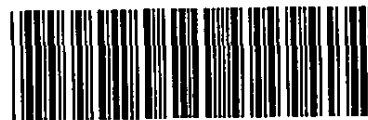


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**  
**FOR**  
**DAWNUS SIERRA LEONE LIMITED**

WEDNESDAY



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COMPANIES HOUSE

**DAWNUS SIERRA LEONE LIMITED**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DAWNUS SIERRA LEONE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DIRECTORS:**

R G Jones  
B Dalling  
T A Lowe  
M G Condon  
A G Peters

**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  
Llys Tawe  
Kings Road  
SA1 Swansea Waterfront  
Swansea  
SA1 8PG

**DAWNUS SIERRA LEONE LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The profit and loss account for the year is set out in the annexed financial statements

Our activities were affected by two major events the Ebola outbreak and plummeting iron ore prices By implementing stringent precautions and we were able to work through the Ebola outbreak in both Liberia and 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 Similarly, another of our international customers struggled with the changing iron ore market and halted their operations towards the end of the year Further details are set out in note 15 to the financial statements

During 2015 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

In the context of the above, the directors are satisfied as to the year end financial position

The company's key performance indicators are considered to be financial turnover and operating profit These are set out in the profit and loss account

**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

Date 24<sup>th</sup> July 2015

**DAWNUS SIERRA LEONE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report with the financial statements of the company for the year ended 31 December 2014

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014

**FUTURE DEVELOPMENTS**

Future developments are discussed in the Strategic Report

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report

R G Jones

B Dalling

T A Lowe

M G Condon

A G Peters (Resigned 1 June 2015)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). 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,
- 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.

**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.

**DAWNUS SIERRA LEONE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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

Date 24<sup>th</sup> July 2015

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

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**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 2014 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

**Emphasis of matter - Subsequent events**

In forming our opinion, which is not modified, we draw attention to Note 15 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 balance sheet as at 31 December 2014,
- the profit and loss account 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 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

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

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**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**

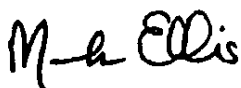
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error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

- whether the accounting policies are appropriate to the 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 Strategic Report, Report of the Directors and 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  
Llys Tawe  
Kings Road  
SA1 Swansea Waterfront  
Swansea  
SA1 8PG

Date 24<sup>th</sup> July 2015



**DAWNUS SIERRA LEONE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £'000	2013 £'000
<b>TURNOVER</b>		<b>92,094</b>	<b>80,124</b>
Cost of sales		<u>(80,977)</u>	<u>(61,731)</u>
<b>GROSS PROFIT</b>		<b>11,117</b>	<b>18,393</b>
Administrative expenses before exceptional bad debt costs		(7,542)	(8,326)
Exceptional bad debt costs		(9,443)	-
Total administrative expenses		<u>(16,985)</u>	<u>(8,326)</u>
Other operating income		-	5
Operating profit before exceptional bad debt costs		<b>3,575</b>	<b>10,067</b>
Exceptional bad debt costs		(9,443)	-
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(5,868)</b>	<b>10,072</b>
Interest payable and similar charges	<b>4</b>	<u>(28)</u>	<u>(23)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(5,896)</b>	<b>10,049</b>
Tax on (loss)/profit on ordinary activities	<b>5</b>	<u>(2,412)</u>	<u>(2,368)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>11</b>	<b><u>(8,308)</u></b>	<b><u>7,681</u></b>

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

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

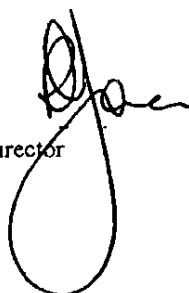
**DAWNUS SIERRA LEONE LIMITED (REGISTERED NUMBER: 04636673)**

**BALANCE SHEET**  
**31 DECEMBER 2014**

	Notes	2014 £'000	2013 £'000
<b>CURRENT ASSETS</b>			
Debtors	7	15,878	15,995
Cash at bank		-	8,339
		15,878	24,334
<b>CREDITORS</b>			
Amounts falling due within one year	8	(12,116)	(12,264)
<b>NET CURRENT ASSETS</b>		<u>3,762</u>	<u>12,070</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,762</u>	<u>12,070</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	-	-
Profit and loss account	11	<u>3,762</u>	<u>12,070</u>
<b>SHAREHOLDER'S FUNDS</b>	14	<u>3,762</u>	<u>12,070</u>

The financial statements on pages 7 to 13 were approved by the Board of Directors on 24<sup>th</sup> July 2015 and were signed on its behalf by

R G Jones - Director



The notes form part of these financial statements

**DAWNUS SIERRA LEONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These 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 accounting policies of the company, which have been applied consistently, is set out below.

**Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within 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 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 contracts" and separately disclosed within debtors. Where payments are in excess of recognised turnover, the excess is included as "payments on account".

All turnover is derived from the company's one activity and is derived from Africa.

**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. Deferred tax is measured on a non-discounted basis.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**DAWNUS SIERRA LEONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**2 STAFF COSTS**

No persons other than the Directors were employed during the year

The directors' did not receive any emoluments from this company in respect of qualifying services either in 2014 or 2013

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. An assessment has been made of the amount paid in respect of services to this company.

**3 OPERATING (LOSS)/PROFIT**

The operating loss (2013 - operating profit) is stated after charging/(crediting)

	2014 £'000	2013 £'000
Auditors' remuneration - provision of audit services	9	9
Loss on foreign currency retranslation	-	5
Gain on foreign currency translation	<u>(172)</u>	<u>-</u>

	2014 £	2013 £
Directors' remuneration	172,000	191,000
Directors' pension contributions to money purchase schemes	<u>4,425</u>	<u>4,000</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2014 £'000	2013 £'000
Bank interest	<u>28</u>	<u>23</u>

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows

	2014 £'000	2013 £'000
Current tax		
UK corporation tax	2,013	2,276
Overseas tax	<u>398</u>	<u>92</u>
Tax on (loss)/profit on ordinary activities	<u>2,411</u>	<u>2,368</u>

**DAWNUS SIERRA LEONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**5 TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2014 £'000	2013 £'000
(Loss)/profit on ordinary activities before tax	<u>(5,897)</u>	<u>10,049</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.490% (2013 - 23.250%)	(1,267)	2,336
Effects of		
Adjustments to tax charge in respect of previous periods	68	-
Other timing differences	-	(60)
Overseas tax	1,855	92
Group relief not paid for	<u>1,755</u>	<u>-</u>
Current tax charge	<u>2,411</u>	<u>2,368</u>

**6 DIVIDENDS**

	2014 £'000	2013 £'000
Ordinary shares of £1 each		
Final	<u>-</u>	<u>750</u>

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £'000	2013 £'000
Trade debtors	15,878	3,942
Amounts owed by group undertakings	-	4,393
Amounts recoverable on contract	-	7,649
Prepayments and accrued income	<u>-</u>	<u>11</u>
	<u>15,878</u>	<u>15,995</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £'000	2013 £'000
Bank loans and overdrafts (see note 9)	447	-
Payments on account	-	9,628
Amounts owed to group undertakings	1,687	-
Taxation	428	485
Social security and other taxes	624	133
Accruals and deferred income	<u>8,930</u>	<u>2,018</u>
	<u>12,116</u>	<u>12,264</u>

**DAWNUS SIERRA LEONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**9 LOANS**

An analysis of the maturity of loans is given below

	2014 £'000	2013 £'000
Amounts falling due within one year or on demand		
Bank overdrafts	<u>447</u>	<u>-</u>

**10 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2014	2013
Number	Class	Nominal value	£	£
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

**11 RESERVES**

	Profit and loss account £'000
At 1 January 2014	12,070
Loss for the financial year	<u>(8,308)</u>
At 31 December 2014	<u>3,762</u>

**12 CONTINGENT LIABILITIES**

The company has guaranteed the bank overdraft of a fellow subsidiary company. The amount of the borrowing at 31 December 2014 totalled £1,450,471 (2013: £531,000).

**13 ULTIMATE CONTROLLING PARTY**

The immediate parent company is Dawnus International 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 and Companies House.

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	(8,308)	7,681
Dividends	<u>-</u>	<u>(750)</u>
Net (reduction)/addition to shareholders' funds	(8,308)	6,931
Opening shareholders' funds	<u>12,070</u>	<u>5,139</u>
Closing shareholders' funds	<u>3,762</u>	<u>12,070</u>

**DAWNUS SIERRA LEONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**15 POST BALANCE SHEET EVENT**

During March 2015 one of our 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.

**16 RELATED PARTY TRANSACTIONS**

Purchases of £611,000 were made from Quantum Geotechnical Limited during the year. This company is a fellow subsidiary that is not wholly owned by the Dawnus Group Limited group.