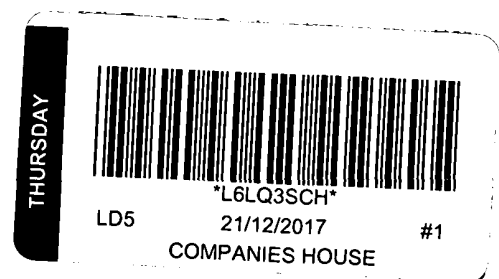


# **ERM International Services Limited**

## **Directors' Report and Financial Statements**

For the year ended 31 March 2017



Registered No: 03771741

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## Corporate Information

### Directors

Claudio Bertora  
Mark Pearson

### Auditor

KPMG LLP  
15 Canada Square  
London  
E14 5GL

### Registered office

2<sup>nd</sup> Floor  
Exchequer Court  
33 St Mary Axe  
London  
EC3A 8AA

## Directors' report

The Directors present their report and annual financial statements of ERM International Services Limited, registered number 03771741 for the year ended 31 March 2017.

### Principal activity and review of the business

The principal activities of the Company during the period were the provision of environmental consulting services. Results from Sweden and Mozambique form the financial statements of ERM International Services Limited. There is likely to be no change to the Company's activities in future periods.

### Results and dividends

The loss for the financial year ended 31 March 2017 amounted to 4,709,051 SEK (2016: profit of 854,745 SEK). The Directors do not recommend payment of a dividend (2016: nil SEK).

The Company has net current liabilities of 7,685,593 SEK at 31 March 2017 (2016: net current liabilities of 3,008,134 SEK).

### Principal risks and uncertainties

The key risks to which the Company is exposed are reviewed regularly by senior management and the Board. The major risks that the Company faces relate to:

#### *Risks relating to the Company's financial condition*

The Company's credit risk is primarily attributable to its debtors and amounts recoverable on contracts. The Company's debtors are group undertakings, owned by the same ultimate parent undertaking.

#### *Risks relating to the Company's business performance and to political and regulatory factors*

The Company faces a competitive market with relatively low barriers to entry. The Company may be exposed to liabilities in connection with its business and its liability for potential claims or pending claims may exceed its insurance coverage or no insurance coverage may exist for such claims. Further, the Company may fail to meet cost, schedule or performance requirements under client contracts. Changes in environmental laws, regulations and government policy may adversely affect the Company's business, as may foreign political or economic instability, due to the number of countries in which the Company operates.

Some of ERM's end markets are somewhat cyclical in nature. Whilst the Company's revenues are drawn from a range of private and, to a lesser extent, public markets, material downturns in some markets, including for example the Oil & Gas sector, could impact the business.

These risks are managed by anticipating consultancy trends and identifying new markets and sectors in which the Company might operate, and in reviewing that it does not have over-dependence on any one industry or client. The Company has processes to manage contractual conditions with appropriate insurance arrangements in place and to identify contingent liabilities when they arise. The Directors believe that the Company has adequately provided for known liabilities and that it has adequate insurance to cover known potential legal claims.

#### *Risks relating to the Company's personnel*

The Company's operating result requires the Company to maintain a high degree of utilisation of its consultants.

These risks are managed by monitoring and maximising staff utilisation and by having remuneration policies which reward performance and promote continued employment with the Company.

### Directors

Claudio Bertora

Mark Pearson (appointed 12 December 2016)

## **Directors' report**

### **Future developments**

The Directors consider the outlook for the Company to be positive, and expect fee income and profitability to return to growth.

### **Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Employee involvement**

All employees receive regular copies of the Company's email newsletter, which provides information about the activities of ERM companies worldwide. Regular team meetings are held at which performance and ideas are discussed, and these provide an effective channel for communication between staff and senior management. Many employees are shareholders in group companies, and all members of staff participate in the success of the business via the group bonus schemes, which are linked to financial performance.

### **Ultimate parent undertaking**

The ultimate parent company is ERM Worldwide Group Limited.

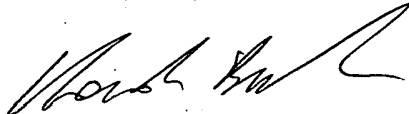
### **Auditor**

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.

### **Directors' statement as to disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, as 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 companies auditor is aware of that information.

On behalf of the Board on 15 December 2017.



Claudio Bertora  
Director

Registered No: 03771741

## **Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# Independent auditor's report

to the members of ERM International Services Limited

We have audited the financial statements of ERM International Services Limited for the year ended 31 March 2017 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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](http://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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

## 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Lynton Richmond, Senior Statutory Auditor  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

21 December 2017

## Profit and loss account and other comprehensive income

For the year ended 31 March 2017

	Notes	2017 SEK	2016 SEK
<b>Turnover</b>	3	16,663,424	24,081,644
Project costs		(11,318,682)	(16,618,736)
Staff costs	7	(4,784,486)	(5,693,881)
Depreciation	9	(31,592)	(51,180)
Other operating charges		(1,042,159)	68,566
		(17,176,919)	(22,295,231)
<b>Operating (Loss)/Profit</b>	4	(513,495)	1,786,413
Interest payable and similar charges	5	(4,195,556)	(931,668)
<b>(Loss) / Profit on ordinary activities before taxation</b>		(4,709,051)	854,745
Tax charge on (loss) / profit on ordinary activities	8	-	-
<b>(Loss) / Profit for the financial year</b>		(4,709,051)	854,745

All operations are derived from continuing activities.

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

The accompanying notes on pages 9 to 19 form part of these financial statements.

There is no other comprehensive income or losses other than as shown above.



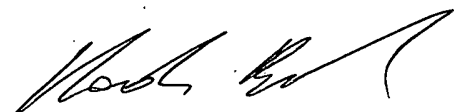
**Balance sheet**

As at 31 March 2017

	<i>Notes</i>	<b>2017 SEK</b>	<b>2016 SEK</b>
<b>Fixed assets</b>			
Tangible assets	9	85,918	117,510
		<u>85,918</u>	<u>117,510</u>
<b>Current assets</b>			
Debtors	10	6,317,566	7,760,553
Work in progress		1,643,358	2,893,860
Cash at bank and in hand		19,345,132	12,192,423
<b>Total current assets</b>		<u>27,306,056</u>	<u>22,846,836</u>
<b>Creditors:</b> amounts falling due within one year	11	(34,991,649)	(25,854,970)
<b>Net current liabilities</b>		<u>(7,685,593)</u>	<u>(3,008,134)</u>
<b>Total assets less liabilities</b>		<u><u>(7,599,675)</u></u>	<u><u>(2,890,624)</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	27	27
Profit and loss account		(7,599,702)	(2,890,651)
<b>Shareholders' deficit</b>		<u><u>(7,599,675)</u></u>	<u><u>(2,890,624)</u></u>

The notes on pages 9 to 19 form part of these financial statements.

The financial statements were approved by the Board of Directors on 15 December 2017 and signed on its behalf by:



Claudio Bertora  
Director

Registered No: 03771741

## Statement of changes in equity

For the year ended 31 March 2017

	<i>Called up Share capital SEK</i>	<i>Profit and loss account SEK</i>	<i>Total equity SEK</i>
<b>At 1 April 2015</b>	<b>27</b>	<b>(3,745,396)</b>	<b>(3,745,369)</b>
<i>Comprehensive loss</i>			
Net profit for the financial year	–	854,745	854,745
Total comprehensive loss	–	854,745	854,745
<b>At 31 March 2016</b>	<b>27</b>	<b>(2,890,651)</b>	<b>(2,890,624)</b>
<i>Comprehensive income</i>			
Net loss for the financial year	–	(4,709,051)	(4,709,051)
Total comprehensive income	–	(4,709,051)	(4,709,051)
<b>At 31 March 2017</b>	<b>27</b>	<b>(7,599,702)</b>	<b>(7,599,675)</b>

## Notes to the financial statements

at 31 March 2017

### 1. Accounting policies

ERM International Services Limited (the "Company") is a Company incorporated and domiciled in the UK.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, ERM Worldwide Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of ERM Worldwide Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office: 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of ERM Worldwide Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of investments in subsidiary undertakings;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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 2.

## Notes to the financial statements

at 31 March 2017

### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis and in accordance with applicable accounting standards.

The financial statements of the Company are prepared in SEK as the majority of the Company's transactions are denominated in this currency.

### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report on page 3.

The Company reports net current liabilities and a shareholders' deficit. Notwithstanding these points, the Directors of ERM Worldwide Group Limited have provided a letter of support to be relied upon stating that it will continue to support the Company for the next 12 months and for the foreseeable future.

The principal activity of the Company is the provision of environmental certification and verification services and the Company is dependent on the central financing arrangements of the ERM Group. Despite the net current liability position of the 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.

### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies 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 financial statements of the Company are prepared in SEK as the majority of the Company's transactions are denominated in this currency.

## Notes to the financial statements

at 31 March 2017

### 1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, and trade and other creditors.

#### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand. These represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. As per IAS 7.7 cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

#### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

### 1.5 Impairment

#### • *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through the 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 has 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. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### 1.6 Taxation

Tax on the profit or loss for the period comprises current tax and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

## Notes to the financial statements

at 31 March 2017

### 1.6 Taxation (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 1.7 Employee benefits

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has 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.

#### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### *Defined benefit plans*

The Company does not operate any defined benefit pension plans.

### 1.8 Revenue recognition

#### *i. Gross revenue and attributable profit*

Gross revenue represents amounts recoverable from clients in respect of the Company's continuing activities. Gross revenue includes costs incurred on behalf of clients and excludes sales taxes.

The Company typically enters into 'time and expense' and 'fixed fee' contracts. For contracts which are based on time and expense, gross revenue and profit is recognised based on hours and expenses charged to date. For fixed fee contracts, gross revenue and profit is recognised based on a percentage completion basis when the outcome of a contract or project can be reasonably foreseen. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Contract expenses include direct staff costs, sub-contractor costs and disbursements.

Attributable profit is recognised for that part of the work performed on each contract at the accounting date when the outcome can be assessed with reasonable certainty.

## Notes to the financial statements

at 31 March 2017

### 1.8 Revenue recognition (continued)

ii. *Contract losses*

Contracts are reviewed regularly and full provision is made for the anticipated total loss on contracts in the period in which they are first identified.

iii. *Amounts recoverable on contracts and bills in advance*

The amount by which turnover exceeds invoiced amounts is disclosed as 'amounts recoverable on contracts' within debtors on the balance sheet. Advance payments are included as 'bills in advance' within creditors to the extent that they exceed the related work done.

iv. *Claims recognition*

Due to the nature of the Company's operations, the Company is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Company has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. When it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals.

### 1.9 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

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. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold property – over the term of the lease
- Computer hardware, plant and equipment – 33% per annum
- Fixtures and fittings – 25% per annum
- Motor vehicles – 25% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### 1.10 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into an operating lease such incentives are recognised as a liability. Lease incentives are recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

## Notes to the financial statements

at 31 March 2017

### 2. Critical accounting judgements

The preparation of the Company financial statements requires the Directors to make judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods impacted.

The key judgements employed in the financial statements are considered below.

#### *Current taxes*

Due to the diverse geographic spread of the entities in the Group, transfer pricing is considered to be an area where key judgement is required.

#### *Deferred taxation*

The Company recognises deferred tax assets and liabilities based upon future taxable income and the expected recoverability of the balance. The estimate will include assumptions regarding future income streams of the Company and the future movement in corporation tax rates in the respective jurisdictions.

### 3. Turnover

Turnover, which is stated net of value added tax, represents amounts attributable to labour effort of employees working on projects owned by group undertakings. Turnover is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2017 SEK	2016 SEK
United Kingdom	2,162,821	2,122,154
Middle East	-	41
Africa	14,500,603	21,959,449
	<b>16,663,424</b>	<b>24,081,644</b>



## Notes to the financial statements

at 31 March 2017

### 4. Operating profit

This is stated after charging/(crediting):

	2017 SEK	2015 SEK
Audit fees of these financial statements	73,274	107,636
Foreign exchange gains	(2,311,769)	(3,394,480)
Operating lease rentals – land and buildings	1,066,982	1,254,608
	<u>          </u>	<u>          </u>

### 5. Interest payable and similar charges

	2017 £	2016 £
Other interest	4,195,556	931,668
	<u>4,195,556</u>	<u>931,668</u>

### 6. Directors' emoluments

Emoluments received by the Directors for their services to the Company are detailed below:

	2017 SEK	2016 SEK
Emoluments	4,469	4,407
Company contributions paid to defined contribution pension schemes	184	186
	<u>4,653</u>	<u>4,593</u>

	2017 No.	2016 No.
Members of defined contribution pension schemes	<u>2</u>	<u>1</u>

## Notes to the financial statements

at 31 March 2017

### 7. Staff costs

Staff costs of the Company for the year ended 31 March 2017 are as follows:

	2017 SEK	2016 SEK
Wages and salaries*	3,838,416	4,690,950
Social security costs	625,262	679,924
Other pension costs	320,808	323,007
	<u>4,784,486</u>	<u>5,693,881</u>

\* Wages and salaries include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year).

Average number of employees during the year was 7 (2016: 6).

### 8. Tax charge on (loss) / profit on ordinary activities

(a) Analysis of tax charge:

	2017 SEK	2016 SEK
<b>Current tax</b>		
In respect of prior years	-	-
Total current tax charge	<u>-</u>	<u>-</u>
Total deferred tax charge	<u>-</u>	<u>-</u>
<b>Total tax charge for the year (note 7(b))</b>	<u>-</u>	<u>-</u>

## Notes to the financial statements

at 31 March 2017

### 8. Tax charge on (loss) / profit on ordinary activities (continued)

#### (b) Reconciliation of current tax charge:

The tax charge is reconciled to the profit in the profit and loss account as follows:

	2016 SEK	2016 SEK
(Loss) / profit on ordinary activities before tax	(4,709,051)	854,743
(Loss) / profit on ordinary activities at UK statutory rate of 20% (2016: 20%)	(941,810)	170,949
<i>Effects of:</i>		
Non-taxable income	-	(170,949)
Unutilised tax losses	941,810	-
<b>Total tax charge for the year (note 7(a))</b>	<b>-</b>	<b>-</b>

#### (c) Deferred tax:

The Company has an unrecognised deferred tax asset at 20% of SEK 940,000 (2016: SEK 120,000) consisting of timing differences. The deferred tax asset has not been recognised due to uncertainty as to the availability of sufficient and suitable taxable profits in the near future.

#### (d) Factors that may affect future tax charges:

The standard rate of corporation tax in the UK was 20% in the year ended 31 March 2017. The rate will be reduced to 19% with effect from 1 April 2017, with a further reduction to 17% from 1 April 2020.

### 9. Tangible fixed assets

	Motor Vehicle SEK	Plant & Equipment SEK	Total SEK
<i>Cost:</i>			
At 1 April 2016 and 31 March 2017	244,363	499,961	744,324
<i>Depreciation:</i>			
At 1 April 2016	130,622	496,192	626,814
Charge for year	30,745	847	31,592
At 31 March 2017	161,367	497,039	658,406
<i>Net book value:</i>			
<b>At 31 March 2017</b>	<b>82,996</b>	<b>2,922</b>	<b>85,918</b>
At 1 April 2016	113,741	3,769	117,510

## Notes to the financial statements

at 31 March 2017

### 10. Debtors

	2017 SEK	2016 SEK
Amounts due from group undertakings	4,089,835	4,494,902
Trade debtors	1,979,639	3,063,868
Other debtors	70,119	89,422
Prepayments and accrued income	125,572	98,660
VAT receivable	40,852	11,226
Corporation tax receivable	11,549	2,475
	<u>6,317,566</u>	<u>7,760,553</u>

In this analysis, "group undertakings" refers to members of the Eagle 4 Limited group of companies, of which this Company forms a part.

### 11. Creditors: amounts falling due within one year

	2017 SEK	2016 SEK
Trade creditors	881,171	3,082,127
Other creditors	677,814	260,485
Accruals and deferred income	480,509	173,598
Amounts due to group undertakings	32,952,155	22,338,760
	<u>34,991,649</u>	<u>25,854,970</u>

### 12. Share capital

	2017		2016	
	No.	SEK	No.	SEK
Equity interests:				
Ordinary shares of £1 each	2	27	2	27

The share capital was translated using a historic rate on the date of Company's incorporation.

### 13. Contingent liabilities

Due to the nature of the Company's operations, the Company is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Company has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. Following IAS 37, when it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals. For other cases it is not possible to predict with certainty the results of these contingent liabilities but the Directors believe, taking into account counter-claims including any claims against third parties, insurance coverage and provisions in the accounts, that the outcome will not have a material effect on the Company's financial position.

## Notes to the financial statements

at 31 March 2017

### 14. Other financial commitments

Non-cancellable operating lease rentals are payable as follows:

	<i>Land and buildings</i>	
	<i>2017</i>	<i>2016</i>
	<i>SEK</i>	<i>SEK</i>
Operating leases which expire:		
Within one year	490,335	929,722
In two to five years	73,565	69,200
	<u>563,900</u>	<u>998,922</u>

### 15. Related party disclosures

The Company is a member of the ERM Worldwide Group Limited group of companies. In accordance with the exemption conferred by IAS 24, the Company has not disclosed transactions with other 100% owned group undertakings.

### 16. Ultimate parent undertaking and controlling party

The immediate parent company is ERM-Europe, Ltd.

The ultimate parent company and controlling party is ERM Worldwide Group Limited. ERM Worldwide Group Limited has included the Company in its group financial statements, copies of which are available from its registered office: 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA.