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Construction Recycle
Management Limited 05524804

Registered number. 08670888

**Dawnus Group Limited
and its subsidiary undertakings**

**Report and consolidated financial statements
for the year ended 31 December 2014**

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COMPANIES HOUSE

Dawnus Group Limited

Directors and advisers

Directors

R G Jones
B Dalling
R T Evans
A G Peters
R D H Williams
R Hughes
T A Lowe
P C Collins

Secretary

T A Lowe

Registered office

Unit 7, Dyffryn Court
Riverside Business Park
Swansea Vale
Swansea
SA7 0AP

Independent auditors

PricewaterhouseCoopers LLP
Llys Tawe
Kings Road
SA1 Swansea Waterfront
Swansea SA1 8PG

Bankers

Lloyds TSB Bank Plc
Carlyle House
5 Cathedral Road
Cardiff
CF11 9RH

Dawnus Group Limited

Report and consolidated financial statements for the period ended 31 December 2014

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Dawnus Group Limited

Strategic report for the year ended 31 December 2014

The directors present their strategic report on the group for the year ended 31 December 2014

Business review and future developments

The profit and loss account for the year is set out on page 7

2014 has been a year of continued growth, with record turnover of £249m. Operations have grown significantly within the UK as we secure new contracts and continue to build on our successful reputation.

However, there have also been challenges along the way. In Africa, our activities were affected by two major events: the Ebola outbreak and plummeting iron ore prices. By implementing stringent precautions, we were able to work through the Ebola outbreak in both Liberia and Sierra Leone. In Liberia, we successfully completed enabling works contract at Mount Coffee with a second phase secured for 2015. In Sierra Leone, although we overcame Ebola, the iron ore price took its toll on two of our clients. London Mining Ltd fell into receivership in November, which consequently and unfortunately, resulted in a £9.4m bad debt loss to our group. Similarly, another of our international customers struggled with the changing iron ore market and halted their operations towards the end of the year. However, their operations were strengthened when they were acquired by another major international company, in the early part of 2015. Further details in respect of this is given in note 27 to the financial statements.

The outlook for 2015 is strong. We will seek to consolidate international business with the commencement of the second major phase of Mount Coffee, and continued work in other West African countries. Within the UK, we will continue to target larger schemes, and to that end have agreed to Joint Venture with Ferrovial, of Spain, on large road schemes in Wales.

The directors feel the group is well positioned to overcome the international challenges of 2015 and continue the growth experienced in recent years.

Financial risk management objectives and policies / Principal risks and uncertainties

Along with all businesses, the group has to 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 markets and industry sector 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 procedures and overall financial management.

The group's key performance indicators are financial, turnover and operating profit. These are set out in the profit and loss account.

By order of the board


R G. Jones
Director

Dawnus Group Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2014

The consolidated financial statements include the results of Dawnus Group Limited and all its subsidiary undertakings made up to the same accounting date. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation.

Principal activity

The principal activity of the company is that of a holding company. The principal activity of the trading subsidiary companies is that of building and civil engineering operations. At 31 December 2014, there were Fifteen wholly owned subsidiaries within the group: Dawnus Construction Holdings, (which itself wholly owned Dawnus Southern Limited and Ashridge Construction Limited), Dawnus International Limited (which itself owned Dawnus Sierra Leone Limited and Dawnus Mauritius Limited) and Dawnus Developments Limited (which itself owned Churchfield Homes Limited, Dyffryn Court Management Limited, Dawnus Services Limited, Construction Recyclate Management Limited, Quantum Geotechnical Limited, Pond Bridge Limited, Legsun Limited and Port Talbot Tyres Limited).

Results and dividends

The trading results for the period are set out on page 7.

The directors do not recommend the payment of a final dividend on ordinary shares (2013: £Nil).

Financial Instruments

The group's principal financial instruments comprise a bank overdraft and a bank loan in respect of residential development. The main purpose of these instruments is to finance the company's working capital requirements.

The group participates in forward currency contracts to manage its risk with respect to receivables denominated in US dollars. 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 suppliers bank account in line with payment terms and conditions agreed with individual suppliers.

Health and safety

Quality, health & safety and environmental issues continued to be a top priority in 2014. 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.

Dawnus Group Limited

Employment policy

It is our policy to be an engineering-led business, employing management and key trades on a regional basis. 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, equally irrespective of sex, race, colour, disability or marital status. This policy has been monitored through both the company's Quality Management system and the monitoring documentation which forms part of the recruitment and selection process. The company'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 company has set out a Statement of Values, wherein we are committed to develop individual potential and to recognise individual contribution and reward 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.

Directors

The directors who served during the period and up to the date of approval of the financial statements are listed below.

R G Jones	
B Dalling	
R T Evans	
A G Peters	
R D H Williams	
R Hughes	
N A Johnson	(Resigned 22 May 2015)
T A Lowe	
P C Collins	(Appointed 15 January 2015)

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 statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 the affairs of the group and the company 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 judgements and accounting 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 and the group will continue in business.

Dawnus Group Limited

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

In so far as the directors are aware

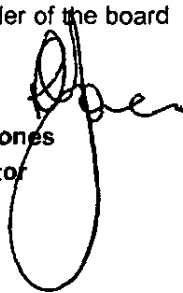
- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information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

Independent auditors

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

By order of the board

R G. Jones
Director

A handwritten signature in black ink, appearing to be 'R G. Jones', written over a large, empty oval shape.

Dawnus Group Limited

Independent auditors' report to the members of Dawnus Group Limited

Report on the financial statements

Our opinion

In our opinion, Dawnus Group Limited's group financial statements and company financial statements (the "financial statements")

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's loss and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Group - Subsequent events

In forming our opinion on the group financial statements, which is not modified, we draw attention to Note 27 to the financial statements which describes the position in respect of trade debtors due from a significant customer

What we have audited

The financial statements comprise

- the group and company balance sheets as at 31 December 2014,
- the group profit and loss account for the year then ended,
- the group cash flow statement for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Dawnus Group Limited

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

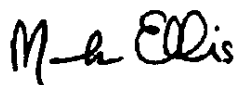
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and consolidated financial statements 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.



Mark Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Swansea
24th July 2015

Dawnus Group Limited

Registered number 08670888

Group Profit and Loss Account for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover	2	248,647	206,170
Cost of sales		(229,838)	(181,551)
Gross profit		18,809	24,619
Administrative expenses – before exceptional bad debt costs		(6,690)	(7,893)
Exceptional bad debt costs	7	(9,443)	-
Total administrative expenses		(16,133)	(7,893)
Operating profit before exceptional bad debt costs		12,119	16,726
Exceptional bad debt costs		(9,443)	-
Operating profit		2,676	16,726
Interest receivable and similar income		18	23
Interest payable and similar charges	3	(1,233)	(870)
Profit on ordinary activities before taxation	7	1,461	15,879
Tax on profit on ordinary activities	8	(2,225)	(3,867)
(Loss)/Profit for the financial year	20	(764)	12,012

All operations are continuing

The group has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents

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

Dawnus Group Limited

Registered number 08670888

Balance Sheets As at 31 December 2014

	Note	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Fixed Assets					
Intangible assets	11	117	-	-	-
Tangible assets	12	36,051	35,927	-	-
Investments	13	301	301	1,362	1,362
		36,469	36,228	1,362	1,362
Current assets					
Stocks	14	3,055	3,388	-	-
Debtors	15	50,279	41,383	3,119	2,757
Cash at bank and in hand		6,993	11,722	-	-
		60,327	56,493	3,119	2,757
Creditors' amounts falling due within one year	16	(54,154)	(46,311)	(3,119)	(2,757)
Net current assets		6,173	10,182	-	-
Total assets less current liabilities		42,642	46,410	1,362	1,362
Creditors' amounts falling due after more than one year	17	(8,336)	(11,340)	-	-
Net assets		34,306	35,070	1,362	1,362
Capital and reserves					
Called up share capital	19	-	-	-	-
Share premium account	20	1,362	1,362	1,362	1,362
Profit and loss account	20	32,944	33,708	-	-
Total shareholders' funds	21	34,306	35,070	1,362	1,362

The financial statements on pages 7 to 22 were approved by the board of directors on 24th July 2015 and were signed on its behalf by

R.G. Jones
Director

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

Dawnus Group Limited

Registered number 08670888

Group cash flow statement for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Net cash inflow from operating activities (see reconciliation on page 10)		11,254	15,689
Returns on investments and servicing of finance	24	(1,215)	(847)
Taxation	24	(4,424)	(7,454)
Equity dividend paid to shareholders		-	(522)
Capital expenditure and financial investment	24	(3,999)	(6,178)
Net cash inflow before financing		1,617	688
Financing	24	(6,345)	(3,419)
Decrease in cash in the year		(4,729)	(2,731)
Reconciliation of net cash flow to movement in net funds / (debt)			
Decrease in cash in the year		(4,729)	(2,731)
Cash flow from change in debt and lease financing		9,893	2,519
Change in net funds resulting from cash flows		5,164	(212)
Other non cash changes	25	(10,223)	(11,018)
Movement in net (debt) / funds in the year		(5,059)	(11,230)
Net funds / (debt) at 1 January		(5,722)	5,508
Net debt at 31 December		(10,781)	(5,722)

Dawnus Group Limited

Reconciliation of operating profit to net cash inflow from operating activities for the year ended 31 December 2014

	2014 £000	2013 £000
Operating profit	2,676	16,726
Depreciation	10,996	10,337
(Profit)/loss on disposal of tangible fixed assets	(346)	73
Decrease/(increase) in stocks	333	(499)
Increase in debtors	(7,445)	(12,984)
Increase in creditors	5,040	2,036
Net cash inflow from operating activities	11,254	15,689

Dawnus Group Limited

Note to the consolidated financial statements for the year ended 31 December 2014

1 Accounting policies

Accounting convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently throughout the year, is set out below.

Basis of consolidation

The consolidated financial statements include the results of Dawnus Group Limited and all its subsidiary undertakings made up to the same accounting date. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation.

Exemptions

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Dawnus Group Limited group or investees of Dawnus Group Limited and its subsidiary companies.

Turnover and amounts recoverable on contracts

Turnover for a financial year includes the value of construction work done and plant hire income. Turnover excludes trade discounts and value added tax.

Long term contract balances are assessed on a contract by contract basis and are reflected in the profit and loss account as contract activity progresses. Any expected losses on long term contract balances are recognised immediately and are written off to the profit and loss account. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the profit and loss account as the difference between reported turnover and related costs for that contract.

On short term contracts turnover and profits are recognised when invoices are raised for certified work undertaken.

The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on long-term contracts" and separately disclosed within debtors. Where progress payments are in excess of recognised turnover, the excess is included in creditors as 'payments received on account'.

Goodwill and amortisation

Goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised and amortised on a straight line basis over its estimated useful economic life. The estimated useful economic life is calculated having regard to the period over which the Group expects to derive economic benefits from the assets. The directors consider that the estimated useful economic life of the purchased goodwill is 20 years.

Dawnus Group Limited

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet 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 property	- Straight line over the lease period
Plant and machinery	- 10% - 30% reducing balance
Fixtures, fittings and equipment	- 24% - 33 33% straight line
Motor vehicles	- 24% - 48% straight line

The directors undertake reviews of the carrying value of fixed assets when trigger events occur and make such provisions for impairment as they consider necessary

Investments

Investments are stated at cost less, where appropriate, any provision for impairment

Investments – shared equity receivables

The company operates schemes under which part of the agreed sales price for a residential property can be deferred, at which point this is linked to the value of the property. The receivable is deferred until the earlier of 10 years, remortgage, death of borrower or resale of the property

On initial recognition the asset is recognised at the open market value. Gains and losses arising from changes in the open market value of the asset are not recognised until the date the asset is realised

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains and losses are included in operating profit

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in the fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets

Stocks

Stocks and work in progress (other than long term contract balances) are stated in the balance sheet at the lower of cost and net realisable value. Work in progress comprises costs incurred in development projects less any provisions for amounts deemed irrecoverable.

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

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

Exceptional items

Material costs which derive from events or transactions that are within the ordinary activities of the company but need to be disclosed by virtue of their size or incidence are disclosed as exceptional items charged in arriving at operating profit

Dawnus Group Limited

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sustainable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non discounted basis

Revenue 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 for the year has been derived from its principal activity which is considered to be a single business segment, of which approximately 59% (2013 56%) was undertaken in the UK and 41% (2013 44%) was undertaken in Africa. The company did not trade during the year

3. Interest payable and similar charges

	2014 £000	2013 £000
Interest payable on bank loans and overdraft	74	57
Interest payable on finance leases	1,159	813
	1,233	870

4. Employee information

The average monthly number of persons (including executive directors) employed by the group during the year was

	2014 Number	2013 Number
Number of employees		
Construction site staff	2,244	1,764
Administration	84	76
	2,328	1,840

Payroll costs for the above personnel are analysed below

	2014 £000	2013 £000
Employment costs		
Wages and salaries	43,617	39,053
Social security costs	3,180	2,633
Other pension costs	1,557	730
	48,354	42,416

Dawnus Group Limited

5 Directors' emoluments

	2014 £000	2013 £000
Aggregate emoluments	1,335	1,398
Pension contributions	151	156
	1,486	1,554

	2014 Number	2013 Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	7	7

	2014 £000	2013 £000
Highest paid director		
Aggregate emoluments	199	194
Pension contributions	23	22
	222	216

6 Pension costs

The group operates a defined contribution scheme. The pension charge representing contributions payable by group companies amounted to £1,557,000 (2013 £730,000)

7 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2014 £000	2013 £000
Depreciation of tangible fixed assets		
- Owned assets	4,153	5,315
- Under finance leases	6,843	5,022
Operating lease rentals/plant and machinery	3,302	3,302
Grant income	(74)	(120)
(Gain)/loss on foreign currency translation	(1,610)	83
(Profit)/loss on disposal of tangible fixed assets	(346)	73

Profit on ordinary activities is also stated after charging £9,443,000 of exceptional bad debt costs that have arisen following the failure of London Mining Plc, a customer of Dawnus Sierra Leone Limited

Dawnus Group Limited

Services provided by the company's auditor

During the year the group obtained the following services from the company's auditors

	2014 £000	2013 £000
Fees payable to company auditor for audit of parent company and consolidated financial statements	6	6
Fees payable to the company's auditor for other services		
- The audit of company's subsidiaries pursuant to legislation	46	46
- Tax services	9	9
	61	61

8. Tax on profit on ordinary activities

	2014 £000	2013 £000
Current tax		
UK corporation tax on profits for the year	7	4,211
Overseas tax	2,391	92
Total current tax	2,398	4,303
Deferred tax		
Origination and reversal of timing differences	(173)	(436)
Total deferred tax	(173)	(436)
Tax on profit on ordinary activities	2,225	3,867

The tax assessed for the year is higher than the standard effective rate of corporation tax in the UK (21.49%). The differences are explained below

	2014 £000	2013 £000
Profit on ordinary activities before taxation	1,461	15,879
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	314	3,691
Effects of		
Expenditure not deductible for tax purposes	74	104
Capital allowances less than depreciation	272	534
Other timing differences	12	14
Overseas tax	1,874	92
Utilisation of tax losses	(49)	(12)
Adjustments to tax charge in respect of prior periods	(99)	(120)
Current tax charge for the year	2,398	4,303

Dawnus Group Limited

9. Dividends

	2014 £000	2013 £000
Dividend of £Nil (2013 £6,000) per A ordinary share	-	486
Dividend of £Nil (2013 £Nil) per B ordinary share	-	-
Dividend of £Nil (2013 £6,000) per C ordinary share	-	36
	-	522

10 Profits of the holding company

As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account. The profit for the financial period dealt with in the financial statements of the parent company was £Nil.

11 Intangible fixed assets

	Goodwill on consolidation £000
Group	
Cost and net book value	
Acquisitions (see note 13)	117
At 31 December 2014	117

12 Tangible fixed assets

Group	Long leasehold property £000	Short leasehold property £000	Plant & machinery £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 January 2014	1,849	479	54,455	1,998	4,568	63,349
Acquisitions	-	55	185	-	-	240
Additions	1,047	-	9,735	1,119	104	12,005
Disposals	-	-	(3,761)	-	(166)	(3,927)
At 31 December 2014	2,896	534	60,614	3,117	4,506	71,667
Accumulated depreciation						
At 1 January 2014	140	31	22,600	1,324	3,327	27,422
Acquisitions	-	14	126	-	-	140
Charge for the year	24	36	9,864	360	712	10,996
Eliminated on disposals	-	-	(2,781)	-	(161)	(2,942)
At 31 December 2014	164	81	29,809	1,684	3,878	35,616
Net book value						
At 31 December 2014	2,732	453	30,805	1,433	628	36,051
At 31 December 2013	1,709	448	31,855	674	1,241	35,927

Dawnus Group Limited

Included in fixed assets are assets held under finance leases or hire purchase contracts as follows

	2014		2013	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£000	£000	£000	£000
Plant and machinery	19,476	6,627	17,948	4,908
Motor vehicles	414	216	630	114
	19,890	6,843	18,578	5,022

The company has no fixed assets

13. Investments – company

	Shares in subsidiary undertakings £000
Cost and net book value	
At 1 January 2014	1,362
Additions	-
At 31 December 2014	1,362

The principal subsidiary companies are set out below

Name of undertaking	% shares held	Principal activity
Directly held		
Dawnus Construction Holdings Limited	Ordinary shares - 100%	Building and civil engineering
Dawnus Developments Limited	Ordinary shares - 100%	Holding company
Dawnus International Limited	Ordinary shares - 100%	Building and civil engineering
Indirectly held		
Dawnus Limited	Ordinary shares - 100%	Project management
Dawnus Sierra Leone Limited	Ordinary shares - 100%	Building and civil engineering
Dawnus Mauritius Limited	Ordinary shares - 100%	Building and civil engineering
Churchfield Homes Limited	Ordinary shares - 100%	Residential property development
Construction Recyclate Management Limited	Ordinary shares - 100%	Recycling services
Dyffryn Court Management Limited	Ordinary shares - 100%	Dormant
Quantum Geotechnical Limited	Ordinary shares - 90%	Ground investigation works
Dawnus Southern Limited	Ordinary shares - 90%	Building and civil engineering
Port Talbot Tyres Limited	Ordinary shares - 100%	Dormant
Ashridge Construction Limited	Ordinary shares - 100%	Building and civil engineering
Legsun Limited	Ordinary shares - 100%	Electrical Engineering

During the year the company acquired a 100% interest in Legsun Limited, the acquisition cost was £1

All of the above companies are incorporated in the United Kingdom with the exception of Dawnus Mauritius Limited which is incorporated in Mauritius

The directors believe that the carrying value of the investments is supported by their underlying net assets or their expected future performance

Construction Recyclate Management Limited has taken the exemption under S479A of the Companies Act 2006 and has not had its financial statements audited

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Investments – group

Available for sale
assets
£'000

Cost and net book value	
At 1 January 2014 and at 31 December 2014	301

Available for sale assets comprise shared equity receivables. The shared equity receivables have variable repayment dates and variable repayment amounts, provided as part of the sales transaction and are secured by a second legal charge on related property.

14 Stocks

	Group	Group	Company	Company
	2014	2013	2014	2013
	£000	£000	£000	£000
Work in progress	3,055	3,388	-	-
	3,055	3,388	-	-

15 Debtors

	Group	Group	Company	Company
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	24,800	10,746	-	-
Amounts recoverable on long-term contracts	18,921	25,801	-	-
Directors' loan accounts (note 23)	2,290	2,005	2,290	2,005
Other debtors	1,291	1,312	829	752
Corporation tax	1,278	-	-	-
Deferred taxation (Note 18)	606	433	-	-
Prepayments and accrued income	1,093	1,086	-	-
	50,279	41,383	3,119	2,757

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16 Creditors: amounts falling due within one year

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Bank loan	1,094	57	-	-
Payments received on account	1,989	12,257	-	-
Obligations under finance leases and hire purchase contracts	8,344	6,047	-	-
Trade creditors	4,413	4,726	-	-
Amounts owed to group undertakings	-	-	2,540	2,205
Corporation tax	-	748	-	-
Other taxes and social security costs	2,516	862	-	-
Other creditors	13,513	5,383	579	552
Accruals and deferred income	22,285	16,231	-	-
	54,154	46,311	3,119	2,757

Bank borrowings are secured by a first legal mortgage over long leasehold office premises held by a subsidiary company and on debentures over the company's assets. In addition, the bank borrowings are secured by a cross guarantee given by other group companies.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

17. Creditors: amounts falling due after more than one year

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Bank loan	415	474	-	-
Obligations under finance leases and hire purchase contracts	7,921	10,866	-	-
	8,336	11,340	-	-

The maturity profile of loans and other borrowings is shown below.

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Repayable in one year or less, or on demand	1,094	57	-	-
Repayable between one and two years	57	57	-	-
Repayable between two and five years	188	184	-	-
Repayable in five years or more	170	233	-	-
	1,509	531	-	-

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Finance lease and hire purchase obligations are repayable in instalments as follows

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Repayable within one year	8,344	6,047	-	-
Repayable between one and five years	7,921	10,866	-	-
	16,265	16,913	-	-

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

18. Deferred Taxation – group

	Deferred taxation £000
At 1 January 2014	(433)
Credited to the profit and loss account in the year	(173)
At 31 December 2014	(606)
The deferred tax balance comprises	
	2014 £'000
Accelerated capital allowances	(550)
Short term timing differences	(56)
Deferred tax asset	(606)
	2013 £'000
	(395)
	(38)
	(433)

The company has no deferred tax liability

19 Called up share capital

	2014 £	2013 £
81 (2013 81) Ordinary A shares of £1 each	81	81
3 (2013 3) Ordinary B shares of £1 each	3	3
6 (2013 6) Ordinary C shares of £1 each	6	6
	90	90

20. Reserves

	Share premium account Group £000	Profit and loss account Group £000	Total Group £000	Share premium account Company £000	Profit and loss account Company £000	Total Company £000
At 1 January 2014	1,362	33,708	35,070	1,362	-	1,362
Loss for the financial year	-	(764)	(764)	-	-	-
At 31 December 2014	1,362	32,944	34,306	1,362	-	1,362

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21 Reconciliation of movements in shareholders' funds

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
(Loss)/Profit for the financial year	(764)	12,012	-	-
Issue of shares	-	-	-	1,362
Repurchase of Ordinary A Shares	-	(900)	-	-
Dividend	-	(522)	-	-
Net (decrease)/increase in shareholders' funds	(764)	10,590	-	1,362
Opening shareholders' funds	35,070	24,480	1,362	-
Closing shareholders' funds	34,306	35,070	1,362	1,362

22. Operating lease commitments

At 31 December 2014 the group had annual commitments under non-cancellable operating leases for assets other than land and buildings expiring as follows

	2014 £000	2013 £000
Within one year	3,302	3,302
	3,302	3,302

23 Related party transactions

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

Included within debtors are loans due from R G Jones (£260,000), B Dalling (£250,000), R D H Williams (£250,000), A G Peters (£260,000), R T Evans (£362,000), T A Lowe (£454,000) and R Hughes (£454,000). The loans have been advanced on an interest free basis, are unsecured and are repayable on demand. The closing debtor, for each of the loan amounts above, reflects the maximum amounts outstanding during the year.

24 Gross cash flows

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	18	23
Interest paid	(1,233)	(870)
	(1,215)	(847)
Taxation		
Corporation tax paid	(4,424)	(7,454)
Capital expenditure		
Payments to acquire tangible assets	(5,330)	(6,563)
Receipts from sales of tangible assets	1,331	385
	(3,999)	(6,178)
Financing		
(Repayment)/receipt of bank loan	978	(581)
Capital element of finance leases and hire purchase contracts	(7,323)	(1,938)
Repurchase of own shares	-	(900)
	(6,345)	(3,419)

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25. Analysis of changes in net funds / (debt)

	At 1 January 2014 £000	Cash flows £000	Non cash movements £000	At 31 December 2014 £000
Cash at bank and in hand	11,722	(4,729)	-	6,993
Debt due within one year	(57)	(1,037)	-	(1,094)
Debt due after one year	(474)	59	-	(415)
Finance leases and hire purchase contracts	(16,913)	7,323	(6,675)	(16,265)
	(17,444)	6,345	(6,675)	(17,774)
Net funds / (debt)	(5,722)	1,616	(6,675)	(10,781)

26 Ultimate controlling party

The directors do not consider there to be one ultimate controlling party of Dawnus Group Limited. It is controlled by a number of individual shareholders.

27. Post balance sheet events

During March 2015 one of our international customers experienced a change in ownership. Given the scale of their operation this change took a considerable period of time to negotiate, and our debt of £15.0m relating to the second half trading period in 2014 remains outstanding.

Dawnus management considers the change in ownership to have strengthened the business with discussions of future operations still on-going. It has been widely reported that the acquirer has given the Sierra Leone Government assurances that it will pay all outstanding debts accrued by the trading subsidiaries at the time of acquisition, and management remains confident that the balance will be settled in full during the second half of 2015.

28. Contingent liabilities

The company has guaranteed the bank borrowings of a fellow group company amounting to £1,509,000 (2013 £531,000).