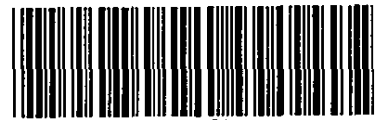


STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
DAWNUS SOUTHERN LIMITED

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DAWNUS SOUTHERN LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2014

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DAWNUS SOUTHERN LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS

R T Evans
H Smith

SECRETARY

T A Lowe

REGISTERED OFFICE:

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

REGISTERED NUMBER

07597648 (England and Wales)

INDEPENDENT AUDITORS

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

DAWNUS SOUTHERN LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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

REVIEW OF BUSINESS

The company has been successful in significantly increasing its activity in its region despite the tough trading conditions, which prevailed in 2014. These trading conditions are showing signs of easing in 2015 and we will be better placed to take advantage.

The directors are confident of continued growth in subsequent periods to increase both trading activity and profitability.

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.

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

ON BEHALF OF THE BOARD:



R T Evans - Director

Date 24th July 2015

DAWNUS SOUTHERN LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building and civil engineering

FUTURE DEVELOPMENTS

Future developments are discussed in the Strategic Report

DIVIDENDS

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

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 T Evans
H Smith

Other changes in directors holding office are as follows

N A Johnson ceased to be a director after 31 December 2014 but prior to the date of this report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the 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 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 have been followed, subject to any material departures disclosed and explained in the 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

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 SOUTHERN LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

INDEPENDENT AUDITORS

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

ON BEHALF OF THE BOARD:



R T Evans - Director

Date 24th July 2015

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DAWNUS SOUTHERN LIMITED**

Report on the financial statements

Our opinion

In our opinion, Dawnus Southern 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 profit 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

Dawnus Southern Limited's 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

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 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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DAWNUS SOUTHERN LIMITED**

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & 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: 24th July 2015

DAWNUS SOUTHERN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
TURNOVER		30,752	6,344
Cost of sales		<u>(30,175)</u>	<u>(5,968)</u>
GROSS PROFIT		577	376
Administrative expenses		<u>(385)</u>	<u>(412)</u>
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	192	(36)
Tax on profit/(loss) on ordinary activities	5	<u>(5)</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	10	<u>187</u>	<u>(36)</u>

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year for both periods 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 profit for the current year and the loss for the previous year

The notes form part of these financial statements

DAWNUS SOUTHERN LIMITED (REGISTERED NUMBER: 07597648)

BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	6	1,156	1,156
CURRENT ASSETS			
Debtors	7	4,490	203
CREDITORS			
Amounts falling due within one year	8	<u>(5,495)</u>	<u>(1,395)</u>
NET CURRENT LIABILITIES		<u>(1,005)</u>	<u>(1,192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>151</u>	<u>(36)</u>
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account	10	<u>151</u>	<u>(36)</u>
TOTAL SHAREHOLDER'S FUNDS/ (DEFICIT)	13	<u>151</u>	<u>(36)</u>

The financial statements were approved by the Board of Directors on 24th July 2015 and were signed on its behalf by



R T Evans - Director

The notes form part of these financial statements

DAWNUS SOUTHERN LIMITED

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

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.

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.

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.

Turnover

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".

Turnover is derived from the company's one principal activity and is derived in the UK.

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 the balance sheet 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

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.

DAWNUS SOUTHERN LIMITED

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

1 ACCOUNTING POLICIES - continued

Long term contracts

Amounts receivable 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 accounts. Excess progress payments are included in creditors as payments received on account.

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

3 DIRECTORS' EMOLUMENTS

	2014	2013
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

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 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 accounts.

4 OPERATING PROFIT/(LOSS)

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

	2014	2013
	£'000	£'000
Auditors' remuneration - provision of audit services	3	3
Tax compliance services	<u>-</u>	<u>2</u>

5 TAXATION

Analysis of the tax charge

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

	2014	2013
	£'000	£'000
Current tax		
UK corporation tax	<u>5</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>5</u>	<u>-</u>

DAWNUS SOUTHERN 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 lower than the standard rate of corporation tax in the UK. The difference is explained below

	2014	2013
	£'000	£'000
Profit/(loss) on ordinary activities before tax	<u>192</u>	<u>(36)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.490% (2013 - 23.250%)	41	(8)
Effects of Group relief not paid for	<u>(37)</u>	<u>8</u>
Current tax charge	<u>4</u>	<u>-</u>

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2014 and 31 December 2014	<u>1,156</u>
NET BOOK VALUE	
At 31 December 2014	<u>1,156</u>
At 31 December 2013	<u>1,156</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following

Ashridge Construction Limited

Nature of business Building and Civil Engineering

	%	
Class of shares	holding	
Ordinary shares	100.00	

The directors believe that the carrying value of the investment is supported by their underlying net assets

Details in respect of the subsidiaries are set out below

	Aggregate capital and reserves at 31 December 2014	Profit for the year ended 31 December 2014
	£000	£000
Ashridge Construction Limited	1,052	232

DAWNUS SOUTHERN LIMITED

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

7	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
		£'000	£'000
	Trade debtors	1,000	124
	Amounts owed by group undertakings	1,267	-
	Amounts recoverable on contracts	2,222	60
	Prepayments and accrued income	<u>1</u>	<u>19</u>
		<u>4,490</u>	<u>203</u>

8	CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
		£'000	£'000
	Trade creditors	4,776	72
	Amounts owed to group undertakings	-	1,279
	Taxation and social security	-	27
	Accruals and deferred income	<u>719</u>	<u>17</u>
		<u>5,495</u>	<u>1,395</u>

9	CALLED UP SHARE CAPITAL			2014	2013
	Allotted, issued and fully paid				
	Number	Class	Nominal value	£	£
	180	A Ordinary shares	£1	180	100
	20	B Ordinary shares	£1	<u>20</u>	<u>-</u>
				<u>200</u>	<u>100</u>

The A and B ordinary shares rank parri passu in all respects. 20 ordinary shares were issued at par to incentivise certain employees.

10	RESERVES	Profit and loss account £'000
	At 1 January 2014	(36)
	Profit for the financial year	<u>187</u>
	At 31 December 2014	<u>151</u>

DAWNUS SOUTHERN LIMITED

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

11 ULTIMATE PARENT COMPANY

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 and Companies House.

12 CONTINGENT LIABILITIES

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

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014	2013
	£'000	£'000
Profit/(loss) for the financial year	<u>187</u>	<u>(36)</u>
Net addition/(reduction) to shareholder's funds/(deficit)	187	(36)
Opening shareholder's deficit	<u>(36)</u>	<u>-</u>
Closing shareholder's funds/(deficit)	<u>151</u>	<u>(36)</u>

14 RELATED PARTY TRANSACTIONS

During the year the company has undertaken transactions with the following companies

- Dawnus Construction Holdings Limited

The following were the transactions

Sales £8,945,000

£1,267,000 was due from this company at 31 December 2014