



NEXTGEN SCIENCES LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2007**

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NEXTGEN SCIENCES LIMITED



Company registration number: 3914988

Registered office: Building 56
Alconbury North Airfield
Alconbury
Huntingdon
Cambridgeshire PE28 4DA

Directors: Klaus Rosenau
Frank Matthäi

Company secretary: Justin McCann

Bankers: Barclays Bank Plc
Mortlock House
Vision Park
Histon
Cambridge CB4 9DE

Solicitors: Mills & Reeve
112 Hills Road
Cambridge CB2 1PH

Patent Agents: Greaves Brewster
Indigo House
Cheddar Business Park
Wedmore Road
Cheddar
Somerset BS27 3EB

Auditors: Grant Thornton UK LLP
Registered Auditors and Chartered Accountants
Byron House
Cambridge Business Park
Cambridge CB4 0WZ

NEXTGEN SCIENCES LIMITED

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The Directors present their report together with the financial statements for the year ended 31 December 2007.

Principal activity

The company's principal activities are research and development in the protein research arena and the manufacture and sale of products and technology for use within the protein research industry.

Business review and future developments

There was a loss for the year after taxation of £1,753,241 (2006: loss £1,395,462). The Directors do not recommend the payment of a dividend.

The parent company, NextGen Group PLC, has decided to focus resources on growing the Biomarker service business in the US and to either divest or wind down the UK business performed by NextGen Sciences Limited. The process is expected to be completed in the first quarter of 2009 and the company will therefore effectively cease trading during 2009.

Financial Risk Management Objectives and Policies

The company uses various financial instruments including loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses currency risk and fair value interest rate risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the currency are matched to an appropriate level of borrowing in the same currency. Transaction exposures are a risk to the company as the company does not hedge the transaction by using instruments such as forward contracts. The company does aim to achieve an economic hedge using the foreign currency generated from transactions in funding the overseas operations.

About 11% of the company's sales are to customers in continental Europe. These sales are priced in sterling but invoiced in the currencies of the customers involved.

About 19% of the company's sales are to its subsidiary in mainland USA. These sales are invoiced in US dollars. The company tries to match the cash received from US sales with the cost of operating a US subsidiary as far as possible to eliminate currency exposures.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short-term flexibility is achieved by overdraft facilities.

NEXTGEN SCIENCES LIMITED

REPORT OF THE DIRECTORS



Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Credit risk

The principal credit risk arises from the Company's trade debtors.

In order to manage credit risk the directors review the potential customer's organisation type, for example pharmaceutical company, university or research company and the prospect of cash collection within the agreed payment terms.

Directors

The Directors who served during the year are shown below:

James Gerard Heffernan (resigned 31 August 2007)
Kevin O'Donovan (resigned 8 November 2007)
Klaus Rosenau
Frank Matthäi
David Wigley (resigned 5 September 2007)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of that company.

Company Secretary

The Company Secretary who served during the year is Justin McCann.

Post balance sheet events

Post balance sheet events are described in note 24.

Going concern

The Company is reliant on its parent, NextGen Group Plc, in providing adequate financial resources for the Company to continue in operation for the foreseeable future.



Directors' responsibilities for the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 proper accounting records that 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 1985. 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.

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

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Justin McCann
Company Secretary

28 January 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEXTGEN SCIENCES LIMITED

We have audited the financial statements of NextGen Sciences Limited for the year ended 31 December 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 25. 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 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

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEXTGEN SCIENCES LIMITED

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 loss 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.

Emphasis of matter - Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the Company's ability to meet its liabilities as they fall due. The company incurred a net loss of £1,753,241 during the year ended 31 December 2007 and, at that date, the company's current liabilities exceeded its total assets by £3,581,651. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS**

CAMBRIDGE
30 January 2009



BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The principal accounting policies of the Company have remained unchanged from the previous year and are set out below.

BASIS OF CONSOLIDATION

The Company does not consolidate the financial statements of NextGen Sciences Limited (the "Company") and its subsidiary NextGen Sciences Inc. as the consolidation will be by the ultimate parent NextGen Group Plc.

TURNOVER

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts.

Revenue is recognised when the contracted services have been fulfilled. Where completion of a sale is conditional upon customer acceptance, recognition is deferred until such acceptance is received.

Revenue for product service and upgrades is recognised over the period during which the service is provided. Where service and upgrades are included in the price of the product, they are unbundled and treated separately for purposes of revenue recognition.

Royalties are recognised over the period to which such royalties relate.

Revenue relating to the achievement of milestones is recognised as and when each milestone is reached.

RESEARCH AND DEVELOPMENT

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Plant, machinery and office equipment	3 years
Fixtures and fittings	1 to 5 years
Computer equipment	3 years
Motor vehicles	3 years



LEASE AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the term of the lease and their expected useful lives. The capital elements of future lease obligations are recorded as liabilities, while the finance elements are charged to the profit and loss account over the period of the lease so as to produce a constant rate of charge on the balance of the capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving or defective items where appropriate.

RETIREMENT BENEFITS

The Company operates a defined contribution scheme under which the amount charged to the profit and loss account is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either creditors, accruals or prepayments in the balance sheet.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the year. In the preparation of these consolidated financial statements, estimates and assumptions have been made by management concerning the selection of useful lives of fixed assets and other similar evaluations. Actual results could differ from those estimates.



FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

NEXTGEN SCIENCES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Turnover	2	981,619	1,219,243
Cost of sales		(726,049)	(450,422)
Gross profit		255,570	768,821
Other operating charges		(1,978,079)	(2,457,527)
Operating loss	3	(1,722,509)	(1,688,706)
Interest receivable		199	2,312
Interest payable	4	(30,931)	(21,699)
Loss on ordinary activities before taxation	2	(1,753,241)	(1,708,093)
Tax on loss on ordinary activities	6	-	312,631
Loss for the financial year deducted from reserves	17	(1,753,241)	(1,395,462)

There were no recognised gains or losses other than the loss for the financial year.

All activities of the Company are classed as continuing.

The accompanying accounting policies and notes are an integral part of these financial statements.

NEXTGEN SCIENCES LIMITED

BALANCE SHEET

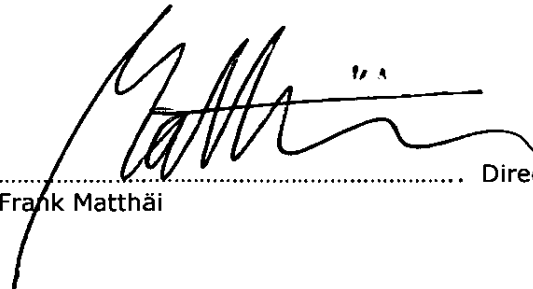
AS AT 31 DECEMBER 2007



	Note	At 31 December 2007 £	At 31 December 2006 £
Fixed assets			
Tangible assets	8	22,836	119,846
Investment in subsidiary	9	540	540
		<u>23,376</u>	<u>120,386</u>
Current assets			
Stocks	10	75,396	471,049
Debtors: due within one year	11	1,013,603	1,727,744
Cash at bank and in hand		52,884	41,221
		<u>1,141,883</u>	<u>2,240,014</u>
Creditors: amounts falling due within one year	12	<u>(4,636,878)</u>	<u>(4,123,661)</u>
Net current liabilities		<u>(3,494,995)</u>	<u>(1,883,647)</u>
Total assets less current liabilities		<u>(3,471,619)</u>	<u>(1,763,261)</u>
Creditors: amounts falling due after more than one year	13	(47,032)	(53,771)
		<u>(3,518,651)</u>	<u>(1,817,032)</u>
Capital and reserves			
Called up share capital	16	211,517	211,517
Share premium account	17	6,132,963	6,132,963
Profit and loss account	17	(9,863,131)	(8,161,512)
Shareholders' deficit	18	<u>(3,518,651)</u>	<u>(1,817,032)</u>

The accompanying accounting policies and notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 January 2009.


 Director
 Frank Matthäi

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007



1 GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to trade for the foreseeable future. During the year the Company incurred losses after taxation of £1,753,241 and had an accumulated profit and loss account loss of £9,863,131 at 31 December 2007.

The nature and stage of the Company's business are such that there can be considerable unpredictable variations in the timing of cash inflows. The Company's plans for the future may necessitate alternative funding levels and the directors constantly review the need for such additional funds. The Company relies on funding from the parent company, NextGen Group PLC. The directors have prepared projected cash flow information, which incorporates their best estimate of the timing and value of sales revenue and consequential funding requirements. On the basis of these forecasts the directors expect the Company to continue to meet its liabilities as they fall due. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. This assumes the continued support from the parent company and that the required levels of sales revenue and forecast external funding are achieved by the Company. The financial statements do not include any adjustments that would result should the Company not generate forecast sales revenue or raise adequate funding.

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss on ordinary activities before taxation is attributable to geographical area as follows:

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
United Kingdom	662,549	337,741
United States of America	187,872	730,405
Rest of the world	131,198	151,097
	<u>981,619</u>	<u>1,219,243</u>

3 OPERATING LOSS

The operating loss is stated after charging:

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Auditors' remuneration:		
Audit services	21,000	22,000
Non-audit services	17,000	8,325
Depreciation:		
Tangible fixed assets owned	38,202	84,716
Tangible fixed assets held under finance leases and hire purchase contracts	35,242	42,304
Impairment of tangible fixed assets	86,370	-
Research and development expenditure	342,383	466,401
Share based payments charge	51,622	-
Operating leases:		
Plant and machinery	3,508	3,508
Land and buildings	77,000	77,000

NEXTGEN SCIENCES LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2007****4 INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Bank loans and overdrafts	22,703	10,271
Hire purchase interest	8,228	11,428
	<u>30,931</u>	<u>21,699</u>

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Wages and salaries	966,904	958,865
Social security costs	108,208	117,336
Other pension costs	36,992	84,026
Share based remuneration charge	51,622	-
	<u>1,163,726</u>	<u>1,160,227</u>

The average number of employees of the Company during the year was:

	Year ended 31 December 2007 Number	Year ended 31 December 2006 Number
Technical	18	20
Sales and marketing	6	6
Administration	2	2
	<u>26</u>	<u>28</u>

Remuneration in respect of Directors was as follows:

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Emoluments	-	-
Pension contributions to money purchase pension schemes	-	-
Share options awarded at a discount to "market value"	-	-
Compensation for loss of office	-	-
	<u>-</u>	<u>-</u>

During the year no Directors (2006: nil Directors) participated in money purchase pension schemes or healthcare schemes.

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007



6 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit for the year of £nil (2006: £312,631) is in respect of a research and development tax credit. The tax credit is based on the loss for the year and represents:

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Loss before taxation	(1,753,241)	(1,708,093)
Expected corporation tax on loss at 19.75 % (2006:19%)	(346,265)	(324,538)
Effects of:		
Expenses not deductible for tax purposes	2,389	2,544
Differences between capital allowances and depreciation	32,304	(6,920)
Creation of tax losses	427,554	329,072
Other timing differences	-	(158)
Research and development tax credit	(115,982)	(312,631)
Current tax credit for the period	-	(312,631)

Unrelieved tax losses of approximately £7 million (2006: approximately £6 million) remain available to offset against future taxable trading profits.

7 DIVIDENDS

No dividends have been declared or paid in respect of 2007 and 2006.

8 TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2007	583,592	68,074	173,552	29,692	854,910
Additions	26,206	2,649	35,067	-	63,922
Disposals	-	-	(1,342)	-	(1,342)
At 31 December 2007	609,798	70,723	207,277	29,692	917,490
Depreciation					
At 1 January 2007	529,347	64,203	131,271	10,243	735,064
Provided in the year	32,630	2,039	31,544	7,231	73,444
Impairment in the year	41,980	-	32,172	12,218	86,370
Disposals	-	-	(224)	-	(224)
At 31 December 2007	603,957	66,242	194,763	29,692	894,654
NBV at 31 December 2006	54,245	3,871	42,281	19,449	119,846
NBV at 31 December 2007	5,841	4,481	12,514	-	22,836

The net book value of tangible fixed assets includes £14,277 (2006: £62,266) in respect of assets held under finance lease or hire purchase contracts. The depreciation charge in respect of such assets is £35,242 (2006: £42,304) for the year and the impairment charge in respect of such assets is £68,898 (2006: £nil) for the year.

NEXTGEN SCIENCES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007



9 FIXED ASSET INVESTMENTS

	At 31 December 2007 £	At 31 December 2006 £
Subsidiary undertakings		
Cost and net book value	<u>540</u>	<u>540</u>

The Company has one wholly owned subsidiary undertaking, NextGen Sciences Inc, incorporated in the USA.

10 STOCKS

	At 31 December 2007 £	At 31 December 2006 £
Raw materials and consumables	-	122,095
Work in progress	-	65,101
Finished goods	<u>75,396</u>	<u>283,853</u>
	<u>75,396</u>	<u>471,049</u>

11 DEBTORS

	At 31 December 2007 £	At 31 December 2006 £
Amounts falling due within one year		
Trade debtors	38,742	262,374
Amounts owed by group undertakings	885,652	1,244,245
VAT and tax credits	3,346	116,237
Prepayments and accrued income	<u>85,863</u>	<u>104,888</u>
	<u>1,013,603</u>	<u>1,727,744</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 December 2007 £	At 31 December 2006 £
Bank loan	15,625	62,500
Amounts owed to group undertakings	3,972,822	3,135,738
Trade creditors	84,501	171,335
Net obligations under finance leases and hire purchase contracts	43,124	46,174
Other taxation and social security	33,005	159,787
Other creditors	217,370	128,575
Accruals and deferred income	<u>270,431</u>	<u>419,552</u>
	<u>4,636,878</u>	<u>4,123,661</u>

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007



Bank loan

See note 13 for details of the bank loan.

An overdraft facility of £200,000 was available to the Company at 31 December 2007 in respect of stock and work in progress on pre sold machines. The interest rate is 4% per annum above the Barclays base rate. The amount drawn down on this facility at 31 December 2007 was £nil (2006: £nil).

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 31 December 2007	At 31 December 2006
	£	£
Net obligations under hire purchase contracts	47,032	38,146
Bank loan	-	15,625
	<u>47,032</u>	<u>53,771</u>

Bank loan

The bank loan was issued under the Small Firms Loan Guarantee Scheme and £250,000 was drawn down on 17 April 2003. It is being repaid in 48 equal monthly instalments, which commenced in April 2004. The amount outstanding at 31 December 2007 was £15,625 which is all shown as falling due within one year (note 12). Interest is payable at 7.6% per annum and the loan is secured by a debenture guaranteeing:

- legal mortgage and first fixed charge over all freehold and leasehold property of the Company together with all plant and machinery from time to time thereon;
- first fixed charge over all book debts now and from time to time owing to the Company; and
- first floating charge over the undertaking and assets of the Company.

14 BORROWINGS

Borrowings are repayable as follows:

	At 31 December 2007	At 31 December 2006
	£	£
Bank loans		
Within one year	15,625	62,500
After one and within two years	-	15,625
After two and within five years	-	-
	<u>15,625</u>	<u>78,125</u>
Finance leases		
Within one year	43,124	46,174
After one and within two years	47,032	38,146
After two and within five years	-	-
	<u>90,156</u>	<u>84,320</u>

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007



15 DEFERRED TAXATION

No deferred taxation is provided for at 31 December 2007 (2006: £nil). Deferred taxation, which has not been provided for in the financial statements, is set out below.

	At 31 December 2007 £	At 31 December 2006 £
Accelerated capital allowances	-	-
Tax losses carried forward	<u>1,443,522</u>	<u>1,130,000</u>
Unprovided deferred tax asset	<u>1,443,522</u>	<u>1,130,000</u>

16 SHARE CAPITAL

	At 31 December 2007 £	At 31 December 2006 £
Authorised		
45,000,000 (2006: 45,000,000) Ordinary Shares of £0.01 each	<u>450,000</u>	<u>450,000</u>
Allotted, called up and fully paid		
21,151,721 (2006: 21,151,721) Ordinary Shares of £0.01 each	<u>211,517</u>	<u>211,517</u>

17 SHARE PREMIUM ACCOUNT AND RESERVES

	Share Capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2007	211,517	6,132,963	(8,161,512)	(1,817,032)
Loss for the year	-	-	(1,753,241)	(1,753,241)
Share option charge	-	-	51,622	51,622
At 31 December 2007	<u>211,517</u>	<u>6,132,963</u>	<u>(9,863,131)</u>	<u>(3,518,651)</u>

18 RECONCILIATION OF MOVEMENTS IN COMPANY SHAREHOLDERS' DEFICIT

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Loss for the financial year	(1,753,241)	(1,395,462)
Share option charge	51,622	-
Shareholders' deficit at start of year	<u>(1,817,032)</u>	<u>(421,570)</u>
Shareholders' deficit at end of year	<u>(3,518,651)</u>	<u>(1,817,032)</u>

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007



19 CAPITAL COMMITMENTS

The Company had no capital commitments at 31 December 2007 or 31 December 2006.

20 CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 December 2007 or 31 December 2006.

21 PENSIONS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amount to £36,992 (2006: £84,026). Contributions totalling £8,209 (2006: £7,514) were payable to the fund at the period end and are included in creditors.

22 LEASING COMMITMENTS

Operating lease payments amounting to £64,167 (2006: £80,508) are due in the year in respect of the Company's premises at Alconbury. The leases to which these amounts relate expire as follows:

	At 31 December 2007		At 31 December 2006	
	Plant & Machinery	Other	Plant & Machinery	Other
	£	£	£	£
In one year or less	-	-	-	-
Between one and five years	-	64,167	3,508	77,000
In five years or more	-	-	-	-
	<u>-</u>	<u>64,167</u>	<u>3,508</u>	<u>77,000</u>

23 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The Company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosure' not to disclose any transactions or balances between Group entities that have been eliminated on consolidation.

24 POST BALANCE SHEET EVENTS

On 23 April 2008 the group announced that it intends to either divest or wind down its software and instrumentation UK-based businesses and its protein production fee for service business unit.

25 CONTROLLING AND ULTIMATE CONTROLLING PARTY

The directors consider the controlling and ultimate controlling party is the parent undertaking, NextGen Group Plc by virtue of its 100% shareholding.