

Company Registration No. 06932014

SENIOR FINANCE FOUR LIMITED

Report and Financial Statements

For the year ended 31 December 2016

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SENIOR FINANCE FOUR LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

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SENIOR FINANCE FOUR LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Harding
A J Bodenham

SECRETARY

A J Bodenham

REGISTERED OFFICE

59/61 High Street
Rickmansworth
Hertfordshire
WD3 1RH

BANKERS

Lloyds Bank plc
25 Gresham Street
London EC2V 7HN

AUDITOR

Deloitte LLP
Cambridge, United Kingdom

SENIOR FINANCE FOUR LIMITED

STRATEGIC REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Principal activity

Senior Finance Four Limited, the Company, acts as a non-trading financing company within the Senior plc Group of companies and is expected to do so for the foreseeable future.

Business review

During the year, the Company continued to deliver good results with profit before tax of £10,776,000 (2015 - £10,745,000) and its financial position at the year end remains strong with net assets of £180,536,000 (2015 - £180,595,000).

Principal risks and uncertainties

The main risk facing the Company is attributed to its receivables from Group undertakings. The directors address this by ensuring all Group undertakings have sufficient resources to be able to continue trading and to be able to service their respective debts.

The Strategic Report was approved by the Board of Directors and signed on behalf of the Board



D Harding

Director

26 April 2017

SENIOR FINANCE FOUR LIMITED

DIRECTORS' REPORT

Results and dividends

The results for the year were as follows:

	2016 £000	2015 £000
Profit and loss account, 1 January	3,167	3,138
Profit for the financial year	10,776	10,745
Dividends paid	(10,835)	(10,716)
	<hr/>	<hr/>
Profit and loss account, 31 December	<u>3,108</u>	<u>3,167</u>

Directors

The directors who served during the year and to the date of signing this report were as follows:

A J Bodenham
D Harding

Directors' indemnities

Qualifying third party indemnity provisions for the benefit of the directors were renewed by the Group during the year and remain in force at the date of this report.

Going Concern basis

The Company achieved a good level of profit in the year and its financial position remains strong. This, combined with the support of its ultimate parent company (Senior plc), gives the directors the expectation that the Company will have adequate resources to continue in existence for the foreseeable future. Thus, the Board has continued to adopt the going concern basis in preparing the Company's financial statements.

SENIOR FINANCE FOUR LIMITED

DIRECTORS' REPORT (CONTINUED)

Each of the persons who is a director at the date of approval of this report confirms that:

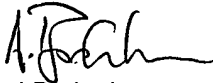
- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's 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.

Auditor

The board has proposed that KPMG LLP be appointed external Auditor for the financial year commencing 1 January 2017, in order to maintain auditor independence and comply with FRC and EU guidance on audit tendering for Senior plc, the ultimate parent company. As a result, Deloitte LLP will not be reappointed for another term.

Approved by the Board of Directors
and signed on behalf of the Board



A J Bodenham

Secretary

26 April 2017

SENIOR FINANCE FOUR LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 "Reduced Disclosure Framework" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SENIOR FINANCE FOUR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR FINANCE FOUR LIMITED

We have audited the financial statements of Senior Finance Four Limited for the year ended 31st December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

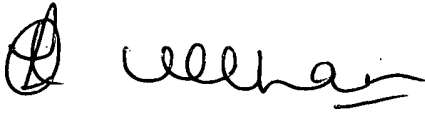
SENIOR FINANCE FOUR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR FINANCE FOUR LIMITED (Continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read 'Lee Welham', with a stylized initial 'L' and 'W'.

Lee Welham FCA (Senior statutory auditor)
Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom
26 April 2017

SENIOR FINANCE FOUR LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Operating profit		-	-
Interest receivable	3	<u>10,776</u>	<u>10,745</u>
Profit on ordinary activities before taxation	4	10,776	10,745
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year		<u>10,776</u>	<u>10,745</u>

All activities derive from continuing operations.

There were no recognised gains or losses other than reported above. Accordingly, no statement of total recognised gains and losses is presented.

SENIOR FINANCE FOUR LIMITED

BALANCE SHEET

31 December 2016

	Notes	2016 £000	2015 £000
Current assets			
Debtors: amounts due within one year	7	180,528	180,587
Cash at bank and in hand		8	8
Net current assets		<u>180,536</u>	<u>180,595</u>
Net assets		<u>180,536</u>	<u>180,595</u>
Capital and reserves			
Called up share capital	8	177,428	177,428
Profit and loss account		3,108	3,167
		<u>180,536</u>	<u>180,595</u>

These financial statements were approved by the Board of Directors and authorised for issue on 26 April 2017.

Signed on behalf of the Board of Directors:



D Harding
Director



A J Bodenham
Director

Company Registration No. 06932014

SENIOR FINANCE FOUR LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2016

	Notes	Share Capital £000	Profit and Loss Account £000	Total £000
Balance at 1 January 2015		177,428	3,138	180,566
Profit for the financial year		-	10,745	10,745
Dividends paid	6	-	(10,716)	(10,716)
Balance at 31 December 2015		177,428	3,167	180,595
Profit for the financial year		-	10,776	10,776
Dividends paid	6	-	(10,835)	(10,835)
Balance at 31 December 2016		177,428	3,108	180,536

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1 General information

Senior Finance Four Limited, the Company, is a company incorporated in the United Kingdom under the Companies Act 2006. The Company, acts as a non-trading holding company within the Senior plc Group of companies and is expected to do so for the foreseeable future.

These financial statements are presented in Pound Sterling because that is the currency of the primary economic environment in which the Company operates.

2 Significant accounting policies

Basis of accounting

The financial statements are prepared, using the historical cost convention, in accordance with applicable United Kingdom accounting standards. The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

Going concern

The Company achieved a good level of profit and its financial position remains strong. This, combined with the support of its ultimate parent company (Senior plc), give the directors the expectation that the Company will have adequate resources to continue in existence for the foreseeable future. Thus, the Board has continued to adopt the going concern basis in preparing the Company's financial statements.

Estimates and judgements

The preparation of the balance sheet in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual amounts could differ from those estimates.

The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

2 Significant accounting policies (continued)

Cash flow statement

As permitted by FRS 101, the Company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Senior plc, which has produced a Group cash flow statement in its accounts.

3 Interest receivable

	2016 £000	2015 £000
Intercompany interest receivable	<u>10,776</u>	<u>10,745</u>

4 Profit on ordinary activities before taxation

The audit fee of £1,000 (2015 - £1,000) is borne by a related party. There were no non audit services in either financial year.

Directors' remuneration for services provided to the Company for the financial year was £nil (2015 - £nil).

The Company has no other employees (2015 – nil).

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

5 Taxation on profit on ordinary activities

a) Analysis of tax charge on ordinary activities	2016 £000	2015 £000
UK Corporation tax	-	-

b) Factors affecting tax credit for the current year

The tax charge for the financial year differs from that resulting from applying the effective UK Corporation tax rate of 20.0% (2015 – 20.25%) to the assessable profit for the year.

The charge for the year can be reconciled to the profit for the year as below:	2016 £000	2015 £000
Profit on ordinary activities before tax	10,766	10,745
Tax at 20.0% (2015 – 20.25%) thereon	2,153	2,176
Effects of:		
Group relief received for nil consideration	(2,153)	(2,176)
Tax charge for the year	-	-

The Finance (No.2) Act 2015 and Finance Act 2016 provide for reductions in the main rate of corporation tax from 20% to 19% for the financial year beginning 1 April 2017 and to 17% for the financial year beginning 1 April 2020.

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2016

6 Dividends

	2016 £000	2015 £000
Interim dividend for the year ended 31 December 2016 of 6.11p (2015 – 6.04p) per ordinary share	<u>10,835</u>	<u>10,716</u>

7 Debtors

	2016 £000	2015 £000
Interest receivable - due from group undertakings	324	383
Amounts due from group undertakings	<u>180,204</u>	<u>180,204</u>
	<u>180,528</u>	<u>180,587</u>

Intercompany loans:

	2016 £'000	2015 £'000
Amounts due from group undertakings:		
Senior Engineering Investments Limited	<u>180,204</u>	<u>180,204</u>
	<u>180,204</u>	<u>180,204</u>

The loan of £178,700,000 to Senior Engineering Investments Limited is repayable on written notice within three months. Interest of 6.00% is payable on the principle and accrued and unpaid interest. Interest is payable 20 June and 20 December each year.

On 20 December 2013, a £1,504,245 variable interest rate loan was made to Senior Engineering Investments Limited which matured on 20 June 2014. Interest of 1.40% on the principle and accrued and unpaid interest was payable. The loan was renewed on a six monthly basis. The principle outstanding at 31 December 2016 was £1,504,245 (2015 - £1,504,245) with interest rates ranging from 1.55% to 1.65%, the interest rate at 31 December 2016 was 1.55% (2015 – 1.65%). The loan made on 20 December 2016 matures on 20 June 2017.

8 Called-up share capital

	2016 £000	2015 £000
Allotted, called-up and fully paid		
177,428,059 ordinary shares of £1 each	<u>177,428</u>	<u>177,428</u>

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended to 31 December 2016

9 Guarantees

a) Private placement loans

The Company is a guarantor, jointly and severally, with certain other Group companies, of US \$95 million (2015 - \$95 million) unsecured loan notes under an agreement dated 8 October 2008. Loan notes of US \$75 million and \$20 million are due for repayment in October 2018 and October 2020 respectively. Loan notes of US \$25 million were repaid in October 2015.

The Company is a guarantor, jointly and severally, with certain other Group companies, of US \$30 million (2015 - \$30 million) unsecured loan notes under an agreement dated 31 January 2007 and were repaid in January 2017. These loan notes were replaced by new €28m loan notes maturing on 1 February 2027.

The Company is a guarantor, jointly and severally, with certain other Group companies, of US \$20 million (2015 - \$20 million) unsecured loan notes under an agreement dated 30 October 2015 and are due for repayment in October 2022.

The Company is a guarantor, jointly and severally, with certain other Group companies, of US \$60 million (2015 - \$60 million) unsecured loan notes under an agreement dated 30 October 2015 and are due for repayment in October 2025.

b) Bank guarantees

The Company is a guarantor, jointly and severally, with certain other Group companies of all indebtedness of certain US Group companies to their US clearing banker, including a committed single bank US \$50 million overdraft and letter of credit facility (2015 - US \$40 million overdraft and letter of credit facility). This was entered into in December 2012, extended in October 2014 and further amended in April 2015 and July 2016 and matures in June 2018. There were \$23.1 million (£18.6 million) loans drawn under the facility on 31 December 2016 (2015 - £16.2 million) and there were letters of outstanding credit of \$4.0 million (£3.2 million) (2015 - £3.2 million).

The Company is a guarantor, jointly and severally, with certain other group companies of all indebtedness of these other group companies to the group's UK clearing bank.

c) Revolving credit facility

The Company is a guarantor, jointly and severally, with certain other Group companies of a committed £60 million syndicated multi-currency revolving credit facility, which was entered into in November 2014, and amended and extended in October 2016 for five years. As at 31 December 2016, £nil was drawn under the facility (2015 - £3.0 million).

The company is a guarantor, jointly and severally, with certain other Group companies of a committed two year £20 million syndicated sterling facility which was entered into in March 2015. As at 31 December 2016, £10 million was drawn under the facility (2015 - £20 million). This facility was amended and extended in October 2016 and matures 2019.

The company is a guarantor, jointly and severally, with certain other Group companies of two one-year term loans taken out in March 2015, a £20 million loan and a £5 million loan. The £20 million loan was extended in March 2016 for a further year and the £5 million loan was repaid in March 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2016

10 Ultimate parent company

The Company's immediate parent company is Senior Engineering Investments Limited. The Company's ultimate parent company and controlling party, which prepares consolidated accounts of the Group incorporating the Company's results, is Senior plc, whose registered office is at 59/61 High Street, Rickmansworth, Hertfordshire WD3 1RH.

The consolidated accounts of the Group are available to the public and can either be downloaded from the Senior plc website: www.seniorplc.com or obtained from the aforementioned address.

11 Related party transactions

The Company has taken advantage of the exemption available under FRS 101 and therefore transactions with Group entities are not disclosed as the Company is a wholly owned subsidiary of a Company which produces consolidated accounts that are publicly available.