

Eagle 4 Limited

Annual Report and Financial Statements

For the year ended 31 March 2020



Registered No: 05593414

Contents

	Page
Corporate information	1
Strategic report.....	2
Directors' report.....	7
Statement of Directors' responsibilities	8
Independent auditor's report to the members of Eagle 4 Limited	9-10
Profit and loss account and other comprehensive income	11
Balance Sheet.....	12
Statement of changes in equity	13
Notes to the financial statements	14-30

Corporate information

Directors

Keryn James
Simon Crowe
Mark Pearson

Chief Executive Officer
Chief Financial Officer
Head of Tax and Treasury

Secretary

Roy Burrows

General Counsel

Auditor

Deloitte LLP
Reading
Abbots House
Abbey Street
RG1 3BD
United Kingdom

Banker

HSBC UK Bank Plc
London Commercial Banking Centre
Level 6
71 Queen Victoria Street
London
EC4V 4AY

Registered office

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

Strategic report

A strategic, financial and operational review for the Company for the financial year 2020 ("FY20") from 1 April 2019 to 31 March 2020 is set out below.

Principal activity and performance

Eagle 4 Limited ("the Company") is principally engaged as the in-house bank for all operating companies within the group. It also acts as an intermediate group holding company.

The profit for the financial year ended 31 March 2020 amounted to \$24.0 million (2019: \$199.5 million). The Company has net current assets of \$884.2 million at 31 March 2020 (2019: \$544.2 million).

During the year, the Company recognised an impairment of \$20.3 million in its investment in subsidiary undertakings (see note 11).

Debt facilities

On 12 July 2019, the Group completed a refinancing of its credit facilities with a new syndicate of lenders, led by Citibank. The new credit facilities are for a total amount of \$1,000 million, comprising first lien facilities of \$700 million and second lien facilities of \$175 million (total first and second lien facilities of \$875 million), as well as a revolving credit facility of \$125 million. The total of the new facilities is equal to the debt package it replaces with an increase of revolving credit facility to \$125 million. This new facility matures between 2025 to 2027.

As part of the refinancing the Company repaid in full the existing first lien debt facility in Euros of €10.8 million (\$12.1 million). Deferred finance costs in respect to the existing first lien and revolving credit facility were unwound and released in full to the profit and loss account.

At 31 March 2020, the debt drawn down in the Company was \$282.2 million, comprising first lien facilities of €56.4 million revalued to \$62.2 million at the balance sheet foreign exchange rate, second lien facilities of \$175 million and a revolving credit facility of \$45 million. Refer to note 14.

Refer to note 18 for details of the movements in the revolving credit facility subsequent to year end.

As a result of the refinancing, an internal reorganisation was undertaken during the year for several 100% owned subsidiaries of the ultimate parent entity, ERM Worldwide Group Limited. The reorganisation resulted in the Company increasing its investment in subsidiary undertakings by \$43.3 million. Refer to note 11.

Section 172 statement

The Company is an intermediate holding company and is reliant on the Group. Given this, the Group strategy as applied by the Group is applied by the Company.

The below section 172 statement as adopted by the Group has been adopted by the Company.

Section 172 requires that "a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company".

The Directors consider the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are our clients reflecting the sectors and industries we serve, our regulators, our employees and our institutional and employee shareholders. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Group comprises a number of business units, all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group.

Details of the Group's key stakeholders and how we engage with them are set out below with reference to the matters set out in section 172 (1)(a)-(f) of the Companies Act 2006 when performing their duty under

Strategic report

the section. Further illustrations of how section 172 factors have been applied by the Board can be found throughout the Strategic report of the financial statements for the ultimate parent company ERM Worldwide Group Limited and also in our separate ERM Sustainability Report.

The likely consequences of any decision in the long term

Reports are regularly made to the Group Board by the Executive Directors and members of the Executive Committee about the strategy, performance and key decisions taken which provides the Board with assurance that proper consideration is given to stakeholder interest in decision-making. At Group level, the Board is well informed about the views of stakeholders through the regular reporting on stakeholder views and it uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Board takes a long-term approach to developing its strategy, which is to grow and build our consulting capability and presence in major markets to help clients address their sustainability challenges. We aim to achieve this through organic growth and targeting specific acquisitions where appropriate to broaden our geographic and service offerings. Our global expansion focuses on building deep and lasting relationships with our clients and servicing all their sustainability needs.

The Group has established a successful track record of acquiring and integrating complimentary consulting businesses into the Group over recent years. Since 2014, the Group has completed 15 such acquisitions in total (five of these during FY20) bringing in the expertise of close to 800 people to complement our core client offerings and to expand our capability in areas that build our skills or service offerings that we can provide clients across our geographies. These acquisitions enhanced our capabilities and expanded our service offerings to assist in continuing to help respond to the changing needs of our clients.

During the year there was a refinancing of the Group's borrowing facilities to provide the long-term financial security for the Group to continue to implement its long-term strategy. Ongoing investment in improving the IT infrastructure and testing and upgrading of the Group's cyber security has improved our business continuity, long-term resilience and protection of data. The Board reviews the relevance of the Group's strategy annually.

The interests of the company's employees

Our people are key to our success. There are many ways we engage with and listen to our employees including staff surveys, forums, local face-to-face briefings, internal communities, All-staff calls and through our anonymous concern helpline.

We know that creating a diverse and inclusive work environment is essential to being a leading global business and to making ERM a great place to build a career. Diversity and inclusion strengthens our environmental, social and governance performance as well as our ability to recruit and retain great talent, be innovative and build effective relationships - all of which helps us create better solutions for our clients.

Examples of FY20 accomplishments include;

- A hugely successful and well-received Global Inclusion Week, bringing the entire business together around the topic of inclusion.
- Implementation of global guidelines on inclusive recruitment and ongoing engagement with our recruiter community to understand challenges of accessing and attracting diverse talent.
- A Women @ Work podcast and webinar series to surface and work through challenges or barriers women face in the work place was successfully piloted and is being further developed to support women's career progression.
- Creation of internal resources for LGBT+ business travellers on travel risk management.

Strategic report

Our vision of Talent Management is to attract, identify, engage and develop, retain and effectively assign employees to exciting work. We want our employees to have the opportunity to develop and fulfill their career aspirations. Our online career progression tool makes it easy for all employees to review available career paths, view job specifications and work with their supervisor and mentors to take a transparent and active role in assessing development to further their career aspirations.

Partner-led teams collaborate to deploy the right people for the right job. These teams have access to our entire workforce, spanning different geographies and sectors in order to meet our evolving client needs. This structure enables employees to deepen their professional experience by supporting projects worldwide.

Regular reports about what is important to our employees are made to the Board ensuring consideration is given to employee needs and regular discussion of people-related topics occurs at Board meetings. For example, our Employee Survey results and analysis is shared with the Board as well as the progress we are making against our actions. We also provide several reports regarding employee performance and rewards to ensure we are differentiating for performance. Over the past two years we have conducted equal pay analysis across our company and shared this with the Remuneration Committee of the Board.

We have a mature and comprehensive Safety Management System (SMS), which incorporates safety-related policies, roles and responsibilities, training, programs and initiatives and mechanisms to measure the effectiveness of our management approach. The SMS governs our approach to minimizing safety and environmental risk, and it is based on Occupational Health and Safety Assessment Specification (OHSAS) and International Organization for Standardization (ISO) requirements.

The need to foster the company's business relationships with suppliers, customers and others

Our global expansion focuses on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas. We recognise the trust that our clients place in us by allowing us to work on many of their most challenging projects daily all around the world and are committed to the highest ethical behaviour and personal integrity in all our transactions and interactions.

We exercise judgment with respect to the clients and third parties with which we engage and the types of work we undertake. We will not work with clients or subcontractors who do not share our commitment to high ethical and sustainability standards and to safe operations.

The impact of the company's operations on the community and the environment

A key element of all aspects of our strategy is Sustainability. Sustainability at ERM is a commitment to support socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

During FY20, ERM senior leaders presented to our Board and Executive Committee on the strategic implications of climate change and the low carbon economy transition. As a company, we are making a significant commitment and investment in this area, and we are developing global and regional plans with our Regional Leadership Teams and Account Directors across the company to support and implement this strategic direction.

The ERM Foundation supports environmental, community and sustainable development causes through appropriate charitable, educational and scientific means. Each year we seek to contribute an amount equivalent to 1% of our profits towards sustainability, including via The ERM Foundation, supporting other organisations and in pro bono work.

Strategic report

The desirability of the company maintaining a reputation of high standards of business conduct

Our written Global Code of Business Conduct and Ethics sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and compliance with laws and regulations. Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. We apply our business conduct and ethics commitments across every office and activity, every day, with the involvement and awareness of all our employees. All employees and Partners are held responsible for compliance with our Code and policies.

We conduct business with uncompromising honesty and integrity, adhering to laws, regulations and our written Code of Conduct, and expect everyone at ERM to act accordingly. We express this commitment through our business values, our professional standards, staff training and our internal systems and practices. It is key to earning and maintaining the trust of our company's stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, governments, non-governmental organizations and the communities in which we operate.

The Board of Directors and Executive Committee are ERM's most significant governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of operations and performance. The Board sets a high standard for ethical behaviour and ensures the Group complies with applicable laws and regulation.

All supervisors and individuals in key delivery roles are required to complete an annual self-certification to assess and confirm compliance with the requirements of our Code of Conduct and associated global policies, as part of our year-end audit of our corporate governance and assurance process.

ERM maintains a global anonymous "whistleblowing" reporting system (Helpline) so that concerns about our business operations, including unethical business conduct, can be reported without fear of retaliation. The system is available 24 hours a day, 7 days a week, by a web portal or call-in line with over 18 languages, and is managed by a third party to protect confidentiality. Reported concerns are investigated and addressed in ERM under the supervision of ERM's Chief Compliance Officer.

The need to act fairly as between members of the company

The Board recognises the critical importance of open dialogue and fair consideration of the Company's members. We communicate regularly with our institutional shareholders (OMERS and AIMCo) as well as with employee shareholders, some 600+ individuals who collectively own approximately 41% of the Group's ordinary shares. Shareholders have representation at the Board and employee shareholders are actively updated via regular reports, calls and written communications.

Principal risks and uncertainties

The principal risks arising from the Company's operations and financial instruments are foreign currency risk and interest rate risk and, for FY20, the impact of COVID-19. The Board reviews policies for managing each of these risks and they are summarised as follows:

Impact of COVID-19

In undertaking their assessment of going concern for the Company, the Directors have considered the future prospects of the Company. The Company is dependent on ERM Worldwide Group Limited ("the Group"), the Company's ultimate parent, for providing additional financial support. The Company has obtained a letter of support from the Group stating that they will provide any additional financial support to the Company. Liquidity and cash flows, including debt facilities, are managed at the level of the Group, accordingly the Directors have considered the detailed going concern assessment that has been performed at the Group level in concluding their assessment on the Company.

The ongoing crisis with COVID-19 is creating significant uncertainty for all businesses across the geographies in which the Group operates. Whilst we recognise that there are many uncertainties ahead, the Group business and operational model has thus far been reasonably resilient to the impact of COVID 19. As at the date of this report, operations and financial performance have been impacted but sales, net revenue and trading profit have all delivered ahead of our expectations back in March 2020. The Group is prepared to implement additional measures in the areas of health and safety, efficiency and financial management to further protect the financial performance of the business. The Group is also ready to take up a number of commercial opportunities that have presented themselves as a result of the COVID 19 crisis.

Strategic report

We have run a number of different scenarios to model the potential impact of the crisis on financial covenants and liquidity, and have considered the mitigating actions available to us to maintain liquidity. As part of this scenario planning, and in support of the going concern assessment, we have run a stress test, which assumes a net revenue reduction averaging 44% in financial year 2021 ("FY21") and in financial year 2022 ("FY22") relative to FY20 run rate. We have modelled the implementation of various mitigating actions, including delayed capital expenditure and investment; estimated impact of existing governmental support relating predominantly to payroll cash costs and taxes; and reduction and deferment of variable and fixed operating costs. Under this stress test, which is described further in note 2, the Group continues to have significant levels of cash headroom.

The Group is currently in full compliance with the financial covenants of its debt arrangement and, based on the financial forecasts, the Directors expect that it will continue to be so over the going concern period. The Directors have concluded that they have a reasonable expectation that the Company and Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the annual financial statements.

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 revalued at each reporting date. The Company does not hedge any of these transactions.

Interest Rate Risk

The Company takes deposits from and/or gives loans to operating companies within the ERM group in the respective operating company's base currency. The Company pays and/or receives interest on deposits and/or loans at the LIBOR equivalent of the currency borrowed minus/plus a margin. The current policy is not to hedge any of these transactions.

On behalf of the Board



Simon Crowe
Director

25 November 2020

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2020.

Directors and their interests

The Directors who served the Company during the year were as follows:

Keryn James
Simon Crowe
Mark Pearson

None of the Directors had any interests in the shares of the Company during the year.

Dividends

The Directors do not recommend the payment of an ordinary dividend for the year (2019: \$nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP will be re-appointed as the auditor.

Events after the reporting period

- Refer to subsequent events in note 18.

Directors' statement as to disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all steps that he/she is obliged to take, as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' and officers' liability insurance

The Company maintains liability insurance for the Directors and officers of the Company and of all its subsidiaries. In addition, the Directors of the Company are granted indemnities in respect of certain liabilities or loss that may arise out of or in connection with their duties to the Company, and in accordance with the Companies Act 2006 and the Articles of Association of the Company.

Directors' conflict of interest

The Articles of Association of the Company contain provisions which are consistent with ERM's Code of Conduct and the Companies Act 2006 regarding actual or potential conflicts of interest involving Directors.

On behalf of the Board



Simon Crowe
Director

25 November 2020

Registered No: 05593414

Statement of Directors' responsibilities in respect of the Strategic report, the 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 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), 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 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 auditor's report

to the members of Eagle 4 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Eagle 4 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the significant accounting policies; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report

to the members of Eagle 4 Limited (continued)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

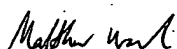
Matters on which we are required to report by exception

- Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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 auditor's 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.



Matthew Ward FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, UK
25 November 2020

Profit and loss account and other comprehensive income

For the year ended 31 March 2020

		Year ended 31 March 2020	Year ended 31 March 2019
	Notes	\$'000	\$'000
Other operating charges	4	(1,785)	(395)
Staff costs	5	(539)	(372)
Operating loss		(2,324)	(767)
Interest receivable and similar income	7	76,503	75,326
Interest payable and similar charges	8	(19,580)	(8,032)
Impairment expense – investment in subsidiary undertakings	11	(20,271)	-
Dividend income	9	-	144,131
Profit on ordinary activities before taxation		34,328	210,658
Tax charge on profit on ordinary activities	10	(10,292)	(11,196)
Profit for the financial year		24,036	199,462

The accompanying notes on pages 14 to 30 form part of these financial statements.

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

Balance sheet**As at 31 March 2020**

	Notes	As at 31 March 2020 \$'000	As at 31 March 2019 \$'000
Non-current assets			
Investment in subsidiary undertakings	11	481,025	458,036
Current assets			
Debtors	12	1,088,849	835,935
Cash at bank and in hand		68,236	9,758
Total current assets		1,157,085	845,693
Creditors: amounts falling due within one year	13	(272,845)	(301,512)
Net current assets		884,240	544,181
Total assets less current liabilities		1,365,265	1,002,217
Creditors: amounts falling due after more than one year			
Bank loan	14	(270,243)	(11,875)
Net assets		1,095,022	990,342
Capital and reserves			
Called up share capital	15	2,087	2,087
Share premium		80,644	-
Profit and loss account		1,012,291	988,255
Shareholders' funds		1,095,022	990,342

The accompanying notes on pages 14 to 30 form part of these financial statements.

These financial statements were approved by the Board of Directors on 25 November 2020 and were signed by:



Simon Crowe
Director

Registered No: 05593414

Statement of changes in equity

For the year ended 31 March 2020

	Called up share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total equity \$'000
At 1 April 2018	2,087	-	788,793	790,880
<i>Comprehensive income:</i>				
Profit for the financial year	-	-	199,462	199,462
Total comprehensive income	-	-	199,462	199,462
At 31 March 2019	2,087	-	988,255	990,342
Shares issued	-	80,644	-	80,644
<i>Comprehensive income:</i>				
Profit for the financial year	-	-	24,036	24,036
Total comprehensive income	-	-	24,036	24,036
At 31 March 2020	2,087	80,644	1,012,291	1,095,022

Notes to the financial statements

1. General information

Eagle 4 Limited is a company incorporated and domiciled in the UK. The address of the Company's registered office is 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA. The registered number is 05593414.

The Company is exempt by virtue of s400 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.

2. Significant accounting policies

2.1 Statement of compliance

These financial statements have been 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; and
- 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 financial statements of the Company are prepared in US dollars as the majority of the Company's transactions are denominated in this currency. All values are rounded to the nearest thousand (\$000) except where otherwise stated.

2.2 Basis of accounting

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

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 3.

Notes to the financial statements

2. Significant accounting policies (continued)

2.3 Going concern

In undertaking their assessment of going concern for the Company, the Directors have considered the future prospects of the Company. The Company is dependent on ERM Worldwide Group Limited ("the Group"), the Company's ultimate parent, for providing additional financial support. Liquidity and cash flows, including debt facilities, are managed at the level of the Group, accordingly the Directors have considered the detailed going concern assessment that has been performed at the Group level in concluding their assessment on the Company.

The development of the crisis is unpredictable. The Group has a \$125.0 million revolving credit facility. At 31 March 2020, \$45.0 million was drawn. Subsequent to year end, the Group drew down \$75.0 million on the revolving credit facility (\$70.0 million on 2 April 2020 and \$5.0 million on 6 April 2020) as a precautionary measure in response to the COVID-19 crisis and in the proceeding months repaid \$45.0 million in June 2020 and \$25.0 million in November 2020. The Group is also able to reduce and defer significant operational costs (c.85% of ERM's cost base are people related) to reduce covenant risk and strengthen liquidity.

Despite the net liabilities position in the Company and Group's statement of financial position, the Group has adequate cash resources to meet its day-to-day working capital requirements. In making the going concern assessment the Directors have also taken into account the following:

- the base case cash flow forecasts over FY21 and FY22 and a number of downside sensitivities to those forecasts, including a stress test scenario described further below;
- the loan covenant ratio that determines the ongoing availability of the \$125 million revolving credit facility;
- specifically in relation to the potential impact of the COVID-19 pandemic on the Group, the Directors have considered:
 - the current trading performance of regions, sectors and services that have been affected by COVID-19;
 - the Group's trading in markets such as Asia Pacific, that are further advanced through the pandemic, reflecting possible future trends;
 - the behaviour of the Group's debtors and the change in implied credit risk associated with those debtors;
 - current available information for each of the Group's geographies regarding additional factors impacting the Group as a result of COVID-19, primarily reflecting governmental support;
 - the reduction in debt interest costs due to central bank actions;
 - the Group's historical ability to manage and emerge resilient from previous periods of economic weakness; and
 - other mitigating factors within the Group's control, specifically the timing of discretionary investment and expenditure.

The key stress test scenario that the Directors have modelled reflects a reduction in net revenue. The assumptions used include:

- Net revenue reductions averaging 44% in FY21 and FY22 relative to FY20 run rate.
- Mitigating actions within management control including delayed capital expenditure; further participation in existing governmental support relating predominantly to payroll cash costs and taxes; reduction and deferment of variable and fixed operating costs.

Under this stress test scenario and taking into account the revolving credit facility drawn down in March and April 2020, the Group is fully compliant with its loan covenant and still has liquidity headroom (excluding cash belonging to ReachCentrum) in excess of \$80 million at the end of March 2021 and \$50 million at the end of March 2022.

Notes to the financial statements

2. Significant accounting policies (continued)

The Directors have also considered the wider operational consequences and ramifications of the COVID 19 pandemic:

- The Group's global footprint, and subject matter expertise in health and safety, and crisis management has enabled the business to quickly observe, assess, and to respond to the impact of COVID-19. The Group's responsiveness and resilience has allowed it to successfully operate over the last eight months with the vast majority of geographies under lockdown conditions.
- Leadership teams and working groups led by senior managers remain in place to support operational resilience, team wellbeing and customer needs. The approach is reviewed on a daily basis in line with latest global developments and government guidance.
- The Group is highly diversified in terms of geographies, sectors and services. Diversification has reduced concentration risk in areas heavily impacted by COVID-19 whilst producing work in areas such as health and safety and business resilience that is seeing increased demand as a result of COVID-19.
- The impact on the Group's longer term plan including business and M&A strategy.
- Although COVID-19 developments are rapidly evolving, the stress testing demonstrates the Group's financial and business resilience, and operational flexibility.

Following the assessment of the Company and Group's financial position, operational impact from COVID 19, and ability to meet its obligations as and when they fall due, the Directors have a reasonable expectation that the Group will be able to continue to operate for at least the next 12 months. Therefore, the financial statements have been prepared on a going concern basis.

2.4 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.

Foreign exchange differences arising on translation are recognised in the profit and loss account.

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.

2.5 Financial instruments

Financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, trade and other creditors and interest-bearing borrowings.

Investments in equity securities

Investments in subsidiary undertakings are stated at cost less impairment.

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 on 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.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes to the financial statements

2. Significant accounting policies (continued)

2.6 Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on amounts due from group undertakings. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Definition of default

The Company considers that default has occurred when a financial asset is more than 120 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Company recognises an impairment gain or loss in profit or loss for financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2.7 Financial liabilities

The Company classifies its financial liabilities in the following measurement categories:

- At fair value through profit or loss
- At amortised cost

The Company classifies debt and equity instruments as either financial liabilities or as equity, in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the Company, after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Financial liabilities not classified as fair value through profit or loss are classified and measured at amortised cost using the effective interest method.

The Company's financial liabilities comprise bank loans and borrowings and other payables. All financial liabilities are recognised initially at their fair value plus any directly attributable issue costs and subsequently measured at amortised cost using the effective interest method except for derivatives, which are classified as held for trading, except where they qualify for hedge accounting, and are held at fair value. The fair values of the Company's liabilities held at amortised cost are approximately equal to their carrying amount.

Bank loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of issue costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Financial expenses comprise interest expense on borrowings.

Fees paid on the establishment of loan facilities are recognised as issue costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the financial statements

2. Significant accounting policies (continued)

2.7 Financial liabilities (continued)

Other payables

Other payables are included in current liabilities, except for maturities greater than 12 months after the reporting date. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

2.8 Interest receivable and interest payable

Interest payable and similar charges includes interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy 2.4). Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

2.9 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.

2.10 Taxation

Tax on the profit or loss for the year comprises current 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 year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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.

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.

Notes to the financial statements

2. Significant accounting policies (continued)

2.11 Share premium

Share premium represents capital contributions received and is the difference between the value of the consideration and the nominal value of the shares issued as consideration, net of issue expenses.

2.12 Adoption of new standards

IFRS 16 Leases

In the current year, the Company, for the first time, has applied IFRS 16 Leases (as issued by the IASB in January 2016). There was no impact to the Company on adoption of IFRS 16, as no leases are currently held by the Company.

The adoption of the other new and revised IFRS Standards in issue but not yet effective are not expected to have a material impact on the financial statements of the Company.

Notes to the financial statements

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and the accompanying disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No critical accounting judgements have been made within these financial statements.

Key sources of estimation uncertainty

Impairment of assets, including investments

On an annual basis, the Company is required to perform an impairment review to assess whether the carrying value of its investment in subsidiary undertakings is less than its recoverable amount.

Recoverable amount is based on a calculation of expected future cash flows of the Company's subsidiary undertakings, which include estimates of future performance.

The value-in-use calculations include key sources of estimation uncertainty and, in the current year, this estimation uncertainty is heightened due to the impact of COVID-19. However, sensitivities on key assumptions including forecast period and discount rate would not result in further impairment.

4. Other operating charges

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Foreign exchange losses	1,209	-
Other operating charges	576	395
	1,785	395

The audit fee for the year ended 31 March 2020 payable to the Company's auditor, Deloitte LLP, was \$25,000 (2019: \$13,000). The audit fees for the years ended 31 March 2020 and 31 March 2019 were borne by another group company. Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the ultimate parent company are required to disclose such fees on a consolidated basis.

5. Staff costs

Staff costs (including Directors employed by the Company) during the year ended 31 March 2020 are as follows:

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Wages and salaries	395	244
Social security costs	56	30
Contributions to defined contribution plans	21	14
Other staff costs	67	84
	539	372

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

Emoluments of other Directors of the Company, who were not employed by the Company, were borne by another group company.

The Company had 5 employees during the year ended 31 March 2020 (2019: 4).

Notes to the financial statements

6. Directors remuneration

The Directors provide services to the Company and other companies in the ERM group. The emoluments received by the Directors for services provided to the Company are set out below.

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Emoluments	138	135
Group contributions to defined contribution plans	8	5
	146	140
Members of defined contribution pension schemes (no.)	1	1

The amounts received by the highest paid Director in respect of services to the Company are the same as the table above.

7. Interest receivable and similar charges

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Interest receivable on amounts due from group undertakings	71,823	68,208
Foreign exchange gains on retranslation of intercompany loans	2,847	5,956
Foreign exchange gains on retranslation of external loans	1,701	1,154
Fair value movement of financial instrument	97	-
Other interest	35	8
	76,503	75,326

8. Interest payable and similar charges

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Interest payable on amounts due to group undertakings	2,779	7,174
Interest on bank loans and overdraft	15,124	706
Amortisation of deferred finance charges (i)	1,586	152
Other interest	91	-
	19,580	8,032

(i) Amortisation of debt issue costs during the year ended 31 March 2020 includes \$219,000 relating to the remaining unamortised debt issue costs existing from the old debt facilities, which were fully written off as a result of the refinancing in July 2019 (see Note 14).

9. Dividend income

Total dividends received from the Company's subsidiaries were \$nil (2019 \$144,131,000).

Notes to the financial statements

10. Tax charge on profit on ordinary activities

(a) Analysis of the tax charge:

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Current tax:		
In respect of current year	10,319	10,861
In respect of prior years	(27)	335
Total current tax charge	10,292	11,196
Total deferred tax charge	-	-
Total tax charge for the year (note 10 (b))	10,292	11,196

There were no deferred taxes recognised during the year ended 31 March 2020 and 31 March 2019.

(b) Reconciliation of tax charge:

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

	Year ended 31 March 2020 \$'000	Year ended 31 March 2019 \$'000
Profit on ordinary activities before tax	34,328	210,658
Profit on ordinary activities at UK statutory rate of 19% (2019: 19%)	6,522	40,025
Effects of:		
Dividend income	-	(27,495)
Non-taxable income	(136)	(1,671)
Prior year items	(27)	335
Expenses not deductible for tax purposes	3,933	2
Total tax charge for the year (note 10 (a))	10,292	11,196

Notes to the financial statements

11. Investment in subsidiary undertakings

	Investment in Subsidiaries \$'000
Cost:	
At 31 March 2019	458,036
ERM Emerald US Inc. (note (i))	5,800
ERM Emilion Australia Pty Ltd (note (i))	16,810
Emerald Newco Pty Limited (note (i))	15,421
ERM Limited (note (i))	3,642
ERM France SAS (note (i)).	1,587
At 31 March 2020	501,296
Amounts provided for impairment	
Impairment expense recognised during the period (note ii)	(20,271)
At 31 March 2020	(20,271)
Net book value at 31 March 2019	458,036
Net book value at 31 March 2020	481,025

The movements in the investments in subsidiary undertakings are explained below;

(i) In October 2019 the Group completed an internal reorganisation of its group structure, transferring certain subsidiaries within the Group. As part of this reorganisation the Company's investments in subsidiary undertakings increased by \$43.3 million. This was settled through the issuance of ordinary shares in the Company to its immediate parent, as further discussed in note 15.

(ii) The Company recognised a full impairment of \$15.4 million of its investment in Emerald Newco Pty Limited and an impairment of \$4.9 million of its investment in ERM Emilion Australia Pty Ltd. The impairment is largely attributable to the inherent uncertainties in respect of the impact of COVID-19 and, for Emerald Newco Pty Limited, external liabilities held by the entity.

The following is a list of the Company's subsidiary undertakings and particulars of the shareholdings therein. The address key refers to the registered office address which is provided in a subsequent table.

Company name	Country of incorporation	Class of shares	Proportion held	Address Key
ERM Emerald US Inc.	USA	Ordinary	100%	1
ERM Limited	UK	Ordinary	100%	2
ERM France SAS	France	Ordinary	100%	3
Emerald Germany GmbH	Germany	Ordinary	100%	4
Emerald Newco Pty Limited	Australia	Ordinary	100%	5
ERM Emilion Australia Pty Ltd	Australia	Ordinary	100%	6
Environmental Resources Management (S) Pte Ltd	Singapore	Ordinary	100%	7
ERM-Chile S.A.	Chile	Ordinary	1%	8
ERM-Mexico, S.A. de C.V.	Mexico	Ordinary	0.01%	9

The country of operation is the same as the country of incorporation. Details of the related undertakings which the Company hold directly are shown above. All companies either carry out the principal activities of the Group, namely the provision of environmental, health, safety, risk, social and sustainability consulting services, or are holding companies.

Notes to the financial statements

11. Investment in subsidiary undertakings (continued)

The following is a list of subsidiary undertakings over which the Company has an indirect shareholding through other group entities. All companies either carry out the principal activities of the Group, namely the provision of environmental, health, safety, risk, social and sustainability consulting services, or are holding companies. The address key refers to the registered office address which is provided in the subsequent table.

	Country of incorporation	Address key
<i>North America</i>		
CSA Global Consultants Canada Ltd.	Canada	10
ERM Consultants Canada Ltd.	Canada	10
BrownFlynn, Ltd.	USA	11
Contek Solutions, LLC	USA	12
Eagle US, Inc.	USA	1
Environmental Resources Management, Inc.	USA	13
Environmental Resources Management Michigan, Inc.	USA	14
Environmental Resources Management Southwest, Inc.	USA	15
Environmental Resources Management-Southeast, Inc.	USA	16
ERM Alaska, Inc.	USA	17
ERM Canada, Inc.	USA	1
ERM Certification & Verification Services Incorporated	USA	18
ERM Consulting & Engineering, Inc..	USA	19
ERM-Delaware, Inc.	USA	1
ERM Emilion US, Inc.	USA	20
The ERM Group, Inc.	USA	13
ERM Information Solutions, Inc.	USA	15
ERM-NA Holdings Corp.	USA	13
ERM NC, Inc.	USA	21
ERM-North America, Inc.	USA	13
ERM-West, Inc.	USA	22
Michael Pisani & Associates, Inc	USA	23
M.J. Bradley & Associates LLC	USA	20
Natural Resource Group, LLC	USA	24
SustainAbility, Inc	USA	20
The Fifth Business, Inc	USA	20
<i>United Kingdom</i>		
Critical Resource Strategy & Analysis Limited	UK	2
CSA Global (UK) Limited	UK	2
Environmental Resources Management Limited	UK	2
ERM-Asia Pacific Holdings, Limited	UK	2
ERM Certification and Verification Services Limited	UK	2
ERM Eurasia Limited	UK	2
ERM-Europe, Ltd	UK	2
ERM International Services Limited	UK	2
ERM (Overseas Holdings) Limited	UK	2
ERM Regulatory Services Limited	UK	2
SustainAbility Limited	UK	2
The Fifth Business (Scotland) Limited	UK	25

Notes to the financial statements

11. Investment in subsidiary undertakings (continued)

	<i>Country of incorporation</i>	<i>Address key</i>
EMEA		
Environmental Resources Management-ERM N.V.	Belgium	26
ERM Remediation & Construction Management Belgium NV	Belgium	27
ReachCentrum SA	Belgium	26
ERM Burkina Faso SARL	Burkina Faso	28
ERM (RDC) Sarl	DR Congo	29
ERM Remediation & Construction Management-France SAS	France	3
ERM GmbH	Germany	4
ERM Consultants (Ghana) Limited	Ghana	30
ERM-ESL JV Ghana Limited	Ghana	30
Salama Environmental Resources Management, LLC	Iraq	31
CSA Global Mining Consultants (Ireland) Ltd	Ireland	32
ERM Environmental Resources Management Ireland Limited	Ireland	32
ERM Italia S.p.A.	Italy	33
ERM Eurasia Limited Liability Partnership	Kazakhstan	34
ERM Consulting East Africa Limited	Kenya	35
Environmental Resources Management Nederland B.V.	Netherlands	36
ERM Holdings B.V.	Netherlands	2
The Fifth Business B.V.	Netherlands	37
RePlan ERM Consulting Nigeria Limited	Nigeria	38
ERM AS	Norway	39
ERM Norway AS	Norway	39
ERM Polska Sp.z.o.o.	Poland	40
ERM Portugal - Consultores em Engenharia do Ambiente, LDA	Portugal	41
Impacto 2000 - Gabinete de Engenharia e Planeamento Industrial, Unipessoal Lda.	Portugal	41
ERM Environmental Resources Management S.R.L	Romania	42
ERM (Senegal) SARL	Senegal	43
CSA Global South Africa (Pty) Ltd	South Africa	44
Environmental Resources Management Southern Africa Proprietary Limited (1)	South Africa	44
Environmental Resources Management Iberia, SAU (2)	Spain	45
ERM Swiss GmbH	Switzerland	46
ERM Consulting Tanzania Limited	Tanzania	47

(1) The subsidiary is consolidated as the Group has the right to exercise dominant influence over the subsidiary Board.

(2) During the year the share holding increased from 98% to 100% and the name changed from Environmental Resources Management Iberia, S:A. to Environmental Resources Management Iberia, SAU.

Notes to the financial statements

11. Investment in subsidiary undertakings (continued)

	<i>Country of incorporation</i>	<i>Address key</i>
<i>Asia Pacific</i>		
CSA Global Pty Ltd	Australia	6
Environmental Resources Management Australia Pty Limited	Australia	6
ERM - Asia Pacific Pty. Ltd.	Australia	6
ERM Australia Pacific Pty Ltd	Australia	6
ERM Services Australia Pty Ltd	Australia	6
Pacific Environment Holdings Pty Ltd	Australia	6
Kathy Jones & Associates Pty Ltd	Australia	6
ERM CVS (Shanghai) Limited	China	48
ERM (Shanghai) Limited	China	48
ERM China (Holdings) Limited	Hong Kong	49
ERM-China Limited	Hong Kong	49
ERM-Hong Kong, Limited	Hong Kong	49
ERM India Private Limited	India	50
PT. ERM Indonesia	Indonesia	51
PT CSA Global (Indonesia) Ltd	Indonesia	51
ERM Japan Ltd.	Japan	52
ERM Korea Limited	Korea	53
ReachCentrum Asia Limited	Korea	54
ERM Macau Limited	Macau	55
Environmental Resources Management (M) Sdn. Bhd.	Malaysia	56
ERM Asia Pacific (M) Sdn. Bhd.	Malaysia	56
ERM Technical Services (M) Sdn. Bhd.	Malaysia	56
ERM Myanmar Company Limited	Myanmar	57
ERM New Zealand Limited	New Zealand	58
CSA Global (Singapore) Pte. Ltd.	Singapore	7
ERM Taiwan Co., Ltd	Taiwan	59
ERM-Siam Co., Ltd.	Thailand	60
ERM Vietnam Company Limited	Vietnam	61
<i>Latin America</i>		
ERM Argentina S.A.	Argentina	62
ERM Brasil Ltda.	Brazil	63
ERM-Brazil, Ltd.	Cayman Islands	64
Environmental Resources Management Colombia Ltda.	Colombia	65
rePlan Colombia S.A.S.	Colombia	66
ERM Guyana Inc.	Guyana	67
Environmental Resources Management Panama S.A.	Panama	68
ERM Peru S.A.	Peru	69
Environmental Resources Management Puerto Rico, Inc.	Puerto Rico	70

Notes to the financial statements

11. Investment in subsidiary undertakings (continued)

The registered office addresses for the above direct and indirect subsidiaries are set below, with reference to the 'address key' in the tables above:

Address key	Address
1	1105 N. Market Street, Suite 1300, Wilmington, Delaware 19801, United States
2	2nd Floor Exchequer Court, 33 St Mary Axe, London EC3A 8AA, United Kingdom
3	13 Rue Faidherbe, Paris, 75011, France
4	Siemensstrasse 9, Neu-Isenburg, 63263, Germany
5	Level 6, 99 King Street, Melbourne, Victoria 3000, Australia
6	Level 15, 309 Kent Street, Sydney, New South Wales 2000, Australia
7	#10-01, 120 Robinson Road, 068913, Singapore
8	Cruz del Sur 133 of, 802 Las Condes, Santiago, Chile
9	Mariano Escobedo #476, 13th floor, Colonia Nueva Anzures, Mexico City, 11590, Mexico
10	900-885 West Georgia Street, Vancouver, British Columbia V6C 3H1, Canada
11	Terminal Tower, 36th floor, 50 Public Square, Cleveland OH 44113, United States
12	6221 Chapel Hill Blvd, Suite 300, Plano, Texas, 75093, United States
13	75 Valley Stream Parkway, Suite 200, Malvern, Pennsylvania 19355, United States
14	3352 128th Avenue, Holland, Michigan 49424, United States
15	840 West Sam Houston Parkway North, Suite 600, Houston, Texas 77024, United States
16	5000 Meridian Boulevard, Suite 300, Franklin, Tennessee 37067, United States
17	825 W. 8th Avenue, Anchorage, Alaska 99501, United States
18	3200 Windy Hill Road SE, Suite 1500 WEST, Atlanta, Georgia 30339-5640, United States
19	One Beacon Street, 5th Floor, Boston, Massachusetts, 02108, United States
20	850 New Burton Road, Suite 201, Dover, Delaware, 19904, United States
21	300 West Summit Avenue, Suite 330, Charlotte NC 28203, United States
22	1277 Treat Blvd., Suite 500, Walnut Creek, California 94597, United States
23	3838 N Causeway Boulevard, Suite 3000, Metairie, Louisiana, 70002, United States
24	80 South Eighth Street, Minneapolis, Minnesota 55402, United States
25	23 Albert Street, Aberdeen, Scotland, AB25 1XX, United Kingdom
26	Kantersteen 47, Brussels, 1000, Belgium
27	Posthoflei 5, bus 6, Antwerp, 2600, Belgium
28	Quartier Pissy, Secteur 17, Parcelle R, Lot 280, Ouagadougou, Burkina Faso
29	2985 Avenue Lumumba, Commune KAMPEMBA, Lubumbashi, CD
30	PwC Tower Building opp Morningstar School, Rangoon Lane, Cantonments City - Accra, Accra, Ghana
31	1st Floor, Karada Mariam District 222, Street 37, Building 41, Baghdad, Iraq
32	D5 Nutgrove Office Park, Dublin 14 D14 X343, Ireland
33	Via San Gregorio 38, Milan, 20124, Italy
34	Office 709, 86 Gogol str., Almaty, 050000, Republic of Kazakhstan
35	LR No. 12081/10 Sameer Business Park Block C, Unit C1, Mombasa Road, P.O.Box 10032-00100, Nairobi, Kenya.
36	Burg. de Raadt singel 55, Dordrecht, 3311 JG, Netherlands
37	Parkstraat 83, 2nd Floor K 252, 2514 JG, The Hague, Netherlands
38	33 Ogunlowo Street, Off Obafemi Awolowo Way, Ikeja, Lagos, Nigeria
39	Bygg D, Andoyfaret 33, Kristiansand, 4623, Norway
40	Ul. Chmielna 134, Warsaw, 00-805, Poland
41	Av. Joao Crisostomo 30, 1st floor, Lisbon, 1050-127, Portugal
42	145 Calea Victoriei, 7th Level (8th Floor), Sector 1, Bucharest, 010072, Romania
43	AZUR 15 Building, 12, Boulevard Djily MBAYE, Dakar, BP 50555, Senegal
44	Building 32, The Woodlands Office Park, Woodlands Drive, Woodmead, Johannesburg, 2148, South Africa
45	Paseo de la Castellana 257, 2ª planta, Madrid, 28046, Spain
46	Techno-Pole 4, Sierre, 3960, Switzerland
47	Amani Place, 7th Floor, Ohio Street, Dar es Salaam, Tanzania
48	Suite 2005 Litong Plaza, No.1350 Sichuan North Road, Shanghai, 200080, China

Notes to the financial statements

11. Investment in subsidiary undertakings (continued)

Address key	Address
49	Flat/RM 2507, 25/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Hong Kong
50	B-1/flat no-1770, Vasant Kunj, New Delhi, 110070, India
51	Centennial Tower 401h, Floor, Suite B1, Jalan Jend. Gatot Subrota Kav.24-25, Kel. Karet Semanggi, Kec. Setiabudi, Jakarta, DKI Jakarta Province, Indonesia
52	Landmark Tower 19F, 2-2-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa 220-8119, Japan
53	12F Samhwa Tower, 16, Eulji-ro 5-gil, , Jung-gu, Seoul, Korea
54	Room 1505, Tower 8, 7 Jongro5-gil, Jongro-gu, Seoul, Korea
55	Avenida da Praia Grande, No 409, China Law Building 16/F - B11, Macau
56	52, 1st Floor, Jalan SS 21/58, Damansara Utama, Petaling Jaya, Selangor Darul Ehsan 47400, Malaysia
57	Room No. 007 Inya Lake Hotel, #37 Kaba Aye Pagoda Road, Mayangone Township, Yangon, Myanmar
58	MinterEllisonRuddWatts, Level 20, 88 Shortland Street, Auckland Central, 1010, New Zealand
59	11F, No. 223, Songjiang Rd, Zhongshan District, Taipei City, Taiwan
60	179 Bangkok City Tower, 24th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120, Thailand
61	7th Floor, Saigon Finance Center, 9 Dinh Tien Hoang Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam
62	Av. Cabildo 2677 Piso 6, Buenos Aires, C1428AAI, Argentina
63	Avenida Luis Carlos Berrini, 105 – 17º andar - cj. 171, Cidade Monções, São Paulo/SP, Brazil, 04571-010
64	PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands
65	Cra 16 No 93A-36 Piso 6, Bogota, Colombia
66	CR 9, Numero 74, IN 3, LC 3, Bogota, Colombia
67	Lot 210 New Market Street, Georgetown, Guyana
68	Century Tower, Piso 17, Oficina 1705, Via Ricardo J. Alfaro, Panama City, 0832-0588, Panama
69	Calle Las Orquideas 675, Interior 402, San Isidro, Lima, 27, Peru
70	City Tower Suite 1002, 250 Ponce de Leon Avenue, PO Box 192291, San Juan, Puerto Rico 00919-2291

12. Debtors

	As at 31 March 2020 \$'000	As at 31 March 2019 \$'000
Amounts due from group undertakings	1,088,162	835,926
Prepayments	459	-
Other debtors	131	9
Fair value of financial instrument	97	-
	1,088,849	835,935

Amounts due from group undertakings carry interest rates of either local currency LIBOR + 4.88% (subject to a local currency LIBOR floor of 1%) applicable to all structural loans or local currency LIBOR + 4% applicable to all operational loans.

Amounts due from group undertakings are repayable on demand.

Notes to the financial statements

13. Creditors: amounts falling due within one year

	As at 31 March 2020 \$'000	As at 31 March 2019 \$'000
Amount due to group undertakings	262,350	291,796
Group tax relief payable	9,257	9,713
Accruals	953	-
Other creditors	285	3
	272,845	301,512

Amounts due to group undertakings carry interest rates of either local currency LIBOR + 4.88% (subject to a local currency LIBOR floor of 1%) applicable to all structural loans or local currency LIBOR less 0.5% (minimum rate being 0%) applicable to all operational loans.

Amounts due to group undertakings are repayable on demand.

14. Creditors: amounts falling due after more than one year

	As at 31 March 2020 \$'000	As at 31 March 2019 \$'000
Bank loans	270,243	11,875
	270,243	11,875

On 12 July 2019, the Group refinanced its loan facilities and entered into a new Syndicated Facility Agreement with a syndicate of financial institutions. Citigroup Global Markets Limited was the Global Coordinator and Lead Arranger.

The Group's credit facilities are for a total amount of \$1,000 million, comprising first lien facilities of \$700 million and second lien facilities of \$175 million (total first and second lien facilities of \$875 million), as well as a revolving credit facility of \$125 million. The total of the new facilities is equal to the debt package it replaces with an increase of revolving credit facility to \$125 million. This new facility matures between 2025 to 2027. The facilities are secured by fixed and floating charges over the assets of the Group.

On 12 July 2019, as part of the refinancing the Company repaid in full the existing first lien debt facility in Euros of €10.8 million (\$12.1 million). Deferred finance costs in respect to the existing first lien and revolving credit facility were unwound and released in full to the profit and loss account.

The loan drawn down in the Company as at 31 March 2020 is made up as follows;

(i) €56.4 million EUR denominated term debt. The facility is repayable on 11 July 2026 and carries an interest rate of 3.75% above 3 month EURIBOR subject to a 0% floor. At 31 March 2020 the balance outstanding was \$62.2 million (€56.4 million fully drawn, revalued to the balance sheet foreign exchange rate).

(ii) \$175.0 million USD denominated term debt. The facility is repayable on 11 July 2027 and carries an interest rate of 7.75% above 3 month LIBOR subject to a 0% floor. At 31 March 2020 the facility was fully drawn.

(iii) \$45.0 million USD denominated revolving credit facility. Interest on this drawdown is charged at 3.50% above 3 month LIBOR subject to a 0% floor. In addition, \$3.1 million of the facility was utilised as security for bank guarantees

The total multi-currency revolving credit facility available (drawn and undrawn) is \$125.0 million, repayable on 11 July 2025. Depending on the duration and currency drawn, the facility carries an interest rate of 3.50% above 1, 3 or 6 month currency LIBOR on USD denominated draws and 3.75% above 1, 3 or 6 month currency LIBOR on non-USD denominated draws, both subject to a 0% floor.

Refer to note 18 for details of the movements in the revolving credit facility subsequent to year end.

Notes to the financial statements

14. Creditors: amounts falling due after more than one year (continued)

During the year ended 31 March 2020 the Company capitalised debt issue costs of \$13,315,000 in relation to the refinancing of the credit facilities. The unamortised debt issue costs balance of \$11,948,000 as at 31 March 2020 represents capitalised debt issue costs less amounts amortised to date. The 31 March 2019 unamortised debt issue costs balance of \$219,000 relating to the previous facilities was written off following completion of the refinancing.

The bank loans in the above table are stated net of deferred finance costs.

15. Share capital

	Allotted, called up and fully paid			
	2020 No.	2020 \$'000	2019 No.	2019 \$'000
Ordinary shares of \$1.00 each	2,086,827	2,087	2,086,817	2,087

In October 2019 the Group completed an internal reorganisation of its group structure, transferring certain subsidiaries within the Group. As a result of this reorganisation the Company's investments in subsidiary undertakings increased by \$43.3 million and interesting bearing intercompany loans due to the Company increased by \$37.3 million. This was settled through the issuance of 10 ordinary shares in the Company to its immediate parent.

All shares issued during the year ended 31 March 2020 were issued at \$1.00 nominal value with the residual value allocated to share premium (total share premium \$80,644,000).

16. 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.

17. Ultimate parent company and controlling party

The immediate parent company is Eagle 3 Limited.

The group parent undertaking is ERM Worldwide Group Limited, a limited company registered in England and Wales. Copies of the accounts of ERM Worldwide Group limited, the smallest and largest group for which accounts are prepared that include the results of the company, may be obtained from the registered office of this company.

As at 31st March 2020, the shareholdings in ERM Worldwide Group Limited are held 42.01% by OPE Emilion Holdings Limited (ultimately controlled by OCP Trust, an Ontario Trust of which OMERS Administration Corporation is a beneficiary) and Emilion Holding Trust (an Ontario trust of which OPE Emilion Investment Limited (ultimately controlled by OMERS Administration Corporation) is the beneficiary and OPE Emilion Holdings Limited is the trustee), 16.97% by PE14GV (Emilion) Ltd. and PE14PX (Emilion) Ltd. (both client funds of Alberta Investment Management Corporation) and 41.02% by ERM management (comprised of 600+ individual shareholders).

18. Events after the reporting period

Subsequent to year end, in April 2020, the Company drew down \$75.0 million on the revolving credit facility as a precautionary measure in response to the COVID-19 crisis and subsequently repaid \$45.0 million in June 2020 and \$25.0 million in November 2020.