

ERM Holdings Limited

Annual Report and Financial Statements

31 March 2009

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COMPANIES HOUSE

Registered No: 4067993

ERM Holdings Limited

Registered No: 4067993

Directors

Andrew Silverbeck
Mark Pearson

Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Bankers

Bank of Scotland plc
Broad Street House
55 Old Broad Street
London EC2P 2HL

Barclays Bank PLC
PO Box 544
54 Lombard Street
London EC3V 9EX

Solicitors

S J Berwin
222 Grays Inn Road
London WC1X 8HB

Registered Office

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

Registered No: 4067993

Directors' Report

The directors present their annual report and financial statements for the year ended 31 March 2009.

Results and dividends

The profit after taxation for the year ended 31 March 2009 amounted to \$3,944,000 (2008 - \$4,713,000). The directors do not recommend the payment of a dividend (2008 - \$nil).

Principal activity of the business

Prior to 30 September 2008 the company was principally engaged as the in-house bank for all operating companies within the group as well as an intermediate group holding company. From 1 October 2008 the company is principally engaged as an intermediate group holding company; there is likely to be no change to the company's activities in future periods.

Directors and their interests

The directors who served during the year were as follows:

Mark Pearson
Andrew Silverbeck

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

Analysis of risk factors

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.

Registered No: 4067993

Directors' Report (continued)

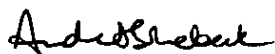
Directors' statement as to disclosure of information to auditors

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. This statement is given and should be interpreted in accordance with the provisions of Section 234 ZA of the Companies Act 1985.

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.

On behalf of the board



Andrew Silverbeck
Director

24/09/2009

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the members of ERM Holdings Limited

We have audited the company's financial statements for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of ERM Holdings Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of the company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor
London

25 September 2009

Profit and loss account

for the year ended 31 March 2009

		Year ended 31 March 2009 \$000	Year ended 31 March 2008 \$000
	Notes		
Other operating income / (charges)	2	86	(707)
Operating profit / (loss)		<u>86</u>	<u>(707)</u>
Interest receivable and other income	3	6,121	10,373
Interest payable and other charges	4	(405)	(2,464)
Profit on ordinary activities before taxation		<u>5,802</u>	<u>7,202</u>
Tax on profit on ordinary activities	5	(1,858)	(2,489)
Profit for the financial year		<u><u>3,944</u></u>	<u><u>4,713</u></u>

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

Statement of total recognised gains and losses


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

Balance sheet

at 31 March 2009

	Notes	2009 \$000	2008 \$000
Fixed assets			
Investments	6	61,960	61,960
Current assets			
Debtors	7	135,947	204,984
Cash at bank and in hand		355	3,944
		136,302	208,928
Creditors: amounts falling due within one year	8	(1,974)	(78,544)
Net current assets		134,328	130,384
Total assets less current liabilities		196,288	192,344
Capital and reserves			
Called up share capital	10	106	106
Share premium account	11	2,487	2,487
Profit and loss account	11	193,695	189,751
Equity shareholders' funds	11	196,288	192,344

These financial statements were approved by the board of directors on 24/09/2009 and were signed by:



Andrew Silverbeck

24/09/2009

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Basis of preparation

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

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 and its results are included in the publicly available group financial statements of the ultimate parent company, ERM Group Holdings Limited.

Basis of consolidation

The company is a wholly owned subsidiary of ERM Group Holdings 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 228 of the Companies Act 1985 not to prepare group financial statements:

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. The carrying values of 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, 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.

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.

Notes to the financial statements

at 31 March 2009

2. Other operating income / (charges)

	<i>Year ended 31 March 2009 \$000</i>	<i>Year ended 31 March 2008 \$000</i>
Foreign exchange (losses) / gains	(178)	388
Write off of intercompany loans	264	(1,095)
	<u>86</u>	<u>(707)</u>

The audit fee for the year ended 31 March 2009 payable to the company's auditors, KPMG LLP, was \$9,940 (2008 - \$9,940).

There were no employees and no other staff related costs.

Total aggregate emoluments for directors during the year ended 31 March 2009 comprised \$nil (2008 - \$nil). Their emoluments were borne by another group company.

3. Interest receivable and other income

	<i>Year ended 31 March 2009 \$000</i>	<i>Year ended 31 March 2008 \$000</i>
Bank interest	98	526
Interest on amounts due from group undertakings	4,642	9,847
Foreign exchange on retranslation of intercompany loans	1,381	-
	<u>6,121</u>	<u>10,373</u>

4. Interest payable and other charges

	<i>Year ended 31 March 2009 \$000</i>	<i>Year ended 31 March 2008 \$000</i>
Interest on bank loans and overdrafts	(405)	(31)
Foreign exchange on retranslation of intercompany loans	-	(2,433)
	<u>(405)</u>	<u>(2,464)</u>

Notes to the financial statements

at 31 March 2009

5. Tax on profit on ordinary activities

(a) Analysis of the tax charge for the year:

	<i>Year ended 31 March 2009 \$000</i>	<i>Year ended 31 March 2008 \$000</i>
<i>Current tax</i>		
UK Corporation tax – group relief payable	1,551	2,489
Prior year adjustment	563	–
	<u>2,114</u>	<u>2,489</u>
<i>Deferred tax</i>		
Deferred tax (note 9)	(256)	–
	<u>1,858</u>	<u>2,489</u>

(b) Factors affecting current tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008 - 30%). The differences are explained below:

	<i>Year ended 31 March 2009 \$000</i>	<i>Year ended 31 March 2008 \$000</i>
Profit on ordinary activities before taxation	5,802	7,202
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 30%)	<u>1,625</u>	<u>2,160</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(74)	329
Prior year adjustment	563	–
	<u>2,114</u>	<u>2,489</u>

Notes to the financial statements

at 31 March 2009

6. Fixed asset investments

	<i>Subsidiary Undertaking \$000</i>
Cost:	
At 31 March 2008	61,960
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At 31 March 2009	61,960
	<hr/>

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

<i>Company name</i>	<i>Country of Incorporation and operation</i>	<i>Class of shares</i>	<i>Proportion held</i>
Environmental Resources Management (S) Pte Ltd	Singapore	Ordinary	73.5%
ERM Limited	UK	Ordinary	100%

All companies are engaged in the provision of environmental consulting services.

7. Debtors

	<i>2009 \$000</i>	<i>2008 \$000</i>
Amounts due from group undertakings	135,691	204,984
Deferred tax asset (note 9)	256	–
	<hr/>	<hr/>
	135,947	204,984
	<hr/>	<hr/>

8. Creditors: amounts falling due within one year

	<i>2009 \$000</i>	<i>2008 \$000</i>
Amounts due to group undertakings	408	73,728
Group relief payable	1,566	4,816
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	1,974	78,544
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Notes to the financial statements

at 31 March 2009

9. Deferred taxation

The movement in the deferred tax asset relating to loan stock interest is as follows:

	2009 \$	2008 \$
At 1 April 2008	—	—
Prior year items	(256)	—
At 31 March 2009	(256)	—

10. Share capital

	<i>Authorised</i>			
	2009 No.	2009 \$000	2008 No.	2008 \$000
"A" ordinary shares of 10 cents each	954,798	95	954,798	95
"B" ordinary shares of 1 cent each	1,138,237	11	1,138,237	11
"C" ordinary shares of 1 cent each	100,000	1	100,000	1
"A" deferred shares of 1 cent each	1,000,000	10	1,000,000	10
"B" deferred shares of 1 cent each	100,000	1	100,000	1
Ordinary shares of 1 cent each	74,650	1	74,650	1
	<u>3,367,685</u>	<u>119</u>	<u>3,367,685</u>	<u>119</u>

	<i>Allotted, called up and fully paid</i>			
	2009 No.	2009 \$000	2008 No.	2008 \$000
"A" ordinary shares of 10 cents each	948,579	95	948,579	95
"B" ordinary shares of 1 cent each	1,138,237	11	1,138,237	11
	<u>2,086,816</u>	<u>106</u>	<u>2,086,816</u>	<u>106</u>

Notes to the financial statements

at 31 March 2009

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital \$000</i>	<i>Share premium account \$000</i>	<i>Profit and loss account \$000</i>	<i>Total shareholders' funds \$000</i>
At 31 March 2007	105	2,487	185,038	187,630
Profit for the year	–	–	4,713	4,713
Correction of share capital	1	–	–	1
At 31 March 2008	106	2,487	189,751	192,344
Profit for the year	–	–	3,944	3,944
At 31 March 2009	106	2,487	193,695	196,288

12. Related party transactions

The company is a member of the ERM Group Holding Limited group of companies. In accordance with the exemption conferred by FRS 8, the company has not disclosed transactions with other group undertakings.

13. Ultimate parent company and controlling party

The immediate parent company is Eagle 4 Limited.

The company's ultimate parent company and controlling party is ERM Group Holdings Limited. ERM Group Holdings 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.