

SENIOR FINANCE FOUR LIMITED

Report and Financial Statements

For the year ended 31 December 2014

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SENIOR FINANCE FOUR LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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SENIOR FINANCE FOUR LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Rollins
D 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
Reading, 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 2014.

Principal activity

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 2014, the Company continued to deliver good results with profit before tax of £10,744,000 (2013 - £10,743,000) and its financial position at the year end remains strong with net assets of £180,566,000 (2013 - £180,536,000).

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

06 May 2015

SENIOR FINANCE FOUR LIMITED

DIRECTORS' REPORT

Results and dividends

The results for the year were as follows:

	2014 £000	2013 £000
Profit and loss account, 1 January	3,108	3,108
Profit for the financial year	10,744	10,743
Dividends paid	(10,714)	(10,743)
	<hr/>	<hr/>
Profit and loss account, 31 December	<u>3,138</u>	<u>3,108</u>

Directors

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

A J Bodenham
M Rollins
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)

Auditor

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.

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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



A J Bodenham

Secretary

06 May 2015

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 Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

We have audited the financial statements of Senior Finance Four Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, 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).

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 31 December 2014 and of its profit for the year 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 matters prescribed by the Companies Act 2006

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

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.



Mark Mullins (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading United Kingdom

06 May 2015

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SENIOR FINANCE FOUR LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Operating profit		-	-
Interest receivable	2	<u>10,744</u>	<u>10,743</u>
Profit on ordinary activities before taxation	3	10,744	10,743
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation being the retained profit for the year	8	<u>10,744</u>	<u>10,743</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 2014

	Notes	2014 £000	2013 £000
Current assets			
Debtors: amounts due within one year	6	180,558	180,528
Cash at bank and in hand		8	8
Net current assets		<u>180,566</u>	<u>180,536</u>
Total assets less current liabilities being net assets		<u>180,566</u>	<u>180,536</u>
Capital and reserves			
Called up share capital	7	177,428	177,428
Profit and loss account	8	3,138	3,108
Shareholder's funds	8	<u>180,566</u>	<u>180,536</u>

These financial statements were approved by the Board of Directors and authorised for issue on 06 May 2015.

Signed on behalf of the Board of Directors:



D Harding
Director



A J Bodenham
Director

Company Registration No. 06932014

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The following principal accounting policies have been applied consistently during the current and prior year. The particular accounting policies adopted are described below.

a) Accounting convention

The financial statements are prepared on the going concern basis as discussed in the Strategic Report and Directors' Report under the historical cost convention.

b) Going concern

The Company's financial position and future prospects are described in the Strategic Report and Directors' Report. 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.

c) Taxation

UK corporation 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.

d) Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as exchange gain or loss in the profit and loss account.

e) Cash flow statement

As permitted by Financial Reporting Standard No 1 (Revised), 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.

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

2 Interest receivable

	2014 £000	2013 £000
Intercompany interest receivable	<u>10,744</u>	<u>10,743</u>

3 Profit on ordinary activities before taxation

The audit fee of £1,000 (2013 - £1,000) is borne by another Company. There were no non audit services in either financial year.

Directors' remuneration for services provided to the Company for the financial year was £nil (2013 - £nil).

The Company has no other employees (2013 – nil).

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2014

4 Taxation on profit on ordinary activities

a) Analysis of tax charge on ordinary activities	2014 £000	2013 £000
Total tax on profit on ordinary activities	-	-

Under the Group's current policy on Group relief, no payments are required for losses surrendered by Group undertakings.

b) Factors affecting tax credit for the current year

The tax charge/(credit) for the financial year differs from that resulting from applying the standard rate of corporation tax of 21.5% (2013 – 23.25%) to the profit before tax.

	2014 £000	2013 £000
The differences are explained below:		
Profit on ordinary activities before tax	10,744	10,743
Tax at 21.5% (2013 – 23.25%) thereon	2,310	2,498
Effects of:		
Utilisation of group tax relief	(2,310)	(2,498)
Current tax charge for the financial year	-	-

The Finance Act 2013, which provides for reductions in the main rate of Corporation Tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013.

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2014

5 Dividends

	2014 £000	2013 £000
Interim dividend for the year ended 31 December 2014 of 6.04p (2013 – 6.05p) per ordinary share	<u>10,714</u>	<u>10,743</u>

6 Debtors

	2014 £000	2013 £000
Interest receivable - due from group undertakings	354	324
Amounts due from group undertakings	<u>180,204</u>	<u>180,204</u>
	<u>180,558</u>	<u>180,528</u>

7 Called-up share capital

	2014 £000	2013 £000
Allotted, called-up and fully paid		
177,428,059 ordinary shares of £1 each	<u>177,428</u>	<u>177,428</u>

8 Shareholder's funds and movements on reserves

	Share capital £000	Profit & loss account £000	2014 Total shareholder's Funds £000	2013 Total shareholder's Funds £000
At 1 January	177,428	3,108	180,536	180,536
Profit for the financial year	-	10,744	10,744	10,743
Dividends paid (note 5)	-	(10,714)	(10,714)	(10,743)
At 31 December	<u>177,428</u>	<u>3,138</u>	<u>180,566</u>	<u>180,536</u>

SENIOR FINANCE FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended to 31 December 2014

9 Guarantees

a) Private placement loans

The Company is a guarantor, jointly and severally, with certain other Group companies, of US \$120 million (2013 - \$120 million) unsecured loan notes under an agreement dated 8 October 2008. Loan notes of US \$25 million, \$75 million and \$20 million are due for repayment in October 2015, October 2018 and October 2020 respectively.

The Company is a guarantor, jointly and severally, with certain other Group companies, of US \$30 million (2013 - \$30 million) unsecured loan notes under an agreement dated 31 January 2007 and are due for repayment in January 2017.

The Company was a guarantor, jointly and severally, with certain other Group companies of US \$35 million (2013 - \$35 million) unsecured loan notes under an agreement dated 22 October 2007. The loan notes were repaid in October 2014.

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 \$25 million overdraft (2013 - \$25 million overdraft) and letter of credit facility. This was entered into in December 2012 and extended in October 2014, to mature in June 2017. There were \$8.2 million (£5.3 million) loans drawn under the facility on 31 December 2014 and no loans drawn on 31 December 2013 and there were letters of outstanding credit of \$10.3 million (£6.6 million) (2013 - £2.9 million).

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 extended in November 2014, to mature in November 2019. As at 31 December 2014, £8 million was drawn under the facility. There were no amounts drawn under the old facility as at 31 December 2013.

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 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

Transactions with Group entities are not disclosed, in accordance with FRS 8, as the Company is a wholly owned subsidiary of a Company which produces consolidated accounts that are publicly available.