

HORIZON MINING LIMITED

Report and Financial Statements

30 June 2009



REPORT AND FINANCIAL STATEMENTS 2009

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Anthony
M Arthur
R A Pitchford (appointed 10 July 2009)
J Dowler (appointed 10 July 2009)
S R Rennick (appointed 10 July 2009)

SECRETARY

J Anthony

REGISTERED OFFICE

One America Square
Crosswall
London
EC3N 2SG

BANKERS

Barclays Bank plc

SOLICITORS

Salans LLP

AUDITORS

Deloitte LLP
Cardiff

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2009

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption

PRINCIPAL ACTIVITIES

The company's principal activity is that of a holding company

The group operates the Unity Mine and the Cwmgwrach rail terminal through subsidiary companies. The Unity mine is currently being refurbished and is undertaking a planned exploration programme, which includes the drilling of surface boreholes and seismic work, both to produce further coal reserves and to assist in mine design. The mine will produce coal for use locally and for export.

GOING CONCERN

In preparing the financial statements, the directors have considered the current financial position of the company and the likely future cash flows. At the date of signing the audit report, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. In forming this conclusion, the directors have considered that, whilst the company has reported a loss in the current year, it has net current assets and has the full support of its parent company. The directors have assessed the ability of the parent company to provide that support and concluded that it is appropriate to rely on this support in assessing the appropriateness of adopting the going concern basis.

RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a dividend (2008 - £nil)

DIRECTORS

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

G L William, and K G Leighfield resigned as directors on 13 July 2009 and 28 July 2009 respectively.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

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

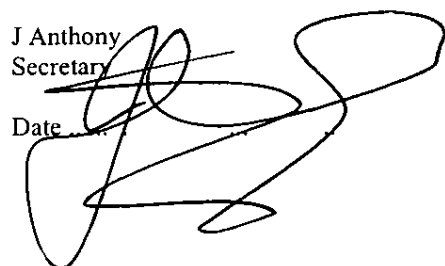
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

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

J Anthony
Secretary

Date



DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HORIZON MINING LIMITED

We have audited the financial statements of Horizon Mining Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



John Antoniazzi (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cardiff, United Kingdom

Date **31 March 2010**.

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2009

	Note	2009 £	2008 £
Administrative expenses		(9,852)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(9,852)	-
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR	10	(9,852)	-

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

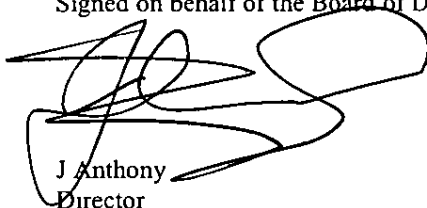
BALANCE SHEET
At 30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	5	<u>491</u>	<u>491</u>
CURRENT ASSETS			
Debtors	6	3,444,750	3,450,273
CREDITORS: amounts falling due within one year	7	<u>(2,500)</u>	<u>-</u>
NET CURRENT ASSETS		<u>3,442,250</u>	<u>3,450,273</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,442,741</u>	<u>3,450,764</u>
CREDITORS: amounts falling due after more than one year	8	<u>(1,829)</u>	<u>-</u>
NET ASSETS		<u><u>3,440,912</u></u>	<u><u>3,450,764</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Share premium account	10	3,499,744	3,499,744
Profit and loss account	10	<u>(59,832)</u>	<u>(49,980)</u>
SHAREHOLDER'S FUNDS	10	<u><u>3,440,912</u></u>	<u><u>3,450,764</u></u>

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime

The financial statements of Horizon Mining Limited, registered number 05346654, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



J. Anthony
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

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.

Group financial statements

The company is not required to prepare consolidated financial statements as the company's interests are dealt with in the financial statements of Unity Power plc. These therefore present information about it as an individual undertaking only.

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 Unity Power plc, the ultimate 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.

Going concern

In preparing the financial statements, the directors have considered the current financial position of the company and the likely future cash flows. At the date of signing the audit report, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. In forming this conclusion, the directors have considered that, whilst the company has reported a loss in the current year and has net liabilities, it has the full support of its parent company. The directors have assessed the ability of the parent company to provide that support and concluded that it is appropriate to rely on this support in assessing the appropriateness of adopting the going concern basis. In preparing the financial statements, the directors have considered the current financial position of the group and the likely future cash flows. At the date of signing the financial statements, after making appropriate enquiries and examining those areas which could give rise to financial exposure, the directors are satisfied that no material or significant exposures exist and that the group will have adequate resources to continue its operations for the foreseeable future. The companies have received letters of support from the parent company and have assessed the ability of the company to provide this support for at least 12 months from the date of signing these financial statements.

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. The directors were remunerated by Centreclear Limited, a subsidiary of Unity Power Plc, for their services to the group as a whole.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditors' remuneration is borne by the parent company for both the current and the prior year financial year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2009

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
Current taxation		
United Kingdom corporation tax		
Current tax on income for the year at 28% (2008 - 28%)	-	-

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	£	£
Loss on ordinary activities before tax	(9,852)	-
Tax on loss on ordinary activities before tax at 28% (2008 - 28%)	2,759	-

Factors affecting charge for the year		
Increase in tax losses	(2,759)	-

Current tax charge for the year	-	-
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A deferred tax asset has not been recognised in respect of timing differences relating to tax losses of £59,800 (2008 - £29,300) as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately £16,753 (2008 - £8,214). The asset would be recovered if there were suitable future taxable profits from which the reversal of the underlying timing differences could be deducted.

5. FIXED ASSET INVESTMENTS

	Shares in group companies £
Cost and net book value	
At 30 June 2009 and 30 June 2008	491

The company's investment relates to Unity Mine Limited and Horizon Mineral Handling Limited

6. DEBTORS

	2009 £	2008 £
Other debtors	-	5,523
Called up share capital not paid	250	250
Amounts owed by group companies	3,444,500	3,444,500
	3,444,750	3,450,273

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2009

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Accruals	2,500	-

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Amounts owed to group undertakings	1,829	-

9. CALLED UP SHARE CAPITAL

	2009 No.	£	2008 No.	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted and called up				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Of the share capital, £250 (2008 - £250) is unpaid at the balance sheet date

10. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Share capital account £	Share premium account £	Profit and loss account £	Total £
At 1 July 2008	1,000	3,499,744	(49,980)	3,450,764
Loss for the financial year	-	-	(9,852)	(9,852)
At 30 June 2009	1,000	3,499,744	(59,832)	3,440,912

11. RELATED PARTY TRANSACTIONS

The company claims exemption from disclosing transactions with members of the groups headed by Unity Power plc in accordance with the exemptions contained in paragraph 3(c) of Financial Reporting Standard 8, 'Related party disclosures', as it is a 100% subsidiary of those groups and the financial statements of these groups are publicly available

12. ULTIMATE PARENT COMPANY

The ultimate parent company is Unity Power plc. Unity Power plc is the parent of the largest group of which the company is a member and for which consolidated financial statements are prepared. Copies of the company's and Unity Power plc's financial statements can be obtained from the company's registered office as shown on page 1 or from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ