

**Separation Technologies UK Limited**

**Report and Financial Statements**

**For the year ended 31 December 2007**

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## **Independent Auditors' report to the members of Separation Technologies UK Limited**

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We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 18. 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 United Kingdom law and 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 judgments 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.

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**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 31 December 2007 and of its profit for the year 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.

*Ede Yusuf*

**Ernst & Young LLP**  
Registered Auditor  
E&Y Hull Office

9 April 2008

**Profit and loss account  
for the year ended 31 December 2007**

	<i>Note</i>	2007 £	2006 £
<b>Turnover</b>	1,2	1,125,658	1,215,451
Cost of sales		(584,274)	(571,731)
<b>Gross profit</b>		541,384	643,720
Selling and distribution costs		(83,973)	(78,685)
Administrative expenses		(403,525)	(543,360)
<b>Operating profit</b>	3	53,886	21,675
Interest receivable		13,908	4,492
<b>Profit on ordinary activities before taxation</b>		67,794	26,167
Tax on profit on ordinary activities	6	9,509	5,747
<b>Profit on ordinary activities after taxation</b>	15	77,303	31,914

All amounts relate to continuing operations.

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

**Balance sheet  
as at 31 December 2007**

	<i>Note</i>	£	2007 £	£	2006 £
<b>Fixed assets</b>					
Intangible fixed assets	7		284,375		321,875
Tangible fixed assets	8		2,403,414		2,704,777
			<u>2,687,789</u>		<u>3,026,652</u>
<b>Current assets</b>					
Stocks	9	97,286		113,805	
Debtors	10	371,255		263,948	
Cash at bank		392,969		229,461	
		<u>861,510</u>		<u>607,214</u>	
<i>Creditors: amounts falling due within one year</i>	11	(2,688,900)		(2,700,022)	
<b>Net current liabilities</b>			<u>(1,827,390)</u>		<u>(2,092,808)</u>
<b>Total assets less current liabilities</b>			<u>860,399</u>		<u>933,844</u>
<i>Creditors: amounts falling due after more than one year</i>	12		(1,020,201)		(1,175,168)
<b>Provisions for liabilities</b>					
Deferred tax	13		(4,219)		-
<b>Net liabilities</b>			<u>(164,021)</u>		<u>(241,324)</u>
<b>Capital and Reserves</b>					
Called up share capital	14		1		1
Profit and loss account	15		(164,022)		(241,325)
<b>Shareholders' deficit</b>	16		<u>(164,021)</u>		<u>(241,324)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf

  
M C B Williamson  
Director

Date: 9 April 2008

The notes on pages 8 to 15 form part of these financial statements.