The ERM International Group Limited

Annual Report and Financial Statements

31 March 2025

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Corporate information

Directors

Thomas Reichert	Chief Executive Officer
Timothy Strawn	Regional Chief Executive Officer
David McArthur	Strategic Advisor
Sabine Hoefnagel	Global Leader of Sustainability and Risk
Susan Angyal	Regional Chief Executive Officer
Rami Bibi	Non-executive Director
Tomás Hevia Armengol	Non-executive Director
Mattia Caprioli	Non-executive Director
Lars Kolks	Non-executive Director
Sir Roger Carr	Non-executive Director (appointed 30 July 2025)
Juan De Ochoa Panisello	Non-executive Director (appointed 04 March 2025)

Secretary

Angela Mullany	General Counsel

Auditor

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Strategic report

A strategic, financial and operational review for the ERM group of companies, being The ERM International Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 March 2025 ("FY25") is set out below.

Principal activities
ERM is the market leading global pure play sustainability consultancy delivering a full suite of services across the sustainability spectrum. This includes the provision of sustainability & climate change, safety and digital services to clients. ERM works with both private and public sector clients to deliver sustainable outcomes to complex environmental and related issues.

Business review
In the income statement the Group reported FY25 gross revenue of $1,413 million (year ended 31 March 2024 ("FY24"): $1,380 million); FY25 operating profit before amortisation and impairment of intangibles and net transaction costs of $144 million (FY24: $145 million); and FY25 operating profit (after amortisation and impairment of intangibles and net transaction credit) of $47 million (FY24: loss of $22 million). The Group generated strong operating cash flow of $149 million (pre income taxes) during the financial year (FY24: $173 million) and held $157 million of cash at 31 March 2025 (FY24: $193 million). The Business Review that follows references trading results which are key performance indicators used by management to monitor the performance of the business. Please refer to the summary results section for a reconciliation of trading results to statutory measures.

The group showed continued growth and resilience in FY25 with trading net revenue growth of 3% and trading earnings before interest, tax, depreciation, amortisation, impairment and net transaction costs ("trading EBITDA") growth of 7% in the year. Political and business uncertainty in North America, subdued M&A activity and changing disclosure requirements in Europe all contributed to lower growth in FY25 than experienced in previous years. However, given the broad diversification of the Group we remain confident in our market position. The Group had limited exposure to public sector clients in the United States.

Whilst market headwinds are likely to continue through the year ended 31 March 2026 ("FY26"), continued demand for foundational services supporting capital projects delivery and liability portfolio management and remediation services are expected to underpin trading net revenue and trading EBITDA growth. This optimism is supported by growth in our sales backlog in FY25. To further bolster our future performance, we are continuing to drive a set of strategic initiatives designed to support scalable, profitable growth. These transformational activities span commercial excellence initiatives, cost efficiency activity and driving artificial intelligence ("AI") and technology adoption across the business.

Full-time equivalent ("FTE") employees increased by 320 during FY25, including 88 who joined the Group via acquisition (see below), ending the year at 7,601. The average number of FTE employees decreased from 7,463 in FY24 to 7,404 in FY25.

Partners in ERM are our senior management level leaders. We hired 28 Partners during FY25. We also promoted 27 Partners from our Path to Partnership programme and brought in 7 Partners through an acquisition. We ended the year with 744 Partners, which provides us with a strong platform to grow the business over the medium-term.

Sustainability: We continue to play a leading role in the global sustainability agenda, as described on page 5. Our Non-Financial and Sustainability Information Statement can be found on pages 11-25 of this report.

Acquisitions: On 31 July 2024, ERM Emilion Australia Pty Ltd, a subsidiary in the Group, completed the acquisition of Energetics Group Holdings Pty. Limited and its subsidiary Energetics Pty Ltd (together, "Energetics"). The transaction was conducted via the acquisition of 100% of the issued shares in Energetics Group Holdings Pty. Limited.

Energetics strengthens ERM's position as the leading climate change advisory business in Australia and New Zealand, adding depth and strength to the following existing services: sustainability strategy & climate risk; decarbonization technologies and sustainable energy solutions; energy accounting and reporting; and energy and carbon markets. In addition, acquiring Energetics expands the ERM offer to include financial quantification for climate risk assessment and an Australian Financial Services License to enhance our carbon markets offering. See note 14 for further details.

On 30 December 2024, Environmental Resources Management, Inc. a subsidiary in the Group, entered into an agreement to acquire the environmental division of the NewFields group of companies ("NewFields"). Following the satisfaction of closing conditions, the acquisition was completed on 1 April 2025 through the purchase of 100% of the issued and outstanding membership interests in NewFields Environmental Holdco, LLC.

Strategic report

Business review *(continued)*

The acquisition strengthens ERM's position as a market leader in Liability Portfolio Management and Remediation ("LPMR") services, adding approximately 110 specialists, including 10 Partners, to ERM's 600-person North American LPMR team. This enhanced capability will further support ERM's clients in managing environmental risks and legacy liabilities.

Summary results

The financial statements are presented in accordance with International Financial Reporting Standards as adopted by the IASB ("Adopted IFRSs"). The Group reported FY25 net revenue of $1,137 million (FY24: $1,116 million) and an operating profit of $47 million (FY24: operating loss of $22 million). Operating profit / (loss) is a statutory measure and is stated after amortisation and impairment of intangible assets and net transaction costs.

The table below presents the net revenue and operating profit / (loss) reported in the consolidated income statement:

	Year ended 31 March 2025 $000	*Year ended 31 March 2024 $000*	*Growth %*
Net revenue	1,137,260	1,115,561	2%
Operating profit before amortisation and impairment of intangibles and net transaction costs	143,762	144,986	-1%
Amortisation and impairment of intangible assets	(88,430)	(187,080)	
Net transaction (costs) / credit	(8,173)	19,776	
Operating profit / (loss)	**47,159**	**(22,318)**	

The operating loss for the year ended 31 March 2024 included $102 million impairment of goodwill and $25 million release of an earn-out accrual in respect of a subsidiary acquired in a prior year reported within the net transaction credit. No impairment of goodwill or earn-out release was recognised during the year ended 31 March 2025.

Trading net revenue and trading EBITDA at management budgeted exchanges rates are key performance indicators used by management to monitor the performance of the business. They are not presented in the statutory financial statements but are used by management to remove exchange rate fluctuations and enable true comparison of trading results to prior year. Trading net revenue and trading EBITDA exclude items that are considered to be one-off or non-trading in nature. The table below presents the summary results for the Group for FY25 compared to FY24. The budgeted exchange rates used by management during FY25 were applied to the table below for both FY25 and FY24 trading net revenue and trading EBITDA.

	Year ended 31 March 2025 $000	*Year ended 31 March 2024 $000*	*Growth %*
Trading net revenue [1,2]	1,158,975	1,120,938	3%
Trading EBITDA [1,3]	187,247	175,355	7%
Reconciliation to statutory accounts operating profit [2]	(43,485)	(30,369)	
Operating profit before amortisation and impairment of intangibles and net transaction costs	**143,762**	**144,986**	

1 At FY25 budgeted exchange rates.
2 See below for detailed reconciliation to the consolidated income statement.
3 Earnings before interest, tax, depreciation, amortisation, impairment and net transaction costs.

Strategic report

Summary results *(continued)*

Reconciliation of trading net revenue to the consolidated income statement

	Year ended 31 March 2025 $000	*Year ended 31 March 2024 $000*
Trading net revenue	1,158,975	1,120,938
Retranslation from budget to actual exchange rates	(20,037)	(4,650)
Other income [1]	(1,678)	(727)
Total reconciling items	(21,715)	(5,377)
Net revenue per the income statement	**1,137,260**	**1,115,561**

1 Certain other income is included in trading net revenue but all other income is reported separately in the statutory income statement.

Reconciliation of trading EBITDA to the consolidated income statement

	Year ended 31 March 2025 $000	*Year ended 31 March 2024 $000*
Trading EBITDA	187,247	175,355
Retranslation from budget to actual exchange rates	(4,802)	(1,612)
IFRS 16 adjustment: add back operating lease expense [1]	22,203	20,079
IFRS 16 adjustment: deduct IFRS 16 depreciation (note 7) [1]	(19,525)	(18,515)
Deduct depreciation of property, plant and equipment (note 7)	(9,429)	(9,568)
Share based payment expense (note 22) [2]	(10,621)	(8,759)
Termination costs [3]	(3,477)	(4,207)
Strategic initiatives [4]	(6,282)	-
Cost associated with preference share dividend payment [5]	(3,162)	-
Global Partner Meeting [6]	-	(4,140)
Investor advisory fees (note 25)	(2,704)	(2,866)
Other FX (loss) / gain [7]	(4,293)	2,429
Other items [8]	(1,393)	(3,210)
Total reconciling items	(43,485)	(30,369)
Operating profit before amortisation and impairment of intangibles and net transaction costs	**143,762**	**144,986**

1 IFRS 16 adjustments: management reporting of trading EBITDA reflects lease costs as an operating expense. For statutory reporting this operating expense is replaced with depreciation of the right-of-use-asset (note 7) and lease interest.
2 Share-based payment expense relating to shares issued to Partners.
3 Termination costs principally relate to actions announced in March 2024 to realign resources in light of changing client demands. Estimated costs were accrued in FY24 and finalised in FY25. FY25 also includes costs associated with the discontinuation of certain of our digital products.
4 Costs associated with strategic initiatives, including establishment of a Global Delivery Centre and implementation of an updated Transfer Pricing model.
5 Costs associated with preference share dividend payment of $90 million, including professional advisor fees and a one-off bonus to partners.
6 Costs related to a one-off global Partner meeting, held during the prior year.
7 Principally retranslation of monetary assets and liabilities, including cash held by Group Treasury company. In the prior year financial statements the FX gain was disclosed within other items.
8 Other costs not related to trading.

Strategic report

Cash on hand and debt facilities
Once again, the Group had strong operating cash flow of $149 million (pre-income taxes) in the financial year (FY24: $173 million). The Group has adequate cash resources and banking facilities to meet its day-to-day working capital requirements.

The Group has cash on hand of $157 million (31 March 2024: $193 million), including cash deposited with ReachCentrum SA of $131 million (31 March 2024: $138 million) and cash held on behalf of government bodies of $21 million (31 March 2024: $21 million). Refer to note 19 for further details.

The Group's credit facilities as at 31 March 2025 consist of $506 million USD denominated and €585 million EUR denominated first lien debt, both fully drawn. In addition, the Group holds a revolving credit facility of $238 million. At 31 March 2025 the revolving credit facility was undrawn, although $6.5 million of the facility was utilised as security for bank guarantees (31 March 2024: undrawn, $4.1 million utilised as security for bank guarantees).

Sustainability and Health and Safety
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. As a business, we aim to create long-term shareholder value by balancing the necessary financial performance of the Group with the impact on, and the contributions we make, to the environment and society. We believe that these can, and should, be mutually beneficial and our aim is to ensure that this is the case at ERM. During FY25, we delivered in excess of 32,000 projects with clients, and delivered our ambitious sustainability programs across our global operations. We are contributing to the Sustainable Development Goals working with some of the world's leading sustainability organisations such as the World Business Council for Sustainable Development ("WBCSD"), the Principles for Responsible Investment ("PRI") and the UN Global Compact.

We are always looking at how we can reduce our own carbon footprint and take measures to help protect the world's ecosystem. We continually look for ways to reduce our energy usage across the Group and to date we are on track to meet our public commitment to reduce our carbon emissions through our targets that have been validated by the Science Based Targets Initiative (SBTi) as aligned to the Corporate Net Zero Standard, which will see us deliver net zero by 2040. Our Non-Financial and Sustainability Information Statement can be found on pages 11 to 25 of this report. We separately report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), and this year will publish a full TCFD disclosure within the ERM Sustainability Report, published online annually. The 2025 report was released in July 2025.

We have reported on all of the emission sources required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition); data gathered to fulfil our requirements under the CRC Energy Efficiency scheme; and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014 to calculate these disclosures. The table on page 25 summarises FY25 carbon emissions for our UK business.

Health and Safety plays a key role in enabling ERM's 'license to operate', both internally with our staff and externally with our clients. During the financial year, we implemented a variety of ongoing improvements to our Health and Safety programmes to reduce our overall risk profile and improve performance. Key areas of improvement included:

- The launch of a new automated travel safety programme aimed at enhancing services for our travellers, improving emergency response capabilities and increasing operational efficiency.
- The development of an online Health and Safety Planning ("HASP") process that streamlines HASP creation, integrates with other ERM systems, automates the review and approval process and centralizes resulting data for improved accessibility and efficiency.
- The completion of our three-year rollout of the See.Own.Share – Beyond Hazard Recognition program, which successfully trained over 6,500 staff members engaged in activities outside of the standard office environment.
- The successful execution of Global Safety Week in October 2024, which focused on 'Connected Safety' and highlighted how ERM's safety culture enhances employee safety both at home and in the workplace.

During FY25 our UK business received their 11th consecutive Gold Medal Award from the Royal Society for the Prevention of Accidents, and the North American business received the Gold Safety Award from Highwire. These awards illustrate ERM's long-term commitment to excellence in occupational health and safety.

Strategic report

Corporate governance

The Board of Directors of the Group parent company, The ERM International Group Limited, is responsible for the direction and oversight of the Group on behalf of its shareholders and is accountable to them, as owners, for all aspects of ERM's business. The Board recognises that, in conducting its business, ERM should also be responsive to clients, regulatory bodies and other relevant stakeholder groups.

The Board believes that good governance involves the clarity of roles and responsibilities and the proper utilisation of distinct skills and processes. The Board, therefore, focuses on activities that enable it to promote the interests of all shareholders, such as the active consideration and execution of long-term strategy, the monitoring of executive actions, and ongoing Board and executive management succession.

The Board governance policies and practises reflect the relevant provisions of the Wates Corporate Governance Principles for Large Private Companies (2018).

At ERM, we are shaping a sustainable future with the world's leading organisations. The purpose of the ERM Group is to create and maximise long-term value for our stakeholders (shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate) and help create a more sustainable future for our world through pursuing a strategy which offers and delivers exceptional value to our clients.

The Board reviews and, where appropriate, determines the long-term strategy and the annual budget and business plan for the Group based on proposals made by the CEO for achieving the ERM purpose. The Board develops and promotes the ERM purpose and ensures, through its decisions and actions, that the values, strategy and culture of the Group align with that purpose, to generate long-term sustainable value.

On a day-to-day basis we continue to be managed by the Executive Committee, comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, sector and client divisions of our operations, business development, people development and other professional support functions. The Executive Committee generally meets monthly. The majority of Executive Committee meetings are held by video conference to reduce our carbon footprint and our travel time and costs.

In addition, the Board has established a Risk and Reputation steering group, ERM Environmental, Social and Governance ("ESG") and Sustainability Steering Group Committee, with representatives of ERM management and our institutional shareholder KKR. The steering group has discussed and proposed to the Board positions to take on significant sustainability, geopolitical and reputation issues.

We continue to develop our risk management procedures and we take every reasonable measure to ensure that all of our staff adhere to ERM's global values and our Code of Business Conduct and Ethics.

Strategic report

Section 172 statement
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 Group’s employees;
c) the need to foster the Group's business relationships with suppliers, customers and others;
d) the impact of the Group's operations on the community and the environment;
e) the desirability of the Group 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 shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate. 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 (“BUs”), all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group. Please refer to page 30 for further information on corporate governance.

In performing their duty under s172, the Directors have had regard to the matters set out in s172(1) as follows:

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; for example, the CEO and other Executive Directors regularly share feedback from clients (as key stakeholders) gained from meetings between them and senior client contacts. The Board uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Board has established a Risk and Reputation steering group, ERM Environmental, Social and Governance (“ESG”) and Sustainability Steering Group Committee, with representatives of ERM management and our institutional shareholder KKR. The steering group has discussed and proposed to the Board positions to take on significant sustainability, geopolitical and reputation issues.

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 Board reviews the relevance of the Group’s strategy annually.

The Group has established a successful track record of acquiring and integrating complimentary consulting businesses into the Group over recent years. Since April 2017, the Group has completed 28 such acquisitions in total (one during FY25 and one on 1 April 2025) bringing in the expertise of over 1,250 people. These acquisitions complement our core client offerings and expand our capability in areas that build our skills or service offerings across our geographies, to help respond to the changing needs of our clients.

Ongoing investment in improving the IT infrastructure and testing and upgrading of the Group’s cyber security, including implementing a managed security detection and response service, has improved our business continuity, long-term resilience and protection of data.

Strategic report

The interests of the Group's employees

ERM provides the opportunity to be part of a purpose-driven, high-growth business where expertise creates lasting sustainability and commercial impact for our clients, for our people and for the planet.

People are at the heart of our operation. We have a strong community united by our purpose and the impact of our work. ERMers bring their whole selves and unique capabilities to develop technical and leadership skills whilst leaving a lasting imprint on society. Our ambition is to be the best place to work in the ESG and supporting sectors, and we are proud of our progress in realizing our people vision.

Our Growth and Performance Culture is a culture in which each individual is celebrated for their unique capability and finds belonging within a warm, vibrant and inclusive community. As part of their experience each person makes an impact and:

- has the opportunity to continually develop expertise and progress in their careers;
- has motivational, simple goals that translate into true impact;
- is given meaningful feedback and empowering learning tools to help them meet their goals;
- is recognized and rewarded equitably for their contribution to the success of the ERM community; and
- is empowered to do their best work, everyday, with flexible and progressive ways of working.

In this financial year, we again achieved a reduction in attrition, with voluntary turnover reducing through the year across our regions, remaining below benchmark for our industry. We achieved an overall increase in our engagement and eNPS (employee net promoter score) rate, whilst external benchmarks declined, measured by our regular pulse engagement surveys. Our collaborative engagement planning methodology helps us continuously evolve a working culture that is responsive, plays to our unique strengths and helps us deliver on opportunities to make a difference to our people. This year we were recognized as a “most loved” workplace by Newsweek, backed by the research and analysis of Best Practice Institute (BPI), and saw an increase in our Glassdoor score.

Through a progressive approach, we strive to build a demographically diverse company that reflects the communities in which we live and work, as well as a vibrant, inclusive culture in which our people can thrive and that enables the delivery of exceptional client value. Examples of FY25 accomplishments include:

- continuing to increase the ethnic diversity of our workforce;
- increased representation of women at Partner level and gender balance in our Associate Partner pipeline;
- inclusion and belonging events held globally;
- activation of mental health champions, mental health speakers and events;
- extending our new approach to better connect consultants with project work;
- investing in our Learning model, curricula and mentorship; and
- redesigning our performance, reward and recognition and benefits program.

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.

In FY25, we nurtured 250 participants through career development programs, ran 5,000 learning programs and saw 180,000 LinkedIn learning engagements. Our people were supported by 120 talent program sponsors, 20 Partner mentors and 16 certified coaches. 1,508 ERMers were promoted in FY25.

Partner-sponsored and specialist 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 we remain people-centric and responsive in our decision making and to support discussion of people-related topics at Board meetings. Our Employee Survey results and analyses are regularly shared with the Board as well as the progress we are making against our stated actions. We provide reporting on headcount growth, attrition with reasons for leaving and our retention priorities. This year, we activated a People Leadership and Engagement workstream as part of our transformation plan, to focus on the “make a difference” actions which support our critical line manager cohort in building and supporting ERM's culture through their day-to-day engagement with their teams.

Strategic report

The interests of the Group's employees *(continued)*
The Remuneration Committee advises the Board on executive remuneration and sets the remuneration packages of each of the Executive Directors. The aim of the Committee is to establish an overall remuneration structure which promotes the long-term success of the Group and delivers the strategy, reflects a balance of fixed and variable pay, with the intent of creating a competitive total compensation package that supports attraction and retention and ensures alignment between short- and long-term incentivized performance. The Remuneration Committee meeting cadence and agenda is reflective of the reward cycle and fiscal year. The Remuneration Committee provide oversight and final approval of our bonus budget, decisioning principles and the specific salary and bonus award for Executive Directors.

We are committed to ensuring fairness and equity in our reward practices. We conduct a data driven market competitiveness review and an annual internal gender pay equity review to assess base pay for employees at the same career level and job profile within a country location. Where we find discrepancies that are not justifiable, remediation is managed through our salary process as required.

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 need to foster the Group'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 clients and third parties with whom 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 Group's operations on the community and the environment
Sustainability comprehensively informs our strategic management and operational planning as a professional services business which delivers market leading sustainability consultancy advice to clients.

During FY25, ERM senior leaders engaged our Board and Executive Committee on all aspects of sustainability and ESG including the strategic implications of climate change and the low-carbon economy transition. We continue to make a significant commitment and investment in this area. We are implementing global and regional plans with our Global Industry and Service teams, Regional Leadership Teams and Account Directors across the Group to evolve our response to market demand. Our annual Sustainability Report details our wider Sustainability impacts and performance.

The ERM Foundation, established in 1995, enables ERM and its employees to provide support for non-profit organizations and social enterprises that share our commitment to creating a more sustainable and equitable world. Working across the globe, we blend grant funding, professional pro bono support and volunteering to create a lasting impact and measurable contribution to towards the UN Sustainable Development Goals ("SDGs"). Support is provided for both established and pilot projects, where we can best leverage our technical expertise.

The desirability of the Group 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 that we comply with applicable laws and regulations. Our commitment to combat bribery and corruption is integral to how we operate and is embedded in our key systems and programs. We consistently apply our business conduct and ethics commitments across every office and activity, every day, with the active involvement and awareness of all our employees. All employees are held responsible for compliance with our Code and policies. This commitment is reflected through our business values, professional standards, staff training and internal systems and practices. These elements are essential for earning and maintaining the trust of our stakeholders, including shareholders, investors, management and employees, clients, suppliers, contractors, governments, non-governmental organizations, and the communities in which we operate.

Strategic report

The desirability of the Group maintaining a reputation of high standards of business conduct *(continued)*
The Board of Directors and Executive Committee are ERM's primary 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 behavior and ensures the Group complies with applicable laws and regulations. ERM maintains a global anonymous whistleblowing reporting system (Helpline) enabling individuals to report concerns regarding our business operations, including unethical business conduct, without fear of retaliation. The Helpline is available 24 hours a day, 7 days a week, via a web portal or call-in line, and supports over 18 languages. To ensure confidentiality, the system is managed by a third party provider. Reported concerns are investigated and addressed under the supervision of ERM's Chief Ethics and Compliance Officer.

The need to act fairly between members of the company
The Board recognises the critical importance of open dialogue and fair consideration of all company members. We maintain regular communication with our institutional shareholder KKR, who own approximately 67.82% of the Company's ordinary shares, and 752 current and former employee shareholders, who together own approximately 32.18% of the Company's ordinary shares. Shareholders are represented at the Board level, and employee shareholders receive regular updates via reports, calls and written communications.

In making its decision regarding the payment of the $90 million preference share dividend during the year, the Board engaged in a thorough review and discussion of the potential impacts on the following key groups:

- Shareholders: The Board considered the expectations and rights of shareholders entitled to the accrued gains that have accrued on their preference shares, while also evaluating the impact of the dividend on overall shareholder value and the company's long-term strategy.
- Employees: The Board took into account the interests of employees, ensuring that the dividend would not compromise the company's ability to continue investing in its workforce, maintain employment levels, and offer appropriate training and development opportunities.
- Customers: The Board considered the continued provision of high-quality products and services, ensuring that the payment of a dividend would not adversely affect the company's ability to meet customer needs or invest in innovation and customer experience.
- Suppliers: The Board reviewed the company's ongoing relationships with key suppliers, ensuring that payment terms and partnership arrangements would not be negatively impacted by the dividend decision.
- Communities and the Environment: The Board considered the company's social and environmental responsibilities, including ongoing community engagement, sustainability initiatives, and the potential impact of the dividend on such programmes.
- Regulators and Governance: The Board ensured compliance with all relevant legal and regulatory requirements, maintaining a strong focus on good corporate governance throughout the process.

Strategic report

Non-Financial and Sustainability Information Statement

The Non-Financial and Sustainability Information Statement, produced in compliance with The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022, is set out below.

For information relating to ERM's approach to climate and latest emissions data, please refer to our ERM Sustainability Report.

Governance of climate risks and opportunities

Structure
Responsibility for the consideration of climate-related risks and opportunities is embedded throughout our corporate governance structure. As a professional services business which delivers market leading climate-related and wider sustainability consultancy to clients, consideration of climate-related risks and opportunities comprehensively informs our strategic management and operational planning.

Board's oversight of climate-related risks and opportunities
The Board of Directors of the Group parent company The ERM International Group Limited is responsible for the direction and oversight of the Group on behalf of its shareholders and is accountable to them, as owners, for all aspects of ERM's business. Further information on the role of the Board is subsequently set out in this Statement. The Board meets six to eight times per year to review performance and consider key strategic growth plans, which includes the impact of climate-related risks and opportunities on ERM's business strategy, such as our approach to accessing and capitalizing upon the market for energy transition-related services, as and when required.

Supporting the consideration of climate-related risks and opportunities is the Sustainability & Risk Steering Group, which serves as an advisory committee to the Board. It works with the Board to identify and manage risks relating to ERM's strategy, reputation, reporting and disclosures. This includes horizon scanning across evolving regulatory, client and wider stakeholder requirements and expectations to inform our positioning on sustainability issues, including identifying and managing climate-related risks to protect ERM's brand and commercial position.

Management's role in assessing and managing climate-related risks and opportunities
On a day-to-day basis, the company is managed by the Executive Committee ("ExCom"), comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, industry and client divisions of our operations, legal, people development, sustainability & risk and other professional support functions.

The ExCom has accountability for managing business operations and generally meets monthly to discuss performance and plans in support of this. This includes ensuring that the strategic management of our climate-related risks and opportunities is being undertaken effectively to optimize current and future business performance through regional and country level planning, recruitment and renumeration, and aligned to our ability to capitalize upon climate-related opportunities for commercial growth.

The ExCom is supported by the ExCom Sustainability Working Group, which advises on all aspects of operationalizing sustainability across our value chain, including our management of climate-related risks, operational strategy, programmatic priorities, target setting and resourcing. The Working Group comprises representatives from the Board, ExCom and our Global Sustainability Director and Head of Sustainability. This Working Group has oversight and reports into ExCom on ERM's decarbonization strategy and performance against targets, which includes our net-zero and science-based targets (SBT) commitments.

To support our senior leadership, the Climate-related Financial Disclosures/Taskforce on Climate -related Financial Disclosures (CFD/TCFD) Working Group oversees the identification of climate-related risks and opportunities for the business. This Working Group comprises representatives of Risk, Sustainability, Operations, Finance, Clients and Services, who provide specialist subject matter expertise on what and how the business should respond to such risks.

Description of how we identify, assess and manage our principal climate related risks and opportunities

Our approach
ERM strategically considers all aspects of potential climate-related impacts to our operations, including people, industry and service line, operational, financial, geopolitical and legal parameters, to assess potential risks and opportunities to our business.

Strategic global, regional and business unit risks and opportunities are identified through a multi-faceted approach involving ongoing market, regulatory and horizon scanning, engagement with clients and wider stakeholders, the input of our subject-matter experts and senior operational leaders across the globe and is supported by our annual Double Materiality Assessment process.

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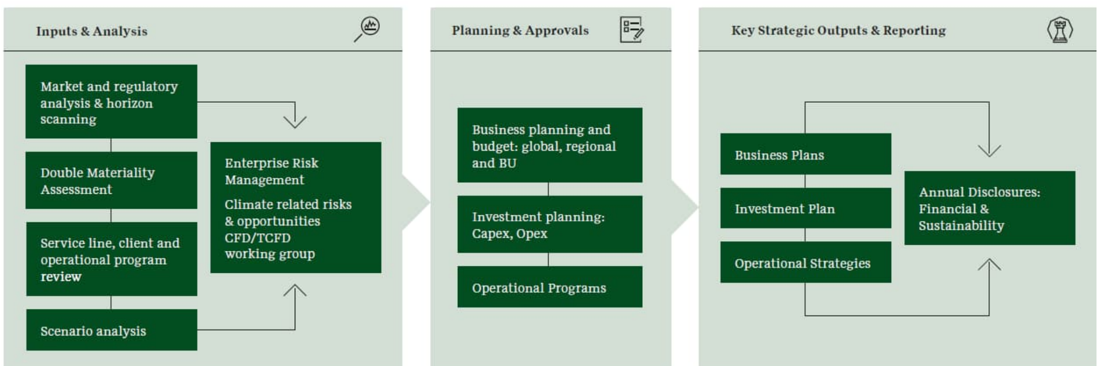
Description of how we identify, assess and manage our principal climate related risks and opportunities *(continued)*

Supplementing this approach and consistent with the recommendations of the TCFD, a further detailed analysis and review of current or emerging climate-related risks and opportunities is undertaken annually, supported by the CFD/TCFD Working Group. working in conjunction with senior management to deliver our strategic and operational work programs. Our senior management includes regional and business unit managing partners, service and client leads. The output of this analysis supports visibility of the potential impacts across the short-, medium- and longer-term horizons and informs the content of this statement.

Management of risk

The key risks and opportunities identified are incorporated into the enterprise risk register, overseen by our Global Head of Risk, who reports to ExCom and to our Board. The register remains live and subject to ongoing review from our ExCom and Board. This informs the identification of key strategic risks and opportunities for the business and supports commercial planning, investment strategy and our operational programs.

Our approach to the identification, assessment and management of risk:



Our enterprise risk management process aligns broadly with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework, which addresses control environment, risk assessment, information and communication, monitoring, and existing control activities. This includes the integration of material climate-related issues into our risk management and our strategy. Under the oversight of our Global Head of Risk, our Risk function serves as a second-line support to help our organization deliver on our goals, anticipate and manage risks, flow risk information to decision makers and implement and continually improve risk management.

Our approach to the assessment of climate related risks and opportunities

The assessment of climate-related risks and opportunities draws upon updated scenario analysis and impact identification in support of wider strategic planning and this disclosure. This process enables the business to review potential climate-related risks and opportunities, expand understanding of where material exposures may exist and refresh the drivers and timeframes of potential impacts.

Consistent with UK Government guidance[1], the assessment of impacts to our business is based on three timeframe horizons of short-term (up to 2030), medium-term (up to 2040) and longer-term (up to 2050).

These timeframe scenarios take into consideration:

- Our own decarbonization targets, operational approach, strategic commitments and business planning.
- Different time horizons for physical climate risk and the nature of such risks.
- National and international policy and regulation, and potential transition scenarios to a low-carbon economy.
- Changes in the global economy and markets we operate in.

[1] Task Force on Climate-related Financial Disclosure (TCFD) - aligned disclosure application guidance

Strategic report

Description of how we identify, assess and manage our principal climate related risks and opportunities *(continued)*

We have also considered the impacts on our own operations and services over the immediate timeframe as part of the proactive management of our operations.

The scenarios selected align with published guidance and data available from the leading international bodies and combine qualitative and quantified measures of development alongside climate data to create plausible scenarios for how quickly society can curb emissions.

Physical scenarios and associated time horizons selected for ERM's Scenario Analysis

	Shared Socioeconomic Pathway (SSP) 1 – 2.6	**Shared Socioeconomic Pathway (SSP) 5 - 8.5**
Source	Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 (AR6) and Shared Socioeconomic Pathways (SSP).	
Description	Referred to as a lower-emissions scenario, this scenario projects warming to remain below 2 degrees Celsius by 2100, and is aligned to current commitments under the Paris Agreement.	A high-emissions scenario, which follows a business-as-usual trajectory and assumes limited additional climate policy or regulation, resulting in carbon dioxide emissions tripling by 2100.
Time horizons	The impact of these two physical scenarios is assessed across short, medium and longer-term timeframes.	

To assess trends related to the transition to a low-carbon economy, we use information from the Network for Greening the Financial System (NGFS) which sets out a range of hypothetical long-term scenarios around the speed and nature of the low-carbon economy transition. These scenarios consider how climate change (physical risk) and climate policy and technology trends (transition risk) could evolve in different futures, under both higher and lower risk outcomes[2].

Transition scenarios and associated time horizons, selected for ERM's Scenario Analysis

Transition Scenarios	
Orderly Scenario	This scenario assumes that climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued. Broadly aligned to the lower emissions IPCC/SSP scenario.
Disorderly Scenario	This scenario assumes higher transition risk due to policies being delayed or divergent across countries and sectors. Broadly aligned to the lower emissions IPCC/SSP scenario.
Hot House World	This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts. Broadly aligned to the high emissions IPCC/SSP scenario.
Too Little, Too Late Scenario	This scenario assumes that a late and uncoordinated transition fails to limit physical risks. Broadly aligned to the high emissions IPCC/SSP scenario.

Surety of assessment

As per previous analyses, the greatest level of surety exists around the short-term scenario planning and identification of potential climate-related risks and opportunities for our business. As the scenarios progress towards our medium- and longer-term timeframe of up to 2040 and 2050 respectively, the analysis represents horizon scanning taking into consideration the different physical and transition scenarios outlined by IPCC/SSP and NGFS. This horizon scanning considers the projected impacts of ongoing climatic change on the physical environment within which we operate, the potential need and capacity to adapt to such changes across our geographical operations and the potential evolution of the market and client demand, in so far as these can be discerned as we look ahead to mid-century and beyond.

[2] NGFS Scenarios Portal

Strategic report

Description of how we identify, assess and manage our principal climate related risks and opportunities *(continued)*

Summary of three timeframe scenarios for assessment

Scenario	Timeframe	Context
Short-term	Up to 2030	Representing our short-term planning scenario. Taking into consideration our Business Strategy, current operational plans, Decarbonization Strategy and our SBTi 2028 & 2030 emissions reductions targets. Considers the impact of both potential lower and higher emissions physical risk IPCC/SSP scenarios, and the range of NGFS transition scenarios up to 2030.
Medium-term	Towards 2040	Representing our medium-term planning scenario and aligning to our SBTi 2040 net-zero target. Considers the impact of both potential lower and higher emissions physical risk IPCC/SSP scenarios, and the range of NGFS transition scenarios up to 2040.
Long-term	Towards 2050	Representing our longer-term planning scenario, beyond our current business strategy and operational planning, as well as SBTi targets. Considers the impact of both potential lower and higher emissions physical risk IPCC/SSP scenarios, and the range of NGFS transition scenarios up to 2050.

Impact assessment parameters and financial materiality

To support our analysis, we have assessed differing parameters by which climate related risks or opportunities may impact our business, these include:

- point of impact on our operations;
- whether the impact is realized now (actual) or potential;
- the likely duration of impact;
- the geographical scope of our operations impacted and potential variation within this;
- the estimated magnitude of potential impact to our operations;
- the probability of potential impacts being realized; and
- whether mitigation is possible and what this may look like.

The consideration of these impact parameters informs the analysis of the financial implications of the identified residual risks and opportunities. This is assessed through consideration of:

- The cost of required mitigation and/or enhancement of the identified risk or opportunity respectively – this is assessed as a capex/opex cost and considered in the context of our overall investment strategy and operational budgets. This is rated as low, medium, or high in terms of financial cost and impact on our business.
- The potential impact to our revenue generation and profitability of the residual risk or opportunity post mitigation/enhancement. This is considered in the context of overall current and projected growth of the business and rated as low, medium, or high in terms of financial impact and either positive or negative subject to whether this is generation/value creation or extraction.

Based on this analysis, an assessment is made on the projected financial impact of the risk or opportunity against each of the scenarios timeframes – immediate to short-term and medium to long-term. A final determination is then made of whether the identified risks and opportunities are currently regarded as material to our business or not, with accompanying narrative. Where we anticipate materiality to change over timeframes, this is also noted.

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Principal climate-related risks and opportunities for our business

The list of climate related risks and opportunities considered in this year's assessment, is provided below.

Category	Climate-related risks and opportunities
Markets	Changing customer/client behavior influencing market demand for our services
	Access to new markets
Policy and regulatory environment	Increased cost of GHG emissions abatement
	Enhanced GCG emissions reporting obligations in some jurisdictions, with removal of GHG emissions reporting requirements in other jurisdictions
	Increased costs and/or reduced demand for products and services resulting from fines and judgements
	Mandates on and regulation of existing products and services
	Geo-political instability and/or impact to decarbonization, clean energy and disclosure policy, tax regimes, and regulation
	Exposure to litigation, directly or through clients
Technology	Technology, digital and AI investment required to meet evolving client needs
Reputation	Shifts in consumer preferences and expectations
	Changing investment in climate-exposed assets and products
	Increased stakeholder concern or negative stakeholder feedback
Physical risks (acute)	Increased frequency and severity of extreme weather events such as cyclones, wildfires and floods
Physical risks (chronic)	Changes in precipitation patterns and extreme variability in weather patterns
	Rising mean temperatures
	Rising sea levels
Resource efficiency	Use of more efficient modes of transport
	Use of recycling, circular use of materials
	Move to more efficient buildings
	Reduced water usage and consumption
Energy sources	Use of lower-emission sources of energy
	Use of supportive policy and financial incentives
	Use of new technologies to manage energy efficiency
Resilience	Resource substitutes/diversification

The summary of this year's assessment findings on our principal material climate-related risks and opportunities is set out in the next section. To note, the assessment is reviewed on an annual basis and updates will be reported each year in this statement to accompany our annual financial reporting.

Strategic report

Principal climate-related risks and opportunities for our business *(continued)*

Topic	Potential financial impact	Risk or opportunity	Short-term: up to 2030	Medium-term: up to 2040	Long-term: towards 2050	Rationale
Market Drivers						
Changing customer / client behavior influencing market demand for our services	Change in demand for climate-related services and transition of high carbon sectors	Opportunity	Material	Material	Material	Our business is predicated on providing professional services to enhance sustainability performance in our client base. We see the demand for such services as continuing to escalate and therefore as presenting a material opportunity. Our geographical scope, breadth of technical expertise and ability to diversify our service offering in anticipation of/response to client need, positions us well to capitalize upon this market opportunity. Changing policy, regulatory, disclosures and investment requirements are impacting business investment in some markets, causing fluctuation in demand within the immediate to short-term timeframe. This is not expected to be sustained in the medium-term as we progress towards 2040, when the urgency of addressing climate change further intensifies. Longer-term, in so far as it is possible to discern the potential market towards 2050, it is anticipated that the demand for climate-related services will evolve to support businesses in sustaining their low-carbon operational impact post transition in the 'orderly' and 'disorderly' transition scenarios, and to support operational adaptation to climate change in the event of the 'hot house world' or 'too little, too late' scenarios.
	Decline of spend for activities within sectors that cannot transition	Risk	Decreasingly Material	Not Material	Not Material	Our business supports our client base in transitioning to a low-carbon future, including working with those currently in more carbon intensive industries who are seeking to make this transition. Under both 'orderly' and 'disorderly' transition scenarios, we anticipate that the demand for transition support will continue, albeit at a potentially slower rate in some geographies within the immediate to short-term timeframe up to 2030, but with accelerated demand as we move to the medium- to longer-term timeframes, as the urgency of addressing or abating climatic change further intensifies. Our business model is predicated on shifting away from those projects/activities which do not support transition to a low-carbon future. As such, the potential future state decline of activities within sectors that cannot transition represents an increasingly diminishing financial impact to our business, even under the 'hot house world' or 'too little, too late' transition scenarios.

Strategic report

Principal climate-related risks and opportunities for our business *(continued)*

Topic	Potential financial impact	Risk or opportunity	Short-term: up to 2030	Medium-term: up to 2040	Long-term: towards 2050	Rationale
Changing customer behavior influencing market demand for our services	Retirement of high carbon production assets	Opportunity	Material	Material	Decreasingly Material	We are already supporting clients with the divestment or closure of high-carbon assets worldwide and predict the demand for services will vary across geographies but generally be sustained globally. We have a strong and growing service line which supports the transition of assets to facilitate renewable energy generation. Whilst it is recognized that investment in clean energy at federal level is being reduced in the immediate to short-term within the US, it is being sustained or increased on private land in the US and generally in other geographies, and it is anticipated that demand will increase and become global in scope in the medium- to longer-term horizon under both the 'orderly' and 'disorderly' transition scenarios, and to a lesser extent within the 'hot house world' transition scenario. Anticipating this demand, we have and will continue to cater service line development and team capacity to meet this demand and view this as a financially material opportunity for the business.
	Increase in demand for low carbon infrastructure, products and services	Opportunity	Material	Material	Material	The business is already seeing the demand for low-carbon infrastructure, products and services materializing and we anticipate a sustained increase in the demand for our professional services in support of this, for both 'orderly' and 'disorderly' transition scenarios. In either scenario, we anticipate that client demand will further increase in the run up to key global decarbonization milestones, followed by demand for ongoing support to continue to sustain low-carbon operations and adapt to climatic change which will have already materialized. In the hot house world transition scenario, reflecting the potential for critical international net-zero targets to be missed, there will be renewed urgency for businesses to decarbonize their operations to prevent even further climatic change. Across scenarios, this represents a financially material opportunity for the business and one which we have strategically positioned ourselves to capitalize upon through capacity building across our operational geographies. This includes acquisition of specialist capacity which has and further can significantly enhance our ability to meet ever increasing client demand and further capitalize upon our market presence.

Strategic report

Principal climate-related risks and opportunities for our business *(continued)*

Topic	Potential financial impact	Risk or opportunity	Short-term: up to 2030	Medium-term: up to 2040	Long-term: towards 2050	Rationale
Access to new markets	Increased revenues through access to new and emerging markets (e.g., partnerships with governments, banks)	Opportunity	Material	Material	Material	Our business strategy includes investment in strategic partnerships which bolster our capacity to access or enhance our position in emerging markets globally and materially increase revenue generation. Emergent markets for climate- related services represent a financially material opportunity to the business both now and in future state across all transition scenarios. As with aforementioned opportunities, we anticipate this opportunity will be sustained and demand accelerate as we progress towards 2040 and through to 2050 as the urgency of addressing and then adapting to climate change further intensifies.
Policy and regulatory environment						
Increased cost of GHG emissions	Increased demand for carbon trading and beyond value chain mitigation within client base	Opportunity	Material	Material	Material	Key to our business strategy is a dual approach of acquisitions and service line development to meet the current and anticipated evolving market demand for carbon trading and beyond value chain mitigation. ERM Climate Markets is our business line which supports clients to mitigate their unabated emissions through investment in high-quality carbon credits that support their broader net-zero and sustainability goals. The demand for these services is already evident and anticipated to increase across scenarios and presents a financially material impact to the business.
Increased costs and/or reduced demand for products and services resulting from fines and judgments	Increased costs and/or demand for products and services resulting from fines and judgments within client base	Opportunity	Material	Material	Material	We provide specialist support to our clients to enable them to meet current and future state regulatory requirements and enhance the sustainability of their operations. This serves to bolster their ability to meet stakeholder requirements and reduce their exposure to potential fines and judgments in any transition and time scenario. The provision of services to operationalize sustainability in our clients is a commercial opportunity for us, which is material in terms of financial impact. Our strategy is to continue to invest in technical expertise and technology enablement to support our service delivery and escalating market need in this context.

Principal climate-related risks and opportunities for our business *(continued)*

Topic	Potential financial impact	Risk or opportunity	Short-term: up to 2030	Medium-term: up to 2040	Long-term: towards 2050	Rationale
Geo-political instability and/or impact to decarbonization, clean energy and disclosure policy, tax regimes, and regulation	Slowdown in climate-regulation caused by geopolitical conflict and/or economic downturn	Opportunity	Material	Material	Material	We support our client base to pre-empt regulatory requirements and enhance the surety of their ability/capacity to address current and future challenges. Clients are determining their own approach and scale of ambition in the face of growing regulatory complexity and uncertainty in and across geographies/jurisdictions. For some clients, regulatory slowdown presents opportunities for competitive advantage and we are commissioned to support their ability to capitalize upon this potential. For other clients, we support their recalibration of approach and implementation of business strategy. We provide support across the range of client positioning and this is, therefore, a financially material opportunity for the business and one which we anticipate will be sustained in the future, particularly in the immediate and medium-term scenarios, as stakeholder pressure to deliver net-zero is anticipated to escalate across geographies. This applies in particular within the 'orderly' and 'disorderly' transition scenarios.
Exposure to litigation	Impact to client strategy and demand for advisory services	Opportunity	Material	Material	Material	In recent years, across the globe but particularly in developed economies, there has been an increase in stakeholder led litigation, as stakeholder scrutiny of corporate performance has evolved into direct legal challenge, with both the efficacy of transition planning and compatibility of corporate investment with climate regulatory frameworks presenting two central foci for litigation. Whilst the change in strategic direction in the US may impact the scale and immediacy of litigation in this jurisdiction, the threat of stakeholder litigation remains real in geographies such as Europe, where stakeholder pressure is significant. We anticipate this trend to continue with escalation anticipated across our scenario timeframes as the drive for net-zero gains ever increasing urgency and societal scrutiny intensifies. In the event that 'orderly' transition is not realized, the potential for litigation may significantly increase. We already see our client base responding to this trend and anticipate ongoing increase in demand for our services to support pre-emptive measures to mitigate litigation. We view this as a financially material opportunity for the business, with ongoing review of specialist capacity being critical to meet demand.

Strategic report

Principal climate-related risks and opportunities for our business *(continued)*

Topic	Potential financial impact	Risk or opportunity	Short-term: up to 2030	Medium-term: up to 2040	Long-term: towards 2050	Rationale
Technology						
Technology, digital and AI investment required to meet evolving client needs	Capital investments and capability building to address client need & market opportunity for technology services to client	Opportunity	Material	Material	Material	The business has been strategically investing in technological advancements which support our diversification of services to meet evolving client demand, key amongst which is investment in technology which supports ever increasing data management and disclosure requirements. Our technology portfolio includes an array of products directly created to meet identified needs and positions us strongly to capitalize upon growing market demand. This is augmented by commercial partnerships with many third-party digital providers. We are also investing in building capability within our workforce to support our transition to ever increasing use of technology, including AI, within our service delivery to clients. Across all scenario planning, this represents a financially material opportunity for the business across all transition and time scenarios.
Resilience						
Resource substitutes/ diversification	Increased cost of retaining supply chain ability to operate under various conditions	Risk	Not material	Potential to be material	Potential to be material	Future state, suppliers and specifically subcontractors, may face increased challenges and costs in operating within physical environments impacted by climatic change, particularly those who conduct in-field services for us – this applying to medium-term and potentially longer-term horizons even under an ‘orderly’ or ‘disorderly’ transition scenario. There is also recognition that as regulatory requirements for decarbonization and enhanced disclosure continue to grow, this may increase costs for subject matter experts and niche suppliers. The business is focused on engaging our subcontractors to understand and build capacity in terms of decarbonization, adaptation and resilience to ensure continuity of service provision. This does not currently present a material risk to the business, but we remain alert to the need to pre-emptively mitigate against this particularly in more vulnerable locations and markets, through both diversifying the supplier base but also our approach to relevant service line delivery, if required and particularly in consideration of potential ‘hot house world’ or ‘too little, too late’ scenarios.

Strategic report

Principal climate-related risks and opportunities for our business *(continued)*

Topic	Potential financial impact	Risk or opportunity	Short-term: up to 2030	Medium-term: up to 2040	Long-term: towards 2050	Rationale
Physical risks - acute	Increased severity of extreme weather events such as cyclones and floods	Risk	Not material	Potential to be material	Potential to be material	As our climate impact scenario analysis indicates, acute physical risks are anticipated to increase across the geographies within which we operate and significantly in certain regions such as Asia even under the 'orderly' transition scenario but with greater magnitude across the alternate transition scenarios. Our approach to management of these risks is subject to ongoing review and catered to the countries/regions within which we operate. In the event of an acute physical risk, such as a cyclone or floods, our operational efforts are focused on prioritizing the safety and wellbeing of our employees. Once secured, delivery of our services to clients can be maintained through switching to home-based working and through the leasing of temporary office facilities, should our offices be physically impacted. Disruption to business continuity in the respective location is, therefore, anticipated to be temporary and can be mitigated through the aforementioned measures. Our business continuity and travel planning help minimize impacts to employees working remotely or in-field. Repairs to the physical infrastructure of the office are anticipated to be recoverable through our insurance and the financial impact to the business whilst material at the local level in the immediate timeframe is not considered material in respect of the global financial performance of the business. We will actively monitor changing climatic conditions and the potential for acute physical risks to become chronic and impact a wider geographical area as we progress towards medium- and long-term horizons. We have, therefore, noted the potential for chronic physical risks to become material in the medium- to long-term, though will seek to offset these through mitigation measures.

Strategic report

Physical climate-related risks and opportunities

As noted previously, the assessment considered a broad range of potential climate-related risks and opportunities which include physical risks, both acute and chronic, and the impact these could potentially have on our business operations, noting the potential for different transition scenarios.

The impact of climate change in terms of temperature rise, changes in precipitation patterns and volume, variability and extreme weather is already being seen across the globe but has the potential to be exacerbated subject to the speed and nature of transition which occurs. We are alert to the potential range of risks that this may pose in the future to our operations, as with any multinational company.

The nature of our business is primarily office-based, either in our own offices or those of our clients. With respect to our own operations, our Global Operations teams oversees the running of our offices, working with regional and local facilities teams which annually plan for the requirements associated with each office, consistent with our stringent Health & Safety requirements. Air conditioning and/or heating is integral to our office running and we are strategically committed to the use of renewable energy across all our offices, pursuant to our decarbonization strategy, and to purchase renewable energy certificates (RECs) to offset residual emissions. We proactively budget for the cost of this, whilst also seeking to incrementally introduce energy efficiency measures through our office optimization program. The cost - both current and future state - is not financially material.

Acute physical risks pose potential disruption to any business and have been considered in relation to the physical location of our offices, specifically those in locations identified as being potentially prone to extreme weather conditions in the short-, medium- and longer-term. This also takes into consideration existing and predicted capacity to adapt to such conditions. In the event of an acute physical risk, such as a cyclone or flood, our operational priority is the safety and wellbeing of our employees. Once secured, delivery of our services to clients can be maintained through switching to alternative working environments, including home working and alternative premises. Subject to the scale of impact of the specific physical risk, for example, if the impact is felt on a national or regional geographical basis, the impact to our business has the potential to be material at the local level in the immediate term. This impact will be mitigated by the operational measures we would deploy, as outlined in the table and those deployed by the respective regional and national administration. Once adjustments are implemented, we would anticipate the impact to our business to be decreasingly and ultimately not material.

Even under an ‘orderly’ transition scenario, acute physical risks are likely to continue to manifest, with varying ability to adapt to such risks in geographies across the world. As outlined in the assessment, however, we believe the impact of such risks to be temporary in nature and limited in terms of their potential financial materiality to the business. We have established adaptation measures integrated into our business planning to enable continuity of services to clients and business resilience.

Under the ‘hot house world’ or ‘too little, too late’ scenarios, there is a significantly increased likelihood of physical risks becoming chronic and a reduced potential for certain economies to adapt or increased level of investment required to support this. Our ongoing constraints mapping will actively consider this and inform our planning around office location and deployment of personnel in-field, working with clients to ensure we continue to deliver services and remain resilient.

In the event that physical risks are anticipated to become chronic, for example, increased and sustained high temperatures which would particularly manifest under ‘hot house world’ and ‘too little, too late’ scenarios, adaptation measures will be considered in respect of the relevant office and business unit operational planning. Actions would then be undertaken through our office optimization and business unit planning, to adjust our office working environment or relocate to alternative premises. Home working, employee commuting to work, and work undertaken in-field would also be adapted to reflect changed climatic conditions and incorporated into our working practices, health and safety protocols and service delivery plans. This would be proactively assessed, factored into the respective business unit budget and implemented in a manner which we do not anticipate to be financially material to the business unit or wider business but have conservatively noted as a potential material risk in the medium- to long-term, which will be actively monitored and mitigated against.

Strategic report

Impacts to our operational strategy and business resilience

Our operational strategy actively considers the potential varying impacts to business continuity and resilience in the short-, medium- and long-term which would emerge from the different assessment scenarios. Whilst it is hoped that we will see the realization of the 'orderly' transition scenario, the business is also prepared for the possibility of alternative transition and scenarios, as outlined by NGFS, which may materialize.

As a global sustainability consultancy, we operate in accordance with our longstanding commitment to demonstrate credible net-zero leadership and implement operational programs consistent with this. From an operational perspective, our established decarbonization program which has been validated to align with the SBTi Corporate Net-Zero Standard, sees us on a sustained pathway of emissions reduction in pursuit of net-zero by 2040. This positions us to be beyond compliant with both current and projected escalating regulatory commitments to reduce emissions across medium- and longer-term scenario timeframes. Our incremental emissions reductions also buffer the business against potential rising costs associated with market-based mechanisms delivering credits and beyond value chain mitigation.

Orderly transition scenario
It is the purpose of our business to support clients transition in a timely manner to a net-zero or low-carbon future. We will work with our stakeholders towards the realization of the 'orderly' transition scenario and anticipate demand for our commercial services will continue to increase in support of this. Immediate and short-term demand arises from clients who are actively transitioning now, comprising the early movers and/or those preparing for progressive transition. Demand for services is anticipated to continue to grow and likely escalate as we move towards 2030 and a further wave of demand to manifest towards the 2040-2050 time horizons for those industries/sectors which may require a more staged or elongated timeframe for transition. In this scenario, from 2050 onwards, we anticipate client demand to be centred on support to sustain low-carbon operations and adaptation to the impact of climatic change already in progress before transition has been achieved.

Disorderly transition scenario
ERM is committed to working with stakeholders to avoid the realization of the 'disorderly' transition scenario, but we nonetheless take into consideration the potential for this scenario to be realized. Even in the scenario of other state or business actors seeking to adopt a more passive or fragmented approach to decarbonization, we believe wider societal, consumer and investor demand will at least partially mitigate against this. As previously noted, ERM seeks to work with those businesses who are invested in delivering a low-carbon future, providing ongoing demand for our services.

Our cross-sectoral and global coverage enables us to adapt and remain agile and resilient in the face of geo-political uncertainty impacting the speed or scale of policy and regulatory driven change, and potential variability in the rate of transition across sectors or geographies. In the event of industry or country specific policy and regulatory uncertainty impacting market demand, our operational model enables rapid retraining and/or redeployment of personnel, to mitigate against potential material financial impact. This can be undertaken on a temporary or sustained basis, subject to projections of how we anticipate the respective sector or country will respond in the short- to medium-term.

Our operational strategy supports the business to capitalize upon market demand, reflecting our assessment of current and projected climate-related commercial opportunities and taking into consideration foreseeable geo-political, regulatory and sectoral disparities to support business resilience.

'Hot house world' and 'too little, too late' scenarios
As previously noted, it is our stated purpose to work with stakeholders towards a more sustainable future. Integral to this is the avoidance of the 'hot house world' and 'too little, too late' scenarios. As with all businesses, we are nonetheless alert to the potential for these scenarios to materialize. The evolution of these scenarios is likely to occur over a longer-period of time, notably our longer-term time horizons of 2050 and beyond. As with the 'disorderly' transition scenario, however, our operational model will remain agile to enable us to adapt to an evolving market and sustain material financial opportunity across these time horizons.

We anticipate that as with the previous scenarios, many clients will seek to decarbonize in line with their own purpose, commercial drivers and stakeholder pressure. Other clients may seek to elongate but ultimately transition. We will support our clients in either scenario and believe this represents a material financial opportunity to the business. In the event that the scale of societal transition is not adequate to prevent significant climatic change, clients will require support to adapt to a 'hot house world' or the even more significant scenario within which the scale of climatic change is so severe that there are tangible impacts for some businesses in terms of their ability to operate within certain geographies. In this scenario, we will support our clients to adjust their operational approach and this represents a material financial opportunity.

Strategic report

Targets and monitoring of performance

The nature of our business means that the suite of our metrics/targets are collectively focused on supporting our own operational decarbonization and that of our clients, and the commercial opportunity which this creates. Our business plan integrates targets aimed at sustaining and growing our business across short-, medium- and long-term planning, and takes into consideration our geographical scope, sectoral presence and projected demand for our services across the scenarios set out in this assessment. Commercial targets are set accordingly for service teams, sector, and client workstreams, and for our business units and regions, which are integrated into business planning as part of our commercial strategy. Progress against these commercial targets is monitored on a quarterly, half-yearly and annual basis, overseen by our Chief Commercial Officer and reporting into ExCom.

A wider set of sustainability metrics are also established each year to support our operational programs, including in key areas such as people management and the recruitment and retention of staff which supports our ability to be agile in the face of increasing market demand or climate-related professional services. Performance against these targets is published in our annual Sustainability Report and our wider financial performance is set out in this report.

A summary of performance against our FY25 targets / KPIs and our FY26 targets, is summarized below.

Category	FY25 KPI	Performance against FY25 targets	FY26 target
Adaptation to changing physical environment	New: Track % of offices with updated business continuity plans that take into account climate-related physical risks	All ERM offices are required to have business continuity plans in place that consider climate-related physical risks.	New: Review office business continuity plans in highest risk countries. Our focus is on reviewing the rigor of our continuity plans with particular emphasis upon those countries which are anticipated to experience the most acute risks.
	New: Develop methodology and KPI to track productivity loss arising from physical risks (e.g., days lost due to inability to conduct in-field survey activity due to extreme weather/changing climatic conditions)	Methodology has been established to record and track productivity loss arising from physical risks – this is achieved through specific codes for timesheet reporting, to record time lost due to extreme weather/changing climatic conditions.	Our target in FY26 is to track and report time reported using the designated code and to further understanding of specific locations or service lines which are impacted by such productivity loss.
Transition of operations	Reduce scope 1, 2 and 3 emissions in line with SBTi targets against FY20 baseline.	Our FY25 emissions data indicates that we remain on track to achieve our short-, medium- and long-term SBTi targets.	Our FY25 target is retained and will remain a rolling annual target.
Changing market for climate-related service delivery	Year on year growth in net revenue	Our FY25 financial performance is set out in our annual financial statutory accounts – cross-reference to wider report.	Our FY25 target is retained and will remain a rolling annual target.

Strategic report

Targets and monitoring of performance *(continued)*

Our decarbonization targets

ERM's targets have been validated by SBTi as aligned to the Corporate Net Zero Standard. This means we are committed to reaching net-zero greenhouse gas emissions across the value chain by FY40.

Our near-term targets:

By 2028: 45% of suppliers by emissions covering purchased goods and services will have science-based targets.

By 2030, we will:

- reduce absolute scope 1 and 2 GHG emissions by 50%;
- achieve 100% annual sourcing of renewable electricity (currently at 99%); and
- reduce absolute scope 3 GHG emissions from business travel and employee commuting by 42%.

Our long-term targets:

By 2040, we will:

- reduce absolute scope 1 and 2 GHG emissions by 90%; and
- reduce absolute scope 3 GHG emissions from purchased goods and services, business travel and employee commuting by 90%.

Both near-term and long-term targets are set against a FY20 base year.

UK Streamlined Energy and Carbon Reporting (SECR)

In compliance with our UK SECR reporting requirements, the below table reports all our required emission sources under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). Our reporting boundary aligns with our financial statements and follows the GHG Protocol Corporate Standard. Emissions are reported for our UK operations in CO_2e using IPCC AR5 GWPs without climate feedback. Scope 2 is calculated using the market-based method. We used Ecometrica for data management, applying 2024 Department for Energy Security and Net Zero emission factors for UK emissions.

Energy efficiency activities

Electricity usage in FY25 has declined across UK offices due to our decarbonization efforts, improved data collection and enhanced accuracy in reporting. Natural gas usage has risen, following usage adoption in some locations. ERM is taking targeted steps to reduce natural gas usage in line with our sustainability targets and as part of our office optimization program.

Our office optimization program is a multi-year program which guides the lease renewal or selection of offices in the UK and globally. As part of our lease review or selection of new offices, we consider the energy efficiency of the proposed premises. We also consider the potential additional measures to reduce operational energy usage in the respective locations as part of our incremental energy reduction targets for our operations.

		Year ended 31 March 2025 Co2 tonnes	**Year ended 31 March 2024** Co2 tonnes	**Year ended 31 March 2025** kWh	**Year ended 31 March 2024** kWh
Scope	*Fuel type*				
Scope 1	Natural gas	42.29	26.39	231,157	144,256
Scope 1	Refrigerant gas loss	13.07	12.44	-	-
Scope 2	Electricity (market based)	-	-	-	-
Scope 2	Electricity (location based)	83.28	148.41	402,241	704,128
	Total	**138.64**	**187.24**	**633,398**	**848,384**
	Co2 tonnes emissions per $1,000,000 of gross revenue	0.098	0.135		

Strategic report

Principal risks and uncertainties
The key risks that the Group is exposed to are reviewed regularly by senior management, the Risk & Reputation steering group, the Executive Committee and the Board of Directors.

Risks relating to the Group’s financial condition: credit risk, liquidity risk and interest rate risk
The Group’s credit risk is primarily attributable to its debtors and amounts recoverable on contracts. The Group has no significant concentration of credit risk, with exposure spread over a large number of high quality counterparties and customers.

In keeping with the financing model selected by the shareholders, the Group has significant indebtedness and a substantial portion of cash flow from operations is used for the payment of interest. The Group has both interest rate and exchange rate exposure. There are also certain restrictions and covenants imposed by the terms of these debt facilities. Debt maturity dates are July 2027 to July 2028.

These risks are managed by strong reporting, control and forecasting of cash flows and by regularly deciding on whether to hedge a portion of debt at fixed interest rates, considering inter alia forecasts on interest rates, interest cover, cash flow and cash on hand. See note 26 for details of interest rate hedges in place. The Group’s indebtedness is drawn in US dollars and Euros to provide a natural hedge against the major currencies in which the Group operates. At the year end the Group also had a revolving credit facility of $238 million, which was undrawn ($6.5 million of the undrawn amount was utilised as security for bank guarantees).

Risks relating to the Group’s business performance, to end markets and to political and regulatory factors
The Group faces a competitive market, parts of which have relatively low barriers to entry. The Group may be exposed to liabilities in connection with its business and its liability for potential claims or pending claims may exceed its insurance coverage or no insurance coverage may exist for such claims. Further, the Group may fail to meet cost, schedule or performance requirements under client contracts. Changes in environmental laws, regulations and Government policy may adversely affect the Group’s business, as may foreign, political or economic instability, due to the large number of countries in which the Group operates.

Some of ERM’s end markets are somewhat cyclical in nature. Whilst the Group’s revenues are drawn from a range of private and, to a lesser extent, public markets, material downturns in some markets could impact the business. We are, however, very well diversified across the Energy, Power, Chemical, Technology, Manufacturing, Mining, Finance and Pharmaceuticals sectors.

These risks are managed by anticipating consultancy trends and identifying new markets and sectors in which the Group might operate and ensuring that we continue to be well diversified across sectors, geography and services. The Group has processes to manage contractual conditions with appropriate insurance arrangements in place and to identify and manage contingent liabilities when they arise. The Directors believe that the Group has adequately provided for known liabilities and that it has adequate insurance to cover known potential legal claims. The Group maintains strong links between individual business units and has a strong regional management structure, which is responsible for managing and co-ordinating activities within each geographic region.

Strategic report

Risks relating to the Group's personnel

The Group's operating result requires the Group to maintain a high degree of utilisation of its consultants. The Group's future success will depend on its ability to attract and retain key personnel. These risks are managed by monitoring and optimising staff utilisation and by having remuneration policies which reward performance and incentivise continued employment with the Group.

We need to position ourselves to attract the talent we need in an increasingly competitive marketplace. ERM's challenge is to scale our talent with our business, embrace new capabilities and evolve our working culture. The HR function needs to be set up for success to help ERM navigate these challenges. We continue to invest in the programs and capabilities required to accelerate hiring, development, engagement and retention strategies in order to realise our growth ambition and attract and retain talent within an increasingly competitive market.

Climate-change related risks

Climate-related financial risks and opportunities have a direct impact on the Group's business, strategy, and trajectory. We ourselves are in a transition as the economy moves to a low-carbon future. Our portfolio of clients and projects has changed significantly in recent years as the inter-relationship between climate, nature and social issues present new risks and opportunities for the private and public sectors. Refer to the Non-Financial and Sustainability Information Statement section above for detailed discussion of climate related risks and opportunities.

The Group plays an active role in various multistakeholder initiatives on climate including the Business Ambition to 1.5 degrees, the World Business Council for Sustainable Development climate and energy programs and the Climate Pledge.

Future developments

We believe that, despite ongoing geopolitical and economic uncertainty, ERM has an extraordinary growth opportunity, and commensurate challenge, ahead of us in the next financial year and beyond. While volatility will likely remain for some time, we have a highly diversified business across industries, service lines and geographies. We believe the long term demand drivers of Low-Carbon Emitting Technologies ("LCET") and ESG will endure well beyond the current turbulence and drive long term market growth.

We will continue with our strategy, which is to grow and build our presence in major markets, through organic growth and targeting specific acquisitions where appropriate to broaden our geographic and service offerings. Our global expansion will continue to focus on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas.

In order to achieve our growth aspiration, our future investment activities will include:

- continuing expansion of our investments in our commercial excellence agenda to include a focus on growing our client relationship programme and enhancing our business generations capabilities;
- driving our operational and overhead initiatives to improve our competitiveness and financial resilience;
- expanding the role of technology and data in our service offerings and in our operational delivery;
- continuing focus on inorganic growth from acquisitions; and
- investing in and developing our brand to align with the Group's growth ambitions.

Strategic report

Summary

FY25 saw us successfully grow net revenue and use this momentum to invest in the business and growing client relationships. The business is well diversified from both a geographical and service line perspective with the resilience to manage near-term economic uncertainty. We are also well structured and financed and have strong current liquidity to ensure our business continues to thrive.

Thomas Reichert
Chief Executive Officer
25 September 2025

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2025.

Directors

The executive Directors who served during the year were:

Thomas Reichert	Chief Executive Officer
Timothy Strawn	Regional Chief Executive Officer
David McArthur	Strategic Advisor
Sabine Hoefnagel	Global Leader of Sustainability and Risk
Susan Angyal	Regional Chief Executive Officer

The non-executive Directors who served during the year were:

Rami Bibi
Tomás Hevia Armengol
Mattia Caprioli
Lars Kolks
Sir Roger Carr (appointed 30 July 2025)
Michaela Wood (appointed 2 July 2024 and resigned 30 July 2025)
Juan De Ochoa Panisello (appointed 4 March 2025)

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Please refer to pages 44-45 for further details.

Charitable and political donations

In the year ended 31 March 2025 the Group made donations of $283,000 to charities (2024: $469,000), including $210,000 to The ERM Foundation (2024: $406,000). The Group also covered some of the administrative costs of running The ERM Foundation and its associated programmes. The ERM Foundation supports environmental, community and sustainable development causes through appropriate charitable, educational and scientific means.

Neither the Company nor any of its subsidiaries has a policy of making financial donations to political parties or organisations. No such financial donations have been made during the year.

Employees

The Group is committed to involving all of its employees in the performance and development of the Group. Employees are kept up-to-date on corporate activities through a combination of periodic staff briefings at regional and office levels, team meetings and internal communication channels. Our intranet and regular electronic newsletters keep employees informed of the Group's success in the marketplace and provide information on internal job vacancies.

It is the Group's policy to give full consideration to suitable applications for employment of disabled persons and to comply with applicable equal employment opportunity laws as to race, colour, religious creed, sex, age, national origin, marital status, ancestry, sexual orientation, veteran status, medical condition or any other legally protected status. Disabled employees are eligible to participate in all career development opportunities available to staff. See pages 8-10 for further detail of how the Directors have engaged with the Group's employees, suppliers, customers and other stakeholders.

Directors' report

Corporate governance
Management is focused on continuing to build a platform for strong and sustainable growth in both revenues and earnings. In order to achieve this objective, the Group is committed to adhering to the highest standards of corporate governance and stewardship. The main platforms include:

- Strong regional management based close to regional operations;
- A global management team proving close oversight of regional and business unit management;
- Consistent and strong financial controls;
- A centralised global financial and treasury management structure that is deployed regionally and co-located with the operations;
- A global financial and project management system;
- Clear policies, procedures, training, leadership and periodic performance review in the areas of business conduct and ethics, and health and safety; and
- Corporate stewardship reinforced through employee ownership.

During the year, the Group has increased its efforts in managing the risks associated with professional service contracts, evolved and expanded our global contracts management system, and continued to develop and enhance its risk management tools and processes in relation to project management and subcontractors.

The workings of the Board
The Board of Directors met seven times during the financial year.

An Executive Committee is responsible for overseeing the day-to-day management of the Group's business operations and strategic initiatives.

The Board is responsible for implementing, monitoring and reviewing the effectiveness of management control systems. These processes include:

- Comprehensive budgeting, with plans and budgets annually approved by the Board;
- Monthly financial reporting comparing actual performance against budget and prior year results on a monthly and year-to-date basis;
- Review of business performance by senior executives;
- Regular consideration by the Board of actual performance against budgets and business plans;
- Regular discussion by the Board of the Group's forecasts and business prospects;
- Review of significant risks faced by the Group;
- Ensuring key officers review financial and other controls across the Group;
- Discussion and review of issues arising from the external audit; and
- Regular reporting of legal and accounting developments.

The Regional Finance Directors, who report to regional senior management and the Chief Financial Officer, ensure that adequate controls are in place within the business units. In addition, a system of self-certification is in place in the business units. This requires business units to certify their compliance in areas of corporate governance and management control. The responses are reviewed by regional and Group management.

Communications with shareholders
There is regular communication with KKR and its main co-investors as well as with employee shareholders (refer to page 10 of the Strategic Report for further details).

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

Events since the balance sheet date
Please refer to subsequent events in note 30.

Directors' report

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 Group's auditor, each Director has taken all steps that they are 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

ERM 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 ERM, 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.

Dividend

During the year ended 31 March 2025, the Directors declared and paid $90,000,000 of the accrued preferential dividends to the "A" and "B" preference shareholders. The Directors do not recommend a final dividend for FY25 (FY24: did not recommend payment of a dividend).

Principal risks and uncertainties

Please refer to the strategic report on pages 26-27.

Future developments

Please refer to the strategic report on page 27.

This report was approved by the board of directors and authorised for issue on 25 September 2025. They were signed on its behalf by:

Thomas Reichert
Chief Executive Officer

Registered No. 13391605

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company 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 Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework" the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Group and of the parent Company and of their profit or loss for that period.

In preparing the parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

In preparing the Group financial statements, International Accounting Standard 1 requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 The ERM International Group Limited

Report on the audit of the financial statements

Opinion
In our opinion:
- the financial statements of The ERM International Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 30.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 group and the parent 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included an assessment of the entity's:
- financing facilities including nature of facilities, repayment terms and covenants;
- linkage to business model and medium-term risks;
- assumptions used in the forecasts;
- amount of headroom in the forecasts (cash and covenants);
- sensitivity analysis; and
- the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 group's and the parent 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 group or the parent 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, in-house legal counsel and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included UK Employment Law, Environmental Legislation and General Data Protection Regulations ("GDPR").

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Valuation of long outstanding Work in Progress (WIP) on projects, taking into account regional average WIP days and any regional specific risk-factors which may result in the WIP days significantly exceeding these regional averages, and the accuracy of the associated revenue. We have:
    - using data analytics, identified projects with WIP balances that significantly exceed regional averages and performed detailed testing procedures on a sample of projects to challenge the basis for the project completion and recoverability; and
    - performed additional inquiry with project managers or project partners to validate projects back to agreements and supporting documentation in order to challenge the valuation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 group and of the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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
London, United Kingdom
25 September 2025

Consolidated income statement

For the year ended 31 March 2025
In $000

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Gross revenue	5	1,413,210	1,379,588
External project costs		(275,950)	(264,027)
Net revenue	5	**1,137,260**	**1,115,561**
Other income		1,678	2,119
Staff costs	6	(864,661)	(850,055)
Other operating expenses	7	(90,940)	(85,797)
Share based payments expense	22	(10,621)	(8,759)
Depreciation of property, plant and equipment	7,10	(9,429)	(9,568)
Depreciation of right of-use assets	7,11	(19,525)	(18,515)
Operating profit before amortisation and impairment of intangible assets and net transaction costs		**143,762**	**144,986**
Amortisation and impairment of intangible assets	7,13	(88,430)	(187,080)
Net transaction (costs) / credit	14b	(8,173)	19,776
Operating profit / (loss)		**47,159**	**(22,318)**
Financial income	8	28,170	31,303
Financial expenses	8	(327,950)	(299,923)
Net financial expenses		(299,780)	(268,620)
Loss before income tax		**(252,621)**	**(290,938)**
Income tax expense	9	(13,810)	(11,151)
Loss for the financial year		**(266,431)**	**(302,089)**
Attributable to:			
Equity holders of the parent		(266,432)	(302,096)
Non-controlling interests	28	1	7
Loss for the financial year		**(266,431)**	**(302,089)**

The current year and prior year results all relate to continuing operations.

Consolidated statement of comprehensive income

For the year ended 31 March 2025
In $000

	Year ended 31 March 2025	Year ended 31 March 2024
Loss for the financial year	**(266,431)**	**(302,089)**
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	1,135	(10,928)
Deferred tax on retranslation of intangible assets	1,378	1,276
Total comprehensive loss for the year	**(263,918)**	**(311,741)**
Attributable to:		
Equity holders of the parent	(263,919)	(311,748)
Non-controlling interests	1	7
Total comprehensive loss for the year	**(263,918)**	**(311,741)**

Consolidated statement of financial position

As at 31 March 2025
In $000

	Notes	31 March 2025	31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	10	19,250	22,386
Right of-use assets	11	44,587	46,711
Other investments		4,312	549
Interest rate hedges at fair value	26	714	17,262
Intangible assets	13	2,566,244	2,636,983
Deferred tax assets	15	79,509	74,311
Total non-current assets		2,714,616	2,798,202
Current assets			
Trade and other receivables	16	409,370	361,452
Interest rate hedges at fair value	26	7,677	-
Current tax assets		20,552	18,422
Cash and cash equivalents	19	156,787	192,873
Total current assets		594,386	572,747
Total assets		**3,309,002**	**3,370,949**
Liabilities			
Current liabilities			
Trade and other payables	17	(448,871)	(436,936)
Borrowings	18	(12,774)	(9,175)
Lease liabilities	20	(14,927)	(14,272)
Current tax liabilities		(11,695)	(10,993)
Total current liabilities		(488,267)	(471,376)
Non-current liabilities			
Borrowings	18	(3,591,241)	(3,402,503)
Lease liabilities	20	(32,720)	(34,518)
Interest rate hedges at fair value	26	(5,455)	(652)
Deferred tax liabilities	15	(316,506)	(335,580)
Total non-current liabilities		(3,945,922)	(3,773,253)
Total liabilities		**(4,434,189)**	**(4,244,629)**
Net liabilities		**(1,125,187)**	**(873,680)**
Shareholders' deficit			
Share capital	21	825	714
Share premium		38,456	36,213
Share based payment reserve		23,465	13,233
Own shares held reserve		(1,786)	(1,380)
Translation reserve		(117,454)	(119,967)
Retained losses		(1,068,925)	(802,493)
Total deficit attributable to equity holders of the Parent		**(1,125,419)**	**(873,680)**
Non-controlling interests	28	232	-
Total deficit		**(1,125,187)**	**(873,680)**

The financial statements were approved by the board of directors and authorised for issue on 25 September 2025. They were signed on its behalf by:

Thomas Reichert
Chief Executive Officer
Registered No. 13391605

Consolidated statement of changes in equity

For the year ended 31 March 2025
In $000

	Attributable to equity holders of the Parent							Non-	
	Share capital	Share premium	Share based payment reserve	Own shares held reserve	Translation reserve	Retained losses	Total	controlling interests	Total deficit
Balance at 1 April 2023	**533**	**31,810**	**4,804**	**(400)**	**(110,315)**	**(500,397)**	**(573,965)**	**(7)**	**(573,972)**
Shares issued	45	4,403	-	-	-	-	4,448	-	4,448
Purchase of own shares	136	-	-	(980)	-	-	(844)	-	(844)
Share based payments	-	-	8,429	-	-	-	8,429	-	8,429
Comprehensive loss									
Loss for the financial year	-	-	-	-	-	(302,096)	(302,096)	7	(302,089)
Foreign currency translation differences	-	-	-	-	(10,928)	-	(10,928)	-	(10,928)
Deferred tax on retranslation of intangible assets	-	-	-	-	1,276	-	1,276	-	1,276
Total comprehensive loss	-	-	-	-	(9,652)	(302,096)	(311,748)	7	(311,741)
Balance at 31 March 2024	**714**	**36,213**	**13,233**	**(1,380)**	**(119,967)**	**(802,493)**	**(873,680)**	**-**	**(873,680)**
Shares issued	23	2,243	-	-	-	-	2,266	-	2,266
Purchase of own shares	88	-	-	(406)	-	-	(318)	-	(318)
Share based payments	-	-	10,232	-	-	-	10,232	-	10,232
Comprehensive loss									
Loss for the financial year	-	-	-	-	-	(266,432)	(266,432)	1	(266,431)
Foreign currency translation differences	-	-	-	-	1,135	-	1,135	-	1,135
Deferred tax on retranslation of intangible assets	-	-	-	-	1,378	-	1,378	-	1,378
Total comprehensive loss	-	-	-	-	2,513	(266,432)	(263,919)	1	(263,918)
Subsidiary shares issued to non-controlling interests (note 28)	-	-	-	-	-	-	-	231	231
Balance at 31 March 2025	**825**	**38,456**	**23,465**	**(1,786)**	**(117,454)**	**(1,068,925)**	**(1,125,419)**	**232**	**(1,125,187)**

Consolidated statement of cash flows

For the year ended 31 March 2025
In $000

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Cash flows from operating activities			
Loss before income tax		(252,621)	(290,938)
Adjustments for:			
- Depreciation of property, plant and equipment and right of-use assets	7	28,954	28,083
- Amortisation and impairment of intangible assets	7	88,430	187,080
- Net transaction costs / (credit)	7	8,173	(19,776)
- Net financial expenses	8	299,780	268,620
- Share based payment expense	22	10,621	8,759
- Loss on disposal of property, plant and equipment and software		79	132
Changes in working capital:			
- (Increase) / decrease in trade and other receivables		(43,401)	8,568
- Increase / (decrease) in trade and other payables		9,463	(17,548)
Cash generated from operating activities (pre-income taxes)		**149,478**	**172,980**
Income taxes paid		(41,244)	(45,448)
Net cash inflow from operating activities (post-income taxes)		**108,234**	**127,532**
Cash flows from investing activities			
Acquisition of subsidiary undertakings, net of cash acquired	14(b)	(11,960)	(12,738)
Payment of transaction costs	14(b)	(7,391)	(2,918)
Other investing activities		(3,780)	(165)
Purchase of property, plant and equipment		(6,294)	(12,289)
Proceeds from sale of property, plant and equipment		17	102
Purchase and development of intangible assets		(9,603)	(11,977)
Net cash outflow from investing activities		**(39,011)**	**(39,985)**
Cash flows from financing activities			
Issue of ordinary shares	21	2,181	4,127
Issue of preference shares		4,805	10,286
(Payments) / receipts for preference shares not yet issued		(123)	661
Repurchase of ordinary and preference shares	18(d)	(12,054)	(13,009)
Dividends paid to preference shareholders	18(d)(e)	(90,000)	-
Settlement of promissory notes		(3,672)	(2,057)
Proceeds from bank loans		100,520	-
Repayment of bank loans		(5,350)	(5,350)
Debt issue costs		(3,027)	(1,717)
Interest payments on bank loans held at amortised cost		(87,210)	(88,841)
Proceeds from interest rate hedges		10,689	14,051
Other net bank interest and charges		3,650	3,316
Other interest paid		(476)	-
Interest rate hedge premium		(2,276)	-
Repayment of lease liabilities		(17,546)	(18,568)
Lease interest paid		(4,047)	(2,798)
Net sublease income		66	398
Subsidiary shares issued to non-controlling interest	28	231	-
Net cash outflow from financing activities		**(103,639)**	**(99,501)**
Net decrease in cash and cash equivalents		**(34,416)**	**(11,954)**
Cash and cash equivalents at the beginning of year		192,873	206,722
Effect of exchange rate fluctuations on cash held		(1,670)	(1,895)
Cash and cash equivalents at end of year	19	**156,787**	**192,873**

Company statement of financial position

As at 31 March 2025
In $000

	Notes	31 March 2025	31 March 2024
Assets			
Non-current assets			
Investment in subsidiary undertakings	12	2,033,595	2,023,363
Total non-current assets		2,033,595	2,023,363
Current assets			
Trade and other receivables	16	35,722	303
Current tax assets		3,959	1,233
Cash and cash equivalents		477	454
Total current assets		40,158	1,990
Total assets		**2,073,753**	**2,025,353**
Liabilities			
Current liabilities			
Trade and other payables	17	(8,048)	(26,778)
Borrowings	18	(7,424)	(3,825)
Total current liabilities		(15,472)	(30,603)
Non-current liabilities			
Borrowings	18	(2,500,410)	(2,405,051)
Total non-current liabilities		(2,500,410)	(2,405,051)
Total liabilities		**(2,515,882)**	**(2,435,654)**
Net liabilities		**(442,129)**	**(410,301)**
Shareholders' deficit			
Share capital	21	825	714
Share premium		38,456	36,213
Share based payment reserve		23,465	13,233
Own shares held reserve		(1,786)	(1,380)
Retained losses		(503,089)	(459,081)
Total deficit		**(442,129)**	**(410,301)**

The loss for the financial year in the financial statements of the parent company was $44,008,000 (2024: $197,614,000).

Approved and authorised for issue by the Board on 25 September 2025 and signed on their behalf by:

Thomas Reichert
Chief Executive Officer

Registered No. 13391605

Company statement of changes in equity

For the year ended 31 March 2025
In $000

	Attributable to equity holders of the Company					
	Share capital	**Share premium**	**Share based payment reserve**	**Own shares held reserve**	**Retained losses**	**Total deficit**
Balance at 1 April 2023	**533**	**31,810**	**4,804**	**(400)**	**(261,467)**	**(224,720)**
Shares issued	45	4,403	-	-	-	4,448
Purchase of own shares	136	-	-	(980)	-	(844)
Share based payments	-	-	8,429	-	-	8,429
Comprehensive loss						
Loss for the financial year	-	-	-	-	(197,614)	(197,614)
Total comprehensive loss	-	-	-	-	(197,614)	(197,614)
Balance at 31 March 2024	**714**	**36,213**	**13,233**	**(1,380)**	**(459,081)**	**(410,301)**
Shares issued	23	2,243	-	-		2,266
Purchase of own shares	88	-	-	(406)	-	(318)
Share based payments	-	-	10,232	-	-	10,232
Comprehensive loss						
Loss for the financial year	-	-	-	-	(44,008)	(44,008)
Total comprehensive loss(1)	-	-	-	-	(44,008)	(44,008)
Balance at 31 March 2025	**825**	**38,456**	**23,465**	**(1,786)**	**(503,089)**	**(442,129)**

(1) The loss for the financial year ended 31 March 2025 includes dividend income of $158.5 million received from the Company's direct subsidiary Nature Midco Limited (2024: nil). This was settled through $98.5 million cash proceeds and $60 million intercompany loan.

Notes to the financial statements

1. General information

The ERM International Group Limited ("the Company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA and the registered number is 13391605. The principal activities of the Group are the provision of sustainability & climate change, safety and digital services to clients. The principal activity of the Company is to act as an intermediate group holding company.

The consolidated financial statements as at, and for the year ended 31 March 2025 and as at, and for the year ended 31 March 2024, consolidate those of the Company and its subsidiaries. The parent company financial statements present information about the Company as a separate entity.

2. Material accounting policy information

2.1 Statement of compliance

The Group financial statements were prepared in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board IASB.

The financial statements of the Company were prepared in accordance with UK Accounting Standards including Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and under historical cost accounting rules.

The financial statements of the Group and the Company are prepared in US dollars as the majority of the Group's and 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 consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accounts have been prepared under the historical cost convention, as modified by the valuation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with Adopted IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Judgements that have a significant effect on the financial statements are discussed in note 4.

Going concern

The financial statements of the Group have been prepared on a going concern basis. The Group's principal risks and uncertainties are described in the Strategic report on pages 26 to 27. The Group has net liabilities of $1,125 million (2024: $874 million) and The ERM International Group Limited (the "Company") has net liabilities of $442 million (2024: $410 million). Details of the Group's liquidity position and borrowing facilities are described in note 18. Financial risk management objectives, details of financial instruments and hedging activities, and exposures to credit risk and liquidity risk are described in note 26.

The Group reported an operating profit before amortisation and impairment of intangible assets and net transaction costs of $144 million for the year ended 31 March 2025 (2024: $145 million), net cash inflows from operating activities (pre-income taxes) of $149 million (2024: $173 million) and a net decrease of cash and cash equivalents of $34 million (2024: net decrease of $12 million).

Notes to the financial statements

2. Material accounting policy information (continued)

***Going concern** (continued)*

At 31 March 2025, the Group held cash and cash equivalents of $157 million (including $131 million deposited with ReachCentrum SA and $21 million held on behalf of government bodies: see note 19) (2024: cash and cash equivalents of $193 million, including $138 million deposited with ReachCentrum SA and $21 million held on behalf of government bodies).

A significant element of the indebtedness is preference shares (including accrued dividends) due to shareholders of $2,497 million (2024: $2,398 million), which is free from financial covenants. Dividends on the preference shares are accrued and compounded each calendar quarter; cash settlement is at the discretion of the Company. The preference shares are redeemable by the Company on the 20th anniversary of their issuance or a liquidation, whichever is earlier.

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 undertaking their assessment of going concern for the Company and the Group, the Directors have prepared the Group's cash flow forecasts and projections and carried out a review of the Group's business and its future prospects. In particular, the Directors have assessed the forecasted future performance and anticipated cash flows, taking into account reasonably possible changes in trading performance, available debt facilities and associated covenants. The cash flow forecasts reflect the strong cash generating ability of the business.

The Directors have also modelled a stress test scenario to consider the wider operational consequences and ramifications of an unexpected risk event. The Group is highly diversified in terms of geographies, sectors and services. The stress testing analysis demonstrates the Group's financial and business resilience, and operational flexibility during prolonged periods of economic weakness. Following the assessment of the Group's financial position, operational resilience, 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.

Fair value measurement

The Group measures financial instruments such as derivatives and non-financial assets at fair value. The Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 Leases.

All assets and liabilities for which fair value are measured or disclosed are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement, as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines each year whether transfers have occurred between levels of the hierarchy.

2. Material accounting policy information (continued)

Basis of consolidation

The Group financial statements consolidate the financial statements of The ERM International Group Limited and its subsidiary undertakings, drawn up for the year ended 31 March 2025.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Intra-group transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Disclosure exemptions

The Company has taken advantage of the following exemptions under FRS 101:

- certain disclosures required by IFRS 13 Fair Value Measurement;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 10(d) and 10(f) of IAS 1 Presentation of Financial Statements; and
- the requirements in IAS 24 Related Party Disclosures from disclosing related party transactions with wholly owned subsidiaries within the Group.

No income statement is presented for the Company as permitted by section 408 of the Companies Act 2006.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition related costs, which do not reflect the operational performance of the business and are only incurred when acquisitions arise, are reported within net transaction costs in the income statement.

The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement, where such treatment would be appropriate if that interest were disposed of.

Notes to the financial statements

2. Material accounting policy information (continued)

Business combinations *(continued)*

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Contingent consideration

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date). These relate to facts and circumstances that existed at the acquisition date. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the income statement within net transaction costs.

Acquisitions and disposals of non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

Net transaction costs

Net transaction costs consist of costs related to acquisitions (including gains or losses arising from remeasurement of contingent consideration), refinancing and other transaction related activities. These costs do not reflect the operational performance of the business. Net transaction costs are recognised in the income statement.

Government assistance

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants relating to salary support schemes are recognised as accrued expenses in the consolidated statement of financial position and transferred to the income statement on a systematic basis over the periods in which the Group recognises as expenses the related staff costs for which the grants are intended to compensate.

Grants relating to government funded research projects are recognised in other income.

Notes to the financial statements

2. Material accounting policy information (continued)

Foreign currencies

Functional and presentational currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions in foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting 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 income statement. 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.

Translation of the results of overseas businesses

The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. The assets and liabilities of foreign operations are translated to the Group's presentational currency at foreign exchange rates ruling at the reporting date. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Notes to the financial statements

2. Material accounting policy information (continued)

Revenue recognition

The Group follows the principles of IFRS 15 in determining appropriate revenue recognition policies. Revenue represents amounts chargeable for services provided to third parties in the ordinary course of business.

Revenue from services is recognised following the principles outlined in IFRS 15's five step model as detailed below:

- Identifying the contract. Upon acceptance of a proposal, a contract is entered into, which includes details of the scope of work and each party's rights and obligations regarding transfer of the service;

- Identifying the performance obligations in the contract. In assessing performance obligations, consideration is given to whether each identified key deliverable is a separate performance obligation, or a series of services that are substantially the same, have the same pattern of transfer to the customer and form one overall performance obligation;

- Determining the transaction price. The transaction price is developed during the proposal process by establishing the scope of work and the staffing levels required. Upon acceptance, the total fee value is stated in the contract together with an invoicing schedule;

- Allocating the transaction price to separate performance obligations. Contracts typically include only one performance obligation, so no allocation is required. Where more than one performance obligation exists, the contracts include separately agreed fees for each performance obligation;

- Recognising revenue as performance obligations are satisfied. Where only one performance obligation exists, revenue is recognised over time as the work is performed. Where there is more than one performance obligation, revenue is recognised as each performance obligation is met.

Gross revenue

Gross revenue represents amounts recoverable from clients in respect of the Group's continuing activities. Gross revenue includes costs incurred on behalf of clients and excludes sales taxes.

The Group enters into 'time and expense' and 'fixed fee' contracts. For time and expense contracts, gross revenue and profit recognised is based on hours and expenses incurred to date. For fixed fee contracts where the outcome can be reasonably foreseen, gross revenue and profit is recognised on a percentage completion basis by comparing costs incurred to date to the total costs to completion. Contract expenses include direct staff costs, sub-contractor costs and disbursements. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Attributable profit is recognised for that part of the work performed on each contract at the accounting date when the outcome can be assessed with reasonable certainty.

Digital subscriptions revenue is recognised evenly over the time period for which the subscription services are provided as the customer simultaneously receives and consumes the economic benefit of the service being provided.

Net revenue

Net revenue is gross revenue after deduction of external project costs, which are made up principally of sub-contractors' fees.

Notes to the financial statements

2. Material accounting policy information (continued)

Contract losses
Contracts are reviewed regularly and full provision is made for any anticipated total loss on contracts in the period in which they are first identified.

Amounts recoverable on contracts and bills in advance
The amount by which revenue exceeds invoiced amounts is disclosed as ‘amounts recoverable on contracts’ within debtors on the statement of financial position. Advance payments are included as ‘bills in advance’ within creditors to the extent that they exceed the related work done.

Claims recognition
Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. When it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals.

Leases

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

Right-of-use assets are measured at cost, which is the initial measurement of the lease liabilities, adjusted for any payments made or lease incentives received at or before the commencement date, plus any direct costs incurred, and an estimate of any restoration costs.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability or the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other operating expenses” in the income statement.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset, or the lease term. The Group also assesses the right-of-use assets for impairment where such indicators exist.

The right-of-use-assets are presented as a separate line in the consolidated statement of financial position.

Lease liabilities are initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease (if that rate is readily available), or the Group’s incremental borrowing rate. The lease term is a non-cancellable period of the lease; periods covered by options to extend the lease are only included in the lease term if it is reasonably certain that the lease will be extended.

Subsequent to initial measurement by the effective interest method, the liabilities are reduced for payments made and increased for interest charged. If required, lease liabilities are remeasured to account for modifications with corresponding adjustments reflected in the right-of-use assets.
The lease liabilities are presented as a separate line in the consolidated statement of financial position.

The Group sub-leases some of its leased properties and accounts for its interests in the head lease and sub-lease separately. Lease payments received are recognised as income on a straight-line basis over the lease term.

Notes to the financial statements

2. Material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition and installation of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain and loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	Over the lease term
Furniture and fittings, plant and machinery	3 to 5 years
Motor vehicles	4 years
Computer equipment	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date or if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

2. Material accounting policy information (continued)

Intangible assets

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses, if any.

Goodwill is not subject to amortisation but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (''CGUs''), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the units on a pro rata basis. An impairment loss in respect of goodwill is not reversed in the subsequent period.

Other intangible assets

Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Brand

Brand names and related trademarks acquired through a business combination are measured initially at fair value and are amortised on a straight-line basis over their estimated useful lives. The ERM brand and related logos, trademarks and domain names acquired have been valued taking into account the royalty relief approach. The royalty relief is an 'economic use' approach to valuation which determines the value of the brand in relation to the royalty rate that would be payable for its use were it owned by a third party.

Customer relationships and customer order books

Contractual customer relationships and customer order books acquired in a business combination are recognised at fair value at the acquisition date. They are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost over the period in which their respective benefits are expected to accrue. The useful economic life of these assets is determined on a case-by-case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

Software and other development costs

Software assets acquired as part of a business combination are capitalised at fair value at the date of acquisition and are amortised on a straight-line basis over their estimated useful lives.

Externally purchased software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software development costs relating to software assets the Group controls and which are revenue generating are capitalised and amortised over three to five years.

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and will be amortised from the date the asset is available for use over the period during which the Group is expected to benefit.

Notes to the financial statements

2. Material accounting policy information (continued)

Software and other development costs (continued)
Directly attributable costs that are capitalised include directly attributable employee costs and an appropriate portion of relevant overheads. Provision is made for any impairment.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Third party costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Amortisation
Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

Brand	up to 20 years
Customer order books	within 2 years
Customer relationships	5 to 20 years
Software assets	3 to 5 years
Development costs	20 years

Impairment of tangible and other intangible assets (excluding goodwill)
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the ''cash-generating unit'' or "CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use and fair value less costs to sell, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the financial statements

2. Material accounting policy information (continued)

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets in the following measurement categories:
- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows and management will determine the classification on initial recognition.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to 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.

ii. Trade and other receivables

Trade and other receivables are not interest-bearing and are due on commercial terms. They are recognised initially at their transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment of financial assets

In accordance with IFRS 9 "Financial Instruments", the Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables and contract assets; and has adopted the 'simplified approach' permitted by the standard. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognises lifetime ECL for trade receivables and amounts recoverable on contracts. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as general economic conditions. This also includes an assessment of the current and forecast direction of conditions at the reporting date, including where appropriate, the time value of money.

The Group 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.

Notes to the financial statements

2. Material accounting policy information (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements. An equity instrument is any contract that gives a residual interest in the assets of the Group, after deducting all its liabilities.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method except for derivatives that are measured at fair value with gains or losses recognised in profit or loss. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

All loans and borrowings are initially recognised at fair value net of issue costs. Borrowings are subsequently stated at amortised cost. Any difference between proceeds (net of issue costs) and redemption value is recognised in the consolidated income statement, within financial expenses, over the period to redemption using the effective interest method.

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.

Trade payables, accruals and other payables are included in current liabilities, except for those with maturities greater than 12 months after the reporting date.

Derecognition of financial liabilities

The Group 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.

Notes to the financial statements

2. Material accounting policy information (continued)

Employee benefits

The Group operates various post-employment schemes, including a defined contribution pension plan and other staff benefits.

Defined contribution pension plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current or prior periods. The contributions are recognised as employee benefit expenses in the consolidated income statement in the periods during which services are rendered by employees.

Short-term benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, cash bonus or profit-sharing if the Group 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 in the period the related service is rendered.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Share-based payments

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Financial income and expenses

Financial expenses comprise dividends accrued on preference shares, interest expense on borrowings held at amortised cost, other bank charges, lease interest and fair value losses on financial assets and liabilities that are recognised in the income statement. Financial income comprises interest receivable on funds invested and fair value movement gains on financial assets and liabilities recognised in the income statement. Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method.

Foreign currency gains and losses on revaluation of intercompany loans and bank loans are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement and consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Notes to the financial statements

2. Material accounting policy information (continued)

***Taxation** (continued)*

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 goodwill; 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 reporting 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 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.

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.

Current and deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Own shares held by Employee Benefit Trust (EBT)

Transactions of the Company-sponsored EBT are treated as being those of the Company and are therefore reflected in the Group and Company financial statements. The EBT's purchases of ordinary shares in the Company are recognised as a deduction from equity. The EBT's purchases of preference shares in the Company are debited directly to the Group's preference shares.

Notes to the financial statements

3. Adoption of new and revised Standards

For the first time in the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
Amendments to IAS 1 Non-current Liabilities with Covenants	The amendments to IAS 1 specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in *IFRS 15 Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The Group does not have any such sale and leaseback transactions.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Lack of Exchangeability
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Notes to the financial statements

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's material accounting policy information, which is described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be 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.

There were no critical accounting judgements applied during the reporting period.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Goodwill impairment

During the year ended 31 March 2025 the Group did not recognise any goodwill impairment, as the fair value less cost to sell ("FVLCS") is greater than the carrying amount of the assets for each group of CGUs ("regional CGU").

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each regional CGU to which goodwill is allocated.

The Group considers that the FVLCS is most sensitive to the discount rate and has considered reasonably possible changes to the discount rate. An increase of 2% to the discount rate for the Latin American & Caribbean CGU would result in an impairment charge of $10 million. There is no reasonably possible change to discount rates for the other regional CGUs that would result in an impairment. See note 13 for further details

Notes to the financial statements

5. Revenue

The Group is exempt from detailed IFRS 8 reporting requirements as neither its debt nor equity instruments are traded in a public market, nor does it have the requirement to file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

An analysis of gross and net revenue by geographic origin is provided as follows:

	Gross revenue by origin Year ended 31 March 2025 $000	Net revenue by origin Year ended 31 March 2025 $000	Gross revenue by origin Year ended 31 March 2024 $000	Net revenue by origin Year ended 31 March 2024 $000
Europe, Middle East and Africa	339,930	292,195	336,776	288,242
Asia Pacific	194,383	160,215	194,369	156,748
Latin America and Caribbean	85,113	57,498	86,412	61,098
North America	711,024	550,016	706,472	559,337
Other Businesses	82,760	77,336	55,559	50,136
Total	**1,413,210**	**1,137,260**	**1,379,588**	**1,115,561**

The Group's revenue is principally derived from the provision of services, and all revenues recognised arose from contracts with customers. The analysis by geographic origin shown above is consistent with the management and reporting structure of the Group.

Notes to the financial statements

6. Staff costs, staff numbers and Directors' remuneration

Staff costs

Staff costs of the Group (including Directors' remuneration) were as follows:

	Year ended 31 March 2025 $000	**Year ended 31 March 2024 $000**
Wages and salaries (1)	693,416	681,188
Social security costs	67,312	66,690
Contributions to defined contribution plans	25,484	24,469
Other staff costs	78,464	77,818
Staff costs before Government grants	864,676	850,165
Government grants (2)	(15)	(110)
Total staff costs	**864,661**	**850,055**

(1) Wages and salaries include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year).
(2) The Government grants received were to contribute towards the cost of employee wages and salaries.

Staff numbers

The average number of full time employees (including executive Directors) in the Group during the year was made up as follows:

	Year ended 31 March 2025	**Year ended 31 March 2024**
Partners	732	702
Consultants	5,452	5,521
Administration	1,220	1,240
Total	**7,404**	**7,463**

The Company had no employees during the year ended 31 March 2025 (year ended 31 March 2024: none).

Notes to the financial statements

6. Staff costs, staff numbers and Directors' remuneration (continued)

Directors' remuneration

The emoluments of the executive Directors of the Company for the year ended 31 March 2025 were paid by other Group companies and are as follows:

	Year ended 31 March 2025 $000	Year ended 31 March 2024 $000
Emoluments	6,768	6,530
Contributions paid to defined contribution pension schemes (no. of members 2, FY24: 2)	49	10

Emoluments include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year). Emoluments are paid in local currency in the country of residence.

The amounts in respect of the highest paid executive Director are as follows:

	Year ended 31 March 2025 $000	Year ended 31 March 2024 $000
Emoluments	4,000	3,800

No emoluments were paid to non-executive Directors during the year ended 31 March 2025 (year ended 31 March 2024: none).

7. Other operating expenses by nature, including net transaction costs

Operating expenses include:

	Year ended 31 March 2025 $000	Year ended 31 March 2024 $000
Depreciation of property, plant and equipment	9,429	9,568
Depreciation of right of-use assets	19,525	18,515
Amortisation of intangible assets	86,722	85,097
Impairment of intangible assets	1,708	-
Impairment of goodwill	-	101,983
Net transaction costs / (credit) (note 14(b)(d))	8,173	(19,776)
Foreign exchange gains on non-financing activities	(2,546)	(1,464)
Auditor's remuneration:		
- audit of the Group financial statements	2,429	810
- audit of financial statements of subsidiaries pursuant to legislation	2,546	2,655
- tax compliance and tax advisory services	58	75
- other advisory services	10	60

Notes to the financial statements

8. Financial income and expenses

	Year ended 31 March 2025 $000	Year ended 31 March 2024 $000
Income from interest rate hedges	12,579	14,051
Fair value gain on modification of bank loans (see note 18(b))	9,012	8,895
Foreign exchange gain on revaluation of bank loans	-	2,482
Bank interest income	6,249	5,287
Other financial income	330	588
Total financial income	**28,170**	**31,303**
Dividends accrued on preference shares (see note 18(d) & 18(e))	(194,958)	(183,422)
Interest expense on bank loans held at amortised cost	(97,826)	(93,221)
Other bank interest and charges	(2,367)	(1,824)
Lease interest	(4,047)	(2,798)
Other financial expenses	-	(11)
Interest accrued on promissory notes	(427)	(168)
Fair value movement of interest rate hedges	(15,950)	(12,243)
Interest expense on other liabilities held at amortised cost	(770)	(3,295)
Foreign exchange loss on revaluation of intercompany loans	(8,590)	(2,941)
Foreign exchange loss on revaluation of bank loans	(3,015)	-
Total financial expenses	**(327,950)**	**(299,923)**
Net financial expenses	**(299,780)**	**(268,620)**

Notes to the financial statements

9. Income tax expense

(a) Analysis of tax charge

The Group operates across many different tax jurisdictions. Income and profits are earned and taxed in the individual countries in which they occur.

Differences between the UK statutory tax rate and the effective tax rate for the Group include, but are not limited to, the mix of profits, the effect of tax rates in overseas jurisdictions, non-deductible expenses, the effect of utilised tax losses, and under/over provisions in previous periods.

	Year ended 31 March 2025 $000	Year ended 31 March 2025 $000
Current tax:		
Current year	42,400	34,717
Prior year	(3,226)	(711)
Total current tax charge	39,174	34,006
Deferred tax:		
Current year	(26,275)	(21,567)
Prior year	911	(1,288)
Total deferred tax credit (note 15)	(25,364)	(22,855)
Total tax charge for the year (note 9(b))	**13,810**	**11,151**

(b) Reconciliation of tax charge

The tax charge is reconciled to the loss in the consolidated income statement as follows:

	Year ended 31 March 2025 $000	Year ended 31 March 2024 $000
Loss before income tax	**(252,621)**	**(290,938)**
Loss before income tax at UK statutory rate of 25% (2024: 25%)	(63,155)	(72,735)
Effects of:		
Impairment of goodwill	-	25,496
Different statutory tax rates on overseas earnings	889	599
Disallowed dividends accrued on preference shares	48,846	45,855
Corporate interest restriction in the UK	5,276	4,127
Non-deductible expenses	3,341	1,207
Impact of different tax rates on intangibles	(177)	(608)
Other reconciling items[(1)]	3,363	-
Movement in unrecognised deferred tax	6,634	5,646
Tax losses (utilised) / not utilised	(910)	935
Irrecoverable withholding taxes	8,832	-
Prior year items	(2,315)	(1,999)
Share based payment expense	3,186	2,628
Total tax charge for the year (note 9(a))	**13,810**	**11,151**

(1) Other reconciling items includes movements on Group-held uncertain tax positions and other small items.

Notes to the financial statements

9. Income tax expense (continued)

(c) International Tax Reform – Pillar Two Model Rules

On 20 June 2023, the government of the UK, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company is required to pay in the UK, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The current financial year is the first period for which a Pillar Two return is required. Based on the Group's assessment, the Group has no exposure to Pillar Two taxes in respect of the current year and, subject to further analysis and results, is not expected to be exposed to material Pillar Two tax liabilities in subsequent periods.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

10. Property, plant and equipment

Group	Leasehold Property $000	Furniture, fittings, plant and machinery $000	Motor vehicles $000	Computer equipment $000	Total $000
Cost:					
At 1 April 2023	**5,269**	**5,078**	**525**	**17,166**	**28,038**
Acquired	74	7	-	4	85
Additions	5,856	1,458	320	4,655	12,289
Disposals	(59)	(107)	-	(79)	(245)
Reclassifications [1]	-	630	-	(367)	263
Exchange differences	(17)	90	(72)	(106)	(105)
At 31 March 2024	**11,123**	**7,156**	**773**	**21,273**	**40,325**
Acquired (note 14)	76	24	-	281	381
Additions	2,616	1,175	141	2,362	6,294
Disposals	(32)	(64)	-	-	(96)
Exchange differences	(207)	(156)	(33)	(395)	(791)
At 31 March 2025	**13,576**	**8,135**	**881**	**23,521**	**46,113**
Depreciation:					
At 1 April 2023	**1,686**	**1,064**	**180**	**5,111**	**8,041**
Charge for the year	1,963	2,265	179	5,161	9,568
Reclassifications[1]	-	311	-	(71)	240
Exchange differences	80	46	(17)	(19)	90
At 31 March 2024	**3,729**	**3,686**	**342**	**10,182**	**17,939**
Charge for the year	2,150	1,343	173	5,763	9,429
Exchange differences	(132)	(130)	(13)	(230)	(505)
At 31 March 2025	**5,747**	**4,899**	**502**	**15,715**	**26,863**
Carrying amounts:					
Net book value at 31 March 2024	**7,394**	**3,470**	**431**	**11,091**	**22,386**
Net book value at 31 March 2025	**7,829**	**3,236**	**379**	**7,806**	**19,250**

(1) Reclassifications between asset classes, including reclassification of software to computer equipment (see note 13).

Notes to the financial statements

11. Right-of-use assets

The Group leases a number of leasehold properties, motor vehicles and office equipment.

During the year ended 31 March 2025 the Group recognised income of $66,000 from subleasing its right-of-use assets (year ended 31 March 2024: $398,000).

Group	Leasehold Property	Furniture, fittings, plant and machinery	Motor vehicles	Total
	$000	$000	$000	$000
Cost:				
At 1 April 2023	**58,146**	**1,213**	**1,671**	**61,030**
Acquired	356	-	-	356
Additions	24,299	219	3,568	28,086
Disposals	(15,009)	(123)	(1,180)	(16,312)
Exchange differences	(103)	(6)	(21)	(130)
At 31 March 2024	**67,689**	**1,303**	**4,038**	**73,030**
Acquired (note 14)	1,112	-	-	1,112
Additions	18,021	122	412	18,555
Disposals	(17,808)	(1,147)	(488)	(19,443)
Exchange differences	(92)	(5)	35	(62)
At 31 March 2025	**68,922**	**273**	**3,997**	**73,192**
Depreciation:				
At 1 April 2023	**20,018**	**430**	**866**	**21,314**
Charge for the year	17,129	480	906	18,515
Disposals	(12,202)	(107)	(1,122)	(13,431)
Exchange differences	(68)	(3)	(8)	(79)
At 31 March 2024	**24,877**	**800**	**642**	**26,319**
Charge for the year	17,758	469	1,298	19,525
Disposals	(15,857)	(1,142)	(181)	(17,180)
Exchange differences	(71)	(2)	14	(59)
At 31 March 2025	**26,707**	**125**	**1,773**	**28,605**
Carrying amounts:				
Net book value at 31 March 2024	**42,812**	**503**	**3,396**	**46,711**
Net book value at 31 March 2025	**42,215**	**148**	**2,224**	**44,587**

Notes to the financial statements

12. Investment in subsidiary undertakings

Company	**Investment in subsidiaries $000**
Cost:	
At 1 April 2023	**2,014,934**
Additions	
Nature Midco Limited [1]	8,429
At 31 March 2024	**2,023,363**
Additions	
Nature Midco Limited [1]	10,232
At 31 March 2025	**2,033,595**

See note 27 for details of related undertakings.

(1) Equity-settled share-based payments to employees of subsidiaries (see note 22).

Notes to the financial statements

13. Intangible assets

Group	Goodwill $000	Brand $000	Customer relationships $000	Customer order books $000	Software $000	Development costs $000	Total $000
Cost:							
At 1 April 2023	**1,670,166**	**223,239**	**1,101,003**	**71,342**	**24,210**	**3,767**	**3,093,727**
Acquired	6,584	-	230	86	-	-	6,900
Additions	-	-	-	-	17,261	1,647	18,908
Reclassifications(1)	-	-	-	-	(263)	-	(263)
Exchange differences	(6,501)	(746)	(4,078)	(441)	232	84	(11,450)
At 31 March 2024	**1,670,249**	**222,493**	**1,097,155**	**70,987**	**41,440**	**5,498**	**3,107,822**
Acquired (note 14)	7,698	191	3,384	614	191	-	12,078
Additions	-	-	-	-	7,539	2,064	9,603
Disposals	-	-	-	-	(1,408)	-	(1,408)
Exchange differences	(2,604)	(512)	(3,764)	(509)	504	188	(6,697)
At 31 March 2025	**1,675,343**	**222,172**	**1,096,775**	**71,092**	**48,266**	**7,750**	**3,121,398**
Amortisation and impairment:							
At 1 April 2023	**96,461**	**16,443**	**93,765**	**71,131**	**6,659**	**-**	**284,459**
Charge for the year	-	11,956	66,348	236	6,557	-	85,097
Impairment	101,983	-	-	-	-	-	101,983
Reclassifications (1)	-	-	-	-	(240)	-	(240)
Exchange differences	672	(89)	(616)	(444)	17	-	(460)
At 31 March 2024	**199,116**	**28,310**	**159,497**	**70,923**	**12,993**	**-**	**470,839**
Charge for the year	-	11,327	66,184	223	8,988	-	86,722
Impairment recognised	-	-	-	-	1,708	-	1,708
Disposals	-	-	-	-	(1,408)	-	(1,408)
Exchange differences	(1,554)	(65)	(753)	(487)	152	-	(2,707)
At 31 March 2025	**197,562**	**39,572**	**224,928**	**70,659**	**22,433**	**-**	**555,154**
Carrying amounts:							
Net book value at 31 March 2024	**1,471,133**	**194,183**	**937,658**	**64**	**28,447**	**5,498**	**2,636,983**
Net book value at 31 March 2025	**1,477,781**	**182,600**	**871,847**	**433**	**25,833**	**7,750**	**2,566,244**

(1) Reclassification of assets previously recognised in software to computer equipment, as this is deemed a more appropriate classification.

Goodwill impairment and fair value assessment

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to CGUs or group of CGUs ("regional CGU") and is not amortised but tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. A CGU is identified as the lowest aggregation of assets that generates largely independent cash inflows at which goodwill and intangible assets are monitored within the Group. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell ("FVLCS").

Management has reviewed the carrying value of the goodwill for each regional CGU using the Group's fair value less cost to sell model. The Group has adopted the discounted cash flow method to determine the FVLCS of the regional CGUs. This approach is determined to be Level 3 in the fair value hierarchy.

Notes to the financial statements

13. Intangible assets (continued)

***Goodwill impairment and fair value assessment** (continued)*

The cash flow projections use an initial three year period derived from the Group's most recent business plan, risk adjusted and approved by the Directors, with an extrapolation for a further seven years using a systematically declining growth rate and applying a long-term growth rate from year 11 onwards. The cash flows reflect management's expectations of future outcomes, based on past and current experience and expectations of the medium to long term growth prospects for the sector, after considering economic and business risks facing the Group.

Management consider the key assumptions used to be the discount rates and the long-term growth rate applied to extrapolate the cash flows into perpetuity. The discount rates reflect the risks inherent in the subject cash flows, as well as the time value of money. The long term growth rates for each of the CGUs (for the terminal year) have been determined based on the expected long term inflation rates of the countries that make up each regional CGU.

The level at which impairment is tested reflects the lowest level at which goodwill and intangible assets are monitored for internal reporting purposes. The carrying amount of goodwill recorded in the regional CGUs, after impairments recognised, is set out below:

Regional CGU	As at 31 March 2025 $000	As at 31 March 2024 $000
Europe, Middle East and Africa	314,768	312,004
Asia Pacific	248,763	247,464
Latin America and Caribbean	26,036	30,514
North America	888,214	881,151
Total value[1]	**1,477,781**	**1,471,133**

(1) Including exchange differences after retranslation into USD at the year end.

Regional CGU	Discount rates 31 March 2025 %	Terminal growth rates 31 March 2025 %	Discount rates 31 March 2024 %	Terminal growth rates 31 March 2024 %
Europe, Middle East & Africa	9.3	3.0	10.6	2.1
Asia Pacific	10.0	3.5	11.5	2.2
Latin America & Caribbean	13.8	3.5	16.5	2.6
North America	9.0	3.0	10.4	2.0

No impairment was recognised during the year ended 31 March 2025.

During the year ended 31 March 2024 the Group recognised goodwill impairments of $101,983,000 ($45,533,000 Europe, Middle East & Africa CGU; $22,780,000 Asia Pacific CGU; and $33,670,000 Latin American & Caribbean CGU). This was largely attributable to more modest cash flow projections reflecting current economic uncertainty. No impairment was recognised in the North America CGU.

Notes to the financial statements

13. Intangible assets (continued)

Sensitivity to changes in assumptions

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each regional CGU to which goodwill is allocated.

The Group considers that the FVLCS is most sensitive to the discount rate and has considered reasonably possible changes to the discount rate. An increase of 2% to the discount rate for the Latin American & Caribbean CGU would result in an impairment charge of $10 million. There is no reasonably possible change to discount rates for the other regional CGUs that would result in an impairment.

14. Business combinations

Acquisitions during the year ended 31 March 2025

The fair values of the identifiable assets acquired and liabilities assumed of companies acquired in the year as at the date of acquisition were as follows:

	Total $000
Identifiable intangible assets:[1]	
Brand	191
Customer relationships	3,384
Customer order books	614
Software	191
Property, plant and equipment	381
Right of use assets	1,112
Trade and other receivables	3,639
Cash	1,302
Trade and other payables	(4,080)
Lease liabilities	(1,112)
Deferred tax (net)	(990)
Current tax (net)	(104)
Total identifiable assets	**4,528**
Add: Goodwill [2]	7,698
Net assets acquired	**12,226**
Satisfied by:	
Cash	12,226
Total	**12,226**

(1) In accordance with IFRS 3 “Business Combinations” the identifiable intangible assets that were acquired relate to the fair value of customer relationships and customer order books.

(2) The goodwill is principally attributable to the skills and technical talent of the acquired workforce, earnings attributable to future new customers; opportunities from expansion into new geographies and the synergies expected to be achieved from integrating the companies into ERM.

Notes to the financial statements

14. Business combinations (continued)

(a) Energetics

On 31 July 2024, ERM Emilion Australia Pty Ltd completed the acquisition of Energetics Group Holdings Pty. Limited and its subsidiary Energetics Pty Ltd (together, "Energetics"). The transaction was conducted via the acquisition of 100% of the issued shares in Energetics Group Holdings Pty. Limited

Energetics strengthens ERM's position as the leading climate change advisory business in Australia and New Zealand, and adds depth and strength to the following existing services: sustainability strategy & climate risk; decarbonization technologies and sustainable energy solutions; energy accounting and reporting; and energy and carbon markets. In addition, acquiring Energetics expands the ERM offer to include financial quantification for climate risk assessment and an Australian Financial Services License to enhance our carbon markets offering.

Cash consideration of $12,226,000 (AUD 18,656,000) was paid during the year ended 31 March 2025.

From the date of acquisition, Energetics contributed $8,458,000 of net revenue and $740,000 of operating profit (excluding costs of acquisition). If the acquisition had occurred at the beginning of FY25, Energetics would have contributed an additional $4,488,000 of net revenue (unaudited) and $458,000 of operating profit (unaudited).

(b) Other acquisition related costs paid and accrued during the year ended 31 March 2025

Acquisition of subsidiaries net of cash acquired per the cash flow statement is $11,960,000. This consists of:

i. Energetics cash consideration disclosed above ($12,226,000) net of cash acquired ($1,302,000); and
ii. Deferred consideration of $1,036,000 paid in respect of subsidiaries acquired in prior years; accrued upon acquisition.

Payment of transaction costs per the cash flow statement is $7,391,000. This consists of:

iii. Payments of $4,675,000 in respect of subsidiaries acquired in prior years; linked to employment and hence accrued in the current year as a post-acquisition expense once the conditions for payment were met;
iv. Refund of $750,000 held in escrow in respect of a subsidiary acquired in a prior year; and
v. Other acquisition related costs of $3,466,000, principally related to pre-acquisition due diligence costs

The net transaction costs of $8,173,000 reported in the income statement consists of iii and v above, adjusted for accruals.

Notes to the financial statements

14. Business combinations (continued)

Acquisitions during the year ended 31 March 2024

(c) The Big Group

On 1 March 2024, ERM completed the acquisition of The Big Middle and The Big Zero ("The Big Group"), Australian enterprise system specialists who are experts in Salesforce, Oracle, and WalkMe technologies. Combined with ERM's consultancy services and its partnership with Salesforce, The Big Zero's expertise in ESG accounting systems will support clients in establishing a unified source of environmental data. The Big Middle will continue as one of Australia's leading technology service providers focused on systems integration of enterprise solutions, including onboarding and training of customers in Australia and New Zealand. The transaction was completed via the purchase of 100% of the issued shares in The Big Zero Australia Pty Ltd.

Cash consideration of $5,988,000 was paid during the year ended 31 March 2024, being the initial payment of $6,152,000 (AUD 9,372,000) less an estimated net debt and working capital adjustment of $164,000 (AUD 250,000). In addition the Group paid $455,000 (AUD 693,000) to settle transaction expenses and other liabilities of The Big Group.

Deferred payments of up to AUD 2,550,000, are dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met.

(d) Other acquisition of subsidiary undertakings costs paid and accrued during the year ended 31 March 2024

Acquisition of subsidiaries net of cash acquired per the cash flow statement is $12,738,000. This consists of The Big Group cash consideration disclosed in (c) above ($5,988,000) net of cash acquired ($23,000); $455,000 The Big Group other payments; and $6,318,000 paid in respect of subsidiaries acquired in prior years.

The net transaction credit of $19,776,000 reported in the income statement consists of: $25,000,000 release of an earn-out accrual in respect of a subsidiary acquired in a prior year; $3,464,000 deferred payments to subsidiaries acquired in prior years; and other acquisition related expenses of $1,760,000.

Notes to the financial statements

15. Deferred tax assets and liabilities

The deferred tax movement is as follows:

Group	$000
At 1 April 2023	**(284,977)**
Acquisition of The Big Zero	(53)
Credit for the year recognised in income statement (note 9(a))	22,855
Deferred tax on retranslation of intangible assets recognised in other comprehensive income	1,276
Exchange and other differences recognised in other comprehensive income	(370)
At 31 March 2024	**(261,269)**
Acquisition of Energetics (note 14)	(990)
Credit for the year recognised in income statement ((note 9(a))	25,364
Deferred tax on retranslation of intangible assets recognised in other comprehensive income	1,378
Exchange and other differences recognised in other comprehensive income	(1,480)
At 31 March 2025	**(236,997)**

The deferred tax balances have been reflected in the consolidated statement of financial position as follows:

Group	31 March 2025 $000	31 March 2024 $000
Included within non-current assets	79,509	74,311
Included within non-current liabilities	(316,506)	(335,580)
	(236,997)	**(261,269)**

The deferred tax recognised is comprised of the following:

Group	31 March 2025 Assets $000	31 March 2025 Liabilities $000	31 March 2024 Assets $000	31 March 2024 Liabilities $000
Depreciation in advance of capital allowances	3,132	-	-	-
Goodwill	5,201	-	-	-
Intercompany costs deductible once paid (1)	9,004	(3,409)	12,085	-
Pensions	1,314	-	1,572	-
Bonuses	2,397	-	2,910	-
Bad / doubtful debts	2,879	-	2,101	-
Intangible assets	-	(299,955)	-	(312,425)
Tax losses	24,704	-	23,555	-
Vacation accruals	5,621	-	5,355	-
Foreign exchange timing differences	-	-	-	(4,435)
Interest restrictions	9,925	-	9,536	-
Leases	11,988	(11,490)	13,010	(12,525)
Other timing differences	3,344	(1,652)	4,187	(6,195)
Deferred tax assets / (liabilities)	**79,509**	**(316,506)**	**74,311**	**(335,580)**

(1) The 31 March 2024 intercompany costs deductible once paid deferred tax asset of $12,085,000 is net of an associated deferred tax liability of $3,212,000.

Notes to the financial statements

15. Deferred tax assets and liabilities (continued)

The deferred tax balances are measured at 25% as at 31 March 2025 and 31 March 2024.

At the balance sheet date, the Group has unrecognised deferred tax assets of $41,912,000 (2024: $40,684,000). This includes a deferred tax asset of $38,534,000 (2024: $35,685,000) relating to unutilised UK interest expenses which are carried forward to future periods and do not have an expiry date. This deferred tax asset is not considered to satisfy the recognition criteria due to uncertainty regarding the level and suitability of future taxable profits.

16. Trade and other receivables

	Group 31 March 2025 $000	Company 31 March 2025 $000	Group 31 March 2024 $000	Company 31 March 2024 $000
Trade receivables (net of allowance) (1)	210,273	-	193,000	-
Amounts recoverable on contracts	162,521	-	137,704	-
Amounts due from Group undertakings (2)	-	31,431	-	-
Other receivables (3)	12,074	169	11,637	303
Prepayments	20,380	-	19,044	-
Prepayments to departing shareholders (note 18(d))	4,122	4,122	-	-
Net investment in sublease	-	-	67	-
Total (4)	**409,370**	**35,722**	**361,452**	**303**

(2) Trade receivables is disclosed net of a loss allowance of $8,380,000 (2024: $8,508,000).

(3) During the year ended 31 March 2025 the Company received dividend income of $158.5 million, of which $60 million was settled through intercompany loans (2024: nil).

(4) Assets totalling $549,000 that were presented within Group other receivables in the prior year financial statements have been reclassified to other investments on the face of the statement of financial position to better reflect the nature of the assets.

(5) Interest rate hedges at fair value of $17,262,000 that were presented within Group trade and other receivables in the prior year financial statements are now presented on the face of the statement of financial position.

The average credit period taken on trade receivables, calculated by reference to the net amount owed at the year end as a proportion of total revenue in the year was 54.3 days.

The Group receives payments from customers based on a billing schedule, as established in the contract. Trade receivables and amounts recoverable on contracts are recognised when the right to consideration becomes unconditional.

The current amounts due from Group undertakings for operational loans carry interest rates of three month local currency Term SOFR (1 month) + 3.52% and for structural loans carry interest rates of three month local currency Term SOFR + 3.92%. Amounts due from Group undertakings are repayable on demand.

16. Trade and other receivables (continued)

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

31 March 2025	Not past due	1-30 days	31-60 days	61-90 days	>90 days	Total
	$000	$000	$000	$000	$000	$000
Expected credit loss rate	0.3%	0.4%	1.0%	2.8%	34.7%	3.8%
Total gross carrying amount at default	132,550	43,707	10,974	10,126	21,296	218,653
Lifetime ECL	400	190	113	279	7,398	8,380

31 March 2024	Not past due	1-30 days	31-60 days	61-90 days	>90 days	Total
	$000	$000	$000	$000	$000	$000
Expected credit loss rate	0.3%	0.5%	1.2%	3.2%	40.4%	4.2%
Total gross carrying amount at default	140,950	27,929	8,801	4,786	19,042	201,508
Lifetime ECL	407	150	109	155	7,687	8,508

The following table details the risk profile for amounts recoverable on contracts based on the Group's provision matrix.

	31 March 2025	31 March 2024
	$000	$000
Expected credit loss rate	2.3%	3.6%
Total gross carrying amount	166,425	142,894
Lifetime ECL	3,904	5,190

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables and amounts recoverable on contracts in accordance with the simplified approach set out in IFRS 9.

	Year ended 31 March 2025	Year ended 31 March 2024
	$000	$000
At 1 April	13,698	13,382
Unused amounts reversed	(7,638)	(6,755)
Change in loss allowance	6,224	7,071
At 31 March	**12,284**	**13,698**

Notes to the financial statements

17. Trade and other payables

	Group 31 March 2025 $000	Company 31 March 2025 $000	Group 31 March 2024 $000	Company 31 March 2024 $000
Trade payables	51,518	-	33,269	-
Other taxes and social security costs	17,336	-	19,389	-
Bills in advance (1)	107,260	-	102,307	-
Accrued expenses and other payables (1) (2)	272,353	2,422	281,683	2,699
Amounts due to departing shareholders	404	404	288	288
Amounts due to Group undertakings	-	5,222	-	23,791
Total (3)	**448,871**	**8,048**	**436,936**	**26,778**

(1) Accrued expenses and other payables include $92 million relating to deposits paid by customers to ReachCentrum SA, a subsidiary of the Group (2024: $105 million). Bills in advance include $43 million relating to work to be completed on ReachCentrum SA products (2024: $40 million). Refer to note 19.

(2) Accrued expenses and other payables include $21 million relating to deposits paid by Government bodies (2024: $21 million). Refer to note 19.

(3) Interest rate hedges at fair value of $652,000 that were presented within Group trade and other payables in the prior year financial statements are now presented on the face of the statement of financial position.

The Directors consider that the carrying amount of trade payables is approximate to their fair value.

Bills in advance relates to payments received in advance of performance under the contract which are recognised as revenue as (or when) the Group performs under the contract.

The current amounts due to Group undertakings by the Company for operational loans carry interest rates of three month local currency Term SOFR (1 month) + 3.52% and for structural loans carry interest rates of three month local currency Term SOFR + 3.92%. Amounts due to Group undertakings are repayable on demand.

Notes to the financial statements

18. Borrowings

	Group 31 March 2025 $000	Company 31 March 2025 $000	Group 31 March 2024 $000	Company 31 March 2024 $000
Current liabilities:				
Secured bank loans	5,350	-	5,350	-
Promissory notes	7,424	7,424	3,825	3,825
	12,774	**7,424**	**9,175**	**3,825**
Non-current liabilities:				
Secured bank loans	1,090,831	-	997,452	-
“A” preference shares	188,223	188,223	185,380	185,380
“B” preference shares	2,309,100	2,309,100	2,212,520	2,212,520
Promissory notes	3,087	3,087	7,151	7,151
	3,591,241	**2,500,410**	**3,402,503**	**2,405,051**
Total borrowings	**3,604,015**	**2,507,834**	**3,411,678**	**2,408,876**

Information about the Group’s exposure to interest rate, foreign currency and liquidity risks is included in note 26.

The total borrowings fall due as follows:

	Group 31 March 2025 $000	Company 31 March 2025 $000	Group 31 March 2024 $000	Company 31 March 2024 $000
Amounts falling due:				
within one year	12,774	7,424	9,175	3,825
in one to two years	7,981	3,087	12,063	7,151
in two to five years	1,111,108	-	1,021,568	-
over five years	2,497,323	2,497,323	2,397,900	2,397,900
	3,629,186	2,507,834	3,440,706	2,408,876
Less: unamortised debt issue costs	(25,171)	-	(29,028)	-
Total borrowings	**3,604,015**	**2,507,834**	**3,411,678**	**2,408,876**

Notes to the financial statements

18. Borrowings (continued)

(a) Terms and repayment schedule

The terms and conditions of outstanding loans are set out below.

				31 March 2025		31 March 2024	
In $000	**Currency**	**Nominal interest rate (2)**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Senior credit facility (1)	USD	3M USD SOFR + 3.00%	2028	506,362	501,235	511,712	510,183
Senior credit facility (1)	EURO	3M EURIBOR + 3.75%	2028	632,847	620,117	531,492	521,647
Total senior credit facility				**1,139,209**	**1,121,352**	**1,043,204**	**1,031,830**
Revolving credit facility	USD	See note (3) below	2027	-	-	-	-
Total secured bank loans				**1,139,209**	**1,121,352**	**1,043,204**	**1,031,830**
Less: unamortised debt issue costs				(25,171)	(25,171)	(29,028)	(29,028)
Total debt, net of debt issue costs				**1,114,038**	**1,096,181**	**1,014,176**	**1,002,802**
"A" preference shares	USD	8% fixed		188,223	188,223	185,380	185,380
"B" preference shares	USD	8% fixed		2,309,100	2,309,100	2,212,520	2,212,520
Promissory notes	USD	3% fixed		10,511	10,511	10,976	10,976
Total borrowings				**3,621,872**	**3,604,015**	**3,423,052**	**3,411,678**

(1) Subject to a 3M USD SOFR / EURIBOR 0.00% floor.

(2) Nominal interest rate as at 31 March 2025

(3) The Revolving credit facility carries an interest rate of 3.35% plus a credit spread adjustment of 0.11448% above 1-month Term SOFR on USD denominated draws, subject to a 0% floor.

Notes to the financial statements

18. Borrowings (continued)

(b) Bank loans

The Group's credit facilities at 31 March 2025 comprise the following:

(i) $506.4.0 million USD denominated first lien term debt fully drawn but reduced from $535 million by mandatory repayments. The facility is repaid at 0.25% ($1.3 million) per quarter with the remaining balance repayable on 11 July 2028. The debt carries an interest rate of 3.00% above 3 month USD SOFR subject to a 0% floor.

During the year ended 31 March 2025, the Group agreed a repricing of this debt from 3.75% to 3.00% above 3 month USD SOFR, effective from 4 February 2025. A fair value gain of $4.0million in respect of this modification is reported within financial income.

During the year ended 31 March 2025, the Group repaid $5.4 million USD. At 31 March 2025, the undiscounted principal balance outstanding was $506.4 million with a carrying value of $501.2 million.

(ii) €585.0 million EUR denominated first lien term debt fully drawn. The facility is repayable on 11 July 2028 and carries an interest rate of 3.75% above 3 month EURIBOR subject to a 0% floor.

On 7 October 2024, the Group added €90.0 million EUR denominated debt consolidating and harmonising under the terms of the first lien debt. A fair value gain of $5.0 million in respect of this modification is reported within financial income.

At 31 March 2025, the undiscounted principal balance outstanding was $632.8 million (€585.0 million revalued to the balance sheet foreign exchange rate) with a carrying value of $620.1 million (€573.3 million revalued to the balance sheet foreign exchange rate).

(iii) $238.0 million of the multi-currency revolving credit facility, repayable on 12 July 2027. The facility carries an interest rate of 3.35% plus a credit spread adjustment of 0.11448% above 1 month Term SOFR on USD denominated draws, subject to a 0% floor.

The Group did not draw on the facility during the year ended 31 March 2025. At 31 March 2025, the revolving credit facility was undrawn, although $6.5 million of the facility was utilised as security for bank guarantees.

(c) Debt issue costs

During the year ended 31 March 2025, the Group capitalised debt issue costs of $4,119,000 in respect of modifications to the Group's credit facilities (2024: $1,717,000). The unamortised debt issue costs balance of $25,171,000 as at 31 March 2025 (2024: $29,028,000) represents capitalised debt issue costs less amounts amortised to date and minor exchange rate movements.

(d) "A" preference shares and promissory notes

"A" preference shares carry the right to a fixed cumulative preferential dividend of 8% compounded quarterly. The "A" preference shares are redeemable by the Company on the 20th anniversary of their issuance or a liquidation, whichever is earlier. The "A" preference shares balance at 31 March 2025 is $188,223,000 and includes $37,046,000 of cumulative preferential dividend (31 March 2024: $185,380,000, including $30,899,000 of cumulative preferential dividend). The "A" preference shares in issue are held by the ERM Partners.

During the year ended 31 March 2025, the Company issued 5,496,381 "A" preference shares (2024: 10,447,272) at US$0.01 nominal value and US$0.99 share premium each to the ERM Partners.

Notes to the financial statements

18. **Borrowings** (continued)

(d) "A" preference shares and promissory notes *(continued)*

An Employee Benefit Trust (EBT) has been set up to acquire shares repurchased from shareholders. The trust is maintained in the Channel Islands and is managed by Ocorian Limited, an organisation independent of ERM. The EBT acquires all ordinary and preference shares re-purchased from departing shareholders, settled partially through cash and partially by the issuing of two-year promissory notes which accrue interest at 3.0% per annum.

During the year ended 31 March 2025, 14,451 "A" ordinary shares, 206,517 "C" ordinary shares, 2,241 "D" ordinary shares and 2,176,264 "A" preference shares were acquired by the EBT from departing shareholders. This was settled (including an amount equal to the accrued dividend payable of $391,000 on the preference shares) for $1,432,000 cash and $1,359,000 issue of promissory notes. A further 9,711 "C" ordinary shares were acquired by the EBT from current shareholders and the consideration reallocated to the issue of preference shares to those shareholders.

During the year ended 31 March 2025, there were further share repurchases by the EBT from departing shareholders for which the transfers had not been registered on the official share register as at 31 March 2025. A total of 40,230 "A" ordinary shares, 239,437 "C" ordinary shares, 8,964 "D" ordinary shares and 3,103,593 "A" preference shares were acquired by the EBT but were not showing as having been transferred on the official share register as at 31 March 2025. This was settled during the year (including an amount equal to the accrued dividend payable of $731,000 on the preference shares) for $2,061,000 cash and $2,061,000 issue of promissory notes. The cash payment is reflected in the consolidated cash flow statement and the promissory notes have been issued. However, as the official share register had not been updated as at 31 March 2025 these amounts remain outstanding in the 31 March 2025 preference share balance and ordinary shares in issue. An offsetting prepayment to departing shareholders of $4,122,000 has been recognised within trade and other receivables (note 16).

During the year ended 31 March 2025 the EBT also acquired 6,623,708 "A" preference shares from eligible current shareholders as part of a planned liquidity event. This was settled for cash of $8,464,000, including an amount equal to the accrued dividend payable of $1,840,000 on the preference shares (2024: $nil).

In the consolidated cash flow statement payments to shareholders of $12,054,000 consists of the above payments to departing shareholders ($1,432,000); payments where the share repurchases are not yet registered on the official share register ($2,061,000); liquidity event ($8,464,000); and also includes settlement of prior year deferred consideration ($97,000).

During the year ended 31 March 2025 the Company also declared and paid $6,263,000 of the accrued preferential dividend due to the "A" preference shareholders (2024: $nil).

During the year ended 31 March 2024, a total of 183,753 "A" ordinary shares, 334,837 "C" ordinary shares, 3,735 "D" ordinary shares and 13,707,593 "A" preference shares were acquired by the EBT from departing shareholders. This was settled (including an amount equal to the accrued dividend payable of $2,175,000 on the preference shares) for $8,046,000 cash, $289,000 deferred consideration payable; and $8,070,000 issue of promissory notes. In addition, $4,963,000 of deferred consideration payable from the prior year was settled, giving a total cash payment to departing shareholders during the year ended 31 March 2024 of $13,009,000.

During the year ended 31 March 2025 the Group cash paid $3,672,000 in settlement of maturing promissory notes (2024: $2,057,000).

18. Borrowings (continued)

(e) “B” preference shares

“B” preference shares carry the right to a fixed cumulative preferential dividend of 8% compounded quarterly. The “B” preference shares are redeemable by the Company on the 20th anniversary of their issuance or a liquidation, whichever is earlier. The “B” preference shares in issue are held by Nature Topco UK Limited, the Company’s parent company.

No “B” preference shares were issued during the years ended 31 March 2025 or 31 March 2024.

During the year ended 31 March 2025 the Company declared and paid $83,737,000 of the accrued preferential dividend due to the sole “B” preference shareholder Nature Topco UK Limited (2024: $nil).

The “B” preference shares balance at 31 March 2025 is $2,309,100,000 and includes $489,175,000 of cumulative preferential dividend (31 March 2024: $2,212,520,000, including $392,595,000 of cumulative preferential dividend).

19. Net Debt

Analysis of net debt

	At 31 March 2024 $000	Cash flow $000	Exchange difference $000	Other non cash flow $000	At 31 March 2025 $000
Cash at bank and on hand	95,130	43,756	1,000	-	139,886
Money market deposits	97,743	(78,172)	(2,670)	-	16,901
Cash and cash equivalents (1) (2)	192,873	(34,416)	(1,670)	-	156,787
Debt due within one year	(9,175)	96,232	-	(99,831)	(12,774)
Debt due after one year (3)	(3,402,503)	(2,625)	(724)	(185,389)	(3,591,241)
Lease liabilities (3)	(48,790)	21,593	2	(20,452)	(47,647)
Financing liabilities	(3,460,468)	115,200	(722)	(305,672)	(3,651,662)
Total	**(3,267,595)**	**80,784**	**(2,392)**	**(305,672)**	**(3,494,875)**

(1) The 31 March 2025 cash balance includes $131 million of cash originally deposited with ReachCentrum SA (31 March 2024: $138 million). ReachCentrum SA is a wholly owned subsidiary of the Group and provides administrative support to companies acting in consortia to register chemical substances under the REACH EU regulations. The cash deposited with ReachCentrum SA represents deposits received from consortium members, to be deployed on registrations and subsequent evaluations required under the REACH processes, with any excess funds required to be returned to members of the consortium if requested. A liability of $135 million held within trade and other payables (refer to note 17) relates to the obligations towards these consortium members.

(2) The 31 March 2025 cash balance includes $21 million of cash held on behalf of government bodies (31 March 2024: $21 million). Certain wholly owned subsidiaries of the Group provide administrative support to companies participating in government funded research projects. Deposits are received in advance from various government bodies and released to the external project participants on completion of approved project milestones. A liability of $21 million held within accrued expenses and other payables (refer to note 17) relates to the obligations towards the external project participants.

(3) See below reconciliation of net cash flow to movement in net debt for components of other non-cash flow.

Notes to the financial statements

19. Net Debt (continued)

Reconciliation of net cash flow to movement in net debt

	Notes	Year ended 31 March 2025 $000	Year ended 31 March 2024 $000
Decrease in cash		(34,416)	(11,954)
Issue of "A" preference shares	18 (d)	(4,805)	(10,286)
Repurchase of "A" preference shares (1)	18 (d)	9,673	7,524
Dividends paid to "A" and "B" preference shareholders	18 (d)(e)	90,000	-
Settlement of promissory notes	18 (d)	3,672	2,057
Proceeds from bank loans	18 (b)	(100,520)	-
Repayment of bank loans	18 (b)	5,350	5,350
Interest payments on bank loans held at amortised cost		87,210	88,841
Debt issue costs	18 (c)	3,027	1,717
Repayment of lease liabilities and interest		21,593	21,366
Change in net debt resulting from cash flows		80,784	104,615
Exchange difference		(2,392)	1,422
Issue of "A" preference shares	18 (d)	(692)	(162)
Repurchase of "A" preference shares	18 (d)	1,359	8,359
Dividends accrued on "A" and "B" preference shares		(194,958)	(183,422)
Issuance of promissory notes		(3,420)	(8,070)
Settlement of promissory notes		213	-
Fair value gain on modification of bank loans	18 (b)	9,012	8,895
Interest expense on bank loans held at amortised cost		(97,826)	(93,221)
Debt issue costs		1,092	-
Interest accrued on leases		(4,047)	(2,798)
Lease additions, acquisitions and disposals		(16,405)	(25,654)
Other non-cash flow movement		(305,672)	(296,073)
Movement in net debt in the financial year		(227,280)	(190,036)
Net debt at 1 April		(3,267,595)	(3,077,559)
Net debt at 31 March		**(3,494,875)**	**(3,267,595)**

(1) Repurchase of ordinary and preference shares per the consolidated cash flow statement for the year ended 31 March 2025 is $12,054,000. The net debt repurchase of "A" preference shares cash flow of $9,673,000 above excludes $2,061,000 paid to departing shareholders where share register had not been updated as at 31 March 2025 (see note 18(d); $223,000 paid in respect of ordinary shares (not net debt); and $97,000 paid in respect of preference shares bought back in the year ended 31 March 2024 and reflected as a non-cash net debt movement in that year.
Repurchase of ordinary and preference shares per the consolidated cash flow statement for the year ended 31 March 2024 is $13,009,000. The net debt repurchase of "A" preference shares cash flow of $7,524,000 above excludes $734,000 paid in respect of ordinary shares (not net debt); and $4,751,000 paid in respect of preference shares bought back in prior years and reflected as a non-cash net debt movement in that year.

Notes to the financial statements

20. Lease liabilities

The Group leases offices, as well as a number of motor vehicles and office equipment. The leases typically run for a period of one to five years, often with an option to renew the lease after its expiry date. Each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability.

The Group is required to make additional lease payments when the usage of the underlying assets exceeds the contractual terms. The Group's variable lease payments of $548,000 (2024: $532,000) are less than 2.5% (2024: 2.5%) of the total lease payments of $21,593,000 (2024: $21,366,000). These payments are not included in the measurement of the lease liabilities and are recognised as an expense in the Group's Income Statement.

Lease liabilities are payable as follows:

	31 March 2025 $000	31 March 2024 $000
Lease liabilities due:		
within one year	18,412	14,272
in two to five years	34,172	36,898
over five years	3,538	6,189
	56,122	57,359
Less unearned interest	(8,475)	(8,569)
Present value of lease obligations	**47,647**	**48,790**
Disclosed as:		
Amount due for settlement within 12 months (shown under current liabilities)	14,927	14,272
Amount due for settlement after 12 months (shown under non-current liabilities)	32,720	34,518
Total lease liabilities	**47,647**	**48,790**

21. Share capital

			Allotted, called up and fully paid	
	2025 No.	**2025 $000**	**2024 No.**	**2024 $000**
"A" ordinary shares [1]	2,378,198	24	2,109,661	21
"B" ordinary shares [1]	27,574,626	276	27,574,626	276
"C" ordinary shares [1]	10,074,876	101	8,347,525	83
"D" ordinary shares [1]	196,676	2	159,767	2
Deferred shares[1]	42,221,835	422	33,188,980	332
Special shares[1]	168	-	131	-
		825		**714**
"A" preference shares [1]	151,177,323	1,512	154,480,914	1,545
"B" preference shares [1]	1,819,925,316	18,199	1,819,925,316	18,199
		19,711		**19,744**

(1) Held at US$0.01 nominal value

Notes to the financial statements

21. Share capital (continued)

The share capital structure available for issue by the Company as at 31 March 2025 is comprised as follows:

- “A” ordinary shares of US$0.01 each;
- “B” ordinary shares of US$0.01 each;
- “C” ordinary shares of US$0.01 each;
- “D” ordinary shares of US$0.01 each;
- “A” preference shares of US$0.01 each;
- “B” preference shares of US$0.01 each;
- “Deferred” shares of US$0.01 each; and
- “Special” shares of US$0.01 each;

“A”, “B”, “C” and “D” ordinary shares carry full voting rights. “A” and “B” preference shares carry the right to vote on a limited range of resolutions affecting the rights attached to such shares. Deferred and Special shares do not carry the right to receive notice of or to attend or vote at any general meeting of the Company.

The movement in share capital in issue from 31 March 2024 to 31 March 2025 is presented below:

	At 31 March 2024		Issued		Conversions		**At 31 March 2025**	
	No.	$000	No.	$000	No.	$000	**No.**	**$000**
“A” ordinary shares	2,109,661	21	282,988	3	(14,451)	-	2,378,198	24
“B” ordinary shares	27,574,626	276	-	-	-	-	27,574,626	276
“C” ordinary shares	8,347,525	83	1,943,579	20	(216,228)	(2)	10,074,876	101
“D” ordinary shares	159,767	2	39,150	-	(2,241)	-	196,676	2
Deferred shares	33,188,980	332	-	-	9,032,855	90	42,221,835	422
Special shares	131	-	-	-	37	-	168	-
		714		**23**		**88**		**825**
“A” preference shares	154,480,914	1,545	5,496,381	55	(8,799,972)	(88)	151,177,323	1,512
“B” preference shares	1,819,925,316	18,199	-	-	-	-	1,819,925,316	18,199
		19,744		**55**		**(88)**		**19,711**

The movement in share capital in issue from 31 March 2023 to 31 March 2024 is presented below:

	At 31 March 2024		Issued		Conversions		**At 31 March 2025**	
	No.	$000	No.	$000	No.	$000	**No.**	**$000**
“A” ordinary shares	2,293,414	23	-	-	(183,753)	(2)	2,109,661	21
“B” ordinary shares	27,574,626	276	-	-	-	-	27,574,626	276
“C” ordinary shares	4,313,645	43	4,368,717	44	(334,837)	(4)	8,347,525	83
“D” ordinary shares	85,098	1	78,404	1	(3,735)	-	159,767	2
Deferred shares	18,959,126	190	-	-	14,229,854	142	33,188,980	332
Special shares	67	-	-	-	64	-	131	-
		533		**45**		**136**		**714**
“A” preference shares	157,741,235	1,577	10,447,272	105	(13,707,593)	(137)	154,480,914	1,545
“B” preference shares	1,819,925,316	18,199	-	-	-	-	1,819,925,316	18,199
		19,776		**105**		**(137)**		**19,744**

All shares issued during the year ended 31 March 2025 and year ended 31 March 2024 were issued at US$0.01 nominal value and US$0.99 share premium.

Notes to the financial statements

21. Share capital (continued)

During the year ended 31 March 2025 a total of 14,451 “A” ordinary shares, 216,228 “C” ordinary shares, 2,241 “D” ordinary shares and 8,799,972 “A” preference shares were acquired by the EBT from shareholders.

During the year ended 31 March 2025, there were further share repurchases by the EBT from departing shareholders for which the transfers had not been registered on the official share register as at 31 March 2025. A total of 40,230 “A” ordinary shares, 239,437 “C” ordinary shares, 8,964 “D” ordinary shares and 3,103,593 “A” preference shares were acquired by the EBT but were not showing as having been transferred on the official share register as at 31 March 2025. These shares remain in issue in the 31 March 2025 share numbers disclosed above.

During the year ended 31 March 2024 a total of 183,753 “A” ordinary shares, 334,837 “C” ordinary shares, 3,735 “D” ordinary shares and 13,707,593 “A” preference shares were acquired by the EBT from shareholders.

Pursuant to the Articles of Association of the Company, all “A” ordinary shares, “C” ordinary shares, “D” ordinary shares, and all but one of the “A” preference shares acquired by the EBT from each shareholder are automatically converted into ‘deferred shares’ of US$0.01 nominal value each.

‘Deferred shares’ are not entitled to receive any dividends and do not carry the right to receive notice of nor to attend or vote at any general meeting of the Company. The one “A” preference share not converted into a deferred share is instead converted into a special share of US$0.01 nominal value. At 31 March 2025, there were 168 special shares in issue (31 March 2024: 131). Special shares are not entitled to receive any dividends nor do they carry the right to receive notice of or to attend or vote at any general meeting of the Company.

Preference shares are shown on the statement of financial position as debt and in note 18 as falling due after more than one year.

22. Share-based payments

The Group has a share-based payment scheme for Partners of the Group, whereby they have purchased class A, C and/or class D ordinary shares in the Company which are entitled to certain rights in the event of an exit or return of capital by the ultimate parent company, Nature Topco UK Limited. The shares are typically repurchased by the Group if the employee leaves the Group before such an exit event.

The IFRS 2 fair value of the shares at the grant date was calculated using the Monte Carlo model, which is considered to be the most appropriate method to take into account the impact of the potential exit dates. The fair values are set out below:

Group	**Class A Shares No.**	**IFRS 2 Fair Value $**	**Class C Shares No.**	**IFRS 2 Fair Value $**	**Class D Shares No.**	**IFRS 2 Fair Value $**
At 1 April 2023	-	-	**4,313,645**	**4.49**	**85,098**	**4.26**
Granted during the year	-	-	4,048,717	2.91	78,404	2.96
Forfeited during the year	-	-	(334,837)	3.96	(3,735)	4.21
At 31 March 2024	-	-	**8,027,525**	**3.70**	**159,767**	**3.62**
Granted during the year	282,988	7.74	1,858,579	7.62	39,150	7.71
Forfeited during the year	-	-	(216,228)	3.72	(2,241)	4.21
At 31 March 2025	**282,988**	**7.74**	**9,669,876**	**4.46**	**196,676**	**4.43**

Under IFRS 2, the fair value is recognised over the period from issue to assumed exit date. The share-based payment expense for the year ended 31 March 2025 was $10,621,000 (2024: $8,759,000), of which $10,232,000 (2024: $8,429,000) relates to the equity-settled share based payment scheme above and $389,000 (2024: $330,000) relates to a liability-settled share based-payment scheme.

Notes to the financial statements

23. Pension commitments

Group companies operate various defined contribution pension schemes in countries around the world, including Australia, Hong Kong and the United Kingdom. The schemes are funded by the payment of contributions to separately administered funds. A 401K Plan is maintained by Vanguard for United States employees, to which the US employers make matching contributions.

At the balance sheet date, an accrual of $5,389,000 relating to unpaid pension contributions is included within the financial statements (2024: $5,110,000). The amount charged to the income statement during the year ended 31 March 2025 was $25,484,000 (2024: $24,469,000).

24. Contingent liabilities

Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. Following IAS 37, when it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals. For other cases it is not possible to predict with certainty the results of these contingent liabilities but the Directors believe, taking into account counter-claims including any claims against third parties, insurance coverage and provisions in the accounts, that the outcome will not have a material effect on the Group's financial position.

25. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below:

Transactions with the management personnel

The “A” preference shares are owned globally by ERM Partners, who are senior management level leaders of the business. The “A” preference shares balance at 31 March 2025 of $188,223,000 includes $37,046,000 of cumulative preferential dividend (31 March 2024: $185,380,000 includes $30,899,000 of cumulative preferential dividend). See note 18 (d).

The Company Directors and senior members of the Executive Committee are considered to be the key management personnel. Directors’ remuneration is disclosed in note 6. During the year ended 31 March 2025, 60,000 “A” ordinary shares and 89,110 “C” ordinary shares were issued to key management personnel (2024: 435,000 “C” ordinary shares); all shares are fully paid and included in note 21. In addition, 528,110 “D” ordinary shares in Nature Topco limited, the ultimate parent company, are held by the EBT on behalf of a Director of the Company (2024: 528,110).

The emoluments of key management personnel for services provided to the Group for the year ended 31 March 2025 and 31 March 2024 are as follows:

	Year ended 31 March 2025 $000	**Year ended 31 March 2024 $000**
Emoluments	7,758	6,851
Contributions paid to defined contribution pension schemes (no. of members 2, FY24: 2)	49	10

Emoluments include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year). Emoluments are paid in local currency in the country of residence.

Key management personnel additionally received $509,000 in respect of the accrued preferential dividend paid to “A” preference shareholders (see 18(d)) (2024: $nil).

25. Related party transactions (continued)

Other related party balances

Our institutional shareholder KKR provide strategic corporate planning and other management services to the Group in accordance with an annual management advisory agreement. In consideration of these and other services the Group reported advisory fees and related expenses of $2,704,000 during the year ended 31 March 2025 (2024: $2,866,000).

During the year ended 31 March 2025 the Group paid finance arrangement fees of $2,259,000 to KKR Capital Markets Partners LLP (2024: $1,158,880). These costs were capitalised as debt issue costs (see note 18).

In addition, during the year ended 31 March 2025 the Group paid advisory fees of $260,000 to KKR Capstone EMEA LLP (2024: nil).

26. Financial instruments and related disclosures

Financial risk management

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors usually meets every other month, with extra meetings as required. At these meetings operational performance as well as business risks are monitored and discussed with any necessary actions agreed to mitigate key risks.

Details of the Group's principal risks and uncertainties are also set out in the Strategic report on pages 26-27. Furthermore, details of cash on hand and debt facilities are set out in the Strategic report on page 5.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from and work in progress with customers.

The carrying amount of the Group's non-derivative financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		31 March 2025	31 March 2024
	Notes	**$000**	**$000**
Trade receivables, net	16	210,273	193,000
Amounts recoverable on contracts	16	162,521	137,704
Other receivables (1)		6,092	7,593
Cash and cash equivalents	19	156,787	192,873
Total		**535,673**	**531,170**

(1) Comprises note 16 balance less excluded items under IFRS such as local tax and statutory related receivable balances.

The Group has no significant concentrations of credit risk at the balance sheet date. The trade receivables balance is spread across a large number of different customers in the following key sectors: Energy, Power, Chemical, Technology, Finance, Manufacturing, Mining and Pharmaceuticals. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. The Group only sells to customers who are creditworthy and mitigates risk in certain markets by trading on terms with accelerated payments, bank guarantees and letters of credit. The Group monitors the creditworthiness of counterparties using publicly available information. As a result the Group's exposure to bad debts is not significant and default rates have historically been very low.

The Group is also exposed to credit risk arising from other financial assets, which comprise cash and short-term deposits. The Group's policy is that surplus funds are held with counterparties, who are either party to the Group's banking syndicate, or who are creditworthy counterparties. The Group only deals with banks with A-1 (S&P) / P-1 (Moody's) rating in order to manage this risk.

26. Financial instruments and related disclosures (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements and by monitoring any obligations, limits and covenants (where applicable) on a regular basis to ensure there are no expected significant breaches, which would lead to an ‘‘Event of Default’’. The only covenant relates to the use of revolving credit facility at each quarter end. The Group has been below the threshold for testing this covenant at every quarter end. There are no other covenants that apply to the Group.

The Group has a centralised treasury function that monitors and manages cash balances and cash flow forecasts for the operating entities. Cash flow forecasting is performed by the Group to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach on any of its borrowing obligations facilities. Such forecasting takes into consideration the Group’s debt financing plans, covenant compliance, compliance with internal balance sheet targets and, if applicable, external regulatory or legal requirements – for example, any currency restrictions.

The Group is exposed to certain restrictions imposed by the terms of its debt facilities and the loans are secured by fixed and floating charges over the assets of the Group. A portion of cash flow from operations is used for the payment of interest and principal. The cash flow forecasts continue to demonstrate the strong cash generating ability of the business and its ability to operate within existing agreed banking facilities. For further details of the Group’s borrowings see note 18.

At the year end the Group also had a revolving credit facility of $238 million, which was undrawn and $6.5 million of the undrawn amount was utilised as security for bank guarantees (2024: $238 million facility; undrawn; $4.1 million utilised as security for bank guarantees).

The carrying amount of the Group’s non-derivative financial liabilities at fair values represents the maximum liquidity exposure. The maximum exposure to liquidity risk at the reporting dates was as follows:

		31 March 2025	31 March 2024
	Notes	**$000**	**$000**
Non-derivative financial liabilities – current:			
Trade payables	17	51,518	33,269
Accrued expenses and other payables (1)		223,111	232,287
Secured bank loans	18	5,350	5,350
Promissory notes	18	7,424	3,825
		287,403	**274,731**
Non-derivative financial liabilities – non-current:			
Secured bank loans	18	1,090,831	997,452
“A” preference shares	18	188,223	185,380
“B” preference shares	18	2,309,100	2,212,520
Promissory notes	18	3,087	7,151
		3,591,241	**3,402,503**
Total non-derivative financial liabilities		**3,878,644**	**3,677,234**

(1) Comprises note 17 balance less excluded items under IFRS such as local taxes and statutory related balances.

Notes to the financial statements

26. Financial instruments and related disclosures (continued)

Liquidity risk (continued)

The maturity profile of the contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out below.

		Contractual undiscounted cash flows			
31 March 2025 In $000	**Total**	**12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities:					
Trade payables	51,518	51,518	-	-	-
Accrued expenses and other payables	223,111	223,111	-	-	-
Secured bank loans (1)	1,385,400	80,853	80,460	1,224,087	-
"A" preference shares (2)	188,223	-	-	-	188,223
"B" preference shares (2)	2,309,100	-	-	-	2,309,100
Promissory notes	10,511	7,424	3,087	-	-
Total	**4,167,863**	**362,906**	**83,547**	**1,224,087**	**2,497,323**

		Contractual undiscounted cash flows			
31 March 2024 In $000	**Total**	**12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities:					
Trade payables	33,269	33,269	-	-	-
Accrued expenses and other payables	232,287	232,287	-	-	-
Secured bank loans (1)	1,418,562	92,137	91,653	1,234,772	-
"A" preference shares ()	185,380	-	-	-	185,380
"B" preference shares (2)	2,212,520	-	-	-	2,212,520
Promissory notes	10,976	3,825	7,151	-	-
Total	**4,092,994**	**361,518**	**98,804**	**1,234,772**	**2,397,900**

(1) Secured bank loans cash flows comprise the undiscounted payments of principal and interest on secured bank loans. The maturity analysis in note 18 excludes the variable element of interest payments.

(2) As disclosed in note 18, the preference shares are redeemable by the Company on the 20th anniversary of their issuance or a liquidation, whichever is earlier.

With the exception of secured bank loans, it is not expected that the undiscounted cash flows above could occur at significantly different amounts. Secured bank loans are subject to currency and interest rate risk, as detailed respectively in the currency risk and interest rate sections of this note.

26. Financial instruments and related disclosures (continued)

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income. Other risks include recession impacting geographies or sectors the Group operates in.

ERM's business is derived in a large part from the petroleum, manufacturing, chemical, pharmaceutical, mining, power, infrastructure and technology industries. A major change in one or more of these industries could result in significant changes in the market for environmental services and ERM's business, which could give rise to temporary or long-term challenges or setbacks for ERM, which may adversely affect operations, financial condition and results of operations.

These risks are managed by strong reporting, control and forecasting over cash flows. Management monitors macro-economic trends and the impact on business or sector performance and, if necessary, takes appropriate action to mitigate risks.

The Group's indebtedness is drawn in US Dollars and Euros to provide a natural hedge against these currencies, being the major currencies in which the Group operates. This provides an economic hedge without derivatives being entered into.

Currency risk

The Group operates internationally and is, therefore, exposed to foreign exchange risk which can negatively impact revenue, costs, margins and profit.

The Group's exposure to transaction risk on the translation and conversion of trade transactions is not considered significant to warrant any income statement and balance sheet hedging. A natural hedge is in place as costs are typically in the same currency as sales for ERM entities.

The currency risk is also managed through the use of foreign currency bank accounts.

The level of Group monetary assets and liabilities at the reporting date in currencies other than the local currency of operation is not significant. Monetary assets and liabilities refer to cash, deposits, borrowings and other amounts to be received or paid in cash. Amounts exclude intercompany balances which eliminate on consolidation.

The Group's bank loans include EUR denominated term debt (see note 18(b)). At 31 March 2025 the balance outstanding on the EUR term debt was €585 million revalued to $633 million at the balance sheet foreign exchange rate (31 March 2024: €495 million EUR debt revalued to $532 million). The consolidated income statement includes foreign exchange movements on revaluation of the EUR debt, reported within financial income and expenses. The table below discloses the impact on financial income / expenses of a 10% increase / decrease in USD against EUR.

Impact	**USD 10% Strengthening**		**USD 10% Weakening**	
	Year ended 31 March 2025 $000	**Year ended 31 March 2024 $000**	**Year ended 31 March 2025 $000**	**Year ended 31 March 2024 $000**
Financial income / (expense)	49,969	40,811	(61,073)	(49,880)

Notes to the financial statements

26. Financial instruments and related disclosures (continued)

Interest rate risk

The Group's indebtedness is drawn in US dollars and Euros to provide a natural hedge against the major currencies in which the Group operates. The Group is exposed to the risk of interest rate fluctuations mainly with regard to the interest expense on the external debt. The Group's bank borrowings incur variable interest rates charged at USD SOFR / EURIBOR plus a fixed margin.

The Group assesses whether interest rate hedges should be entered into on a regular basis. The Group has entered into arrangements for interest rate caps, swaps and collars to hedge against the increase of interest rates on the bank loans. The caps reduce the Group's exposure to rate rises without impacting existing participation in falling rates, while swaps reduce the Group's sensitivity to rate changes. The interest rate caps and swaps have not been designated as hedging instruments.

Details of the Group's caps and swaps are set out in the tables below.

Current assets

Cap/swap/collar amount CCY'000	Interest rate cap/swap terms		Fair value asset 31 March 2025 $000	Fair value asset 31 March 2024 $000
USD 300,000	4-year 2.285% IR Cap on 3M USD SOFR	31 March 2022 to 31 March 2026	6,545	-
USD 125,000	3-year 3.2725% IR Cap on 3M TERM SOFR	30 September 2022 to 30 September 2025	915	-
EUR 125,000	3-year 2.5% IR Cap on 3M EURIBOR	30 September 2022 to 30 September 2025	217	-
			7,677	**-**

Non-current assets

Cap/swap/collar amount CCY'000	Interest rate cap/swap terms		Fair value asset 31 March 2025 $000	Fair value asset 31 March 2024 $000
USD 300,000	4-year 2.285% IR Cap on 3M USD SOFR(1)	31 March 2022 to 31 March 2026	-	12,906
EUR 125,000	3-year 2.5% IR Cap on 3M EURIBOR(1)	30 September 2022 to 30 September 2025	-	1,602
USD 125,000	3-year 3.2725% IR Cap on 3M USD SOFR	30 September 2022 to 30 September 2027	420	2,754
USD 150,000	2-year 0% Floor on 3M USD SOFR	31 March 2026 to 31 March 2028	75	-
EUR 150,000	4-year fixed 2.896% swap on 3M EURIBOR	28 March 2024 to 31 March 2028	72	-
EUR 125,000	2-year 3.065% IR Cap on 3M EURIBOR	30 September 2025 to 30 September 2027	4	-
EUR 70,000	3.25-year fixed 2.35% Collar (2.35% CAP/ 1.75% Floor) on 3M EURIBOR	31 December 2024 to 31 March 2028	143	-
			714	**17,262**

(1) Classified as current in the year ended 31 March 2025.

Notes to the financial statements

26. Financial instruments and related disclosures (continued)

Non-current liabilities

Cap/swap/collar amount CCY'000	Interest rate cap/swap terms		Fair value (liability) 31 March 2025 $000	Fair value (liability) 31 March 2024 $000
EUR 150,000	3-year fixed 3.1065% swap on 3M EURIBOR	28 March 2024 to 31 March 2028	(3,654)	(336)
EUR 50,000	4-year fixed 3.025% swap on 3M EURIBOR	28 March 2024 to 31 March 2028	(1,404)	(316)
USD 150,000	2-year 3.6315% Swap on 3M USD SOFR	31 March 2026 to 31 March 2028	(397)	-
			(5,455)	**(652)**

The above non-current assets and liabilities will expire between 1-5 years.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was as follows:

Carrying amount	31 March 2025 $000	31 March 2024 $000
Fixed rate instruments		
"A" preference shares (1)	188,223	185,380
"B" preference shares (1)	2,309,100	2,212,520
Promissory notes	10,511	10,976
	2,507,834	**2,408,876**
Variable rate instruments		
Cash and cash equivalents	(156,787)	(192,873)
Senior credit facility	1,121,352	1,031,830
	964,565	**838,957**

(1) Subject to non-cash accrued dividends

26. Financial instruments and related disclosures (continued)

Interest rate sensitivity analysis

The current effective rate of interest applied to the Group’s debt facilities is calculated as 3 month USD SOFR or 3 month EURIBOR rate both subject to a floor of 0.00% plus a margin of between 3.00% and 3.75%. At 31 March 2025, 3 month USD SOFR was 4.33% (2024: LIBOR 5.30%) and 3 month EURIBOR was 2.32% (2024: 3.90%).

An increase in interest rates of 100bps on floating rate borrowings (bank borrowings which attract interest at floating rates) would increase the Group's loss for the financial year by approximately $2.7 million (2024: $2.8 million). A decrease in interest rates of 100bps would reduce the Group's loss for the financial year by approximately $4.2 million (2024: $2.8 million).

Capital risk

The Group’s objectives when managing capital (defined as net cash plus equity) are to safeguard its ability to continue as a going concern whilst seeking to optimise returns to its shareholders. The Board’s policy is to retain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future growth. The Directors regularly monitor:

- The Group’s level of capital to ensure that this can be achieved. This is measured on the basis of the net debt leverage ratio. This ratio is calculated as net debt divided by total earnings before interest, tax, depreciation and amortisation. Net debt is calculated as total borrowings (including ‘current and non-current borrowings’ as shown in the consolidated statement of financial position) less cash and cash equivalents.

- Performance versus annual budget and quarterly forecasts.

Cash is used to fund the Group’s continued investment and growth of the global brand. It is also used to make routine payments of capital expenditure and tax. The Group also has access to the multi-currency revolving credit facility of $238 million which was undrawn at 31 March 2025 ($6.5 million of the undrawn amount was utilised as security for bank guarantees). (31 March 2024 undrawn; $4.1 million utilised as security for bank guarantees).

The Group is in compliance with the limited financial and other obligations, limits and covenants within its committed bank credit facilities, and has been in compliance throughout the historical period.

Fair value disclosures

The fair values of non-derivative financial assets and liabilities, including liabilities held at amortised cost, are approximately equal to their carrying value.

The Group did not have any financial instruments designated as hedging instruments as at 31 March 2025 (31 March 2024: none).

Notes to the financial statements

27. Investment in subsidiaries

Details of the related undertakings which the Group and the Company hold, directly or indirectly are shown below. All companies either carry out the principal activities of the Group, namely the provision of sustainability & climate change, safety and digital services to clients, or are holding companies. The address key refers to the registered office address which is provided in the subsequent table.

		Share class	***Holding %***		***Country of incorporation***	***Address key***
North America						
ERM Consultants Canada Ltd.	*	Common	100		Canada	1
	*	Preferred	100			
Coho Climate Advisors LLC	*	Interests	100		USA	2
Environmental Resources Management Michigan, Inc.	*	Common	100		USA	3
Environmental Resources Management Southwest, Inc.	*	Class A	100		USA	4
	*	Class B	100			
Environmental Resources Management, Inc.	*	Common	100		USA	5
ERM Alaska, Inc.	*	Common	100		USA	6
ERM Certification & Verification Services Incorporated	*	Common	100		USA	2
ERM Consulting & Engineering, Inc.	*	Common	100		USA	7
ERM Emerald US Inc.	*	Common	100		USA	2
ERM NC, Inc.	*	Common	100		USA	8
ERM-Delaware, Inc.	*	Common	100		USA	2
ERM-NA Holdings Corp.	*	Common	100		USA	5
SustainAbility, Inc	*	Ordinary	100		USA	2
United Kingdom						
CSA Global (UK) Limited	*	Ordinary	100		UK	9
Dolphyn Hydrogen Limited	*	Ordinary	100		UK	9
Dolphyn Hydrogen - Celtic Sea SPV Limited	*	Ordinary	100		UK	9
Dolphyn Hydrogen - North Sea SPV Limited	*	Ordinary	100		UK	9
Eagle 4 Limited	*	Ordinary	100		UK	9
Emerald 2 Limited	*	Ordinary	100		UK	9
Engineering Safety Consultants Limited	*	Ordinary	100	1	UK	9
Environmental Resources Management Limited	*	Ordinary	100		UK	9
ERM-Asia Pacific Holdings, Limited	*	Ordinary	100		UK	9
ERM Certification and Verification Services Limited	*	Ordinary	100		UK	9
ERM Climate Markets Limited	*	Ordinary	100		UK	9
ERM Eurasia Limited	*	Ordinary	100		UK	9
ERM-Europe, Ltd	*	Ordinary	100		UK	9
ERM International Services Limited	*	Ordinary	100		UK	9
ERM Limited	*	Ordinary	100		UK	9
ERM (Overseas Holdings) Limited	*	Ordinary	100		UK	9
First Option Safety Group Limited	*	Ordinary	100		UK	9
Libryo Ltd	*	Ordinary	100		UK	9
Nature Bidco Limited	*	Ordinary	100		UK	9
Nature Midco Limited		Ordinary	100	2	UK	9

* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) During the year the name was changed from MarineSpace Ltd to Engineering Safety Consultants Ltd.

(2) The ERM International Group Limited directly owns Nature Midco Limited.

Notes to the financial statements

27. Investment in subsidiaries (continued)

		Share class	Holding %		Country of incorporation	Address key
United Kingdom (continued)						
Operational Excellence (Opex) Group Ltd	*	Ordinary A	100		UK	11
	*	Ordinary B	100			
	*	Ordinary C	100			
	*	Ordinary Y	100			
	*	Ordinary Z	100			
	*	Preference	100			
SustainAbility Limited	*	Ordinary	100		UK	9
The Fifth Business (Scotland) Limited	*	Ordinary A	100	1	UK	12
		Ordinary B	100			
The Renewables Consulting Group Limited	*	Ordinary	100		UK	9
EMEA						
Environmental Resources Management-ERM N.V.	*	Ordinary	100		Belgium	13
ReachCentrum SA	*	Registered	100		Belgium	13
ERM Denmark ApS	*	Ordinary	100		Denmark	14
ERM France SAS	*	Ordinary	100		France	15
Emerald Germany GmbH	*	Ordinary	100		Germany	16
ERM GmbH	*	Ordinary	100		Germany	17
ERM Consultants (Ghana) Limited	*	Ordinary	100		Ghana	18
ERM-ESL JV Ghana Limited	*	Common	90		Ghana	18
ERM Environmental Resources Management Ireland Limited	*	Ordinary	100		Ireland	19
ERM Italia S.p.A.	*	Ordinary	100		Italy	20
ERM Eurasia Limited Liability Partnership	*	Ordinary	100		Kazakhstan	21
ERM Consulting East Africa Limited	*	Ordinary	100		Kenya	22
Environmental Resources Management Mozambique, SU, LDA	*	Ordinary	100		Mozambique	23
ERM Holdings B.V.	*	Registered	100		Netherlands	24
Environmental Resources Management Nederland B.V.	*	Ordinary	100		Netherlands	25
ERM Norway AS	*	Ordinary	100		Norway	26
ERM Polska Sp.z.o.o.	*	Ordinary	100		Poland	27
ERM Portugal - Consultores em Engenharia do Ambiente, Unipessoal, Lda	*	Quotas	100		Portugal	28
ERM Environmental Resources Management S.R.L	*	Ordinary	100		Romania	29
ERM (Senegal) SARL	*	Ordinary	100		Senegal	30
Arcus Consultancy Services (South Africa) Proprietary Limited	*	Ordinary	100		South Africa	31
CSA Global South Africa (Pty) Ltd	*	Ordinary	100		South Africa	32
Environmental Resources Management Southern Africa Proprietary Limited	*	Ordinary	74.965	2	South Africa	32
Standards & Legal (RF) Proprietary Limited	*	Ordinary	100		South Africa	33
Environmental Resources Management Iberia, SAU	*	Class A	100		Spain	34
		Class B	100			
E4tech S.àr.l.	*	Ordinary	100		Switzerland	35
ERM Swiss GmbH	*	Ordinary	100		Switzerland	35
ERM Consulting Tanzania Limited	*	Ordinary	100		Tanzania	36

* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is in liquidation or subject to dissolution / deregistration.

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

Notes to the financial statements

27. Investment in subsidiaries (continued)

		Share class	Holding %		Country of incorporation	Address Key
Asia Pacific						
ACN 077 165 532 Pty Ltd	*	Ordinary	100		Australia	37
Emerald Newco Pty Limited	*	Ordinary	100		Australia	38
Environmental Resources Management Australia Pty Limited	*	Ordinary	100		Australia	37
ERM Australia Pacific Pty Ltd	*	Ordinary	100		Australia	37
ERM Emilion Australia Pty Ltd	*	Ordinary	100		Australia	37
ERM Services Australia Pty Ltd	*	Ordinary	100		Australia	37
ERM Australia Consultants Pty Ltd	*	Ordinary	100		Australia	37
ERM CVS Australia Pty Ltd	*	Ordinary	100		Australia	37
The Big Middle Pty Ltd	*	Ordinary	100	1	Australia	37
The Big Zero Pty Ltd	*	Ordinary	100	1	Australia	37
Energetics Group Holdings Pty. Limited	*	Ordinary	100		Australia	37
Energetics Pty Ltd	*	Ordinary	100		Australia	37
Energetics Consulting Inc. (Philippines)	*	Ordinary	39.6	1,2	Philippines	39
ERM (Shanghai) Limited	*	Ordinary	100		China	40
ERM CVS (Shanghai) Limited	*	Ordinary	100		China	40
ERM China (Holdings) Limited	*	Ordinary	100		Hong Kong	41
ERM-China Limited	*	Ordinary	100		Hong Kong	41
ERM-Hong Kong, Limited	*	Ordinary	100		Hong Kong	41
ERM India Private Limited	*	Equity	100		India	42
PT CSA Global Indonesia	*	Ordinary	100		Indonesia	43
PT. ERM Indonesia	*	Ordinary	100		Indonesia	44
ERM Japan Ltd.	*	Common	100		Japan	45
The Renewables Consulting Group KK	*	Ordinary	100	1	Japan	45
ERM Sumi TRUST Consulting Limited	*	Ordinary	65		Japan	46
ERM Korea Limited	*	Ordinary	100		Korea	47
ReachCentrum Asia Limited	*	Ordinary	100		Korea	47
Environmental Resources Management (M) Sdn. Bhd.	*	Ordinary	40	2	Malaysia	48
ERM Asia Pacific (M) Sdn. Bhd.	*	Ordinary	100		Malaysia	48
ERM Technical Services (M) Sdn. Bhd.	*	Ordinary	100		Malaysia	48
ERM New Zealand Limited	*	Ordinary A	100		New Zealand	49
Environmental Resources Management (S) Pte Ltd	*	Ordinary	100		Singapore	50
Environmental Resources Management Taiwan Co., Ltd	*	Ordinary	100		Taiwan	51
The Renewables Consulting Group (Taiwan) Limited	*	Ordinary	100	1	Taiwan	52
ERM-Siam Co., Ltd.	*	Ordinary	49	2	Thailand	53
ERM Vietnam Company Limited	*	Ordinary	100		Vietnam	54

* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is in liquidation or subject to dissolution / deregistration.

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

Notes to the financial statements

27. Investment in subsidiaries (continued)

		Share Class	Holding %	Country of incorporation	Address key
Latin America					
ERM Argentina S.A.	*	Ordinary	100	Argentina	55
ERM Brasil Ltda.	*	Quotas	100	Brazil	56
ERM-Chile S.A.	*	Ordinary	100	Chile	57
Environmental Resources Management Colombia Ltda.	*	Quotas	100	Colombia	58
ERM Guyana Inc.	*	Common	100	Guyana	59
ERM Mexico, S.A. de C.V.	*	Common A	100	Mexico	60
	*	Common B	100		
Environmental Resources Management Panama S.A.	*	Common	100	Panama	61
ERM Peru S.A.	*	Common	100	Peru	62
Environmental Resources Management Puerto Rico, Inc.	*	Common A	100	Puerto Rico	63

* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

The companies listed below have a statutory accounting period ended on a date other than 31 March. All other Group companies have a statutory accounting period to 31 March.

	Country of incorporation
ERM (Shanghai) Limited	China
ERM Brasil Ltda.	Brazil
ERM-Chile S.A.	Chile
Environmental Resources Management Colombia Ltda.	Colombia
ERM-Mexico, S.A. de C.V.	Mexico
ERM Peru S.A.	Peru
ERM Eurasia Limited Liability Partnership	Kazakhstan
ERM Environmental Resources Management S.R.L.	Romania
ERM (Senegal) SARL	Senegal
PT CSA Global Indonesia	Indonesia

Notes to the financial statements

27. Investment in subsidiaries (continued)

As permitted by section 479A of the Companies Act 2006, the company intends to take advantage of the audit exemption in relation to the individual accounts of the following companies:

	Registered number
ERM-Asia Pacific Holdings, Limited	*03067139*
ERM International Services Limited	*03771741*
ERM (Overseas Holdings) Limited	*03698847*
SustainAbility Limited	*02108210*
First Option Safety Group Limited	*05533445*
The Renewables Consulting Group Limited	*08809841*

The registered office addresses for the subsidiaries are set out below, with reference to the 'address key' in the preceding tables:

Address key	**Address**
1	900-885 West Georgia Street, Vancouver, British Columbia V6C 3H1, Canada
2	850 New Burton Road, Suite 201, Dover, Delaware, 19904, United States
3	25 E. 8th Street, Suite 220, Holland MI 49423, United States
4	840 West Sam Houston Parkway North, Suite 600, Houston, Texas 77024, United States
5	75 Valley Stream Parkway, Suite 200,Malvern, Pennsylvania 19355, United States
6	900 E. Benson Blvd., Suite 480, , Anchorage, AK 99508, United States
7	One Beacon Street, 5th Floor, Boston, Massachusetts, 02108, United States
8	300 West Summit Avenue, Suite 330, Charlotte NC 28203, United States
9	2nd Floor Exchequer Court, 33 St Mary Axe, London, EC3A 8AA, United Kingdom
10	1 More London Place, London, England, SE1 2AF, United Kingdom
11	18 Carden Place, Aberdeen, Scotland, AB10 1UQ, United Kingdom
12	Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EB, United Kingdom
13	3rd Floor, Central Gate, Cantersteen 47, Brussels, 1000, Belgium
14	Business Center Winghouse, 73 Ørestads Boulevard, 2300, København, Denmark
15	13 Rue Faidherbe, Paris, 75011, France
16	Siemensstrasse 9, Neu-Isenburg, 63263, Germany
17	Siemensstrasse 9, Frankfurt am Main, Neu-Isenberg, 63263, DE
18	PwC Tower, A4 Rangoon Lane, Cantonments City, PMB CT42, Cantonments, Accra, Ghana
19	D5 Nutgrove Office Park, Dublin 14, D14 X343, Ireland
20	Via San Gregorio 38, Milan, 20124, Italy
21	Office 709, 86 Gogol str., Almaty, 050000, Republic of Kazakhstan
22	c/- Ikigai Lavington, 2nd Floor, JGO Building, LR. NO.3734/173, 90 James Gichuru Road, Nairobi, Nairobi County, Kenya
23	Torres Rani, Av da Marginal, Lote Nr 141, 6 Andar, Maputo, Mozambique
24	Arthur van Schendelstraat 460, Utrecht, 3511 MJ, Netherlands
25	Catharijnesingel 47, 3511 GC, Utrecht, UT, Netherlands
26	Andoyfaret 33, Bygg D, Kristiansand, 4623, NO
27	Ul. Chmielna 134, Warsaw, 00-805, Poland
28	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre G - 2.º Piso – Escritórios 206-209, 1600-209 Lisboa, Portugal
29	145 Calea Victoriei, 7th Level (8th Floor), Sector 1, Bucharest, 010072, Romania
30	AZUR 15 Building, 12, Boulevard Djily MBAYE,Dakar, BP 50555, Senegal
31	240 Main Road, 1st Floor Great Westerford, Rondebosch, Western Cape, 7700, South Africa

Notes to the financial statements

27. Investment in subsidiaries (continued)

Address key	Address
32	Building 32, The Woodlands Office Park, Woodlands Drive, Woodmead, Johannesburg, 2148, South Africa
33	The Great Westerford, First Floor, 240 Main Road, Rondebosch, Cape Town, Western Cape, 7700, ZA
34	Paseo de la Castellana 257, 2ª planta, 28046, Madrid, Spain
35	Techno-Pole 4,Sierre, 3960, Switzerland
36	Amani Place, 7th Floor, Ohio Street, Dar es Salaam, Tanzania
37	Level 14/207 Kent Street, Sydney NSW 2000, Australia
38	Level 8, 501 Swanston Street, Melbourne VIC 3000, Australia
39	Unit G, 19 Floor Strata 100 Building, Emerald Avenue, Ortigas Complex, MM, Philippines
40	Suite 2005 Litong Plaza, No.1350 Sichuan North Road, Shanghai, 200080, China
41	Flat/RM 2509, 25/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Hong Kong
42	B 376 UGF, Nirman Vihar, Delhi, 110092, India
43	Sinarmas MSIG Tower, 37th Floor Unit 37-124, Jalan Jend. Sudirman Kav. 21, RT.10/RW.1, Kuningan, Karet, Kacamantan Setiabudi, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta, 12920, Indonesia
44	Millennium Centennial Center, 8th Floor, Unit G-Jalan Jenderal Sudirman Kav. 25, Jakarta, 12920, Indonesia
45	Landmark Tower 19F, 2-2-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa 220-8119, Japan
46	1F-3F, Otemachi Building, Chiyoda-ku, Tokyo, Japan
47	12F Samhwa Tower, 16, Eulji-ro 5-gil, Jung-gu, Seoul, Korea
48	No. 31, 2nd Floor, Jalan SS22/23, Damansara Jaya, Petaling Jaya Selangor, 47400, Malaysia
49	MinterEllisonRuddWatts, Level 22, PwC Tower, 15 Customs Street West, Auckland Central, Auckland, 1010, New Zealand
50	20 Collyer Quay, #15-01/02, 049319, Singapore
51	11F, No.223, Songjiang Rd , Zhongshan District, Taipei City, Taiwan
52	Taipei 101 Tower Level 37, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan
53	179 Bangkok City Tower, 24th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120, Thailand
54	Floor 3, Saigon Finance Center, 9 Dinh Tien Hoang Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam
55	Av. Cabildo 2677 Piso 6, Buenos Aires, C1428AAI, Argentina
56	Avenida Luis Carlos Berrini, 105 – 17º andar - cj. 171, Cidade Monções, São Paulo/SP, Brazil, 04571-010
57	Cruz del Sur 133 of, 802 Las Condes, Santiago, CL
58	Cra 16 No 93A-36 Piso 6,Bogota, Colombia
59	Lot 210 New Market Street, Georgetown, Guyana
60	Mariano Escobedo #476, 13th floor, Colonia Nueva Anzures, Mexico City, 11590, Mexico
61	Century Tower, Piso 17, Oficina 1705, Via Ricardo J. Alfaro, Panama City, 0832-0588, Panama
62	Amador Merino Reyna 285, ofi.601 San Isidro, Lima, Peru
63	G-8 O'neill St, San Juan, PR, 00918, Puerto Rico

Notes to the financial statements

28. Non-controlling interests

The non-controlling interest relates to ERM SuMi TRUST Consulting Limited (2024: The Renewables Consulting Group (Nordic) AS).

Cost and carrying amount	2025 $000	2024 $000
At 1 April	-	(7)
Subsidiary shares issued to non-controlling interest (1)	231	
Share of retained profit for the year	1	7
At 31 March	**232**	**-**

(1) On 1 April 2024, ERM Japan Ltd. entered into a joint venture agreement with Sumitomo Mitsui Trust Bank, Limited to incorporate ERM Sumi TRUST Consulting Limited, and subscribe to 65% and 35% stakes in the ordinary share capital of the business respectively. $231,000 represents the subscription to share capital made by Sumitomo Mitsui Trust Bank, Limited during the year ended 31 March 2025.

29. Ultimate parent company

The parent and ultimate parent company is Nature Topco UK Limited, a limited company registered in England and Wales. The smallest group within which the results of the Company are consolidated is The ERM International Group Limited, and the largest group with which the results of the Company are consolidated is Nature Topco UK Limited. The consolidated financial statements of Nature Topco UK Limited are available to the public and can be obtained from their registered address at 11th Floor 200 Aldersgate Street, London, England, EC1A 4HD.

As at 31 March 2025, the shareholdings in The ERM International Group Limited are held 67.82% by Nature Topco UK Limited and 32.18% by ERM management (comprised of approximately 752 individual shareholders). The shareholdings of Nature Topco UK Limited are held 54.25% by KKR Patagonia Aggregator L.P., 29.76% by KKR Core Investor (L) SCSp (both of which are ultimately controlled by KKR & Co. Inc, a Delaware corporation publicly listed on the New York Stock Exchange), 15.96% by Alba-KKR Core International SCA (a Luxembourg partnership limited by shares), and 0.03% shareholding is held by the ERM Group Employee Benefit Trust.

30. Events since the balance sheet date

On 30 December 2024, Environmental Resources Management, Inc., a subsidiary in the Group, entered into an agreement to acquire the environmental division of the NewFields group of companies (“NewFields”). Following the satisfaction of closing conditions, the acquisition was completed on 1 April 2025 through the purchase of 100% of the issued and outstanding membership interests in NewFields Environmental Holdco, LLC. The acquisition strengthens ERM’s position as a market leader in Liability Portfolio Management and Remediation (“LPMR”) services, adding approximately 110 specialists, including 10 Partners, to ERM’s 600-person North American LPMR team. This enhanced capability will further support ERM’s clients in managing environmental risks and legacy liabilities.

Cash consideration of $46,824,000 was paid on completion. Of this amount, $275,000 was held in escrow to cover potential indemnity claims and $1,275,000 was used to settle transaction expenses on behalf of the sellers, resulting in net proceeds to sellers of $45,274,000. The Group expects to recognise intangible assets reflecting the fair value of acquired brands, customer relationships and customer order books. At the time these financial statements were authorised for issue the Group had not yet completed the acquisition accounting.

The Group drew down $40 million on the revolving credit facility during August 2025 and subsequently repaid $5 million in September 2025.