

ERM Holdings Limited

Annual Report and Financial Statements

For the year ended 31 March 2014



Registered No: 4067993

ERM Holdings Limited

Registered No: 4067993

Directors

Andrew Silverbeck

Mark Pearson

Auditor

KPMG LLP

15 Canada Square

London

E14 5GL

Bankers

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 after taxation for the financial year ended 31 March 2014 amounted to \$92,457,075, mainly arising from dividend income received from ERM Limited as part of an intra-group UK debt restructuring exercise carried out in December 2013 (2013: loss after taxation of \$83,558). The company presents net current assets of \$134,793,144 at 31 March 2014 (2013: net current assets of \$134,831,329).

Principal risks and uncertainties

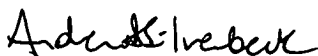
The main risks arising from the company's financial instruments are foreign currency risk and interest rate risk. The board reviews policies for managing each of these risks and they are summarised as follows:

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 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 \$92,495,260 to its immediate parent Eagle 4 Limited, the resulting liability being offset against its loans receivables from group undertakings (2013: \$nil).

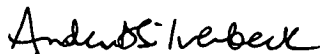
Disclosure of information to auditor

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.

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

7 October 2014

Registered No: 4067993

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 their 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 Holdings Limited

We have audited the financial statements of ERM Holdings Limited for the year ended 31 March 2014 set out on pages 7 to 15. 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 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 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.

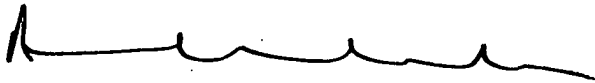
Independent auditor's report (continued)

to the members of ERM Holdings Limited

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

		Year ended 31 March 2014 \$	Year ended 31 March 2013 \$
	Notes		
Other operating charges	2	(62,340)	(72,443)
Operating loss		(62,340)	(72,443)
Dividend income	3	92,495,260	-
Interest receivable and similar income	4	44,240	56,722
Interest payable and similar charges	5	(31,557)	(40,231)
Profit / (loss) on ordinary activities before taxation		92,445,603	(55,952)
Tax credit / (charge) on profit / (loss) on ordinary activities	6	11,472	(27,606)
Profit / (loss) for the financial year		<u>92,457,075</u>	<u>(83,558)</u>

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

The notes on pages 9 to 15 form part of these financial statements.

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

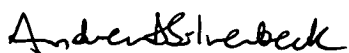
Balance sheet

at 31 March 2014

		<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>Note</i>	<i>\$</i>	<i>\$</i>
Fixed assets			
Investments	7	<u>61,961,209</u>	<u>61,961,209</u>
Current assets			
Debtors	8	<u>135,618,260</u>	<u>135,618,660</u>
		135,618,260	135,618,660
Creditors: amounts falling due within one year	9	<u>(825,116)</u>	<u>(787,331)</u>
Net current assets		<u>134,793,144</u>	<u>134,831,329</u>
Total assets less current liabilities		<u>196,754,353</u>	<u>196,792,538</u>
Capital and reserves			
Called up share capital	10	106,240	106,240
Share premium account	11	2,487,052	2,487,052
Profit and loss account	11	<u>194,161,061</u>	<u>194,199,246</u>
Equity shareholders' funds	11	<u>196,754,353</u>	<u>196,792,538</u>

The notes on pages 9 to 15 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 and its results are included in the publicly available group financial statements of the ultimate parent company, ERM Worldwide Limited.

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 as at 31 March 2014. 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. 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 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>
	<i>\$</i>	<i>\$</i>
Foreign exchange (losses) / gains	(57,818)	31,674
Other operating costs	<u>(4,522)</u>	<u>(104,117)</u>
	<u>(62,340)</u>	<u>(72,443)</u>

The audit fees for the year ended 31 March 2014 payable to the company's auditors, KPMG LLP, was \$3,365 (2013: \$7,937). The 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 borne by another group company.

3. Dividend income

	<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>\$</i>	<i>\$</i>
Income from shares in group undertakings	<u>92,495,260</u>	<u>-</u>
	<u>92,495,260</u>	<u>-</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 \$92,495,260 from ERM Limited, settled by way of the transfer of its loans receivables from group undertakings.

Notes to the financial statements

at 31 March 2014

4. 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	44,240	56,722
	<u>44,240</u>	<u>56,722</u>

5. 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	31,459	40,231
Other Interest	98	-
	<u>31,557</u>	<u>40,231</u>

6. Tax (credit) / charge on profit / (loss) on ordinary activities

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

	<i>Year ended 31 March 2014</i>	<i>Year ended 31 March 2013</i>
	<i>\$</i>	<i>\$</i>
<i>Current tax:</i>		
Current year	(11,421)	9,551
Prior year adjustment	(51)	18,055
	<u>(11,472)</u>	<u>27,606</u>
Current tax (credit) / charge – group relief (receivable) / payable (note 6(b))		

Notes to the financial statements

at 31 March 2014

6. Tax (credit) / charge on profit / (loss) on ordinary activities (continued)

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

The tax assessed for the year differs from the statutory rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	<i>Year ended 31 March 2014 \$</i>	<i>Year ended 31 March 2013 \$</i>
Profit / (loss) on ordinary activities before tax	<u>92,445,603</u>	<u>(55,952)</u>
Profit / (loss) on ordinary activities multiplied by the statutory rate of corporation tax in the UK of 23 % (2013: 24%)	21,262,489	(13,428)
<i>Effects of:</i>		
(Non-taxable income) / non-deductible expenses	(21,273,910)	22,979
Prior year adjustment	<u>(51)</u>	<u>18,055</u>
Current tax (credit) / charge – group relief (receivable) / payable (note 6 (a))	<u>(11,472)</u>	<u>27,606</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

7. Fixed asset investments

	<i>Subsidiary undertaking</i> \$
Cost:	
At 31 March 2013 and 31 March 2014	<u>61,961,209</u>

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	100%
ERM Limited	UK	Ordinary	100%
ERM Chile S.A.	Chile	Ordinary	1%

All companies are engaged in the provision of environmental consulting services, except for ERM Limited which is an intermediate holding company.

8. Debtors

	<i>2014</i> \$	<i>2013</i> \$
Amounts due from group undertakings	135,606,839	135,618,660
Group relief receivable	<u>11,421</u>	<u>-</u>
	<u>135,618,260</u>	<u>135,618,660</u>

9. Creditors: amounts falling due within one year

	<i>2014</i> \$	<i>2013</i> \$
Bank overdraft	729,590	682,246
Group relief payable	-	9,551
Other payables	<u>95,526</u>	<u>95,534</u>
	<u>825,116</u>	<u>787,331</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 into a separate \$20.0 million Incremental Facility. Both loans are secured by fixed and floating charges over the assets of the group.

Notes to the financial statements

at 31 March 2014

10. Share capital

	<i>Allotted, called up and fully paid</i>			
	<i>2014</i>	<i>2014</i>	<i>2013</i>	<i>2013</i>
	<i>No.</i>	<i>\$</i>	<i>No.</i>	<i>\$</i>
"A" ordinary shares of \$0.1 each	948,579	94,858	948,579	94,858
"B" ordinary shares of \$0.01 each	1,138,237	11,382	1,138,237	11,382
	<u>2,086,816</u>	<u>106,240</u>	<u>2,086,816</u>	<u>106,240</u>

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
At 1 April 2012	106,240	2,487,052	194,282,804	196,876,096
Loss for the year	-	-	(83,558)	(83,558)
At 31 March 2013	106,240	2,487,052	194,199,246	196,792,538
Profit for the year	-	-	92,457,075	92,457,075
Dividends paid	-	-	(92,495,260)	(92,495,260)
At 31 March 2014	<u>106,240</u>	<u>2,487,052</u>	<u>194,161,061</u>	<u>196,754,353</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 \$92,495,260 to its immediate parent, Eagle 4 Limited, the resulting liability being offset against its loans receivables from group undertakings.

12. Related party transactions

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.

Notes to the financial statements

at 31 March 2014

13. Ultimate parent company and controlling party

The immediate parent company is Eagle 4 Limited.

The 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.