

Diligen Limited

Report and Financial Statements

31 March 2007

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COMPANIES HOUSE

Diligen Limited

Registered No 04441186

Director

Malcolm Hutton

Secretary

Stephen Harrison

William Boyd

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Bankers

Barclays Bank PLC

54 Lombard Street

London

EC3V 9EX

Solicitors

S J Berwin

222 Grays Inn Road

London

WC1X 8HB

Registered office

8 Cavendish Square

London

W1G 0ER

Director's report

The director presents his report and financial statements for the year ended 31 March 2007

Results and dividends

The profit for the year, after taxation amounted to € 441 601 (2006 €98 824 loss) The directors do not recommend the payment of an ordinary dividend

Principal activity

The company was established to provide environmental, risk and health and safety consulting services The company has not traded during the year, with the exception of necessary operating income and expenses

Analysis of risk factors

The main risks arising from the company's financial instruments are foreign currency risk and interest rate risk The company does not have a material exposure to investment or liquidity risk in its current dormant state The board reviews policies for managing each of these risks, and they are summarised as follows

Foreign Currency Risk

Transactions on the loan balances with group undertakings were recorded in other foreign currencies 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 in currencies to match the denomination at fixed and floating rates of interest to generate the desired interest profile and to manage the company's exposure to interest fluctuations

Auditors

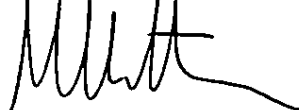
Ernst & Young LLP will not be seeking re-election as auditors

Director's statement as to disclosure of information to auditors

The director who was the member of the board at the time of approving the director's report is listed on page 1 Having made enquiries of the company's auditors, the director confirms that

- To the best of the director's knowledge and belief, there is no information relevant to the preparation of his report of which the company's auditors are unaware, and
- The director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



Malcolm Hutton
Director

29 APR 2008

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director 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 those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 Diligen Limited

We have audited the company's financial statements for the year ended 31 March 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of 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 director and auditors

As described in the statement of directors' responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatement 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 judgements made by the director 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 Dilligen 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 affairs of the company as at 31 March 2007 and of its 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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

29 APR 2008

Profit and loss account

for the year ended 31 March 2007

	<i>Notes</i>	2007 €	2006 €
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Operating expenses		(4,496)	(98,824)
		<hr/>	<hr/>
Operating loss	3	(4,496)	(98,824)
Interest receivable	4	17,300	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		12,804	(98,824)
Taxation	5	428,797	-
		<hr/>	<hr/>
Profit/(loss) for the financial year attributable to members		441,601	(98,824)
		<hr/>	<hr/>

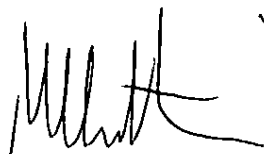
Statement of total recognised gains and losses

There are no recognised gains or losses other than as shown in the profit and loss account above

Balance sheet

at 31 March 2007

	Notes	2007 €	2006 €
Current assets			
Debtors	6	1,452	148
Cash at bank and in hand		1	1
		<u>1,453</u>	<u>149</u>
Creditors amounts falling due within one year	7	(659,577)	(1,099,874)
Net current liabilities		<u>(658,124)</u>	<u>(1,099,725)</u>
Capital and reserves			
Called up share capital	8	148	148
Profit and loss account	9	(658,272)	(1,099,873)
Shareholders' funds/ equity	9	<u>(658,124)</u>	<u>(1,099,725)</u>



Malcolm Hutton
Director

2.9 APR 2008

Notes to the financial statements

at 31 March 2007

1 Accounting policies

Going Concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has committed to provide funds, if required, to enable the company to meet its liabilities as they fall due

Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards. The financial statements are presented in Euros, the company's functional currency. The directors consider the going concern basis to be appropriate as all recorded transactions are held with and supported by the company's ultimate parent undertaking.

Cash flow exemption

The company is exempt from the requirement to prepare a statement of cash flows under FRS 1 (Revised 1996) and, accordingly, no statement of cash flows has been prepared.

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 right to pay less or to receive more, tax, with following exception:

- 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 retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2 Turnover

Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's discontinued principal activity.

3. Operating profit/(loss)

This is stated after charging

	2007	2006
	€	€
Auditors' remuneration – audit services	1,552	3,962

There were no directors' emoluments paid during the year.

Notes to the financial statements

at 31 March 2007

4. Interest receivable

	2007	2006
	£	£
Other interest	17,300	-

5 Taxation

(a) Analysis of the tax credit for the year

The tax credit is made up as follows

	2007	2006
	€	€
<i>Current tax</i>		
UK corporation tax credit for the year	(1,349)	-
Under provision in prior year	45	-
Group relief recoverable	(427,493)	-
Total tax credit for the year	(428,797)	-

(b) Factors affecting tax credit for the year

The tax assessed on the profit/(loss) on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2006 – 30%) The differences are explained below

	2007	2006
	€	€
Profit/(loss) on ordinary activities before tax	12,804	(98,824)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30 % (2006 - 30%)	3,841	(29,647)
<i>Effects of</i>		
Expenses not deductible for tax purposes and non-taxable income	(5,190)	29,647
Under provision in prior year	45	-
Group relief recoverable from prior periods	(427,493)	-
Total current tax (note 5(a))	(428,797)	-

Notes to the financial statements

at 31 March 2007

6 Debtors

	2007	2006
	€	€
Unpaid share capital	148	148
Amounts due from group undertakings	1,304	—
	<u>1,452</u>	<u>148</u>

7. Creditors: amounts falling due within one year

	2007	2006
	€	€
Amounts due to group undertakings	659,577	1,099,874
	<u>659,577</u>	<u>1,099,874</u>

8. Share capital

	2007	Authorised 2006
	€	€
Ordinary shares of £1 each	148	148
	<u>148</u>	<u>148</u>

	Allotted, called up	
	2007	2006
	No	€
Ordinary shares of £1 each	100	148
	<u>100</u>	<u>148</u>

9. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Profit and loss account	Total
	€	€	€
At 31 March 2005	148	(1,001,049)	(1,000,901)
Loss for the year	—	(98,824)	(98,824)
At 31 March 2006	148	(1,099,873)	(1,099,725)
Profit for the year	—	441,601	441,601
At 31 March 2007	148	(658,272)	(658,124)

Notes to the financial statements

at 31 March 2007

10. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other group undertakings conferred by FRS 8 on the grounds that at least 90% of the voting rights of the company are controlled within the group

11. Ultimate parent undertaking

The company's ultimate parent undertaking is ERM Group Holdings Limited

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is ERM Group Holdings Limited, incorporated in the United Kingdom

Copies of these financial statements can be obtained from 8 Cavendish Square, London W1G 0ER