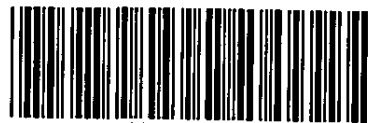


TOWER REGENERATION LIMITED
(formerly Tower Newco Limited)

Report and Financial Statements

31 May 2010

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REPORT AND FINANCIAL STATEMENTS 2010

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TOWER REGENERATION LIMITED
(formerly Tower Newco Limited)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 40 weeks ended 31 May 2010

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

The company was incorporated on 20 August 2009 as Tower Newco Limited. The company was renamed Tower Regeneration Limited on 25 September 2009

PRINCIPAL ACTIVITY

The principal activity of the company is the regeneration of the site and the development of a surface mine

DIRECTORS

The directors who held office during the period and subsequently, were as follows

K J S Dougan	(appointed 20 August 2009)
I A C Parkin	(appointed 25 August 2009)
D H Ball	(appointed 26 August 2009)
G N Davies	(appointed 26 August 2009)
V R James	(appointed 26 August 2009)
G Lewis	(appointed 26 August 2009)
T O'Sullivan	(appointed 26 August 2009)
G J Roberts	(appointed 26 August 2009)
A Shott	(appointed 26 August 2009)

DIVIDENDS

No dividend has been paid or is proposed for the period to 31 May 2010

GOING CONCERN

In preparing the financial statements, the directors have considered the current financial position of the company and its likely future cash flows and have concluded that it is appropriate to prepare the financial statements on the going concern basis. More detail of the going concern basis is provided in note 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 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 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 were appointed as the company's first auditors during the financial period. They have indicated their willingness to continue in office 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


K J S Dougan

Director


G N Davies

Director

Date

15 April 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the 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 MEMBERS OF TOWER REGENERATION LIMITED (formerly Tower Newco Limited)

We have audited the financial statements of Tower Regeneration Limited for the 40 weeks ended 31 May 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 8. 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 members, as a body, 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 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

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 31 May 2010 and of its result for the 40 weeks 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 period 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

15 April 2011

TOWER REGENERATION LIMITED
(formerly Tower Newco Limited)

PROFIT AND LOSS ACCOUNT
40 weeks ended 31 May 2010

	Note	2010 £'000
Administrative expenses		-
RESULT FOR THE FINANCIAL PERIOD		-

All activities derive from continuing operations

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

TOWER REGENERATION LIMITED
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BALANCE SHEET
As at 31 May 2010

	Note	2010 £'000
FIXED ASSETS		
Tangible assets	3	3,873
CREDITORS amounts falling due after more than one year	4	(3,873)
NET ASSETS		<u>-</u>
CAPITAL AND RESERVES		
Called up share capital	5	-
Profit and loss account		<u>-</u>
SHAREHOLDERS' FUNDS	6	<u>-</u>

The financial statements of Tower Regeneration Limited (formerly Tower Newco Limited), registered number 6995899, were approved by the Board of Directors and authorised for issue on 15th April 2011.

Signed on behalf of the Board of Directors


G N Davies
Director

NOTES TO THE FINANCIAL STATEMENTS

40 weeks ended 31 May 2010

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 financial period, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

In preparing the financial statements, the directors have considered the current financial position of the company and its 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 during its start-up phase the company has the formal support of its joint venture investees who have formally committed to support the company for at least 12 months from the date of approving the financial statements.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery - 20% straight-line

No depreciation is provided on freehold and long leasehold land. The assets will not be depreciated until activity begins.

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.

Comparatives

No comparatives have been included in the financial statements as this is the company's first period of trading.

TOWER REGENERATION LIMITED
(formerly Tower Newco Limited)

NOTES TO THE FINANCIAL STATEMENTS

40 weeks ended 31 May 2010

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the financial period. They received no remuneration for their services to this company during the period, their remuneration is provided by the two parent companies. The audit fee has been borne by the investing companies and not recharged.

3 TANGIBLE FIXED ASSETS

	Plant & machinery £'000	Land & buildings £'000	Total £'000
Cost and net book value			
Additions and at 31 May 2010	2,000	1,873	3,873

4. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £'000
Amounts owed to undertakings which have a participating interest in the company	3,873

TOWER REGENERATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
40 weeks ended 31 May 2010

5 CALLED UP SHARE CAPITAL

	2010
	£
Authorised	
50,000 ordinary shares of £1 each	50,000
50,000 'A' ordinary shares of £1 each	50,000
	<u>100,000</u>
	£
Allotted, called up and fully paid	
100 ordinary shares of £1 each	100
100 'A' ordinary shares of £1 each	100
	<u>200</u>

During the period, the company issued 100 ordinary shares and 100 'A' ordinary shares at par for cash consideration

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010
	£'000
Issue of equity share capital	-
Loss for the financial period	-
	<u>-</u>
Net increase in shareholders' funds	-
	<u>-</u>
Closing shareholders' funds	<u><u>-</u></u>

TOWER REGENERATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

40 weeks ended 31 May 2010

7 RELATED PARTY DISCLOSURES

The company is owned 50% by Forward Sound Limited, a 100% owned subsidiary of the Hargreaves Services plc group. The remaining 50% is owned by Tower Colliery Limited, a 100% owned subsidiary of Goitre Tower Anthracite Limited. During the period the company was provided with loans from members of the group headed by Hargreaves Services plc and Goitre Tower Anthracite Limited as follows:

	2010	
	Purchases from £'000	Balance owed to £'000
Forward Sound Limited	-	(2,873)
Tower Colliery Limited	-	(1,000)
	<u> </u>	<u> </u>

8 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

As stated above, the company is owned 50% by Forward Sound Limited and 50% by Tower Colliery Limited. There is, therefore, no ultimate controlling party.