

Registered no: 04770944

**Separation Technologies UK Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2009**

# Separation Technologies UK Limited

## Independent auditor's report to the members of Separation Technologies UK Limited

We have audited the financial statements of Separation Technologies UK Limited for the year ended 31 December 2009 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 set out on page 4, 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 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 December 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

# Separation Technologies UK Limited

## Independent auditor's report to the members of Separation Technologies UK Limited (continued)

### 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.

*Richard Frostick (Senior statutory auditor)*  
*for and on behalf of Ernst & Young LLP, Statutory Auditor*  
*Hull*  
*Date:*

### Notes:

1. The maintenance and integrity of the Separation Technologies UK Limited and its parent company's web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement of financial position  
at 31 December 2009**

	Note	31 December 2009 £	31 December 2008 £	1 January 2008
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	761,666	1,081,167	2,403,414
Intangible assets	5	209,375	246,875	284,375
		<b>971,041</b>	1,328,042	2,687,789
<b>Current assets</b>				
Inventories	6	120,524	105,884	97,286
Trade and other receivables	7	62,743	377,230	371,255
Cash and cash equivalents	8	129,391	137,942	392,969
		<b>312,658</b>	621,056	861,510
<b>Total assets</b>		<b>1,286,699</b>	1,949,098	3,549,299
<b>Equity and liabilities</b>				
<b>Equity attributable to owners of the parent</b>				
Ordinary shares	9	1	1	1
Retained earnings	10	(1,450,630)	(1,097,202)	(164,022)
<b>Total equity</b>		<b>(1,450,629)</b>	(1,097,201)	(164,021)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Trade and other payables	11	710,267	865,234	1,020,201
Deferred income tax liabilities		-	-	4,219
<b>Current liabilities</b>				
Trade and other payables	11	2,024,061	2,174,426	2,688,900
Current income tax liabilities		-	6,639	-
		<b>2,024,061</b>	2,181,065	2,688,900
<b>Total liabilities</b>		<b>2,734,328</b>	3,046,299	3,713,320
<b>Total equity and liabilities</b>		<b>1,283,699</b>	1,949,098	3,549,299

The notes on pages 11 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 were authorised for issue by the Board of Directors on 2010 and were signed on its behalf by:

**JP Borders**  
Director

# Separation Technologies UK Limited

## Statement of comprehensive income for the year ended 31 December 2009

	Note	2009 £	2008 £
Revenue	3	364,570	1,024,059
Cost of sales	13	(398,987)	(503,649)
<b>Gross (loss)/profit</b>		<b>(34,417)</b>	520,410
Distribution costs	13	(13,942)	(78,080)
Administrative expenses	13	(305,071)	(392,444)
Exceptional item	13	-	(1,000,000)
<b>Operating loss</b>		<b>(353,430)</b>	(950,114)
Finance income	16	1	23,293
<b>Loss before income tax</b>		<b>(353,429)</b>	(926,821)
Income tax credit/(expense)	17	1	(6,359)
<b>Total comprehensive loss</b>		<b>(353,428)</b>	(933,180)

All of the activities of the company in 2009 and 2008 relate to continuing operations.

The notes on pages 11 to 25 are an integral part of these financial statements.

# Separation Technologies UK Limited

## Statement of changes in equity for the year ended 31 December 2009

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total
	£	£	£
<b>Balance at 1 January 2008</b>	1	(164,022)	<b>(164,021)</b>
<b>Changes in equity for 2008</b>			
Total comprehensive loss for the year	-	(933,180)	<b>(933,180)</b>
<b>Balance at 31 December 2008</b>	1	(1,097,202)	<b>(1,097,201)</b>
<b>Changes in equity for 2009</b>			
Total comprehensive loss for the year	-	(353,428)	<b>(353,428)</b>
<b>Balance at 31 December 2009</b>	1	(1,450,630)	<b>(1,450,629)</b>

The notes on pages 11 to 25 are an integral part of these financial statements.

## Separation Technologies UK Limited

### Statement of cashflows for the year ended 31 December 2009

	Note	2009 £	2008 £
<b>Cash flows from operating activities</b>			
Cash used in operations	19	(1,914)	(274,381)
Income tax paid		(6,638)	(3,939)
<b>Net cash used in operating activities</b>		<b>(8,552)</b>	<b>(278,320)</b>
<b>Cash flows from investing activities</b>			
Interest received		1	23,293
<b>Net cash used in investing activities</b>		<b>1</b>	<b>23,293</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,551)</b>	<b>(255,027)</b>
Cash and cash equivalents at 1 January		137,942	392,969
<b>Cash and cash equivalents at 31 December</b>	8	<b>129,391</b>	<b>137,942</b>

The notes on pages 11 to 25 are an integral part of these financial statements.

## 19 Cash used in operations

	2009	2008
	£	£
Net loss before income tax	<b>(353,429)</b>	(926,821)
Adjustments for:		
Exceptional item (note 13)	-	1,000,000
Interest income	<b>(1)</b>	(23,293)
Depreciation	<b>319,501</b>	322,247
Amortisation	<b>37,500</b>	37,500
Changes in working capital:		
Increase in inventories	<b>(14,640)</b>	(8,598)
Decrease/(increase) in trade and other receivables	<b>314,487</b>	(5,975)
Decrease in trade and other payables	<b>(305,332)</b>	(669,441)
<b>Cash used in continuing operations</b>	<b>(1,914)</b>	(274,381)