

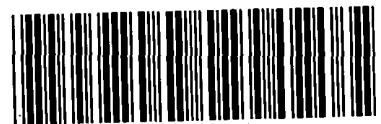
**Company Registration No. 09197780**

**SENIOR AMERICAS TWO LIMITED**

**Report and Financial Statements**

**For the year ended 31 December 2017**

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**SENIOR AMERICAS TWO LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2017**

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# **SENIOR AMERICAS TWO LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2017**

### **COMPANY INFORMATION**

#### **DIRECTORS**

D J Harding (resigned 30 June 2017)  
B J J Foyle (appointed 1 July 2017)  
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**

KPMG LLP  
15 Canada Square  
London E14 5GL

## **SENIOR AMERICAS TWO LIMITED**

### **STRATEGIC REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2017

#### **Principal activity**

The Company, Senior Americas Two Limited, acts as a non-trading holding company within the Senior plc Group of companies and is expected to do so for the foreseeable future.

#### **Business review**

During 2017, the Company made a loss before tax of £1,211,000 (2016 – £16,285,000) and at the year end had net assets of £10,276,000 (2016 - £11,541,000). A write off of £2,386,000 has been charged to the Profit and Loss account in respect of the investment in Senior Holdings LLC (2016 - £18,000,000).

On 18 October 2017, the Company received a dividend from Senior Operations Canada Limited of £1,086,543 (2016 - £1,629,000).

#### **Principal risks and uncertainties**

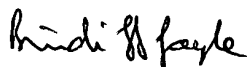
The main risk facing the Company is attributed to credit risk on receivables from Group undertakings. The directors address this by ensuring all Group undertakings have sufficient resources to be able to continue trading and to be able to service their respective debts.

#### **Key performance indicators and financial risk management**

The Company is a holding company, ultimately owned by Senior plc, which manages its operations on a divisional basis and sets appropriate key performance indicators for each division. For this reason, the directors believe that further key performance indicators for the Company, other than profit before tax and net assets set out above, are not necessary or appropriate for an understanding of the development, performance or position of the business.

Company liquidity and credit risk on balances with Group undertakings are both managed through support from the ultimate parent company (Senior plc), who ensures that the Company will have adequate resources to continue in existence for the foreseeable future.

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



B J J Foyle

Director

9 May 2018

## **SENIOR AMERICAS TWO LIMITED**

### **DIRECTORS' REPORT**

#### **Results and dividends**

The Profit and loss account reconciliation for the year were as follows:

	Year ended 31 Dec 2017 £'000	Year ended 31 Dec 2016 £'000
Profit and loss account, at beginning of year	(14,226)	2,250
Loss for the financial year	(1,265)	(16,476)
Profit and loss account, at 31 December	<u>(15,491)</u>	<u>(14,226)</u>

#### **Directors**

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

A J Bodenham  
D J Harding (resigned 30 June 2017)  
B J J Foyle (appointed 1 July 2017)

#### **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's financial position remains strong. This, combined with the financial support of its ultimate parent company (Senior plc), give the directors the reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board has continued to adopt the going concern basis in preparing the Company's financial statements.

**SENIOR AMERICAS TWO 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 or herself 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**

For the financial year commencing 1 January 2017, Deloitte resigned as auditors and KPMG LLP were appointed as auditor and have indicated their willingness to be reappointed for another term. 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

9 May 2018

## **SENIOR AMERICAS TWO LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR AMERICAS TWO LIMITED**

### **Opinion**

We have audited the financial statements of Senior Americas Two Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR AMERICAS TWO LIMITED (Continued)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

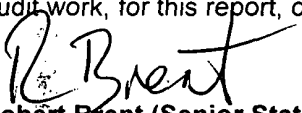
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

  
**Robert Brent (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
KPMG LLP  
15 Canada Square  
London  
E14 5GL  
9 May 2018

**SENIOR AMERICAS TWO LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2017**

	Notes	Year ended 31 Dec 2017	Year ended 31 Dec 2016
		£'000	£'000
Income from subsidiary undertaking	6	1,086	1,629
Write off of investment in subsidiary undertaking	9	(2,386)	(18,000)
<b>Operating loss</b>		<b>(1,300)</b>	<b>(16,371)</b>
Interest receivable	3	89	86
<b>Loss on ordinary activities before taxation</b>	4	<b>(1,211)</b>	<b>(16,285)</b>
Tax on loss on ordinary activities	5	(54)	(191)
<b>Loss for the financial year</b>		<b>(1,265)</b>	<b>(16,476)</b>

All activities derive from continuing operations.

There were no recognised gains or losses other than reported above. Accordingly, no Statement of Comprehensive Income is presented.

# SENIOR AMERICAS TWO LIMITED

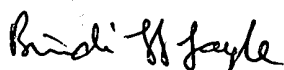
## BALANCE SHEET

As at 31 December 2017

	Notes	Year ended 31 Dec 2017 £'000	Year ended 31 Dec 2016 £'000
<b>Fixed Assets</b>			
Investments in subsidiary undertakings	9	3,165	5,551
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	6,886	5,854
Cash and bank balances		<u>225</u>	<u>136</u>
<b>Total Current assets</b>		<u>7,111</u>	<u>5,990</u>
<b>Net assets</b>		<u>10,276</u>	<u>11,541</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Share premium		25,767	25,767
Profit and loss account		<u>(15,491)</u>	<u>(14,226)</u>
		<u>10,276</u>	<u>11,541</u>

These financial statements were approved by the Board of Directors and authorised for issue on 9 May 2018.

Signed on behalf of the Board of Directors:



B J J Foyle  
Director



A J Bodenham  
Director

Company Registration No. 09197780

**SENIOR AMERICAS TWO LIMITED****STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2017

	Share Capital £'000	Share Premium £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2016	-	25,767	2,250	28,017
Loss for the financial year	-	-	(16,476)	(16,476)
Balance at 31 December 2016	-	25,767	(14,226)	11,541
Loss for the financial year	-	-	(1,265)	(1,265)
Balance at 31 December 2017	-	25,767	(15,491)	10,276

## **SENIOR AMERICAS TWO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2017**

#### **1 General information**

Senior Americas Two 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**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Senior plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures; and
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets.

Where relevant, the disclosures exemptions have been given in the Group accounts of Senior plc which are publicly available.

##### **Going concern**

The Company's 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**

No significant critical judgments have been made when applying the Company's accounting policies. There are no estimates made that have a significant risk of resulting in a material adjustment to the carrying amount of the Company's assets and liabilities within the next financial year. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board.

## SENIOR AMERICAS TWO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 2 Significant accounting policies (continued)

##### Taxation

Current 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.

##### 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

	2017 £'000	2016 £'000
Intercompany interest receivable	89	86

#### 4 Loss on ordinary activities before taxation

The audit fee of £1,000 (2016 - £1,000) is borne by a related party. There were no non audit services in the financial year.

Directors' remuneration for services provided to the Company for the financial year was £nil (2016 - £nil). The directors are not involved with the management of the affairs of the company or any such subsidiary undertaking and have therefore not performed any material qualifying services in the year as per SI2008/410 Schedule 5.

The Company has no other employees (2016 – nil).

# SENIOR AMERICAS TWO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

### 5 Taxation on profit on ordinary activities

a) Analysis of tax charge on ordinary activities	2017 £'000	2016 £'000
UK Corporation tax	-	-
Withholding tax	54	191
	<u>54</u>	<u>191</u>

### b) Factors affecting tax charge for the current year

The tax charge for the financial year differs from that resulting from applying the effective UK Corporation tax rate of 19.25% (2016 – 20.00%) to the assessable loss for the year.

The charge for the year can be reconciled to the profit for the year as below:	2017 £'000	2016 £'000
Loss on ordinary activities before tax	(1,211)	(16,285)
Expected tax credit at 19.25% (2016 – 20.0%)	(233)	(3,257)
Non-tax deductible investment write-off	459	3,600
Non taxable dividend income	(209)	(326)
Group relief received for nil consideration	(17)	(17)
Withholding taxes	54	191
Tax charge for the year	<u>54</u>	<u>191</u>

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 AMERICAS TWO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2017**

**6 Dividends**

	2017 £'000	2016 £'000
Dividends received from subsidiary undertaking	<u>1,086</u>	<u>1,629</u>

**7 Debtors**

	2017 £'000	2016 £'000
Interest receivable – due from group undertakings	3	3
Amounts due from group undertakings	<u>6,883</u>	<u>5,851</u>
	<u>6,886</u>	<u>5,854</u>

**8 Called-up share capital**

	2017 £'000	2016 £'000
Allocated, called-up and fully paid 2 ordinary shares of £1 each (2016 – 2 ordinary shares at £1 each)	<u>-</u>	<u>-</u>



## SENIOR AMERICAS TWO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 9 Investments in subsidiary undertakings

	2017 £'000	2016 £'000
<b>Cost</b>		
At beginning of financial year	5,551	23,551
Write off of subsidiary	(2,386)	(18,000)
At 31 December	<u>3,165</u>	<u>5,551</u>

The Company's investment in Senior Holdings LLC has been written down during the year by £2,386,000 following an impairment review (2016 - £18,000,000).

The subsidiary undertakings of the Company are as follows:

Name	Nature of Trade	Country of Incorporation	Address
Senior Holdings LLC	Non-trading company	USA	Corporation trust center, 1209 Orange street, Wilmington, DE 19801, USA
Senior Operations (Canada) Limited	Industrial	Canada	134 Nelson street west, Brampton, CA-Ontario L6X 1C9, Canada

#### 10 Guarantees

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. The total indebtedness to the Group's UK clearing bank as at 31 December 2017 is £2.3m net overdraft (£0.8m net credit).

#### 11 Ultimate parent company

The Company's immediate parent company is Senior Americas One 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](http://www.seniorplc.com) or obtained from the aforementioned address.

#### 12 Related party transactions

Transactions with Group entities are not disclosed, in accordance with FRS 101, as the Company is a wholly owned subsidiary of a Company which produces consolidated accounts that are publicly available.