

Company Registration No. 5080222

SENIOR FINANCE THREE LIMITED

Report and Financial Statements

For the year ended 31 December 2008

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SENIOR FINANCE THREE LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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SENIOR FINANCE THREE LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A J Bodenham
M Rollins

SECRETARY

A J Bodenham

REGISTERED OFFICE

59/61 High Street
Rickmansworth
Hertfordshire
WD3 1RH

AUDITORS

Deloitte LLP
Chartered Accountants
Nottingham

SENIOR FINANCE THREE LIMITED

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company together with the financial statements and independent auditors' report for the year ended 31 December 2008.

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.

Results and dividends

The results for the year were as follows:

	£000
Profit and loss account, 1 January 2008	230
Profit for the financial year	7,805
Dividends paid	<u>(7,807)</u>
Profit and loss account, 31 December 2008	<u>228</u>

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. Accordingly, the Board has continued to adopt the going concern basis in preparing the company's Financial Statements.

Directors

The following Directors held office during the year:

A J Bodenham
M Rollins

Laying of accounts and reports

In accordance with Sections 252 and 379A of the Companies Act 1985 (as amended), the Company has elected, by passing an elective resolution on 5 August 2005, to dispense with the laying of accounts and reports before the Company in general meeting.

Annual general meeting

In accordance with Sections 366A and 379A of the Companies Act 1985 (as amended), the Company has elected, by passing an elective resolution on 5 August 2005, to dispense with the holding of annual general meetings.

SENIOR FINANCE THREE LIMITED

DIRECTORS' REPORT (continued)

Auditors


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 auditors are unaware; and
- (2) The director has taken all steps that he/she ought to have taken as a director in order to make he/she aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

In accordance with Sections 386 and 379A of the Companies Act 1985 (as amended), the Company has elected, by passing an elective resolution on 5 August 2005, to dispense with the obligation to appoint auditors annually.

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



A J Bodenham
Secretary

SENIOR FINANCE THREE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 instruments 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). The financial statements are required by law to 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF

SENIOR FINANCE THREE LIMITED

We have audited the financial statements of Senior Finance Three Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

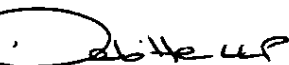
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP
Chartered Accountants and Registered Auditors
Nottingham
United Kingdom

14 May 2009

SENIOR FINANCE THREE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Interest receivable and similar income	2	<u>10,917</u>	<u>10,879</u>
Profit on ordinary activities before taxation	3	10,917	10,879
Tax on profit on ordinary activities	4	<u>(3,112)</u>	<u>(3,264)</u>
Profit for the financial year after taxation	8	<u>7,805</u>	<u>7,615</u>

All activities relate to continuing operations.

There were no recognised gains or losses other than reported above.

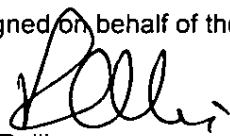
SENIOR FINANCE THREE LIMITED


BALANCE SHEET
31 December 2008

	Notes	2008 £000	2007 £000
Current assets			
Debtors: Amounts falling due after more than one year	6	-	181,070
Debtors: Amounts falling due within one year	6	181,396	328
Net assets		<u>181,396</u>	<u>181,398</u>
 Capital and reserves			
Called up share capital	7	181,168	181,168
Profit and loss account	8	228	230
Shareholders' funds	8	<u>181,396</u>	<u>181,398</u>

These financial statements were approved by the Board of Directors and authorised for issue on 7 May 2009.

Signed on behalf of the Board of Directors:


M Rollins
Director


A J Bodenham
Director

SENIOR FINANCE THREE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1 Accounting policies

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

a) Basis of accounting

The financial statements are prepared on the going concern basis as discussed in the directors' report under the historical cost convention.

b) Taxation

Corporation tax payable is provided on taxable profits at the effective current rate.

c) Cash flow statement

No cash flow statement has been prepared as the ultimate parent company prepares a consolidated cash flow statement which includes the results of the Company in accordance with Financial Reporting Standard No. 1.

d) Transactions with related parties

In accordance with the provision of Financial Reporting Standard No. 8, the Company has not presented details of transactions with group entities as the accounts of Senior plc, which include the Company, are publicly available.

SENIOR FINANCE THREE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 December 2008**2 Interest receivable and similar income**

	2008 £000	2007 £000
Interest receivable – intra group	10,917	10,879
	<u>10,917</u>	<u>10,879</u>

3 Profit on ordinary activities before taxation

Directors' remuneration for services provided to the Company was £nil (2007 - £nil) in the year.
The Company has no other employees (2007 - nil).

	2008 £000	2007 £000
Auditors' remuneration – Annual statutory audit services	<u>1</u>	<u>1</u>

4 Taxation

	2008 £000	2007 £000
Corporation tax charge at an effective rate of 28.5% (2007 – 30%) based on the profit for the year	<u>(3,112)</u>	<u>(3,264)</u>

With effect from 1 April 2008, the UK corporation tax rate was reduced from 30% to 28%.

Reconciliation of current tax charge for the year:

	2008 £000	2007 £000
Profit on ordinary activities before taxation	<u>10,917</u>	<u>10,879</u>
Tax at 28.5% (2007 – 30%) thereon	<u>(3,112)</u>	<u>(3,264)</u>
Current tax charge for the year	<u>(3,112)</u>	<u>(3,264)</u>

5 Dividends

	2008 £000	2007 £000
Interim dividends paid	<u>7,807</u>	<u>7,615</u>

Interim dividends totalling 4.31p per share (2007 - 4.20p) were paid to Senior Engineering Investments B.V., the immediate parent company.

SENIOR FINANCE THREE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2008

6 Debtors

	2008 £000	2007 £000
Amounts falling due within one year:		
Due from group undertakings	<u>181,396</u>	<u>328</u>
Amounts falling due after more than one year:		
Amounts due from group undertakings	<u>-</u>	<u>181,070</u>
Total Debtors	<u>181,396</u>	<u>181,398</u>

7 Called-up equity share capital

	2008 £000	2007 £000
Authorised		
200,000,000 shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted, called-up and fully-paid		
181,167,530 shares of £1 each	<u>181,168</u>	<u>181,168</u>

8 Shareholders' funds

	Share capital £000	Profit and loss account £000	2008 Total shareholders' funds £000	2007 Total shareholders' funds £000
At 1 January	181,168	230	181,398	181,398
Profit for the financial year	-	7,805	7,805	7,615
Dividends paid	-	(7,807)	(7,807)	(7,615)
At 31 December	<u>181,168</u>	<u>228</u>	<u>181,396</u>	<u>181,398</u>

SENIOR FINANCE THREE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2008

9 Guarantees and other financial commitments

(a) Revolving credit facility

- The Company is a guarantor, jointly and severally, with certain other group companies of a committed £80 million syndicated multi-currency revolving credit facility maturing in July 2012. At 31 December 2008 the total amounts borrowed under this facility were £20.2 million comprising £18.6 million and €1.7 million. At 31 December 2007 the total amounts borrowed under this facility were £25.0 million comprising £21.0 million and €5.5m million.

(b) Bank guarantees

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

(c) Private placement loans

- The Company is a guarantor, jointly and severally with certain other group companies of US \$120 million (2007 – nil) unsecured loan notes under an agreement dated 8 October 2008.
- The Company is a guarantor, jointly and severally with certain other group companies of US \$30 million (2007 – US \$30 million) unsecured loan notes under an agreement dated 31 January 2007.
- The Company is a guarantor, jointly and severally, with certain other group companies of US \$35 million (2007 – US \$35 million) unsecured loan notes under an agreement dated 22 October 2007.

(d) Bilateral facility

- In January 2008, a new £20 million bilateral 364 day facility, with an option to extend by one year was established with the Group's principal UK clearing banks. The facility was cancelled in October 2008 following the raising of the US \$120 million loan notes.

10 Parent company

The Company is a wholly owned subsidiary of Senior Engineering Investments B.V., a company incorporated in The Netherlands and registered as having established a branch in England and Wales.

The Company's ultimate parent undertaking and controlling party is Senior plc, which is registered in England and Wales. The consolidated accounts of the parent company and its subsidiaries are available to the public from Senior plc, 59/61 High Street, Rickmansworth, Hertfordshire, WD3 1RH.