

Registration number 05265566

**Dawnus Holdings Limited
and subsidiary undertakings**

**Directors' Report and Financial Statements
for the year ended 31 December 2008**

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Dawnus Holdings Limited

Company information

Directors	B. Dalling R.T. Evans R.G. Jones A.G. Peters R.D.H. Williams R. Hughes R.W. Jones K & Y Legal Services Limited from 6/11/08
Secretary	A.G.Peters
Company number	05265566
Registered office & business address	Unit 7, Dyffryn Court Riverside Business Park Swansea Vale Swansea SA7 0AP
Accountants	Hammond & Davies Chartered Certified Accountants 16-18 Pontardulais Road Gorseinon Swansea SA4 4FE
Auditors	PKF (UK) LLP 18 Park Place Cardiff CF10 3PD
Bankers	Lloyds TSB Bank Plc Carlyle House 5 Cathedral Road Cardiff CF11 9RH

Dawnus Holdings Limited

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Dawnus Holdings Limited

Directors' Report for the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activity and review of the business

The principal activity of the company is that of a holding company. The principal activity of the subsidiary companies is that of civil engineering operations. At 31st December 2008, there were seven other group companies: Dawnus Construction Limited [100% subsidiary, which itself wholly owned Dawnus Limited, Dawnus Developments Limited and Dawnus Plant Limited], Churchfield Homes Limited and Dyffryn Court Management Limited [100% subsidiaries] and Dawnus Northern Limited [85% subsidiary].

Review of the business

Despite increasingly difficult trading conditions, the group's activities continued to expand, with an increase in turnover of over 10% achieved during the year. The group expanded further its direct labour force, with direct employment costs increasing by 30% but with a reduction in external labour and subcontractors. Gross margins improved to nearly 21%, good control of debtors was maintained, and the directors were satisfied that net profits were still healthy, giving a good base for future activities.

Future developments

During 2009 and future years, the group is well positioned to maintain real growth. The thrust of future business development will be focused on securing larger civil engineering contracts and leveraging our experienced labour force to win new building contracts. We will continue to maintain and expand the workforce to control quality and minimise costs, whilst reducing further our reliance on subcontractors. Secured turnover at the end of 2008 was once again at a record level, which, together with a strong pipeline of potential contracts, should ensure continued substantial growth in 2009. The group's long-term strategy is to maintain a real growth rate in excess of 20% of sales and to generate an operating profit on construction activities of at least 4%.

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

Along with all businesses, the group has to deal with, identify and manage a number of risks and uncertainties in its operations. Overall demand is dependent upon general economic conditions, perceived confidence in the future, and financial interest rates, all of which are outside the group's control. We aim to spread the impact of these general risks by constantly assessing the geographical and other markets in which we operate, by our commitment to a quality labour force through training and personal development, and by striving to control quality and minimise costs. The group carefully manages its working capital requirements, and continues to develop business systems and introduce new technology where appropriate to improve its procurement procedures and overall financial management. A new business system was introduced during 2008 to facilitate the continued successful growth of the group.

Dawnus Holdings Limited

Directors' Report for the year ended 31 December 2008

Financial Instruments

The group's principal financial instruments comprise a bank overdraft. The main purpose of this instrument is to finance the group's working capital requirements.

No trading in financial instruments is undertaken. The group's borrowings are in pounds sterling and at the year end were subject to floating rates of interest.

Supplier payment policy

The group's policy is to strive for excellent working relationships with our suppliers. This encourages mutual business development over the long term. We make payment, usually directly into the supplier's bank accounts, before the end of the month following invoicing, subject to satisfactory performance of the supplier.

Health and safety

Quality, health & safety and environmental issues continued to be a top priority in 2008. The group will maintain its focus on HSE and work towards zero incidents through continual improvement. There is a group-wide programme to ensure that all relevant personnel hold a recognised safety qualification. The programme includes safety performance monitoring and the formalisation of site responsibilities by the introduction of a site specific HSE responsibilities matrix. The group has retained accreditation to 18001 for health & safety management, 14001 for environmental management and 9001 for quality management. Our Business Mission Statement incorporates a section on the environment, stating that all employees must be ecologically aware, and adopt methods and work practices that are environmentally sympathetic. Sustainability management will be improved during 2009 by the introduction of area network level 2.

Employment policy

It is our policy to be an engineering-led business, employing management and key trades on a regional basis rather than relying on subcontractors. This allows the group to control directly the quality of work undertaken and to train and develop its workforce, to ensure that we meet clients' needs and expectations and increasingly differentiate us from our competitors. In accordance with the group's policy on equality of opportunity, all managers are charged with treating employees particularly those with a disability, fairly and equally. This policy, over the last twelve months, has been monitored through both the group's Quality Management system and the monitoring documentation which forms part of the recruitment and selection process. The group's engineering training scheme continues to help the group to grow, whilst at the same time ensuring seamless succession to protect long term growth. We are committed to communicating with and involving employees in matters affecting their work, and to informing them of the performance of the business. The group has set out a Statement of Values, wherein we are committed to developing individual potential and to recognising individual contribution and rewarding performance. We would once again like to thank all Dawnus employees for their loyalty, hard work and dedication, which have contributed so much to the continued successful growth of the group.

Dawnus Holdings Limited

**Directors' Report
for the year ended 31 December 2008**

Directors

The directors who served during the year are as stated below:

B. Dalling	R. Hughes
R.T. Evans	R.W. Jones
R.G. Jones	K & Y Legal Services Limited
A.G. Peters	(from 6/11/08)
R.D.H. Williams	

Provision of information to auditors

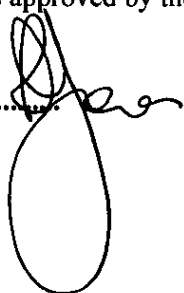
In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

2/6/09

This report was approved by the Board on and signed on its behalf by

.....
R.G.Jones
Director



Dawnus Holdings Limited

**Statement of Directors' Responsibilities
for the year ended 31 December 2008**

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). The financial statements are required to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dawnus Holdings Limited

Independent auditors' report to the members of Dawnus Holdings Limited

We have audited the group and parent company financial statements ('the financial statements') of Dawnus Holdings Limited for the year ended 31 December 2008 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The 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 annual report and 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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.

Dawnus Holdings Limited
Independent auditors' report to the members of
Dawnus Holdings Limited
(continued)

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 group's and the parent company's affairs as at 31 December 2008 and of the group's profit for the year then ended;
- 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.

PKF (UK) LLP

PKF (UK) LLP
Registered Auditors
Cardiff, UK

16 June 2009

Dawnus Holdings Limited

**Consolidated Profit and Loss Account
for the year ended 31 December 2008**

		2008	2007
	Notes	£	£
Turnover	2	76,236,806	68,783,067
Cost of sales		(60,399,838)	(55,459,900)
Gross profit		<u>15,836,968</u>	<u>13,323,167</u>
Administrative expenses		(14,225,770)	(10,906,917)
Other operating income		156,873	108,401
Operating profit	3	<u>1,768,071</u>	<u>2,524,651</u>
Other interest receivable and similar income	4	5,645	38,867
Interest payable and similar charges	5	<u>(500,919)</u>	<u>(322,433)</u>
Profit on ordinary activities before taxation		1,272,797	2,241,085
Tax on profit on ordinary activities	8	<u>(360,379)</u>	<u>(653,063)</u>
Profit on ordinary activities after taxation	17	912,418	1,588,022
Minority interests (equity)		(46,198)	(21,017)
Retained Profit for the year		<u><u>866,220</u></u>	<u><u>1,567,005</u></u>

All amounts relate to continuing operations.

There are no recognised gains or losses for the group other than the profit or loss for the above two financial years.

The notes on pages 11 to 22 form an integral part of these financial statements.

Dawnus Holdings Limited

**Consolidated Balance Sheet
as at 31 December 2008**

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	9		7,841,999		6,940,590
Current assets					
Stocks	11	1,978,939		1,447,955	
Debtors	12	11,708,862		15,533,525	
Cash at bank and in hand		300		1,142,867	
		<u>13,688,101</u>		<u>18,124,347</u>	
Creditors: amounts falling due within one year	13	<u>(13,788,591)</u>		<u>(17,156,387)</u>	
Net current (liabilities)/assets			<u>(100,490)</u>		<u>967,960</u>
Total assets less current liabilities			<u>7,741,509</u>		<u>7,908,550</u>
Creditors: amounts falling due after more than one year	14		(2,619,943)		(3,749,707)
Provisions for liabilities and charges	15		(380,210)		(329,905)
Net assets			<u>4,741,356</u>		<u>3,828,938</u>
Capital and reserves					
Called up share capital	16		142		142
Share premium account	17		624,729		624,729
Profit and loss account	17		4,049,255		3,183,035
Shareholders' funds	18		<u>4,674,126</u>		<u>3,807,906</u>
Minority interests - equity			67,230		21,032
			<u>4,741,356</u>		<u>3,828,938</u>

The financial statements were approved and authorised for issue by the Board and signed on its behalf on 2/6/09

.....
R.G. Jones
Director

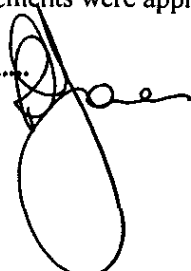
The notes on pages 11 to 22 form an integral part of these financial statements.

Dawnus Holdings Limited
Company Balance Sheet
as at 31 December 2008

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Investments	10		208		207
Current assets					
Debtors	12	612,752		622,303	
Cash at bank and in hand		178		-	
		<u>612,930</u>		<u>622,303</u>	
Creditors: amounts falling due within one year	13	<u>(7,703)</u>		<u>(7,592)</u>	
Net current assets			<u>605,227</u>		<u>614,711</u>
Total assets less current liabilities			<u>605,435</u>		<u>614,918</u>
Capital and reserves					
Called up share capital	16		142		142
Share premium account	17		624,729		624,729
Profit and loss account	17		(19,436)		(9,953)
Shareholders' funds	18		<u>605,435</u>		<u>614,918</u>

The financial statements were approved and authorised for issue by the Board and signed on its behalf on 2/6/09

.....
R.G. Jones
Director



The notes on pages 11 to 22 form an integral part of these financial statements.

Dawnus Holdings Limited

**Notes to the Financial Statements
for the year ended 31 December 2008**

**Cash flow statement
for the year ended 31 December 2008**

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,768,071	2,524,651
Depreciation		1,258,289	1,032,487
Profit on disposal of tangible fixed assets		(3,484)	(6,840)
(Increase) in stocks		(530,984)	(27,957)
Decrease /(increase) in debtors		3,724,663	(6,642,849)
(Decrease) /increase in creditors		(4,292,479)	7,144,197
Government grant released		-	(36,808)
Net cash inflow from operating activities		<u>1,924,076</u>	<u>3,986,881</u>
Cash flow statement			
Net cash inflow from operating activities		1,924,076	3,986,881
Returns on investments and servicing of finance	20	(495,274)	(283,566)
Taxation	20	(343,254)	(480,938)
Capital expenditure	20	(1,294,417)	(1,745,033)
		<u>(208,869)</u>	<u>1,477,344</u>
Financing	20	(1,986,480)	(554,171)
(Decrease)/ Increase in cash in the year		<u>(2,195,349)</u>	<u>923,173</u>
Reconciliation of net cash flow to movement in net funds (Note 21)			
(Decrease)/ Increase in cash in the year		(2,195,349)	923,173
Cash inflow/(outflow) from change in debts and lease financing		1,986,480	554,171
Change in net funds resulting from cash flows		<u>208,869</u>	<u>1,477,344</u>
Finance leases and hire purchase contracts		(861,797)	(1,950,605)
Other changes		100,000	-
Movement in net funds in the year		<u>(970,666)</u>	<u>(473,261)</u>
Net Debt at 1 January 2008		<u>(4,615,535)</u>	<u>(4,142,274)</u>
Net Debt at 31 December 2008		<u>(5,586,201)</u>	<u>(4,615,535)</u>

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

1.2. Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2008. Intra-group transactions and balances are eliminated fully on consolidation.

The following subsidiary companies, all registered in the UK and involved in the group's principal activity, are included in the consolidated financial statements:

Subsidiary	% shares held	Principal activity
Dawnus Construction Limited	Ordinary shares - 100%	Building and civil engineering
Dawnus Limited	Ordinary shares - 100% (owned by Dawnus Construction Limited)	Civil engineering project management
Dawnus Developments Limited	Ordinary shares - 100% (owned by Dawnus Construction Limited)	Property development
Dawnus Plant Limited	Ordinary shares - 100% (owned by Dawnus Construction Limited)	Plant hire
Churchfield Homes Limited	Ordinary shares - 100%	Residential property development
Dawnus Northern Limited	Ordinary shares - 85%	Building and civil engineering
Dyffryn Court Management Limited	Ordinary shares - 100%	Property management

As permitted by section 230 of the Companies Act 1985, the company has not presented its own profit and loss account. The loss after tax for the financial year dealt with in the accounts of the parent company was £9,483 (2007 - £8,103).

1.3. Minority interests

Equity minority interests represent the share of the profits less losses on ordinary activities attributable to the interests of equity shareholders in subsidiaries which are not wholly owned by the group.

1.4. Turnover and profits

Turnover represents the value of work executed on long term contracts, after the deduction of trade discounts and value added tax, adjusted for changes in the amounts recoverable on long term contracts.

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the lease period
Tenant improvements	-	25% straight line
Utility and site costs	-	40 years straight line
Plant and machinery	-	predominantly 10-15%, reducing balance
Fixtures, fittings and equipment	-	25-33.33% straight line
Motor vehicles	-	24-25% straight line

1.6. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Operating leases are charged to the profit and loss account by equal instalments over the period of the lease.

1.7. Stock and work in progress

Stocks and work in progress comprises long term contract balances and are valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of overheads according to the stage of completion.

1.8. Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account.

1.9. Pensions

The group operates defined contribution pension schemes for its employees. The assets of the schemes are kept independently of the group in separately administered funds. The pension costs charged in the financial statements represent the contributions payable by group companies during the year.

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

1.10. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation, and similar fair value adjustments, of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, at the balance sheet date, only to the extent that there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold; and

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.11. Government grants

Revenue grants are credited to the profit and loss account over the period to which they relate.

2. Turnover

The total turnover of the group and the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	1,258,289	1,032,487
Operating lease rentals		
- Plant and machinery	5,731,699	4,695,901
Auditors' remuneration - audit fee	6,000	3,600
- other	16,500	23,000
	<hr/>	<hr/>
and after crediting:		
Profit on disposal of tangible fixed assets	3,484	6,840
Other operating income:		
- Training grants received	153,028	101,340
- Other	3,845	7,061
	<hr/>	<hr/>

Dawnus Holdings Limited

**Notes to the Financial Statements
for the year ended 31 December 2008**

4. Interest receivable

	2008	2007
	£	£
Bank interest	5,313	5,628
Other interest	332	33,239
	<u>5,645</u>	<u>38,867</u>

5. Interest payable and similar charges

	2008	2007
	£	£
On loans and overdrafts	227,491	100,994
Hire purchase interest	271,256	214,004
On overdue tax	2,172	7,435
	<u>500,919</u>	<u>322,433</u>

6. Staff particulars

Number of employees

The average monthly numbers of employees during the year were:

	2008	2007
	Number	Number
Construction and administration	541	401

Employment costs

	2008	2007
	£	£
Wages and salaries	17,935,538	13,743,115
Social security costs	1,764,153	1,302,337
Pension costs	481,690	325,479
	<u>20,181,381</u>	<u>15,370,931</u>

Dawnus Holdings Limited

Notes to the Financial Statements
for the year ended 31 December 2008

6.1. Directors' emoluments	2008	2007
	£	£
Remuneration and other emoluments	1,134,082	1,021,498
Pension contributions	138,083	88,503
	<u>1,272,165</u>	<u>1,110,001</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>7</u>	<u>7</u>
Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	178,268	157,168
Pension contributions	21,208	13,483
	<u>199,476</u>	<u>170,651</u>
7. Pension costs		
The pension charge represents contributions due from group companies and amounted to £481,690 (2007 - £325,479).		
8. Tax on profit on ordinary activities	2008	2007
	£	£
Analysis of charge in period		
UK corporation tax	310,074	521,182
Adjustments in respect of previous periods	-	884
	<u>310,074</u>	<u>522,066</u>
Deferred tax		
Timing differences, origination and reversal	<u>50,305</u>	<u>130,997</u>
Tax on profit on ordinary activities	<u>360,379</u>	<u>653,063</u>

Dawnus Holdings Limited
Notes to the Financial Statements
for the year ended 31 December 2008

8. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for period

The current tax assessed for the period is lower than the standard rate of corporation tax in the UK (28.5 per cent). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before taxation	1,272,797	2,241,085
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (31 December 2007 : 30%)	362,709	672,326
Effects of		
Expenses not deductible for tax purposes	5,115	5,725
Income/credits not taxable	(24,809)	(22,776)
Capital allowances for period in excess of depreciation	(32,941)	(134,093)
Adjustments to tax charge in respect of previous periods	-	884
Current tax charge for period	310,074	522,066

9. Tangible fixed assets

	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Group					
Cost					
At 1 January 2008	1,302,536	6,651,102	420,735	587,119	8,961,492
Additions	-	1,655,089	344,374	266,790	2,266,253
Disposals	-	(178,080)	(1,535)	(45,578)	(225,193)
At 31 December 2008	1,302,536	8,128,111	763,574	808,331	11,002,552
Depreciation					
At 1 January 2008	15,643	1,504,515	255,224	245,520	2,020,902
On disposals	-	(76,503)	(1,361)	(40,774)	(118,638)
Charge for the year	26,817	946,710	99,536	185,226	1,258,289
At 31 December 2008	42,460	2,374,722	353,399	389,972	3,160,553
Net book values					
At 31 December 2008	1,260,076	5,753,389	410,175	418,359	7,841,999
At 31 December 2007	1,286,893	5,146,587	165,511	341,599	6,940,590

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

9. Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2008		2007	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	4,414,385	719,012	4,739,399	760,435
Equipment	277,547	130	-	-
Motor vehicles	269,679	89,848	275,021	106,163
	<u>4,961,611</u>	<u>808,990</u>	<u>5,014,420</u>	<u>866,598</u>

10. Fixed asset investments

Shares in
subsidiary
undertakings
£

Company

Cost

At 1 January 2008	207
Additions	1
At 31 December 2008	<u>208</u>

Net book values

At 31 December 2008	208
At 31 December 2007	<u>207</u>

1 additional share was acquired on the formation of an additional group company, Dyffryn Court Management Limited, on 21st May 2008.

11. Stocks

	Group 2008 £	Group 2007 £
Work in progress	1,460,323	1,447,955
Long term contract balances	518,616	-
	<u>1,978,939</u>	<u>1,447,955</u>

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

12. Debtors

	Group 2008	Group 2007	Company 2008	Company 2007
	£	£	£	£
Trade debtors	3,335,992	3,128,368	-	-
Amounts recoverable on long term contracts	8,088,232	11,922,344	-	-
Amount owed by subsidiary companies	-	-	568,006	309,807
Other debtors	184,764	467,564	44,625	312,375
Called up share capital not paid	136	136	121	121
Prepayments and accrued income	99,738	15,113	-	-
	<u>11,708,862</u>	<u>15,533,525</u>	<u>612,752</u>	<u>622,303</u>

Amounts falling due after more than one year and included in debtors are:

-	100,000
<u>-</u>	<u>100,000</u>

13. Creditors: amounts falling due within one year

	Group 2008	Group 2007	Company 2008	Company 2007
	£	£	£	£
Bank overdraft (secured)	1,052,782	-	-	-
Bank loan (secured)	102,481	37,615	-	-
Other loans	13,661	476,625	-	-
Payments received on account	676,027	806,444	-	-
Net obligations under finance leases and hire purchase contracts (secured)	1,797,634	1,494,455	-	-
Trade creditors	1,930,899	2,216,313	-	-
Amounts owed to subsidiary companies	-	-	7,580	4,230
Corporation tax	190,215	223,395	-	-
Other taxes and social security costs	1,317,471	1,124,403	-	-
Other creditors	1,350,391	1,173,563	123	122
Accruals and deferred income	5,275,284	9,562,515	-	3,240
Pension contributions	81,746	41,059	-	-
	<u>13,788,591</u>	<u>17,156,387</u>	<u>7,703</u>	<u>7,592</u>

Bank borrowings are secured by a first legal charge over the group's leasehold office premises, together with an omnibus cross guarantee and set off agreement with the company, its directors, and all other group companies, and a debenture giving a fixed and floating charge over the company and all property and assets. Obligations under finance leases and hire purchase contracts are secured against the assets concerned.

Dawnus Holdings Limited

**Notes to the Financial Statements
for the year ended 31 December 2008**

**14. Creditors: amounts falling due
after more than one year**

	Group 2008 £	Group 2007 £
Bank loan (secured)	1,593,138	1,707,388
Loans	-	250,000
Net obligations under finance leases and hire purchase contracts (secured)	1,026,805	1,792,319
	<u>2,619,943</u>	<u>3,749,707</u>
Repayable in one year or less, or on demand (Note 13)	116,142	514,240
Repayable between one and two years	952,832	1,200,791
Repayable between two and five years	166,480	128,157
Repayable in five years or more	473,826	628,440
	<u>1,709,280</u>	<u>2,471,628</u>
Repayable in five years or more:		
Bank loan	<u>473,826</u>	<u>628,440</u>

The long term bank loan in respect of the acquisition of the leasehold interest in the office premises is repayable over 15 years by monthly instalments at 1.45% over bank base rate.

15. Provisions for liabilities and charges

Group	Deferred taxation £
At 1 January 2008	329,905
Additions	50,305
At 31 December 2008	<u>380,210</u>
	<u>2008</u>
	<u>£</u>
The deferred tax balance comprises	
Accelerated capital allowances	380,210
Deferred income	-
	<u>380,210</u>
	<u>2007</u>
	<u>£</u>
	340,211
	(10,306)
	<u>329,905</u>

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

16. Share capital

	2008	2007
Authorised		£ £
513 Ordinary A shares of £1 each	513	1,000
387 Ordinary B shares of £1 each	387	-
100 Non-Voting C shares of £1 each	100	-
47,000 Preference shares of 1 pence each	470	-
	<u>1,470</u>	<u>1,000</u>
Equity interest	1,000	1,000
Non-equity interest	470	-
	<u>1,470</u>	<u>1,000</u>
Allotted and issued		
142 Ordinary shares of £1 each	-	142
81 Ordinary A shares of £1 each	81	-
61 Ordinary B shares of £1 each	61	-
	<u>142</u>	<u>142</u>

The rights to all classes of authorised shares are contained within the company's articles of association and the binding shareholders agreement dated 6 November 2008.

17. Equity Reserves	Share premium account Group £	Profit and loss account Group £	Total Group £	Share premium account Company £	Profit and loss account Company £	Total Company £
At 1 January 2008	624,729	3,183,035	3,807,764	624,729	(9,953)	614,776
Profit /(loss) for the year		866,220	866,220		(9,483)	(9,483)
At 31 December 2008	<u>624,729</u>	<u>4,049,255</u>	<u>4,673,984</u>	<u>624,729</u>	<u>(19,436)</u>	<u>605,293</u>

Dawnus Holdings Limited

Notes to the Financial Statements for the year ended 31 December 2008

18. Reconciliation of movements in shareholders' funds	2008	2007
Group	£	£
	£	£
Returns on		
Profit for the year	912,418	1,588,022
less Minority Interest	(46,198)	(21,017)
	<u>866,220</u>	<u>1,567,005</u>
Net proceeds of equity share issue	-	624,750
	<u>866,220</u>	<u>2,191,755</u>
Net addition to shareholders' funds	3,807,906	1,616,151
Opening shareholders' funds	<u>4,674,126</u>	<u>3,807,906</u>
Closing shareholders' funds	<u><u>4,674,126</u></u>	<u><u>3,807,906</u></u>

19. Related party transactions

There is no disclosure in these financial statements of transactions between entities that are part of the group headed by Dawnus Holdings Limited, in accordance with Financial Reporting Standard 8.

20. Gross cash flows

	2008	2007
Returns on investments and servicing of finance		
Interest received	5,645	38,867
Interest paid	(500,919)	(322,433)
	<u>(495,274)</u>	<u>(283,566)</u>
Taxation		
Corporation tax paid	(343,254)	(480,938)
	<u>(343,254)</u>	<u>(480,938)</u>
Capital expenditure		
Payments to acquire tangible assets	(1,404,456)	(1,779,532)
Receipts from sales of tangible assets	110,039	34,499
	<u>(1,294,417)</u>	<u>(1,745,033)</u>
Financing		
Issue of ordinary share capital	-	624,750
(Repayment)/advance of bank loan	(49,384)	790,283
Other new short term loans	13,661	3,333
Repayment of other loans	(626,625)	(227,368)
Capital element of finance leases and hire purchase contracts	(1,324,132)	(1,745,169)
	<u>(1,986,480)</u>	<u>(554,171)</u>

Dawnus Holdings Limited

**Notes to the Financial Statements
for the year ended 31 December 2008**

21. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	1,142,867	(1,142,567)		300
Overdrafts	-	(1,052,782)		(1,052,782)
	<u>1,142,867</u>	<u>(2,195,349)</u>		<u>(1,052,482)</u>
Debt due within one year	(514,240)	298,098	100,000	(116,142)
Debt due after one year	(1,957,388)	364,250	-	(1,593,138)
Finance leases and hire purchase contracts	(3,286,774)	1,324,132	(861,797)	(2,824,439)
	<u>(5,758,402)</u>	<u>1,986,480</u>	<u>(761,797)</u>	<u>(4,533,719)</u>
Net funds	<u>(4,615,535)</u>	<u>(208,869)</u>	<u>(761,797)</u>	<u>(5,586,201)</u>