

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
DAWNUS SIERRA LEONE LIMITED



DAWNUS SIERRA LEONE LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2015

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DAWNUS SIERRA LEONE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS:

R G Jones
B Dalling
T A Lowe
M G Condon

SECRETARY:

T A Lowe

REGISTERED OFFICE:

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

REGISTERED NUMBER:

04636673 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Institute of Life Science 1
Swansea University
Singleton Park
Swansea
SA2 8PP

DAWNUS SIERRA LEONE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The statement of comprehensive income for the year is set out in the annexed financial statements.

The directors were disappointed with the performance of the business during the year. Significant bad debt charges were recorded in both the 2014 and 2015 financial statements relating to African customers. The collective impact of these bad debts across 2014 and 2015 was a charge of £13,542,000 to the statement of comprehensive income. The directors are confident of growth and a return to profitability in subsequent years.

During 2016 and future years, the company will continue to focus on securing large civil engineering contracts and will continue to employ its own labour force and plant in order to maximise quality and delivery, minimise costs and optimise health & safety considerations. The company's key performance indicators are considered to be financial turnover and operating profit. These are set out in the statement of comprehensive income.

FRS 102

The company has adopted FRS 102 in the preparation of these financial statements. Details of the adjustments that have been made to the results previously reported under UK GAAP are set out in note 13. The principal adjustments that have been made on transition to FRS 102 are adjustments relating to the fair value of financial instruments.

FRS 102 requires that financial instruments are accounted at fair value through the income statement. The group utilises forward foreign currency contracts to manage its exposure to foreign currency risk. On the date of transition to FRS 102 (1 January 2014), the group had a financial asset relating to its foreign currency contracts in the amount of £6,761,000. An adjustment to recognise this asset in the consolidated balance sheet and to restate reserves was made on transition. Equity shareholders' funds as at 1 January 2014, increased on transition to FRS 102, reflecting the recognition of a financial asset relating to foreign currency contracts.

The fair value of the financial asset relating to foreign currency contracts reduced from an asset of £6,761,000 at 1 January 2014 to a liability of £482,000 at 31 December 2014. The movement in the carrying value of the financial asset during 2014, amounting to £7,243,000, has been recognised as a charge in the 2014 statement of comprehensive income. As a consequence, the pre-tax loss of the company for the year ended 31 December 2014, as reported under UK GAAP, has been restated to reflect a pre-tax loss of £13,139,000 under FRS 102.

At 31 December 2015, the fair value of the foreign currency contracts was an overall liability of £879,000. The movement in the carrying value of the instrument during 2015 of £397,000, from a liability of £482,000 at 1 January 2015 to a liability of £879,000, has been recognised as a charge in the 2015 statement of comprehensive income.

The net impact on the financial statements to date from the adoption of FRS 102, from the date of transition to 31 December 2015, has been an overall charge of £879,000.

FINANCIAL RISK MANAGEMENT OBJECTIVES / PRINCIPAL RISKS AND UNCERTAINTIES

Along with all businesses, the company 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 of the company's control. We aim to spread the impact of these general risks by constantly assessing the geographical markets and industry sectors 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 company 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.

ON BEHALF OF THE BOARD:


.....
R G Jones - Director

16 May 2016

DAWNUS SIERRA LEONE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report with the audited financial statements of the company for the year ended 31 December 2015.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

R G Jones
B Dalling
T A Lowe
M G Condon
A G Peters (resigned: 1 June 2015)

GOING CONCERN

The company has received a letter of support in relation to the going concern basis from Dawnus Group Limited (Company number: 08670888), stating that it is their intention to provide any necessary support, to enable the company to meet its liabilities as and when they fall due for a period of no shorter than 12 months from the date of signing these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DAWNUS SIERRA LEONE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
R G Jones - Director

16 May 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DAWNUS SIERRA LEONE LIMITED

Report on the financial statements

Our opinion

In our opinion, Dawnus Sierra Leone Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

What we have audited

The financial statements, included within the Strategic report, Report of the Directors and Financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2015;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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 Report of the Directors 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DAWNUS SIERRA LEONE LIMITED

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 parent 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

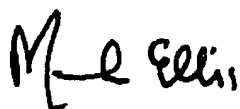
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Swansea
16 May 2016

DAWNUS SIERRA LEONE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
TURNOVER	2	8,789	92,094
Cost of sales		<u>(9,474)</u>	<u>(80,977)</u>
GROSS (LOSS)/PROFIT		(685)	11,117
Administrative expenses before exceptional item		(5,876)	(7,542)
Exceptional item		(4,099)	(9,443)
Total administrative expenses		<u>(9,975)</u>	<u>(16,985)</u>
Operating (loss)/profit before exceptional item		(6,561)	3,575
Exceptional item		(4,099)	(9,443)
OPERATING LOSS	3	(10,660)	(5,868)
Net loss on financial instruments at fair value		(397)	(7,243)
Interest payable and similar charges	4	<u>(117)</u>	<u>(28)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,174)	(13,139)
Tax on loss on ordinary activities	5	<u>742</u>	<u>(2,412)</u>
LOSS FOR THE FINANCIAL YEAR		(10,432)	(15,551)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u>(10,432)</u>	<u>(15,551)</u>

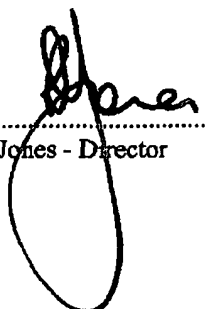
The notes form part of these financial statements

DAWNUS SIERRA LEONE LIMITED (REGISTERED NUMBER: 04636673)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
CURRENT ASSETS			
Stocks	6	469	-
Debtors	7	4,532	15,878
Cash at bank and in hand		<u>3,824</u>	<u>-</u>
		8,825	15,878
CREDITORS			
Amounts falling due within one year	8	<u>(15,098)</u>	<u>(12,116)</u>
NET CURRENT (LIABILITIES)/ASSETS		(6,273)	3,762
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,273)</u>	<u>3,762</u>
DERIVATIVE FINANCIAL INSTRUMENTS		(879)	(482)
NET (LIABILITIES)/ASSETS		<u>(7,152)</u>	<u>3,280</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
(Accumulated losses)/retained earnings		<u>(7,152)</u>	<u>3,280</u>
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS		<u>(7,152)</u>	<u>3,280</u>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 16 May 2016 and were signed on its behalf by:


.....
R G Jones - Director

The notes form part of these financial statements

DAWNUS SIERRA LEONE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained Earnings/ (accumulated) losses £'000	Total shareholders' funds £'000
Balance as at 1 January 2014 (as restated)	18,831	18,831
Changes in equity		
Total comprehensive expense(as previously reported under UK GAAP)	(8,308)	(8,308)
FRS 102 – Net loss on financial assets at fair value	<u>(7,243)</u>	<u>(7,243)</u>
Balance as at 31 December 2014	<u>3,280</u>	<u>3,280</u>
Changes in equity		
Loss for the financial year and total comprehensive expense	<u>(10,432)</u>	<u>(10,432)</u>
Balance as at 31 December 2015	<u><u>(7,152)</u></u>	<u><u>(7,152)</u></u>

The notes form part of these financial statements

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information

The principal activity of the company is that of building and civil engineering operations.

The company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Unit 7, Dyffryn Court, Riverside Business Park, Swansea Vale, Swansea. SA7 0AP.

Basis of consolidation

Consolidated financial statements have not been provided as the company is itself a subsidiary undertaking of a company incorporated in England and Wales, and is included in the consolidated results of Dawnus Group Limited, as permitted by Section 400 of the Companies Act 2006.

Statement of compliance

The financial statements of the company have been prepared on a going concern basis in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The financial statements for the year ended 31 December 2015 are the first financial statements to be prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2014.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	£'000
Equity shareholders' funds at 1 January 2014 under previous UK GAAP	12,070
Derivatives – Net gain on financial assets at fair value	<u>6,761</u>
Equity shareholders' funds at 1 January 2014 under FRS 102	<u>18,831</u>

Reconciliation of equity at 31 December 2014

	£'000
Equity shareholders' funds at 1 January 2014 under FRS 102 (see above)	18,831
Loss for the year as previously reported under UK GAAP	(8,308)
Derivatives – Net loss on financial assets at fair value	<u>(7,243)</u>
Equity shareholders' funds at 31 December 2014 under FRS 102	<u>3,280</u>

The following were changes in accounting policies of the group arising from the transition to FRS 102:

Derivatives

Foreign currency contracts are recorded on the balance sheet at fair value and accounted for at fair value through the statement of comprehensive income.

Under previous UK GAAP, these were recognised at contracted rates with gains or losses being offset against the foreign currency gains and losses on the related financial assets and liabilities.

Going Concern

The company has received a letter of support in relation to the going concern basis from Dawnus Group Limited (Company number: 08670888), stating that it their intention to provide any necessary support, to enable the company to meet its liabilities as and when they fall due for a period of no shorter than months from the date of signing these financial statements.

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

A summary of the more important accounting policies of the company, which have been applied consistently, is set out below.

Exemptions

The company has taken advantage of certain disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The company has taken advantage of the exemption under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows, on the basis that it is a qualifying undertaking and its ultimate parent company, includes the company's cash flows in its own consolidated set of financial statements.
- The company has taken advantage of the exemption afforded to wholly owned subsidiaries not to disclose details of related party transactions with wholly owned subsidiaries of the group.

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 statement of comprehensive income as contract activity progresses. Any expected losses on long term contract balances are recognised immediately and are written off to the statement of comprehensive income. 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 contracts" and separately disclosed within debtors. Where payments are in excess of recognised turnover, the excess is included as "payments on account".

Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax - Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax - 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 years 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.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Foreign currency

Functional and presentation currency

The financial statements are presented in pounds sterling and rounded to thousands. The company's functional and presentational currency is the pound sterling.

Transactions and balances

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised costs using the effective interest method.

At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit or loss.

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at transaction price and subsequently measured at amortised costs using the effective interest method.

Off-setting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative instruments

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the statement of comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

In the application of the company's accounting policies, which are described above, the Director's are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity which is considered to be a single business segment. All turnover arose in Africa.

3. OPERATING LOSS

No persons other than the Directors were employed during the year (2014: £nil). The directors' did not receive any emoluments from this company in respect of qualifying services either in 2015 or 2014.

The emoluments of the directors' are paid by other companies within the group. Each of the directors are directors' of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no emoluments in respect of the directors are disclosed within these financial statements.

The operating loss is stated after charging/(crediting):

	2015 £'000	2014 £'000
Fees payable to the company's auditor for the provision of audit services	9	9
Gain on foreign currency translation	<u>(479)</u>	<u>(172)</u>

The operating (loss) is also stated after writing off £4,099,000 (2014: £9,443,000) of exceptional bad debt costs that have arisen following the failure of two customers in Africa.

Key management compensation

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the company. The board consider that only the Directors of the company fulfil this definition.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Bank interest	<u>117</u>	<u>28</u>

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2015 £'000	2014 £'000
Current tax:		
Withholding tax on profit repatriation	23	75
Adjustments in respect of previous periods	(407)	69
Overseas tax	<u>101</u>	<u>2,268</u>
	(283)	2,412
Deferred tax:		
Origination and reversal of timing differences	<u>(459)</u>	<u>—</u>
 Tax on loss on ordinary activities	 <u>(742)</u>	 <u>2,412</u>

Reconciliation of total tax (credit)/charge included in profit and loss account

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(11,174)	(13,139)
 Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	 (2,263)	 (2,824)
 Effects of:		
Overseas tax	293	3,139
Group relief not paid for	1,635	2,028
Adjustments in respect of previous periods	<u>(407)</u>	<u>69</u>
 Total tax (credit)/charge	 <u>(742)</u>	 <u>2,412</u>

6. STOCKS

	2015 £'000	2014 £'000
Work-in-progress	<u>469</u>	<u>—</u>

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. DEBTORS

	2015 £'000	2014 £'000
Amounts falling due within one year		
Trade debtors	4,060	15,878
Corporation tax recoverable	<u>13</u>	<u>£</u>
	4,073	15,878
Amounts falling due after more than one year		
Deferred tax	<u>459</u>	<u>£</u>
Total debtors	<u>4,532</u>	<u>15,878</u>
Deferred tax asset		
		Deferred tax asset £000
At 1 January 2015		<u>£</u>
Credited to the statement of comprehensive income in the year		459
At 31 December 2015		459
The deferred tax asset balance comprises:	2015 £'000	2014 £'000
Short term timing differences	167	<u>£</u>
Losses	<u>292</u>	<u>-</u>
	459	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Bank loans and overdrafts (see note 9)		447
Derivative financial instruments	879	<u>£</u>
Amounts owed to group undertakings	14,875	1,687
Taxation	<u>£</u>	428
Other taxation and social security	53	624
Accruals and deferred income	<u>170</u>	<u>8,930</u>
	<u>15,977</u>	<u>12,116</u>

9. LOANS

An analysis of the maturity of loans is given below:

	2015 £'000	2014 £'000
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>£</u>	<u>447</u>

DAWNUS SIERRA LEONE LIMITED

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10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2015	2014
Number:	Class:		£	£
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

11. CONTINGENT LIABILITIES

The company has guaranteed the bank overdraft of a fellow subsidiary company. The amount of the borrowing at 31 December 2015 totalled £7,537,000 (2014: £1,450,471).

12. ULTIMATE CONTROLLING PARTY

The immediate parent company is Dawnus Construction Holdings Limited, which itself is a wholly owned subsidiary of Dawnus Group Limited. The ultimate parent company and controlling party is Dawnus Group Limited which is the parent company of the largest and smallest group to consolidate these financial statements. Copies of the Dawnus Group Limited consolidated financial statements can be obtained from the company's registered office – Unit 7, Dyffryn Court, Riverside Business Park, Swansea. SA7 0AP.

13. TRANSITION TO FRS 102

The company transitioned to FRS 102 from the previously extant UK GAAP as at 1 January 2014.

The impact of the transition to FRS 102 on the group financial statements is as follows:

Reconciliation of equity at 1 January 2014

	£'000
Equity shareholders' funds at 1 January 2014 under previous UK GAAP	12,070
Derivatives – Recognition of financial assets at fair value	6,761
Equity shareholders' funds at 1 January 2014 under FRS 102	18,831

Reconciliation of equity at 31 December 2014

	£'000
Opening shareholder's funds at 1 January 2014 under FRS 102 (see above)	18,831
Loss for the year as reported under previous UK GAAP	(8,308)
Derivatives – Net loss on financial assets at fair value	(7,243)
Equity shareholders' funds at 31 December 2014 under FRS 102	3,280

The following were changes in the accounting policies of the group arising from the transition to FRS 102:

Derivatives

Foreign currency contracts are recorded on the balance sheet at fair value and accounted for at fair value through the statement of comprehensive income.

Under previous UK GAAP, these were recognised at contracted rates with gains or losses being offset against the foreign currency gains and losses on the related financial assets and liabilities.

DAWNUS SIERRA LEONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. TRANSITION TO FRS 102

Deferred taxation

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on all fair value re-measurements and on all fair value adjustments arising on business combinations (other than goodwill). There are no adjustments required on business combinations arising prior to transition.

Reconciliation of group profit and loss for the year ended 31 December 2014

	£'000
Loss for the year as reported under previous UK GAAP for the year ended 31 December 2014	(8,308)
Derivatives – Net loss on financial assets at fair value	(7,243)
Loss for the year ended 31 December 2014 as reported under FRS 102	(15,551)

The following were changes in accounting policies of the group arising from the transition to FRS 102:

Derivatives

Interest rate swaps and forward foreign currency contracts are recorded on the balance sheet at fair value and accounted for as fair value through profit and loss. Under previous UK GAAP, these were recognised on an accruals basis or at contracted rates.

14. INVESTMENTS

The company has a 100% holding in Dawnus Mining Services Limited. The cost of investment was £1. Dawnus Mining Services Limited is dormant.