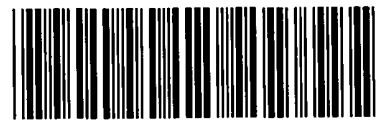


THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sabine Hoefnagel Tunde Morakinyo James Stacey
Secretary	Stuart Keeling
Charity number	1113415
Company number	ERM Foundation 05621200
Principal address	2nd Floor Exchequer Court 33 St Mary Axe London EC3A 8AA
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Barclays Bank PLC One Churchill Place London E14 5HP
Solicitor	Veale Wasbrough Vizards Barnards Inn 86 Fetter Lane London EC4A 1AD
Chairman	Sabine Hoefnagel

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
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**THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and financial statements for the year ended 31 March 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with The Foundation's Memorandum and Articles of Associations, the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Practice.

Structure, governance and management

The Foundation is a company limited by guarantee, incorporated on 14 November 2005. The Foundation is also a registered Charity and is governed by its Memorandum and Articles of Association and by the Charities Act 2011. The objectives of The Foundation are as follows:

1. To promote for the benefit of the public, sustainable development by the preservation, conservation and protection of the physical and natural environment.
2. To relieve poverty, suffering and hardship in any part of the world.

Sustainable development means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The Trustees, who are also the directors for the purpose of company law, who served during the year and to the date of approval, were:

Sabine Hoefnagel
Tunde Morakinyo
James Stacey

Sabine Hoefnagel is responsible for the day-to-day management of The ERM Foundation. None of the Trustees has any beneficial interest in the company. Each of the Trustees is a member of the company and guarantees to contribute £1 in the event of a winding up.

Under the terms of the charity's constitution, management of the charity's affairs is vested in the Board of Trustees. The Board of Trustees has the right to appoint members to the Management Committee either as additional members or to fill any casual vacancies.

The chair of the Trustees is responsible for the induction of any new Trustees which involves awareness of Trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity. A new Trustee will receive copies of the previous year's annual report and financial statements and a copy of the Charity Commission leaflet "The essential trustee: What you need to know".

No trustees have received any remuneration or expenses for their roles in the financial year.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The Foundation's aims and objectives and when planning future activities and setting the loan making policy for the next year.

The ERM Foundation supports environmental, community and sustainable development causes that are of benefit to the public through appropriate charitable, educational and technical means. The ERM Foundation is run by employees of ERM, a global sustainability consulting group, and others. The ERM Foundation provides pro-bono as well as financial support to projects and social enterprises primarily located in Europe and the developing world. These include protecting local livelihoods, increasing access to clean energy for off-grid communities, providing environmental education and creating sustainable employment.

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Risk management

The Trustees have identified, monitored, and reviewed significant risks and have implemented systems and processes to manage and mitigate those risks. The main risks facing the charity are that we fail to maintain employee donations, which are the Foundation's funding base. However, ERM (the company) covers all of the Foundation's overhead and management costs, so the impact would be slight.

Objectives and activities

The ERM Foundation's objectives are to provide support to environmental, community and sustainable development causes that are of benefit to the public through appropriate charitable, educational and technical means. This is done through appropriate charitable, educational and technical endeavours.

The ERM Foundation selects projects to support that adhere to one or more of the following criteria:

- Low carbon development
- Water, sanitation and hygiene (WASH)
- Conservation and biodiversity
- Environmental education
- Empowering women and girls

The ERM Foundation seeks, through its programmes and partnerships, to provide financial resources and technical pro-bono support and volunteer time in ways that result in a better global environment achieved through sustainable and equitable development. ERM has provided generous support through making available technical, administrative and management support on an as-needed basis.

The ERM Foundation aims to be a responsive and learning organisation that is knowledgeable about the development, aspirations, needs, culture and environment of its partners. It is committed to encouraging diversity and professionalism among all its members, staff and volunteers.

The ERM Foundation raises money from employees of ERM and other donors. ERM provides matching funds where those donations are raised by employees specifically for charitable purposes. The ERM Foundation is advised by a committee of specialists from ERM's current staff and alumni.

The ERM Foundation also coordinates a variety of activities whereby ERM staff provide professional and volunteering support to environmental initiatives of benefit to local communities.

This year, the activities of the Low Carbon Enterprise Fund (LCEF) were spun out into an independent charity. The LCEF was a programme of the ERM Foundation from 2008 until 2016. For the duration of FY17, the LCEF was no longer a part of the ERM Foundation.

Achievements and performance in the year to 31 March 2017 ('FY17')

During FY17, the ERM Foundation made a one-off donation of \$451,304 to LCEF2. LCEF2 is a separate charity which used to be linked to the ERM Foundation. This one-off donation represents the assets of the LCEF1 designated fund that had been part of the ERM Foundation. The donation will be used by LCEF2 to provide low interest loans and equity investments in social enterprises that contribute to a low carbon economy and address poverty alleviation.

During FY17, the ERM Foundation disbursed grants to charitable organisations undertaking projects in the United Kingdom, Morocco, Senegal, South Africa, Sierra Leone, Indonesia, Argentina, Mexico and Nigeria. Examples of projects funded this year include a US\$18,500 grant to the Environmental Foundation for Africa (EFA) in Sierra Leone, to install a solar water purification system and improved internet connectivity at EFA's Biodiversity and Renewable Energy Learning Centre in Freetown. In South Africa, the ERM Foundation provided a grant of EUR 20,000 to the Kingsway Centre of Concern to install a solar system at a refuge for abandoned and disadvantaged children in Johannesburg. In Senegal, the ERM Foundation provided a grant of EUR 14,000 to Village Pilote to install solar water pumps at a centre for street children in Dakar.

During FY17, the ERM Foundation continued to provide professional support on a pro bono basis for a range of charitable organisations around the world. For example, as part of our on-going relationship with the Royal Society for the Protection of Birds (RSPB), the ERM Foundation created an online inventory for RSPB's website to capture data from members of the public on spring migrant birds. Pro bono support was also provided for a range of social entrepreneurs in sub-Saharan Africa, as part of the ERM Foundation's support for winners of the SEED Awards for Entrepreneurship in Sustainable Development. The SEED Awards for Entrepreneurship in Sustainable Development is a program that works with social entrepreneurs in developing countries who contribute to the 'green economy' and have a positive impact on poverty alleviation. During FY17, the ERM Foundation updated its application and reporting forms to capture data on the contributions made to the United Nations Sustainable Development Goals (SDGs). This data is published in the FY17 ERM Foundation Annual Review. The ERM Foundation continues to collaborate with other corporate foundations to share knowledge and best practice through a series of workshops and roundtable events.

**THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2017

During FY17, ERM Foundation received/raised US \$260,143 in donations.

Plans for the Future

In FY18 ERM Foundation plans to:


- Continue to work with the Royal Society for the Protection of Birds (RSPB) to support the conservation of spring migrant birds. We will fund a swift tagging programme to improve RSPB's understanding of some of the factors contributing to a decline in numbers of this species.
- Raise funds to support two UK-based marine conservation charities.
- Continue to provide pro bono professional support for a range of charitable organizations.
- Continue to work with other corporate foundations and philanthropic organizations to share best practice and identify opportunities for collaboration.
- Start capturing more detailed project outcome data in the context of the United Nations Sustainable Development Goals (SDGs).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Each of the Trustees has confirmed that there is no information of which they are aware that is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware.

On behalf of the board of Trustees



Tunde Morakinyo

Trustee

Company number: ERM Foundation 05621200,
Charity number: 1113415

20 December 2017

**THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees 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 charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the trustees 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 charitable company will continue its activities.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of The ERM Foundation

We have audited the financial statements of The ERM Foundation for the year ended 31 March 2017 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, which constitutes the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

21 December 2017

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 US\$ Total Funds	2016 US\$ Total Funds
<u>Income</u>			
Donations and legacies	2	260,143	471,876
Total income		260,143	471,876
<u>Expenditure</u>			
Expenditure on charitable activities	3	963,373	279,378
Total expenditure		963,373	279,378
Net (expenditure) / income		(703,230)	192,498
Net movement in funds for the year		(703,230)	192,498
Reconciliation of funds			
Total funds brought forward		791,828	599,330
Total funds carried forward		88,598	791,828

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

The notes on pages 9 to 12 form part of the financial activities.

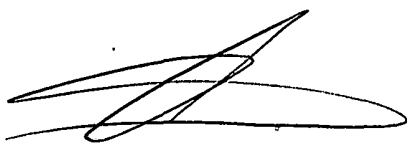
THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 US\$	2016 US\$
Fixed assets			
Programme related investments		-	364,751
Current assets			
Debtors			86,553
Cash at bank and in hand	7	88,598	340,524
Net current assets		88,598	427,077
Net assets		<u>88,598</u>	<u>791,828</u>
The funds of the charity			
General unrestricted funds	9	88,598	791,828
Total funds		<u>88,598</u>	<u>791,828</u>

The notes on pages 9 to 12 form part of the financial statements.

The financial statements were approved by the Board 20 December 2017.



Tunde Morakinyo

Trustee

Company number: ERM Foundation 05621200
 Charity number: 1113415

**THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS**

AS AT 31 MARCH 2017

	Notes	2017 Unrestricted US\$	2016 Unrestricted US\$
Cash flows from operating activities	6	(251,926)	105,945
Change in cash and cash equivalents in the year		(251,926)	105,945
Cash and cash equivalents at the beginning of the year		340,524	234,579
Cash and cash equivalents at the end of the year		88,598	340,524

The notes on pages 9 to 12 form part of the financial statements.

The financial statements were approved by the Board 20 December 2017.



Tunde Morakinyo

Trustee

Company number: ERM Foundation 05621200
Charity number: 1113415

**THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

In prior years the financial statements were prepared in accordance with applicable accounting standards (UK GAAP), the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006. The financial statements now include a statement of cash flows. In prior years the governance costs were disclosed separately within the resources expended in the income and expenditure account.

1.2. Income

Incoming resources are accounted for on the basis of entitlement, measurement criteria being met and when income becomes probable, and comprise donations from ERM entities on disposal of obsolete computer equipment. All income is unrestricted.

1.3. Expenditure

When the Foundation has entered into a legally enforceable contract to make charitable grants in future periods, this expenditure is recognised in the period in which the commitment is made. This is also the case where there is a constructive obligation to make such grants. The Foundation is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

1.4. Foreign exchange

The charity operates in local currencies in its main operating jurisdictions, ERM Foundation operates in the UK and also select countries when ERM has an office or working presence. Transactions in other foreign currencies are recorded at the rate ruling at the date of transaction and outstanding balances are regularly revalued to reflect the prevailing rates of exchange.

1.5. Going concern

On the basis of their assessment of the charity's financial position, the directors of The Foundation have a reasonable expectation that the charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.6 Donated services

The ERM Foundation receives donated services from ERM employees in their capacity as consultants. The donated services included in the Statement of Financial Activities reflect the value of their donated time at their set ERM charge out rates. The cost of the audit is donated by ERM Europe Ltd, there were no other fees paid to the auditor.

1.7 Tax

The ERM Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

2 Donations and legacies

	2017	2016
	US\$	US\$
	Total Funds	Total Funds
Donations and gifts	44,346	264,130
Voluntary income	2,000	2,000
Donated services	213,797	205,746
Donations and legacies	260,143	471,876

3 Expenditure on charitable activities

	2017	2016
	US\$	US\$
	Total Funds	Total Funds
Charitable activities:		
Grants	258,073	38,514
Bank charges	601	450
Donated services	213,797	205,746
One-off donation to LCEF2	451,304	-
Support costs	-	24,000
FX loss	35,215	-
Governance costs:		
Governance costs	4,383	10,668
Expenditure on charitable activities	963,373	279,378

Governance costs include audit fees of \$2,000 (2016: \$2,000). This fee has been borne by ERM Europe Ltd, and there were no other fees paid to the auditor. Grants totalling to \$258,073 were made to environmental charities during the year (2016: \$38,514).

4 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year (2016: \$Nil). No expenses were paid to the Trustees of the ERM Foundation (2016: \$Nil).

5 Employees

There were no employees during the year (2016: Nil).

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Reconciliation of net movements in funds to net cash flow from operating activities

	2017 US\$	2016 US\$
Net movements in funds	(703,230)	192,498
(Gains)/losses on investments	-	-
Increase/(decrease) in creditors	-	-
(increase)/decrease in debtors	86,553	(86,553)
Non-cash donations	364,751	-
Net cash used in operating activities	(251,926)	105,945

7 Analysis of cash and cash equivalents

	2017 US\$	2016 US\$
Cash in hand	88,598	340,524

8 Capital Commitments

There were no capital commitments at the end of the financial year for which no provision has been made (2016: \$Nil).

9 Movement of Funds

	As at 1 April 2016 US\$	Incoming resources US\$	Outgoing resources US\$	As at 31 March 2017 US\$
Unrestricted funds	791,828	260,143	(963,373)	88,598
Total funds	791,828	260,143	(963,373)	88,598

10 Analysis of net assets between funds

	2017 US\$ Unrestricted Funds	2017 US\$ Total Funds	2016 US\$ Total Funds
Funds balances at 31 March 2017 are represented by:			
Fixed assets	-	-	364,751
Current assets	88,598	88,598	427,077
Total net assets	88,598	88,598	791,828

**THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2017

11 Related Party Disclosures

ERM Worldwide Limited supported The ERM Foundation with pro-bono time and matching funds for monies raised by ERM Staff to support Foundation projects. The cost of the audit was borne by ERM Europe Limited who also provided management and administrative support. As the management support received by The ERM Foundation was so small it has been deemed immaterial and has therefore not been reflected gift in kind. During FY17, the ERM Foundation made a one-off donation of \$451,304 to LCEF2. LCEF2 used to be linked to the ERM Foundation; Sabine Hoefnagel has stayed on as a director of LCEF2.