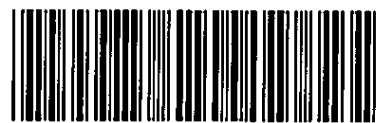


ABBREVIATED UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006
FOR
FFYNONAU DUON MINES LIMITED



A55

18/07/2007
COMPANIES HOUSE

741

FFYNONAU DUON MINES LIMITED

**CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

| | Page |
|--|-------------|
| Company Information | 1 |
| Abbreviated Balance Sheet | 2 |
| Notes to the Abbreviated Accounts | 3 |

FFYNONAU DUON MINES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

DIRECTORS.

B J Llewellyn
G S Llewellyn

SECRETARY

B Williams

REGISTERED OFFICE

Pentwyn
Fochriw
BARGOED
CF81 9NR

REGISTERED NUMBER

1024041

ACCOUNTANTS

Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

FFYNONAU DUON MINES LIMITED

**ABBREVIATED BALANCE SHEET
30 SEPTEMBER 2006**

| | Notes | 2006 £ | 2005 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 2 | 218,147 | 387,645 |
| Investments | 3 | 1,659,015 | 775,000 |
| | | <u>1,877,162</u> | <u>1,162,645</u> |
| CURRENT ASSETS | | | |
| Debtors | | 18,401 | 19,613 |
| Cash at bank | | 52,738 | 50,716 |
| | | <u>71,139</u> | <u>70,329</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 4 | (114,615) | (28,560) |
| NET CURRENT (LIABILITIES)/ASSETS | | <u>(43,476)</u> | <u>41,769</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,833,686 | 1,204,414 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 4 | (1,823,959) | (1,128,611) |
| NET ASSETS | | <u>9,727</u> | <u>75,803</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | 105,000 | 105,000 |
| Revaluation reserve | | 200,000 | 200,000 |
| Profit and loss account | | (295,273) | (229,197) |
| SHAREHOLDERS' FUNDS | | <u>9,727</u> | <u>75,803</u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2006

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2006 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on
its behalf by

17/11/07

and were signed on


B J Llewellyn - Director

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

1 ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|-----------------------|---------------------------|
| Freehold Property | - not provided |
| Plant and Machinery | - 15% on reducing balance |
| Fixtures and Fittings | - 15% on reducing balance |
| Motor Vehicles | - 25% on reducing balance |

Mine development - based on coal production output pro rata to estimated coal reserves

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 TANGIBLE FIXED ASSETS

| | Total £ |
|---------------------------|----------------|
| COST OR VALUATION | |
| At 1 October 2005 | 596,565 |
| Disposals | (47,018) |
| Reclassification/transfer | (166,667) |
| | <u>382,880</u> |
| At 30 September 2006 | <u>382,880</u> |
| DEPRECIATION | |
| At 1 October 2005 | 208,919 |
| Charge for year | 2,585 |
| Eliminated on disposal | (46,771) |
| | <u>164,733</u> |
| At 30 September 2006 | <u>164,733</u> |
| NET BOOK VALUE | |
| At 30 September 2006 | <u>218,147</u> |
| At 30 September 2005 | <u>387,646</u> |

3 FIXED ASSET INVESTMENTS

| | Unlisted Investments £ |
|-----------------------|------------------------------|
| COST | |
| At 1 October 2005 | 775,000 |
| Additions | 884,015 |
| | <u>1,659,015</u> |
| At 30 September 2006 | <u>1,659,015</u> |
| NET BOOK VALUE | |
| At 30 September 2006 | <u>1,659,015</u> |
| At 30 September 2005 | <u>775,000</u> |

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2006

4 CREDITORS

The following secured debts are included within creditors

| | 2006 £ | 2005 £ |
|----------------|----------------|----------------|
| Bank overdraft | - | 2,091 |
| Bank loans | 641,900 | 641,900 |
| | <u>641,900</u> | <u>643,991</u> |

5 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid
 Number Class

| | Nominal value | 2006 £ | 2005 £ |
|---------------------------|------------------|----------------|----------------|
| 500 Ordinary | £1 | 500 | 500 |
| 4,500 Ordinary B | £1 | 4,500 | 4,500 |
| 100,000 Deferred ordinary | £1 | 100,000 | 100,000 |
| | | <u>105,000</u> | <u>105,000</u> |

6 TRANSACTIONS WITH DIRECTORS

At the end of the year the balances on the loan accounts for G S Llewellyn and B J Llewellyn were £19,041 (2005 £19,041) and £1,113,018 (2005 £417,670) respectively. The loans are interest free with no fixed repayment date and are included in creditors falling due after more than one year.

The director, B J Llewellyn, has personally guaranteed a loan made to the company by its bankers. This loan is included in creditors falling due after more than one year. The balance outstanding on the loan at 30 September 2006 is £641,900 (2005 £641,900).

During the year an amount of £166,667 was reclassified from fixed assets to B J Llewellyn's director's loan account. The reclassified amount represents a misposting in the previous year of a personal loan from B J Llewellyn to Glamorgan Power Company Limited.