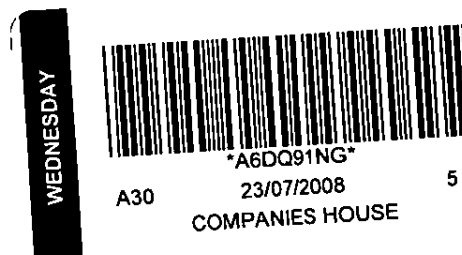


5194030

Qugen Limited

Annual Report and Unaudited Accounts Year Ended 31 December 2006



Company Registration Number 5194030 (England and Wales)

Qugen Limited

Directors	Park Limited Stone Limited
Secretary	Stone Limited
Registered Office	39/40 St James s Place London SW1A 1NS
Registered Number	5194030 (England and Wales)

Qugen Limited
Year Ended 31st December 2006
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Qugen Limited
Year Ended 31st December 2006
Director's Report

The directors present their report with the accounts of the company for the year ended 31 December 2006

Principal activity

The principal activity of the company in the year under review was that of an investment holding company

Directors

The directors in office during the year and their beneficial interests in the issued ordinary share capital were as follows

		Ordinary Shares	
		31 Dec 2006	31 Dec 2005
Park Limited	(Appointed 4 August 2005)	-	-
Stone 1 limited	(Appointed 4 August 2005)	-	-

Director's responsibilities


Company law requires the directors to prepare accounts 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 accounts the director is required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985

Signed on behalf of the directors

Secretary  FOR CM GROUP SERVICES LIMITED
 Approved by the board on 5 December 2007

Qugen Limited
Year Ended 31st December 2006
Profit and loss account

	2006 US\$	2005 US\$
Turnover	-	-
Cost of sales	<u>-</u>	<u>-</u>
Gross Profit	-	-
Administrative expenses	104	148
	<u>(104)</u>	<u>(148)</u>
Operating profit/(loss)		
Other operating income	6	4
Other interest received	<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation	(98)	(144)
Taxation	-	-
	<u>(98)</u>	<u>(144)</u>
Loss on ordinary activities after taxation		
Dividends	<u>-</u>	<u>-</u>
	(98)	(144)
Retained profit/(loss) for the year	(98)	(144)
Retained profit/(loss) brought forward	<u>(144)</u>	<u>-</u>
Retained profit/(loss) carried forward	<u>(242)</u>	<u>(144)</u>


All of the company's activities derived from continuing operations during the above financial period

Qugen Limited
As At 31st December 2006
Balance sheet

	Notes	2006 US\$	2005 US\$
Fixed assets			
Investments	5	100	100
Current assets			
Cash at bank		444	356
Sundry debtors	3	<u>99,900</u>	<u>99,900</u>
		100,344	100,256
Creditors amounts falling due within one year	4	<u>(100,684)</u>	<u>(100,498)</u>
Net current assets/(liabilities)		(340)	(242)
Total assets less current liabilities		<u><u>(240)</u></u>	<u><u>(142)</u></u>
Capital and reserves			
Equity interests			
Called up share capital	1	2	2
Profit and loss account		<u>(242)</u>	<u>(144)</u>
Shareholders' funds	2	<u><u>(242)</u></u>	<u><u>(142)</u></u>

For the year ended 31 December 2006 the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985 and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985 so far as applicable to the company. The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors by

Director  FOR QUGEN LIMITED

Approved by the board on 5 December 2007

Qugen Limited
Year Ended 31st December 2006
Principle accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the financial Reporting Standard for Smaller Entities (effective June 2002)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into United States Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Consolidation

The company and its subsidiary comprise a small sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. The accounts therefore present information about the company as an individual undertaking.

Turnover

Turnover consists of income from investments and is accounted on a receipts basis.

Qugen Limited
Year Ended 31st December 2006
Notes to the accounts

Note 1	Called up share capital	2006	2005
		£	£
	Authorised		
	Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Issued		
	Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Note 2	Reconciliation of movements in shareholders' funds	2006	2005
		US\$	US\$
	Opening shareholders' funds at 1 January 2006	(142)	-
	Profit/(loss) for the financial year after taxation	(98)	(144)
	Equity issue	-	2
	Closing shareholders' funds at 31 December 2006	<u>(240)</u>	<u>(142)</u>
Note 3	Debtors	2006	2005
		US\$	US\$
	Unsecured loan	99,900	99,900
		<u>99,900</u>	<u>99,900</u>
	This loan is unsecured, interest free and repayable on demand. This loan is with a subsidiary company Qugen, Inc. a company incorporated in New Jersey, USA.		
Note 4	Creditors: amounts falling due within one year	2006	2005
		US\$	US\$
	Unsecured loan	100,684	100,498
		<u>100,684</u>	<u>100,498</u>
	This loan is unsecured, interest free and repayable on demand.		

Qugen Limited
Year Ended 31st December 2006
Notes to the accounts

Note 5	Investments	2006	2005
		US\$	US\$
	Investment in un-quoted private company's	100	100
		<u>100</u>	<u>100</u>

The company purchased 100 common stock of Qugen Inc during the period at par value. The company owns 100% of the issued share capital in Qugen, Inc.