

ABBHEY MINE LIMITED

Report and Financial Statements

30 June 2006



REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G L Williams
J Anthony

SECRETARY

S R Williams

REGISTERED OFFICE

Unity C, Kenfig Industrial Estate
Margam
Port Talbot
SA13 2PR

BANKERS

Barclays Bank Plc

SOLICITORS

Salans LLP

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Cardiff

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the six months ended 30 June 2006

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

ACTIVITIES

The principal activity of Abbey Mine Limited is the identification, extraction and sale of commercially viable coal reserves

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the financial year are set out in the profit and loss account on page 5 The company's financial position at the period-end is set out in the balance sheet on page 6

The directors are satisfied with the performance of the company for the financial year and believe that it is well placed to trade profitably in the future

DIRECTORS

The current directors of the company, who served throughout the financial year, are as shown on page 1

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



S R Williams
Secretary

Date 20 Sept 2007

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and 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 will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEY MINE LIMITED

We have audited the financial statements of Abbey Mine Limited for the six months ended 30 June 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the six months then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cardiff, United Kingdom

Date 27 September 2007

PROFIT AND LOSS ACCOUNT
6 months ended 30 June 2006

	Note	6 months ended 30 June 2006 £	Year ended 31 December 2005 £
Administrative expenses		(6,318)	(16,013)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(6,318)	(16,013)
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR	7	(6,318)	(16,013)

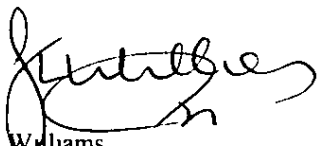
All activities derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

BALANCE SHEET
30 June 2006

	Note	30 June 2006 £	31 December 2005 £
CURRENT ASSETS			
Cash at bank and in hand		100	100
CREDITORS: amounts falling due within one year	5	(22,361)	(16,043)
NET CURRENT LIABILITIES		(22,361)	(16,043)
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET LIABILITIES		(22,261)	(15,943)
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account	7	(22,361)	(16,043)
TOTAL SHAREHOLDERS' DEFICIT	7	(22,261)	(15,943)

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors


G L Williams
Director

21st Sept 07

NOTES TO THE FINANCIAL STATEMENTS
6 months ended 30 June 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

Under Financial Reporting Standard No. 1, the company is not required to prepare a cash flow statement as a group cash flow statement has been included in the financial statements of Horizon Mining Limited, the parent company.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the current and the prior financial year. They received no remuneration from the company in either period.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration of £3,000 (£2005: £nil) was borne by the parent company.

NOTES TO THE FINANCIAL STATEMENTS
6 months ended 30 June 2006

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	6 months ended 30 June 2006 £	Year ended 31 December 2005 £
i) Analysis of tax charge on ordinary activities		
United Kingdom corporation tax at 19% (2005 - 19%)	-	-
ii) Factors affecting tax charge for the financial year		
The tax assessed for the financial year is different than that resulting from applying the standard small company rate of corporation tax in the UK 19% (2005 - 19%) The differences are explained below		
	£	£
Loss on ordinary activities before tax	(6,318)	(16,013)
Tax at 19% (2005 - 19%) thereon	1,200	3,042
Effects of Increase in tax losses	(1,200)	(3,042)
Current tax charge for the financial year	-	-

The tax rate used for tax on profit on ordinary activities is the standard small company rate for UK corporation tax applicable in the financial year of 19% Since the year end, the standard small company rate for UK corporation tax has been increased to 20% This increase in the corporation tax rate is not anticipated to materially affect the future tax charge

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2006 £	31 December 2005 £
Amounts owed to related parties	12,368	12,368
Amounts owed to group undertakings	3,525	3,525
Accruals and deferred income	6,468	150
	<u>22,361</u>	<u>16,043</u>

NOTES TO THE FINANCIAL STATEMENTS
6 months ended 30 June 2006

6. CALLED UP SHARE CAPITAL

	30 June 2006 £	31 December 2005 £
Authorised, allotted and fully paid 100 ordinary shares of £1 each	100	100

7. COMBINED STATEMENT OF MOVEMENT IN SHAREHOLDERS' DEFICIT AND STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Share capital £	Total £
At 1 January 2006	(16,043)	100	(15,943)
Profit for the financial year	(6,318)	-	(6,318)
At 30 June 2006	(22,361)	100	(22,261)

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by FRS 8 not to disclose related party transactions with group companies that qualify as 90% subsidiaries

9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Abbey Mine Limited is 100% owned by its parent company, Unity Limited, a company registered in England and Wales. The financial statements for this company are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is Mr G L Williams.

In January 2007, the ultimate parent company became Chian Resources Plc, which was subsequently renamed Unity Power Plc.