>20,596,180</u>	<u>54,538,691</u>

The accompanying notes on pages 9 to 16 form part of these financial statements.

These financial statements were approved by the board of directors on 7 October 2014 and were signed by:



Andrew Silverbeck
Director

Notes to the financial statements

at 31 March 2014

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on page 2.

The company is an intermediate holding company. The directors, having assessed the response of the directors of the ultimate parent company to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the ultimate parent company to continue as a going concern. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of the ultimate parent company, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial accounts.

Statement of cash flows

The company has taken advantage of the exemption in FRS 1 from producing a statement of cash flows on the grounds that it is a wholly owned subsidiary which is included in the publicly available group financial statements of its ultimate parent company.

Basis of consolidation

The company is a wholly owned subsidiary of ERM Worldwide Limited and is included in the group financial statements prepared by that company. The company has therefore taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare group financial statements.

Investments

Investments held as fixed assets are stated at cost, less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

The carrying values of fixed asset investments are reviewed for impairments if events or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates, and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 March 2014

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. Other operating charges

	<i>Year ended 31 March 2014 £</i>	<i>Year ended 31 March 2013 £</i>
Other operating costs	<u>(40,105)</u>	<u>(35,703)</u>
	<u>(40,105)</u>	<u>(35,703)</u>

The audit fee for the year ended 31 March 2014 payable to the company's auditors, KPMG LLP, was £2,086 (2013: £2,000). Audit fees for the years ended 31 March 2014 and 31 March 2013 were borne by another group company.

There were no employees and no other staff related costs.

Total aggregate emoluments for directors during the year ended 31 March 2014 comprised £nil (2013: £nil). Their emoluments were paid by another group company.

3. Dividend income

	<i>Year ended 31 March 2014 £</i>	<i>Year ended 31 March 2013 £</i>
Income from shares in group undertakings	<u>26,380,061</u>	<u>2,359,941</u>

During the year ended 31 March 2014, as part of an intra-group UK debt restructuring exercise carried out in December 2013, the company received dividend income of AUD 44,271,820 (£25,721,175) from ERM Asia-Pacific Holdings Limited, settled by way of the transfer of its loans receivable balance from group undertakings. In addition, the company also received dividend income of £658,886 from ERM Japan Limited.

During the year ended 31 March 2013 the company received dividend income of £2,108,509 from ERM Japan Limited and £251,432 from ERM India Private Limited.

Notes to the financial statements

at 31 March 2014

4. Gain on sale of investments

	<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>£</i>	<i>£</i>
Gain on sale of investments	-	133,934

During the year ended 31 March 2013, the company sold its 100% shareholding stake in ERM Taiwan Co. Ltd to Environmental Resources Management Limited for a total consideration of £162,526 in exchange for an intercompany loan. The gain arising on sale of this investment was £133,934. The net book value of the investment sold was £28,592.

5. Interest receivable and similar income

	<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>£</i>	<i>£</i>
Bank interest receivable	-	565
Interest receivable on amounts due from group undertakings	1,793,693	1,763,536
Foreign exchange gains on revaluation of intercompany loans	-	2,782,171
	<u>1,793,693</u>	<u>4,546,273</u>

6. Interest payable and similar charges

	<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>£</i>	<i>£</i>
Bank interest payable	1,879	4,928
Foreign exchange losses on revaluation of intercompany loans	5,688,275	-
	<u>5,690,154</u>	<u>4,928</u>

Notes to the financial statements

at 31 March 2014

7. Tax (credit) / charge on profit on ordinary activities

(a) Analysis of tax (credit) / charge:

	<i>Year ended 31 March 2014 £</i>	<i>Year ended 31 March 2013 £</i>
<i>Current tax:</i>		
Current year	(901,423)	1,088,793
Prior year adjustment	<u>(42)</u>	<u>(109,278)</u>
Current tax (credit) / charge – group relief (receivable) / payable (note 7 (b))	<u>(901,465)</u>	<u>979,515</u>

(b) Factors affecting current tax (credit) / charge:

The tax assessed on the profit on ordinary activities differs from the statutory rate of corporation tax in the UK of 23% (2013: 24%). The differences are set out below:

	<i>Year ended 31 March 2014 £</i>	<i>Year ended 31 March 2013 £</i>
Profit on ordinary activities before tax	<u>22,443,495</u>	<u>6,999,517</u>
Profit on ordinary activities multiplied by statutory rate of corporation tax in the UK of 23% (2013: 24%)	5,162,004	1,679,884
<i>Effects of:</i>		
Non-taxable income	(6,063,427)	(591,091)
Prior year adjustment	<u>(42)</u>	<u>(109,278)</u>
Current tax (credit) / charge – group relief (receivable) / payable (note 7(a))	<u>(901,465)</u>	<u>979,515</u>

(c) Factors that may affect future tax charges:

The statutory rate of UK corporation tax reduced to 21% from 1 April 2014 and will further reduce to 20% from 1 April 2015.

Notes to the financial statements

at 31 March 2014

8. Fixed asset investments

	<i>Subsidiary undertakings £</i>
Cost:	
At 1 April 2013	16,482,938
Additions:	
ERM Consulting East Africa Limited (note (i))	2,579
Environmental Resources Management ERM Colombia LTDA (note (ii))	2,340
Net book value at 31 March 2014	<u>16,487,857</u>
Net book value at 1 April 2013	<u>16,482,938</u>

During the year, the following additions were made:

- (i) The company acquired 99% of the issued share capital of ERM Consulting East Africa Limited for cash consideration of £2,579.
- (ii) The company injected additional capital of £2,340 in Environmental Resources Management ERM Colombia LTDA.

Notes to the financial statements

at 31 March 2014

8. Fixed asset investments (continued)

The following is a list of the company's principal subsidiary undertakings and particulars of the shareholdings therein:

<i>Company name</i>	<i>Country of incorporation and operation</i>	<i>Class of shares</i>	<i>Proportion held</i>
ERM Argentina S.A.	Argentina	Ordinary	25.3%
ERM NV	Belgium	Ordinary	35%
ERM Remediation and Construction Management NV	Belgium	Ordinary	99.84%
ERM Brazil Ltda	Brazil	Ordinary	50%
Environmental Resources Management			
ERM Colombia LTDA.	Colombia	Ordinary	1%
ERM Hong Kong, Limited	Hong Kong	Ordinary	23.2%
ERM China Limited	Hong Kong	Ordinary	5%
ERM India Private Limited	India	Ordinary	26%
P.T. ERM Indonesia	Indonesia	Ordinary	10%
ERM Italia S.p.A.	Italy	Ordinary	34.8%
ERM Japan Ltd	Japan	Ordinary	100%
ERM Technical Services (M) Sdn Bhd	Malaysia	Ordinary	20%
ERM International B.V.	Netherlands	Ordinary	100%
ERM New Zealand Limited	New Zealand	Ordinary	100%
Environmental Resources Management Panama S.A.	Panama	Ordinary	99%
ERM China (Holdings) Limited	Hong Kong	Ordinary	0.1%
Environmental Resources Management			
Nederland Holding BV	Netherlands	Ordinary	12.8%
Environmental Resources Management			
Puerto Rico, Inc.	Puerto Rico	Ordinary	50%
ERM Environmental Resources Management S.R.L.	Romania	Ordinary	100%
ERM Siam Company Limited	Thailand	Ordinary	5.7%
Environmental Resources Management Limited	UK	Ordinary	29.8%
ERM Europe Limited	UK	Ordinary	33%
ERM Asia Pacific Holdings Limited	UK	Ordinary	100%
ERM Chile S.A.	Chile	Ordinary	99%
ERM Consultants Canada Limited	Canada	Ordinary	90%
ERM Swiss GmbH	Switzerland	Ordinary	100%
ERM Consulting East Africa Limited	Kenya	Ordinary	99%
ERM Consulting Tanzania Ltd	Tanzania	Ordinary	99.99%

All subsidiary undertakings listed above operate in the same country as of incorporation. The nature of the business of all of the company's principal subsidiaries is the provision of environmental, risk and health and safety and sustainability consulting services, except for ERM Europe Limited, ERM Asia Pacific Holdings Limited and ERM International BV, which are intermediate holding companies.

Notes to the financial statements

at 31 March 2014

9. Debtors

	2014	2013
	£	£
Amounts due from group undertakings	3,202,736	38,940,443
Other receivable	-	9,724
Group relief receivable	913,062	-
	<u>4,115,798</u>	<u>38,950,167</u>

The reduction in amounts due from group undertakings from 31 March 2013 to 31 March 2014 is due to an intra-group UK debt restructuring exercise carried out in December 2013 which resulted in the settlement of a number of balances due from group undertakings on that date.

10. Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank overdraft	2,857	-
Group relief payable	-	1,088,793
Accruals	1,018	-
Other payables	3,600	-
	<u>7,475</u>	<u>1,088,793</u>

On 25 July 2011, the company's indirect parent undertaking, Emerald 2 Limited, entered into a \$525.0 million Syndicated Facility Agreement with a syndicate of banks led by HSBC. On 31 October 2012, Emerald 2 Limited entered a separate \$20.0 million Incremental Facility. Both loans are secured by fixed and floating charges over the assets of the group.

11. Share capital

	2014	2014	<i>Allotted, called up and fully paid</i>	
	No.	£	2013	2013
			No.	£
Ordinary shares of 5p each	<u>1,736,475</u>	<u>86,824</u>	<u>1,736,475</u>	<u>86,824</u>

Notes to the financial statements

at 31 March 2014

12. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital £</i>	<i>Share premium account £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 1 April 2012	86,824	14,728,501	33,703,364	48,518,689
Profit for the year	-	-	6,020,002	6,020,002
At 31 March 2013	86,824	14,728,501	39,723,366	54,538,691
Profit for the year	-	-	23,344,960	23,344,960
Dividends paid	-	-	(57,287,471)	(57,287,471)
At 31 March 2014	<u>86,824</u>	<u>14,728,501</u>	<u>5,780,855</u>	<u>20,596,180</u>

During the year ended 31 March 2014, as part of an intra-group UK debt restructuring exercise carried out in December 2013, the company declared a dividend of AUD87,368,948 (£50,759,873) and a dividend of USD10,536,646 (£6,527,598) to its immediate parent, ERM Holdings Limited, settled by way of the transfer of its loan receivables from group undertakings.

13. Related party disclosures

The company is a member of the ERM Worldwide Limited group of companies. In accordance with the exemption conferred by FRS 8 the company has not disclosed transactions with other 100% owned group undertakings.

14. Ultimate parent company and controlling party

The company's immediate parent company is ERM Holdings Limited.

The company's ultimate parent company and controlling party is ERM Worldwide Limited. ERM Worldwide Limited has included the company in its group financial statements for the year ended 31 March 2014, copies of which are available from Companies House.