SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (date of earliest event reported): December 26, 2007

COMMONWEALTH BIOTECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Virginia	001-13467	13-1890974
(State or Other Jurisdiction of Incorporation	(Commission File Number)	(IRS Employer Identification No.)

601 Biotech Drive
Richmond, Virginia 23235
(Address of principal executive offices)

Registrant's telephone number, including area code: (804) 648-3820

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Paragraph

Commonwealth Biotechnologies, Inc. (the “Registrant”) hereby amends its Current Report on Form 8-K (originally filed on February 15, 2007) to report audited financial statements of the Registrant and businesses acquired, and pro-forma financial statements of the Registrant as required by Item 310 of Regulation S-B.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of Registrant and businesses acquired

The following financial information is filed as Exhibits to this Current Report on Form 8-K:

- Exhibit 99.1 – Audited consolidated financial statements of the Registrant (“CBI” or the “Company”) for the six-month period ended June 30, 2007 and the years ended December 31, 2006 and 2005.
- Exhibit 99.2 – Audited financial statements of Excelgen Limited (formerly known as Tripos Discovery Research Ltd. (“Excelgen” or “TDR”)) for the years ended December 31, 2006 and 2005.
- Exhibit 99.3 – Audited consolidated financial statements of Mimotopes Pty Ltd. (“Mimotopes”) for the seven-month period ended January 31, 2007 and the year ended June 30, 2006.
- Exhibit 99.4 – Consent of RSM Bird Cameron Partners
- Exhibit 99.5 – Consent of BDO Stoy Haywood LLP
- Exhibit 99.6 – Consent of BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd.
- Exhibit 99.7 – Consent of BDO Seidman, LLP

(b) Pro-forma financial statements

The following financial information is filed as an Exhibit to this Current Report on Form 8-K:

- Exhibit 99.8 – Pro-forma (unaudited) financial statements of the Registrant for the nine-month period ending September 30, 2007 and the year ended December 31, 2006 showing results of operations as if the acquisitions of Excelgen and Mimotopes had occurred at the beginning of such periods.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMMONWEALTH BIOTECHNOLOGIES, INC.

By: /s/ James H. Brennan
James H. Brennan
Vice President of Financial Operations

Dated: December 26, 2007

EXHIBIT INDEX

99.1	Audited consolidated financial statements of the Registrant for the six-month period ended June 30, 2007 and the years ended December 31, 2006 and 2005.
99.2	Audited financial statements of Excelgen Limited for the years ended December 31, 2006 and 2005.
99.3	Audited consolidated financial statements of Mimotopes Pty Ltd. ("Mimotopes") for the seven-month period ended January 31, 2007 and the year ended June 30, 2006.
99.4	Consent of RSM Bird Cameron Partners
99.5	Consent of BDO Stoy Haywood LLP
99.6	Consent of BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd.
99.7	Consent of BDO Seidman, LLP
99.8	Pro-forma (unaudited) financial statements of the Registrant for the nine-month period ending September 30, 2007 and the year ended December 31, 2006 showing results of operations as if the acquisitions of Excelgen and Mimotopes had occurred at the beginning of such periods.

Exhibit 99.1

Commonwealth Biotechnologies, Inc.

Consolidated Financial Statements as of June 30 2007 and for the Six Month Periods Ended June 30, 2007 and 2006 (Unaudited), and the Years Ended December 31, 2006 and 2005.

BDO Seidman, LLP
Accountants and Consultants

300 Arboretum Place
Suite 520
Richmond, VA 23236
Telephone (804) 330-3092
Fax (804) 330-7753

Board of Directors and Stockholders
Commonwealth Biotechnologies
Richmond, Virginia

We have audited the accompanying consolidated balance sheets of Commonwealth Biotechnologies, Inc. as of June 30, 2007, December 31, 2006, and December 31, 2005 and the related consolidated statements of operations, stockholders' equity, and cash flows for the six months ended June 30, 2007, and the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Commonwealth Biotechnologies, Inc. at June 30, 2007, December 31, 2006, and December 31, 2005, and the results of its operations and its cash flows for the six months ended June 30, 2007 and for the years ended December 31, 2006 and 2005, in conformity with accounting principles generally accepted in the United States of America.

BDO Seidman, LLP

BDO Seidman, LLP

Richmond, Virginia
December 21, 2007

Consolidated Balance Sheets

	June 30, 2007	December 31, 2006	December 31, 2005
Assets			
Current assets (Note 2)			
Cash and cash equivalents	**$ 3,354,470**	$ 1,404,370	$ 2,311,129
Accounts receivable, net of allowance for doubtful accounts of approximately $58,734, $54,678 and $89,913 (Note 5)	**3,196,669**	962,049	1,342,292
Inventory	**2,022,078**	44,343	—
Prepaid expenses and other assets	**492,464**	387,099	122,927
Total current assets	**9,065,681**	2,797,861	3,776,348
Property and equipment, net (Notes 1 and 2)	**7,749,109**	5,612,145	5,971,730
Other assets			
Restricted Cash (Note 5)	**1,177,834**	500,000	500,000
Mortgage costs, net (Note 2)	**54,090**	65,285	87,675
Intangible assets, net	**18,333**	36,667	317,879
Deposits	**4,500**	—	—
Goodwill (Note 8)	**3,137,528**	490,000	490,000
Total other assets	**4,392,285**	1,091,952	1,395,554
	$ 21,207,075	$ 9,501,958	$ 11,143,632

See accompanying summary of accounting policies and notes to financial statements.

Consolidated Balance Sheets
(continued)

	June 30, 2007	December 31, 2006	December 31, 2005
Liabilities and Stockholders' Equity			
Current liabilities			
Current maturities of long-term debt (Note 2)	**$ 2,566,171**	$ 228,545	$ 512,729
Accounts payable	**1,748,220**	307,884	406,370
Other current liabilities	**820,819**	—	—
Accrued payroll liabilities	**333,441**	18,922	126,830
Note payable (Note 9)	**679,706**	—	—
Interest payable	**16,689**	16,689	16,689
Deferred revenue	**335,946**	14,927	57,904
Total current liabilities	**6,500,992**	586,967	1,120,522
Long-term debt, less current maturities (Note 2)	**4,604,345**	3,786,069	4,006,510
Other long-term liabilities	**7,962**	—	—
Total liabilities	**11,113,299**	4,373,036	5,127,032
Commitments and contingencies (Notes 3 and 4)			
Stockholders' equity			
Preferred stock, no par value, 1,000,000 shares authorized – none outstanding (Note 10)	**—**	—	—
Common stock, no par value, 100,000,000 shares authorized, 2007 – 5,489,989; 2006 – 3,322,769; 2005 – 3,253,556, shares issued and outstanding (Note 10)	**—**	—	—
Additional paid-in capital	**20,536,094**	15,823,614	15,489,370
Restricted stock	**(250,833)**	(301,000)	(191,556)
Other comprehensive income (loss)	**502,222**	(8,104)	(48,275)
Accumulated deficit	**(10,693,707)**	(10,385,588)	(9,232,939)
Total stockholders' equity	**10,093,776**	5,128,922	6,016,600
	$ 21,207,075	$ 9,501,958	$11,143,632

See accompanying summary of accounting policies and notes to financial statements.

Consolidated Statements of Operations

	Six month period ended June 30, 2007	Six month period ended June 30, 2006 (Unaudited)	Years ended December 31, 2006	Years ended December 31, 2005
Revenues (Note 5)				
Government contracts	**$ 782,920**	**$ 1,709,052**	$ 3,031,713	$4,223,554
Genetic identity	**718,592**	**913,200**	1,542,129	1,968,090
Commercial contracts	**2,944,523**	**594,658**	1,340,996	1,216,526
Clinical services	**216,377**	**448,032**	580,279	328,272
Other revenue	**133,594**	**21,715**	37,365	66,449
Total revenues	**4,796,006**	**3,686,657**	6,532,482	7,802,891
Cost of services				
Overhead	**1,687,801**	**1,295,408**	2,559,196	2,399,589
Direct labor	**1,264,914**	**905,981**	1,754,664	1,868,806
Direct materials	**873,996**	**600,477**	1,124,846	1,292,943
Total cost of services	**3,826,711**	**2,801,866**	5,438,706	5,561,338
Gross profit	**969,295**	**884,791**	1,093,776	2,241,553
Research and Development	**176,702**	**—**	—	—
Selling, general and administrative	**1,890,868**	**1,047,634**	2,053,176	1,988,515
Operating (loss) income	**(1,098,275)**	**(162,843)**	(959,400)	253,038
Other income (expense)				
Exchange gains (losses)	**(55,261)**	**—**	—	—
Interest expense	**(187,225)**	**(149,885)**	(297,873)	(242,319)
Other income	**44,127**	**47,574**	104,624	68,404
Total other income (expense)	**(198,359)**	**(102,311)**	(193,249)	(173,915)
Income (loss) before extraordinary gain	**(1,296,634)**	**(265,154)**	(1,152,649)	79,123
Extraordinary gain (Note 9)	**988,515**	**—**	—	—
Net income/(loss)	**$ (308,119)**	**$ (265,154)**	$(1,152,649)	$ 79,123
Basic and diluted income (loss) per common share before extraordinary gain	**$ (0.27)**	**$ (0.08)**	$ (0.35)	$ 0.02
Basic and diluted income/(loss) per common share after extraordinary gain	**$ (0.06)**	**$ (0.08)**	$ (0.35)	$ 0.02

See accompanying summary of accounting policies and notes to financial statements.

Consolidated Statements of Stockholders' Equity

	Number of Shares Outstanding	Additional Paid-in Capital	Restricted Stock	Other Comprehensive (Income)/Loss	Accumulated Deficit	Total
Balance, December 31, 2004	3,203,556	$ 15,273,870	$ —	$ —	$ (9,312,062)	$ 5,961,808
Restricted stock	50,000	215,500	(191,556)	—	—	23,944
Net income	—	—	—	—	79,123	79,123
Change in unrealized gain (loss) on interest rate swap	—	—	—	(48,275)	—	(48,275)
Total comprehensive income	—	—	—	—	—	30,848
Balance, December 31, 2005	3,253,556	15,489,370	(191,556)	(48,275)	(9,232,939)	6,016,600
Issuance of common stock and stock options exercised	16,585	22,834	—	—	—	22,834
Restricted stock	52,628	248,614	(109,444)		—	139,170
Stock option expense	—	62,796	—	—	—	62,796
Net loss	—	—	—	—	(1,152,649)	(1,152,649)
Change in unrealized gain (loss) on interest rate swap	—	—	—	40,171	—	40,171
Total comprehensive loss	—	—	—	—	—	(1,112,478)
Balance, December 31, 2006	3,322,769	15,823,614	(301,000)	(8,104)	(10,385,588)	5,128,922
Issuance of common stock and stock options exercised	2,167,220	4,638,500	—	—	—	4,638,500
Restricted stock	—	23,990	50,167	—	—	74,157
Stock option expense	—	49,990	—	—	—	49,990
Net loss	—	—	—	—	(308,119)	(308,119)
Change in unrealized gain (loss) on interest rate swap	—	—	—	22,561	—	22,561
Foreign currency gain (loss)	—	—	—	487,765	—	487,765
Total comprehensive income	—	—	—	—	—	202,207
Balance, June 30, 2007	5,489,989	$ 20,536,094	$ (250,833)	$ 502,222	$ (10,693,707)	$ 10,093,776

See accompanying summary of accounting policies and notes to financial statements.

Consolidated Statements of Cash Flows

	Six Month Period Ended June 30, 2007	2006 (Unaudited)	Year Ended December 31, 2006	2005
Operating activities				
Net income/(loss)	**$ (308,119)**	**$ (265,154)**	$(1,152,649)	$ 79,123
Adjustments to reconcile net (loss)/income to cash provided by (used in) operating activities				
Depreciation and amortization	**484,528**	**454,512**	899,891	963,526
Extraordinary gain	**(988,515)**	**—**		
Stock based compensation	**49,990**	**76,234**	101,634	—
Changes in assets and liabilities				
Accounts receivable	**(433,934)**	**(325,154)**	380,243	(10,353)
Prepaid expenses and inventory	**(396,460)**	**(139,775)**	(51,281)	(57,706)
Accounts payable and accrued expenses	**1,721,151**	**244,521**	(57,788)	136,865
Deposits	**(4,500)**	**—**		
Deferred revenue	**(99,606)**	**(28,524)**	(42,976)	(103,698)
Cash provided by (used in) operating activities	**24,535**	**16,660**	77,074	1,007,757
Investing activities				
Purchase of Mimotopes, net	**(422,679)**	**—**	(257,235)	—
Purchase of Tripos Discovery Research, net	**3,490,297**	**—**	—	—
Purchases of property and equipment	**(160,024)**	**(180,410)**	(236,703)	(450,711)
Purchase of FIL, net	**—**	**—**	—	(28,947)
Cash provided by (used) in investing activities	**2,907,594**	**(180,410)**	(493,938)	(479,658)
Financing activities				
Principal payments of debt obligations, FIL	**—**	**—**	(300,000)	(300,000)
Principal payments on debt obligations, including capital lease obligations	**(385,766)**	**(105,973)**	(212,729)	(157,634)
Increase in restricted cash	**(670,436)**	**—**	—	(500,000)
Increase in loan costs, net	**—**	**—**	—	(1,371)
Proceeds from issuance of common stock	**39,990**	**6,334**	22,834	—
Cash used in financing activities	**(1,016,212)**	**(99,639)**	(489,895)	(959,005)
Effect of exchange rates on cash	**34,183**	**—**	—	—
Net increase (decrease) in cash and cash equivalents	**1,950,100**	**(263,389)**	(906,759)	(430,906)
Cash and cash equivalents, beginning of period	**1,404,370**	**2,311,129**	2,311,129	2,742,035
Cash and cash equivalents, end of period	**$ 3,354,470**	**$ 2,047,740**	$ 1,404,370	$2,311,129
Supplemental Disclosure of Cash Flow Information				
Cash payments for interest	**$ 187,225**	**$ 149,885**	$ 297,873	$ 248,175
Non cash investing and financing activities, purchase of equipment through a capitalized lease	**$ 26,535**	**—**	—	$ 485,968
Fair value of stock issued in Mimotopes acquisition	**$ 4,622,000**	**—**	—	—

See accompanying summary of accounting policies and notes to financial statements.

Summary of Significant Accounting Policies

Nature of Business

Commonwealth Biotechnologies, Inc., (the "Company"), was formed on September 30, 1992, for the purpose of providing specialized analytical laboratory services for the life scientist. As the Company matured, it re-focused its core business activities and now provides integrated contract research support in four principal areas; bio-defense; laboratory support services for on-going clinical trials; comprehensive contract projects in the private sector; and through it FIL division, for paternity testing, forensic case-work analysis and CODIS work. Mimotopes (acquired in February 2007) has developed a number of proprietary and patented technologies and is an industry leader in the synthesis of research grade peptides.

Excelgen Limited (formerly know as Tripos Discovery Research Ltd (acquired June 2007)) is a leading drug discovery services business that provides pharmaceutical and biotechnology companies with novel approaches to drug discovery. In each of these areas, the Company provides sophisticated macromolecular synthetic and analytical services, integrating individual platform technologies so as to provide a comprehensive approach to solving complex problems in life science research.

Consolidation Policy

The consolidated financial statements include the accounts of Commonwealth Biotechnologies, Inc. and its wholly owned subsidiaries' Mimotopes Pty, Ltd, Australia and Excelgen Limited (formerly known as Tripos Discovery Research Ltd), England. All inter-company accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made in the prior period consolidated financial statements and notes to conform to the June 30, 2007 presentation.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue upon the completion of laboratory service projects, or upon the delivery and acceptance of biologically relevant materials that have been synthesized in accordance with project terms. Laboratory service projects are generally administered under fee-for-service contracts or purchase orders. Any revenues from research and development arrangements, including corporate contracts and research grants, are recognized pursuant to the terms of the related agreements as work is performed, or as scientific milestones, if any, are achieved. Amounts received in advance of the performance of services or acceptance of a milestone, are recorded as deferred revenue.

Foreign Currency Translation

The Company's consolidated financial statements are reported in U.S. dollars. Assets and liabilities of foreign subsidiaries are translated using rates of exchange as of the balance sheet date, and related revenues and expenses are translated at average rates of exchange in effect during the period. Cumulative translation adjustments have been recorded as a separate component within other comprehensive income (loss) of stockholders' equity. Realized gains and losses from foreign currency translactions are included in other income.

Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable through the estimated undiscounted future cash flows from the use of those assets. When any such impairment exists, the related assets will be written down to fair value. No impairment losses have been recorded through June 30, 2007.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. At times, the Company maintains cash balances in excess of FDIC insured amounts. The excess over the FDIC amount was approximately $4,075,000, $1,800,000 and $2,711,000 at June 30, 2007 and December 31, 2006 and 2005, respectively.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivable and considering a customer's financial condition, credit history, and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed principally by the straight-line method over the following estimated useful lives providing depreciation and amortization for financial reporting purposes. The cost of repairs and maintenance is expensed as incurred. The estimated useful lives of the assets are as follows:

	Years
Buildings	39.5
Laboratory and computer equipment	3 -10
Furniture and fixtures and office equipment	7

Intangible assets

Intangible assets consist of a covenant not to compete, commercial contracts, listing of draw sites, listing of providers to assist in paternity testing and other related intangibles acquired in the purchase of Fairfax Identity Labs which are being amortized over 2 to 3 years.

Loan Costs

Loan costs are being amortized on a straight-line basis over the expected term of the mortgage.

Goodwill

Goodwill, which represents the excess of purchase price over fair value of net assets acquired, is evaluated at least annually for impairment by comparing its fair value with its recorded amount and is written down when appropriate. Projected net operating cash flows are compared to the carrying amount of the goodwill recorded and if the estimated net operating cash flows are less than the carrying amount, a loss is recognized to reduce the carrying amount to fair value. Goodwill as of June 30, 2007 and December 31, 2006 and 2005 is a result of the acquisition by the Company of Mimotopes during 2007 and Fairfax Identity Labs during 2004. There was no impairment of goodwill at June 30, 2007 or December 31, 2006 and 2005.

Income Taxes

Deferred taxes are provided on the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Income (Loss) Per Common Share

Basic income (loss) per share has been computed on the basis of the weighted-average number of common shares outstanding. Common shares which can be issued upon exercise of stock options and warrants have not been included in the computation for the periods ended June 30, 2007, June 30, 2006, December 31, 2006 and December 31, 2005 because their inclusion would have been anti-dilutive. Weighted average shares outstanding for basic and diluted loss per common share were 4,867,056, 3,310,073, 3,281,360 and 3,229,243 for the six month periods ended June 30, 2007 and 2006 (unaudited) and the years ended December 31, 2006 and 2005, respectively.

Employee Stock Plans

The Company adopted a Stock Incentive Plan on June 24, 1997. The Plan provides for granting to employees, officers, directors, consultants and certain other non-employees of the Company options to purchase shares of common stock. A maximum of 410,000 shares of common stock may be issued pursuant to the Plan. Of the maximum number of shares to be issued under the Plan, 270,000 have been reserved for incentive awards to be granted to the founders of the Company, and 140,000 are reserved for incentive awards to be granted to others.

A 2000 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 300,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company.

A 2002 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 600,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company.

A 2007 Stock Incentive Plan was adopted by the Board of Directors and approved by the shareholders. The Plan makes up to 1,000,000 shares of common stock available for grants of restricted stock awards and stock options in the form of incentive stock options and non-qualified options to employees, directors and consultants of the Company.

Incentive awards may be in the form of stock options, restricted stock, incentive stock or tax offset rights. In the case of incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended), the exercise price will not be less than 100% of the fair market value of shares covered at the time of the grant, or 110% for incentive stock options granted to persons who own more than 10% of the Company's voting stock. Options granted under the Plans generally vest over a five-year period from the date of grant and are exercisable for ten years, except that the term may not exceed five years for incentive stock options granted to persons who own more than 10% of the Company's outstanding common stock.

Stock Based Compensation Plans

Beginning January 1, 2006, the Company adopted SFAS 123R, which recognizes share-based compensation expense for stock option grants. Prior to 2006, the Company applied Accounting Principles Bulletin (APB) Opinion 25, Accounting for Stock Issued to Employees, and related Interpretations to account for employee stock compensation plans, and accordingly did not recognize compensation expense for stock options granted when the option price is greater than or equal to the underlying stock price at the date of grant. The following table illustrates the effect of net income if the fair value based method per 123R had been applied to all outstanding grants for the year ended December 2005.

	2005
Net income as reported	$ 79,123
Proforma effect of recognizing stock-based compensation in accordance with FASB 123(R)	(670,927)
Proforma net loss	$(591,804)
Basic and diluted income (loss) per common share as reported	0.02
Proforma effect of recognizing stock-based compensation in accordance with FASB 123(R)	(0.18)
Proforma, loss per common share	$ (0.16)

Under FASB No. 123(R), the fair value of each stock option and warrant is estimated on the date of grant using the Black-Scholes option pricing model. The following weighted-average assumptions were used for grants in 2005: no dividend yield, expected volatility of 42%, risk-free interest rate of 4.39% and expected lives of 10 years. In 2005, the Company vested all outstanding options of employees, excluding certain members of senior management.

Fair Value of Financial Instruments

The Company has determined, based on available market information and appropriate valuation methodologies, that the fair value of its financial instruments approximates carrying value. The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amount of debt approximates fair value because the interest rates under the credit agreement are predominantly variable, based on current market conditions.

Derivative Instruments and Hedging Activities

The Company uses interest rate swap agreements to manage variable interest rate exposure on the majority of its long-term debt. The Company's objective for holding these derivatives is to decrease the volatility of future cash flows associated with interest payments on its variable rate debt. The Company does not issue derivative instruments for trading purposes. The Company accounts for its interest rate swap agreements as cash flow hedges. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in "accumulated other comprehensive income or loss" on the consolidated balance sheets and subsequently reclassified to interest expense when the hedged exposure affects income (i.e. as interest expense accrues on the related outstanding debt). Differences between the amounts paid and amounts received under the swap agreements are recognized in interest expense.

Changes in the ineffective portion of the fair value of the derivative are accounted for through interest expense. The notional principal value of the Company's swap agreement outstanding as of June 30, 2007 is equal to the outstanding principal balance of the corresponding debt instrument.

New Accounting Pronouncements

In February 2006, The FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments—an amendment of FASB Statements No. 133 and 140." This statement amends Statements No. 133 and 140 by: permitting fair value remeasurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation; clarifying which interest-only strips and principal-only strips are not subject to the requirements of Statement No. 133; establishing a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation; clarifying that concentrations of credit risk in the form of subordination are not embedded derivatives; and amending Statement No. 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. The statement is effective for fiscal years beginning after September 15, 2006. The adoption of this standard did not have a material effect on the Company's financial condition or results of operations.

In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement 109," which provides guidance on the measurement, recognition, and disclosure of tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on de-recognition, classification, interest and penalties, and disclosure. FIN 48 prescribes that a tax position should only be recognized if it is more-likely-than-not that the position will be sustained upon examination by the appropriate taxing authority. A tax position that meets this threshold is measured as the largest amount of benefit that is more likely than not (greater than 50 percent) realized upon ultimate settlement. The cumulative effect of applying FIN 48 is to be reported as an adjustment to the beginning balance of retained earnings in the period of adoption. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this standard did not have an impact on the Company's financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS 157 establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. While the Statement applies under other accounting pronouncements that require or permit fair value measurements, it does not require any new fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. In addition, the Statement establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Lastly, SFAS No. 157 requires additional disclosures for each interim and annual period separately for each major category of assets and liabilities. The Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Management does not expect the adoption of this Statement to have a material impact on the Company's financial statements.

In February 2007, the FASB issued SFAS 159 "The Fair Value Option for Financial Assets and Financial Liabilities—including an amendment of FASB Statement No. 115". This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, Fair Value Measurements. The Company does not believe the adoption of this statement will have a material effect on the Company's financial statements.

Notes to Consolidated Financial Statements

1. Property and Equipment

Property and equipment consisted of the following:

		December 31,	
	June 30, 2007	**2006**	**2005**
Land	**$ 403,919**	$ 403,919	$ 403,919
Building	**6,835,386**	5,206,637	5,107,006
Laboratory equipment	**5,912,519**	5,136,424	5,043,837
Furniture, fixtures and office and computer equipment	**1,116,909**	663,123	618,638
	14,268,733	11,410,103	11,173,400
Less accumulated depreciation	**6,519,624**	5,797,958	5,201,670
	$ 7,749,109	$ 5,612,145	$ 5,971,730

Depreciation expense was $405,055 and $304,887 for the six months ended June 30, 2007 and 2006 (unaudited), respectively. Depreciation expense was $595,289 and $666,106 for the years ended December 31, 2006 and 2005, respectively.

2. Long-Term Debt

Long-term debt consists of:

		December 31,	
	June 30, 2007	**2006**	**2005**
Mortgage Payable to BB&T due in monthly installments of approximately $36,000 with an interest rate of 8.75% as of June 30, 2007. The loan will mature in November 2009 and is collateralized by the corporate offices and laboratory facilities located in Richmond, Virginia, as well as other assets of the Company. The Company also entered into a swap transfer agreement essentially locking the interest rate paid by the Company to 7.975%.	**$ 3,684,140**	$ 3,740,890	$ 3,825,432
Note payable to Genetics & IVF Institute due in two installments of $300,000 on December 15, 2005 and December 15, 2006.	**—**	—	300,000
In January 2005, the Company entered into a leasing agreement with Technology Leasing Concepts for two pieces of laboratory equipment. The monthly principal and interest payments are $11,378. Both leases are for a forty-eight month period.	**211,469**	273,724	393,807
In February 2007, the Company entered into a thirty-six month leasing agreement with Technology Leasing Concepts for several pieces of computer equipment. The monthly principal and interest payments are $898.	**24,079**	—	—
Lease agreement with Bank of America which matures in April 2008. The lease is collateralized by laboratory equipment located in Bude, Corwall England. The quarterly principal and interest payments are approximately $218,000.	**826,256**	—	—
Lease agreement with Lombard North Central which matures in December 2008. The lease is collateralized by laboratory equipment located in Bude, Corwall England. The quarterly principal and interest payments are approximately $298,000.	**1,603,539**	—	—
Lease agreement with De Lage Landen which matures in February 2009. The lease is collateralized by laboratory equipment located in Bude, Corwall England. The quarterly principal and interest payments are approximately $97,000.	**594,641**	—	—
Lease agreement with Societe Genrale witch matures in December 2008. The lease is collateralized by laboratory equipment located in Bude, Corwall England. The quarterly principal and interest payments are approximately $48,000.	**$ 213,134**	$ —	$ —
Miscellaneous capital leases	**13,258**	—	—
	7,170,516	4,014,614	4,519,239
Less current maturities	**2,566,171**	228,545	512,729
	$ 4,604,345	$ 3,786,069	$ 4,006,510

2. Long-Term Debt (continued)

Scheduled maturities of long-term debt are as follows:

	For the twelve months ending June 30,
2008	$ 2,566,171
2009	1,115,522
2010	3,488,823
	$ 7,170,516

The mortgage includes certain restrictive covenants, which require the Company to maintain minimum levels of the current ratio, debt to net worth and cash flow ratio's. At June 30, 2007, the Company was in violation of these covenants, however, the Company was granted a waiver, through December 31, 2007, of these covenants by the bank providing certain conditions are met by December 31, 2007. These conditions are as follows:

The Company must receive $1,500,000 in net cash proceeds from the issuance of the Company's capital stock and/or junior secured convertible notes, amend certain capital lease agreements to extend there maturity and decrease monthly lease requirements and secure an executed sale/leaseback agreement in the Richmond facility by January 1, 2008.

3. Leasing Commitments

The Company leases equipment and facilities under non-cancelable operating leases. Total expense for the six month periods ending June 30, 2007 and 2006 (unaudited) was $49,889 and $23,168, respectively. Total expense for the years ended December 31, 2006 and 2005 was $42,394 and $28,636, respectively. Leases are secured by the equipment. Future minimum rental commitments under operating leases as of June 30, 2007 are as follows:

	Twelve Months Ending June 30,
2008	$ 204,864
2009	170,874
2010	66,624
2011	12,079
	$ 454,441

4. Retirement Plan

The Company maintains a 401(k) Plan (the "Plan") which covers substantially all employees. Under the Plan, employees may elect to defer a portion of their salary, up to the maximum allowed by law, and the Company can elect to match the contribution up to 1% of the employee's contribution. Company contributions were $12,555 and $8,390 for the six months ended June 30, 2007 and 2006 (unaudited), respectively. Company contributions were $22,285 and $18,367 for the years ended December 31, 2006 and 2005, respectively.

5. Restricted Cash

Under the terms of the Company's mortgage (Note 2), $400,000 is being held in escrow at June 30, 2007 by BB&T. These funds are eligible for release at the discretion of BB&T. Under the terms of the Company's building lease pertaining to operations in England, $777,834 is being held in escrow by Southwest Economic Development Agency. Under the current agreement, the Landlord and the Company agrees that the annual rent shall be withdrawn by the landlord on the rent payment dates from the escrow account to settle the annual rent for the period of twelve months from the rent commencement date only.

6. Income Taxes

The difference between expected income tax expense/benefit and income tax expense/benefit recorded in the financial statements is explained on the next page:

	Six Month Period Ended June 30, 2007 (audited)	Six Month Period Ended June 30, 2006 (unaudited)	Year Ended December 31, 2006	2005
Income taxes expense (benefit) computed at 34% statutory rate	**$ (104,800)**	$ (90,200)	$(391,800)	$ 26,900
State income tax expense benefit, net	**(15,500)**	(13,300)	(58,000)	4,000
Change in valuation allowance	**567,200**	233,100	464,000	7,500
Non-taxable Gain	**(375,500)**	—	—	—
Other	**(71,400)**	(129,6900)	(14,200)	(38,400)
	$ —	$ —	$ —	$ —

The significant components of deferred income tax assets and liabilities consist of the following:

	June 30, 2007	December 31, 2006	2005
Deferred tax assets			
Net operating loss carryforward	**$ 4,360,000**	$ 3,948,000	$ 3,626,000
Research and development credit carryforward	**52,600**	52,600	52,600
Intangibles	**200,000**	179,000	102,700
Interest rate swap	**—**	8,100	48,200
Allowance for doubtful accounts	**24,300**	20,800	34,200
Stock based compensation	**50,000**	38,600	—
Other	**37,800**	8,300	11,600
	4,724,700	4,255,400	3,875,300
Deferred tax liabilities			
Interest rate swap	**14,500**	—	—
Tax depreciation in excess of book depreciation	**106,000**	218,400	302,300
Net deferred tax asset before valuation allowance	**4,604,200**	4,037,000	3,573,000
Less valuation allowance	**4,604,200**	4,037,000	3,573,000
	$ —	$ —	$ —

6. Income Taxes (continued)

Operating loss carryforwards at June 30, 2007 of approximately $11,500,000 may be used to offset future taxable income and expire in various years through 2024. The Company also has research and development credit carryforwards at June 30, 2007 of approximately $53,000 that expire in various years through 2020.

7. Stock Compensation

For the Six Month Periods Ended June 30, 2007 and 2006 (Unaudited)

Stock-based compensation expense recognized during a period is based on the value of the portion of stock-based awards that is ultimately expected to vest during the period. Stock-based compensation expense recognized in the six months ended June 30, 2007 included compensation expense for stock-based awards granted prior to, but not yet vested as of December 31, 2006, based on the fair value on the grant date. As stock-based compensation expense recognized in fiscal 2007 is based on awards ultimately expected to vest, it has been reduced for forfeitures.

Six Months Ended June 30, 2007	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term Years	Aggregate Intrinsic Value Shares (in thousands)
Options and warrants outstanding at January 1, 2007	924,839	$ 5.60	3.46	$ 125
Granted	67,000	2.05		
Expired	(106,503)	8.89		
Exercised	(12,222)	1.31		
Options and warrants outstanding at June 30, 2007	873,114	$ 5.50	3.36	$ 287
Options and warrants exercisable at June 30, 2007	844,424	$ 5.30	3.36	$ 287

7. Stock Compensation (continued)

Stock-based compensation expense related to employee stock options recognized under SFAS No. 123(R) for the six months ended June 30, 2007 and 2006 was $49,990 and $31,398 respectfully and is included in selling general and administrative. As of June 30, 2007, total unamortized stock-based compensation cost related to non-vested stock options was $85,279, net of expected forfeitures, which is expected to be recognized during the remainder of 2007.

The total intrinsic value of options (which is the amount by which the stock price exceeded the exercise price of the options on the date of exercise) exercised during the six months ended June 30, 2007 was approximately $45,000. During the six months ended June 30, 2007, the Company received cash from the exercise of stock options in the amount of $16,000.

The following table sets forth fair value per share information, including related weighted-average assumptions, used to determine compensation cost for our stock options consistent with the requirements of SFAS No. 123R.

	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Weighted average fair value per share of options granted during the period (estimated on granted grant date using Black-Scholes option-pricing model)	$ 1.30	$ 2.53
Assumptions:		
Expected volatility	34.95%	20.85%
Expected annual dividend yield	0.00%	0.00%
Risk free rate of return	4.63%	5.15%
Expected option term (years)	10.0	10.0

7. Stock Compensation (continued)

The following table summarizes information about Restricted Stock Unit (RSU) activity for the six months ended June 30, 2007:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2006	66,667	$ 4.52
Granted	—	—
Vested	111,104	4.52
Forfeited	—	—
Non-vested at June 30,2007	55,563	$ 4.52

At June 30, 2007, there was approximately $250,000 of total unrecognized compensation cost related to non-vested RSUs granted under our stock plans which is expected to be recognized over a weighted-average period of 2.8 years. Compensation expense related to RSUs for the six months ended June 30, 2007 and 2006 was $50,000 for both periods, and is included in selling, general and administrative expenses.

For the Years Ended December 31, 2006 and 2005

In addition to employee stock option awards, the Company has reserved an aggregate of 57,811 shares of common stock for issuance upon exercise, management warrants (71,053), warrants issued in connection with the 2002 private placement (34,445) and in 2004 the private investment in a public entity (124,000).

7. Stock Compensation (continued)

Stock option transactions for the years ended December 31, 2006 and 2005 are summarized as follows:

	2006	Weighted Average Exercise Price	2005	Weighted Average Exercise Price
Options and warrants outstanding, beginning of year	**987,419**	**$ 5.60**	889,598	$ 5.01
Granted	—	—	286,521	6.47
Exercised	**(23,471)**	**1.53**	—	—
Expired	**(39,109)**	**4.41**	(188,700)	6.45
Options and warrants outstanding, end of year	**924,839**	**$ 6.07**	987,419	$ 5.60
Options and warrants exercisable, end of year	**888,584**	**$ 6.13**	916,331	$ 6.01
Weighted-average fair value per option and warrants				
For options and warrants granted during the year		—		$ 2.35

Weighted average fair value of options expired during 2006 was $3.12 and the fair value of options outstanding at December 31, 2006 was $2.51.

The following table summarizes information about stock options and warrants outstanding at June 30, 2007:

	Outstanding			Exercisable	
Exercise Prices Per Share	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share	Number Exercisable	Weighted Average Exercise Price Per Share
$0.90 – 2.00	**52,964**	**8**	**$ 1.10**	52,964	$ 1.10
$2.01 – 5.49	**440,431**	**7**	**3.90**	411,741	3.53
$5.50 – 7.00	**113,613**	**3**	**5.98**	113,613	5.45
$7.01 – 9.49	**124,000**	**6**	**7.57**	124,000	7.57
$9.50 – 12.50	**142,106**	**4**	**9.90**	142,106	9.90
$0.90 – 12.50	**873,114**		**$ 5.50**	844,424	$ 5.30

8. Purchase of Mimotopes

In February 2007, the Company acquired all outstanding shares of Mimotopes Pty Ltd, an Australian limited company by issuing 2,150,000 shares of its common stock to PharmAust Chemistry Ltd, an Australian limited company. Based on the 2,150,000 shares at $2.15 per share, the acquisition price for the purchase of Mimotopes was approximately $4,623,000. In addition, the Company incurred approximately $432,000 of acquisition related costs. The fair value of assets and liabilities acquired were approximately $2,985,000 and $394,000, respectively, resulting in goodwill of approximately $2,464,000 as listed below:

	At February 1, 2007 ($000s)
Cash	$ 107
Accounts receivable	645
Other current assets	34
Property, plant and equipment	2,199
Total assets acquired	2,985
Accounts payable and accruals	(376)
Long-term debt	(18)
Total liabilities assumed	(394)
Net assets acquired	$ 2,591

The issuance of the shares amounted to approximately 39.5% of the Company's then outstanding shares. The results of operations of Mimotopes are included in the Company's financial statements for the period beginning February 2007 and are reported on a consolidated basis.

9. Purchase of Excelgen Limited (formerly known as Tripos Discovery Research)

In June 2007, the Company acquired all outstanding shares of Excelgen Limited (formerly known as Tripos Discovery Research), an English limited company by remitting $350,000 to Tripos Inc., a Utah corporation (Parent). Tripos UK Holdings Limited is a wholly-owned subsidiary of Parent and a private limited company incorporated in England. In addition, the Company has agreed to pay a promissory note of $468,997 for any advances made to Excelgen Limited from May 14, 2007 to the closing date. At the closing date the Company was also liable to Tripos, Inc. for approximately $673,000 related to certain accounts receivable, as calculated under the purchase agreement.

9. Purchase of Excelgen Limited (formerly known as Tripos Discovery Research) - continued

The following allocation of the purchase price is based upon the preliminary estimated valuation of assets and liabilities acquired from the purchase of Excelgen Limited. The purchase price of Excelgen Limited was approximately $1,269,000 (including acquisition costs of approximately $242,000). The fair value of assets acquired amounted to approximately $8,249,000 and the Company assumed liabilities of approximately $5,991,000 resulting in excess of net assets over amount paid of approximately $989,000 which is recorded as an extraordinary gain on the statement of operations. The acquisition was accounted for as a purchase in accordance with the Statement of Financial Standards (SFAS) No. 141, Business Combinations (SFAS No. 141) and is detailed below:

	At June 1, 2007 ($000s)
Cash	$ 4,759
Accounts receivable	1,070
Inventory	2,091
Other current assets	329
Total assets acquired	8,249
Accounts payable and accruals	1,828
Other current liabialities	2,940
Long-term debt	1,223
Total liabilities assumed	5,991
Net assets acquired	$ 2,258

Had the acquisition of Excelgen Limited been completed at the beginning of January 2007, the Company’s pro forma results would have been as follows:

9. Purchase of Excelgen Limited (formerly known as Tripos Discovery Research) - continued

	For the Six Months Ended June 30, 2007
Revenue	$ 6,995,070
Operating Expenses*	12,701,466
Loss before extraordinary gain	$ (5,706,396)
Diluted loss before extraordinary gain	$ (1.37)
Diluted loss per share	$ (1.17)

* The consolidated loss for Excelgen Limited includes $2,801,397 of impairment charges that were previously written off prior to the acquisition.

10. Stockholders' equity

In May 2007, stockholders approved an amendment to the Company's Articles of Incorporation increasing the number of authorized shares of common stock from 10,000,000 to 100,000,000.

In May 2007, stockholders approved an amendment to the Company's Articles of Incorporation creating a new class of 1,000,000 shares of undesignated preferred stock.

11. Earnings per Share

The Company follows the guidance provided in the Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings Per Share, which establishes standards for computing and presenting earnings per share and applies to entities with publicly held common stock or potential common stock. Basic earnings (loss) per common share are computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the period. Diluted per share amounts assume the conversion, exercise or issuance of all potential common stock instruments such as warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share.

	Six months Ended June 30, 2007	Six months Ended June 30, 2006 (Unaudited)
BASIC EARNINGS (LOSS) PER SHARE:		
Net Income (loss) before extraordinary gain	$ (1,296,634)	$ (265,154)
Extraordinary gain	988,515	—
Net Income (loss)	$ (308,119)	$ (265,154)
Weighted average shares outstanding	4,867,056	3,310,073
Basic, before extraordinary income	$ (0.27)	$ (0.08)
Basic loss per share	$ (0.06)	$ (0.08)
DILUTED (LOSS) PER SHARE:		
Net loss before extraordinary gain	$ (1,296,634)	$ (265,154)
Extraordinary gain	988,515	—
Net loss	$ (308,119)	$ (265,154)
Weighted average shares outstanding	4,867,056	3,310,073
Stock options and warrants	—	—
Weighted average diluted shares outstanding	4,867,056	3,310,073
Diluted, before extraordinary gain	$ (0.27)	$ (0.08)
Diluted loss per share	$ (0.06)	$ (0.08)

	Year Ended December 31, 2006	Year Ended December 31, 2005
BASIC EARNINGS PER SHARE:		
Net Income (loss) before extraordinary gain	$ (1,152,649)	$ 79,123
Extraordinary gain	—	—
Net Income (loss)	$ (1,152,649)	$ 79,123
Weighted average shares outstanding	3,281,360	3,229,243
Basic, before extraordinary income	$ (0.35)	$ 0.02
Basic earnings (loss) per share	$ (0.35)	$ 0.02
DILUTED EARNINGS (LOSS) PER SHARE:		
Net Income (loss) before extraordinary gain	$ (1,152,649)	$ 79,123
Extraordinary gain	—	—
Net Income (Loss)	$ (1,152,649)	$ 79,123
Weighted average shares outstanding	3,281,360	3,229,243
Stock options and warrants	—	—
Weighted average diluted shares outstanding	3,281,360	3,229,243
Diluted, before extraordinary gain	$ (0.35)	$ 0.02
Diluted earnings, (loss) per share	$ (0.35)	$ 0.02

Exhibit 99.2

Company No: 2493812

Exelgen Limited (formerly Tripos Discovery Research Limited)

Report and Non-statutory financial statements

Registered No. 2493812

Directors
Dr Richard Freer
Dr Paul D'Sylva
Mr James Brennan

Secretary
Mr S J Cole (resigned 5 June 2007, re-appointed 10 June 2007)

Independent Auditors
BDO Stoy Hayward LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
S014 3TL

Bankers
National Westminster Rank plc
50 High Street
Exeter
Devon
EX4 3DL,

Registered Office
Bude-Stratton Business Park
Bude
Cornwall
EX23 8LY

Registered No. 2493812

Directors' report

The directors present their report and audited non statutory financial statements for the year ended 31 December 2006.

Results and dividends

The company's loss after tax amounted to £15,262,317 (2005: loss £4,280,122), with no dividend declared (2005: £Nil), the loss of £15,262,317 (2005: loss £4,280,122) was taken to reserves.

Principal activities, review of business and future developments

The principal activities of the company in the year were design and synthesis of novel chemical compounds together with collaborative computational design and research projects for the pharmaceutical and agrochemical industries.

The company successfully completed a multi-million dollar four year collaboration with Pfizer at the end of 2005. Aggressive competition from India and China has meant that this business has not yet been successfully replaced. During 2006 a significant down sizing process took place which saw job losses and large impairment charges being booked to recognise the downsizing of the business. In June 2007, the existing parent company, Tripos Inc., completed a strategic, business review with the sale of Exelgen Limited (formerly Tripos Discovery Research Ltd) to Commonwealth Biotechnologies Inc (CBI), a NASDAQ listed company based in Richmond Virginia, USA. The business will continue to serve its existing markets from the Bude facility, enhanced by complementary skills provided by the CBI group of companies.

The financial results of the. business and in particular the operating loss seen for the year were negatively impacted by the following significant factors:-

- downsizing costs associated with severance;
- impairment costs to both fixed assets and inventory;
- repayments of UK government grants; and the
- loss on sale of fixed assets.

Details of post balance sheet events material to the company are given in note 23 to the attached non-statutory financial statements.

On 23 November 2007 the company changed its name from Tripos Discovery Research Limited to Exelgen Limited.

Directors

The directors who served dining, the year were as follows:

Dr J P McAlister (resigned 5 June 2007).
Mr J II Munn (resigned 20 March 2007).
Dr M C Allen (resigned 5 June 2007).
Dr P W Small (resigned 30 November 2006).
Mr S J Cole (resigned 5 June 2007).

On 10 June 2007, the following individuals who are all US residents were appointed to the board:

Dr Richard Freer;
Dr Paul D'Sylva; and
Mr James Brennan.

Registered No. 2493812

Directors' report (continued)

Key performance indicators

Given the nature of the business, the company's Directors are of the opinion that an analysis of the business using key Performance Indicators is not necessary for an understanding of the development, performance or position of the business. Figures are consolidated by the parent on a monthly basis and closely reviewed.

Creditor payment policy

It is normal procedure of Exelgen Limited (formerly Tripos Discovery Research Limited) to agree terms of transactions including payment terms, with suppliers in advance. Payment terms vary, reflecting local practice throughout the world. It is policy of Exelgen Limited (formerly Tripos Discovery Research Limited) that payment is made on time, provided suppliers perform in accordance with agreed terms.

Going concern

Cash flow forecasts prepared by the directors indicate that the company is reliant on the ongoing financial support from its new parent undertaking, Commonwealth Biotechnologies Inc ("CBI"), to enable the company to meet its obligations as they become due for payment for a period of at least twelve months from the approval of the non-statutory financial statements.

CBI is currently considering a number of strategic options to be able to provide the financial support it has pledged to do. As at the date of approval of the non-statutory financial statements these options were still under consideration.

If CBI is unsuccessful in raising the necessary funding required by the company, the directors will have to consider the future viability of the company. Discussions are currently in progress concerning certain financial commitments which may be able to be restructured to provide short term relief, however potential orders that are in the pipeline would have to be secured to enable the company to continue to trade.

The directors have confidence, albeit with some uncertainty, that sufficient funding will be available to the company and have prepared the non-statutory financial statements on a going concern basis.

Financial instruments

The company enters into contracts in a number of foreign currencies. The company also has a number of inter-company loans and current accounts denominated in foreign currency which are subject to foreign exchange risk. No hedging is performed to mitigate exchange rate fluctuations.

Post balance sheet events

By the end of 2006 the company had fallen below the criteria required to retain Grant funding totalling £1,540,000 drawn down from the Department of Trade and Industry. The final repayment was agreed to be £591,000 during negotiations to sell the business in 2007. This has been reflected in the balance sheet as an adjusting post balance sheet event.

In June 2007 the business was sold by Tripos Inc, to Commonwealth Biotechnologies Inc. As part of the sale and purchase agreement certain inter-company balances were waived within the Tripos Inc group. The financial effect of the inter-company debt waivers will be shown in the statutory financial statements for the year ending 31 December 2007.

By order of the Board

Dr. R. Freer
Director
19 December 2007

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the non-statutory financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

In preparing these non-statutory 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;
- slate whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the non-statutory financial statements; and
- prepare the non-statutory 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 which disclose with reasonable accuracy at any time the financial position of the company. 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 auditor's report

to the shareholder of Exelgen Limited (formerly Tripos Discovery Research Limited)

We have audited the non statutory financial statements of Exelgen Limited (formerly Tripos Discovery Research Limited) for the years ended 31 December 2005 and 31 December 2006, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These non statutory financial statements have been prepared under the accounting policies set out therein.

These none statutory financial statements have been prepared by the directors to meet the requirements of its parent company's regulatory reporting requirements in the United States of America. One of the requirements was the preparation of a reconciliation of the reported results and net assets between that reported in the financial statements prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and that which would have been reported had United States of America Accounting Standards (United States of America Generally Accepted Accounting Practice) been applied.

The statutory financial statements for the years ended 31 December 2005 and 31 December 2006 have been filed with the Registrar of Companies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the non-statutory financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the non-statutory financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards generally accepted in the United States of America. We report to you our opinion as to whether the non-statutory financial statements give a true and fair view and whether the information given in the directors' report is consistent with those non-statutory financial statements. We also 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.

This report is made solely to the Company, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the company 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis of audit opinion

We conducted our non-statutory audit in accordance with auditing standards generally accepted in the United States of America. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the non-statutory financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the non-statutory 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 non-statutory 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 non-statutory 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 non statutory financial statements.

Opinion

In our opinion:

- the non-statutory financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2006 and of its loss for the year then ended;
- the financial information for the year ended 31 December 2005, gives a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its loss for the year then ended; and
- the information given in the directors report is consistent with the non-statutory financial statements.

Emphasis of matter – Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 b) to the non-statutory financial statements concerning the support of the parent company and the company's ability to continue as a going concern. These conditions, along with the other matters explained in note 1 b) to the non-statutory 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 non-statutory financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP
Chartered Accountants
Southampton

19 December 2007

Profit and loss account
for the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	3,019,938	12,733,033
Exceptional provision for slow moving stock	3	(1,101,237)	—
Other cost of sales		(4,154,564)	(11,050,040)
Total cost of sales		(5,255,801)	(11,050,040)
Gross (loss) / profit		(2,235,863)	1,682,993
Reorganisation costs	3	(770,366)	—
Fixed asset impairment charges	3	(7,148,640)	—
DTI grant repayment	3	(116,731)	—
Other administrative expenses		(3,099,472)	(4,759,509)
Total administrative expenses		(11,135,209)	(4,759,509)
Operating loss	3	(13,371,072)	(3,076,516)
Loss on disposal of fixed assets	4	(2,565,442)	—
Interest receivable and similar income	6	1,253,133	23,936
Interest payable and similar charges	7	(578,936)	(1,227,542)
Loss on ordinary activities before taxation		(15,262,317)	(4,280,122)
Tax on loss on ordinary activities	8	—	—
Loss on ordinary activities after taxation and retained loss for the year	18	(15,262,317)	(4,280,122)

All recognised gains and losses are included in the profit and loss account above and therefore no separate statement of recognised gains and losses has been presented.

All amounts are derived from continuing operations.

The operating loss and the loss on ordinary activities after taxation have been computed on the historical cost basis.

The notes to the financial statements are an integral part of these financial statements.

Balance Sheet
at 31 December 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	9	3,111,993	14,969,232
Current assets			
Stocks	10	1,834,392	2,996,292
Debtors	11	761,221	1,930,577
Cash at bank		308,818	1,069,088
		2,904,431	5,995,957
Creditors: amounts falling due within one year	12	(11,539,115)	(10,708,161)
Net current liabilities		(8,634,684)	(4,712,204)
Total assets less current liabilities		(5,522,691)	10,257,028
Creditors: amounts falling due after more than one year	13	(4,864,765)	(5,382,167)
Provisions for liabilities			
Deferred taxation	16	—	—
		(10,387,456)	4,874,861
Capital and reserves			
Called up share capital	17	101,000	101,000
Share premium	18	6,939,304	6,939,304
Profit and loss account	18	(17,427,760)	(2,165,443)
Shareholders' funds	18	(10,387,456)	4,871,861

The non-statutory financial statements were approved by the board of director and authorised or issue on 19 December 2007 and were signed on its behalf by:

Dr R. Freer
Director

The notes to the financial statements are an integral part of these financial statements.

Cash flow statement
for the year ended 31 December 2006

	Note	2006 £	2005 £
Cash flow Statement			
Cash flow from operating activities	24	(2,703,682)	691,520
Returns on investment and servicing of finance	25	(564,135)	(463,176)
Capital expenditure and financial investment	25	389,154	(489,786)
Cash outflow before financing		(2,878,663)	(261,442)
Financing	25	2,118,393	953,352
Net cash (outflow) / inflow		(760,270)	691,810

	Note	2006 £	2005 £
Reconciliation of net cash flow to movement in net debt			
(Decrease) / increase in cash in the year		(760,270)	691,810
Repayments of capital element of finance leases		1,971,599	1,885,609
Sale and leaseback receipts		(2,153,747)	(1,105,723)
Receipts from parent company — Tripos Inc		(1,936,245)	(1,733,138)
Change in net debt resulting from cash flows		(2,878,663)	(261,442)
Translation differences		1,238,330	(740,430)
Movement in net debt for year		(1,640,333)	(1,001,872)
Opening net debt	26	(11,430,957)	(10,429,085)
Closing net debt	26	(13,071,290)	(11,430,957)

The notes to the financial statements are an integral part of these financial statements.

Notes to the non statutory financial statements
for the year ended 31 December 2006

1. Accounting policies

a) Basis of accounting

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2006 or 2005, but is derived from those accounts. Statutory accounts for 2006 and 2005 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified, and included references to matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 1985, s 237(2) or (3).

The non-statutory financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

b) Going concern basis

Cash flow forecasts prepared by the directors indicate that the company is reliant on the ongoing financial support from Commonwealth Biotechnologies Inc ("CBI") to enable the company to meet its obligations as they become due for payment for a period of at least twelve months from the approval of the non-statutory financial statements.

CBI is currently considering a number of strategic options to be able to provide the financial support it has pledged to do. As at the date of approval of the non-statutory financial statements these options were still under consideration.

If CBI is unsuccessful in raising the necessary funding required by the company, the directors will have to consider the future viability of the company. Discussions are currently in progress concerning certain financial commitments which may be able to be restructured to provide short term relief, however potential orders that are in the pipeline would have to be secured to enable the company to continue to trade.

The directors have confidence, albeit with some uncertainty, that sufficient funding will be available to the company and have prepared the non-statutory financial statements on a going concern basis.

c) Turnover

Turnover represents net invoiced sales of goods, net of value added tax. Contract research revenue is recognised proportionately to the percentage of completion as the services are provided. Off the shelf compound sales are recognised when the risk and rewards of ownership pass to the customer. This is normally on shipment from the company.

d) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Leasehold property	-	over the period of the lease
Equipment	-	20% on cost
Computer equipment	-	33.3% on cost
Freehold buildings	-	4% on cost
Financed lease equipment	-	the greater of the period of lease or 20% on cost

The need for any impairment write down to fixed assets is assessed by comparison of the carrying value against the higher of value in use and realisable value.

Notes to the non statutory financial statements
at 31 December 2006 (continued)

e) Stocks

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

f) Deferred taxation

Deferred tax is recognised in respect of all timing differences, that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

g) Research and development

For financial reporting purposes expenditure on research and development is written off in the year in which it is incurred.

h) Interest

Interest charges incurred in the construction of the company's building are capitalised (before tax relief) up to the point when the building is physically complete. Otherwise, interest is charged against profit as it arises.

i) Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies arc translated into sterling at the exchange rate ruling at the balance sheet date.

j) Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account in the year for which they are due.

k) Government grants

The government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature arc credited to income so as to match them with the expenditure to which they relate.

Notes to the non statutory financial statements
at 31 December 2006 (continued)

l) ***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. Turnover

The turnover and profit before taxation are attributable to the continuing principal activities of the company.

An analysis of turnover by destination is given below:

	2006	*2005*
	%	*%*
United Kingdom	28	90
Europe	24	4
United States of America and Canada	48	6
	100	100

All of the turnover originates in the United Kingdom.

3. Operating Loss

The operating loss is stated after charging/(crediting):

		2006	*2005*
		£	*£*
Depreciation – owned assets		890,276	759,281
Depreciation – assets held under finance leases		865,437	1,090,951
Exceptional items:			
- Impairment write down of tangible fixed assets		7,148,640	493,218
- Exceptional provision for slow moving stock		1,101,237	—
- Repayment of government grants		116,731	—
- Redundancy and reorganisation expense		770,366	—
Operating lease charges	- land and buildings	—	—
	- other	147,776	231,737
Audit fee payable to BDO Stoy Hayward LLP for the company's annual financial statements		15,000	38,122
Government grants (note 15)		(180,723)	(182,661)

All fees payable to BDO Stoy Hayward LLP, the company's auditor, include amounts in respect of expenses.

Notes to the non statutory financial statements
at 31 December 2006 (continued)

Due to the business being unable to secure additional work to replace the Pfizer Contract completed in the prior year, the directors had no option but to undertake a major reorganisation of the business which led to significant loss of jobs and a reduction in the value of the state of the art facilities based on anticipated reduced future revenues. In addition, a reassessment of the net realisable value of stocks led to a significant provision against the book value requiring recognition. All the costs of this reorganisation have been incurred in the year and there were no restructuring provisions brought forward nor are there any carried forward at the balance sheet date.

In addition, an amount of £591,000 was repaid to the Department for Business Enterprise and Regulatory Reform (formerly the Department of Trade and Industry) in June 2007 as the company had failed to meet the qualifying criteria as at 31 December 2006 for government grant assistance received. Of this amount, £16,731 represented grant receipts matching revenue expenses that had been recognised in the profit and loss account in earlier years. The remaining balance represented amounts used to finance fixed assets and has been treated as a reduction of the unamortised grant at the balance sheet date. The movement in this balance is disclosed in note 15 to these non-statutory financial statements.

4. Loss on disposal of tangible fixed assets

During 2006, the directors disposed of land and buildings with a net book value of £3,007,942 for total proceeds of £442,500.

5. Staff costs

	2006	*2005*
	£	*£*
Wages and salaries	2,346,455	4,013,057
Social security costs	258,183	407,352
Other pension costs (note 19)	154,430	243,368
	2,759,068	4,663,777

The average number of employees, including directors, during the year was as follows:

	2006	*2005*
	No.	*No*
Administration	17	28
Scientific	61	137
	78	165

Directors' emoluments:

	2006	*2005*
	£	*£*
Emoluments	328,355	312,962
Company contributions paid to defined contribution scheme	20,767	21,825

Directors' emoluments include a payment of £51,941 for severance pay.

Notes to the non statutory financial statements
at 31 December 2006 (continued)

	2006 No.	2005 No.
Members of defined contribution scheme	3	3

	2006 £	2005 £
The amounts in respect of the highest paid director are as follows:		
Emoluments	127,155	124,116
Company contributions paid to defined contribution scheme	5,247	8,713

The emoluments id the highest paid director include a payment of £51,941 (2005: £nil) for severance pay.

6. Interest receivable and other similar income

	2006 £	2005 £
Bank interest receivable	14,801	23,936
Foreign exchange gains	1,238,331	—
	1,253,133	23,936

The foreign exchange gain in the current year arose on the retranslation of balances to Tripos Inc.

7. Interest payable and similar charges

	2006 £	2005 £
Payable to group undertakings	189,495	164,563
Finance charges payable under finance leases and hire purchase contracts	389,441	314,748
Other interest	—	7,801
Foreign exchange loss	—	740,430
	578,936	1,227,542

The foreign exchange loss in the prior year arose on the retranslation of balances to Tripos Inc.

8. Taxation

(a) Tax on loss on ordinary activities

	2006 £	2005 £
Current tax		
Corporation tax on the loss for the year	—	—
Deferred tax		
Originating and reversal of timing differences	—	—
Tax on loss on ordinary activities	—	—

Notes to the non statutory financial statements
at 31 December 2006 (continued)

8. Taxation (continued)

There was no charge to corporation tax in either the current or previous year. Refer to note 8(b) for further details.

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 – 30%). The differences are explained below:

	2006 £	*2005* £
Loss on ordinary activities before tax	(15,262,317)	(4,280,122)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK as above	(4,578,695)	(1,284,037)
Effect of:		
Disallowed expenses and non taxable income	309,108	20,800
Depreciation in excess of Capital Allowances	2,378,425	530,720
Other timing differences	3,780	38,522
Current and prior year losses carried forward	2,136,656	872,854
R&D tax credit – current year	(249,274)	(600,000)
Group relief	—	421,141
	—	—

Notes to the non statutory financial statements at 31 December 2006 (continued)

9. Tangible fixed assets

	Land and freehold property £	*Equipment £*	*Computer Equipment £*	*Total £*
Cost				
At 1 January 2006	14,028,238	8,094,423	1,000,347	23,123,008
Additions	—	53,346	—	53,346
Disposals	(4,653,739)	(207,926)	—	(4,861,665)
At 31 December 2006	9,374,499	7,939,843	1,000,347	18,314,689
Depreciation				
At 1 January 2006	2,197,591	5,060,148	896,037	8,153,776
Charge for the year	509,315	1,176,627	69,771	1,755,713
Disposals	(1,661,442)	(193,991)	—	(1,855,433)
Impairment write down	5,573,951	1,545,494	29,195	7,148,640
At 31 December 2006	6,619,415	7,588,278	995,003	15,202,696
Net book value				
At 31 December 2005	11,830,647	3,034,275	104,310	14,969,232
At 31 December 2006	2,755,084	351,565	5,344	3,111,993

The net book value of equipment and computer equipment above includes an amount of £1,590,243 (2005: £2,595,227) in respect of assets held under finance leases and hire purchase contracts. During the year the depreciation charged on these assets amounted to £865,437 (2005 : £1,090,951).

The impairment charge has been calculated on a value in use assessment in accordance with FRS 11 - “Impairment of Fixed Assets and Goodwill”. The discount rate applied to pre-tax cash flows was 18%.

10. Stocks

	2006 £	*2005 £*
Raw materials	212,379	297,974
Work in progress	278,183	1,940,559
Finished goods	1,343,830	757,759
	1,834,392	2,996,292

Notes to the non statutory financial statements
at 31 December 2006 (continued)

11. Debtors: amounts falling due within one year

	2006	*2005*
	£	*£*
Prepayments and accrued income	136,522	161,461
Amount owed by fellow group companies	624,699	1,769,116
	761,221	1,930,577

12. Creditors: amounts falling due within one year

	2006	*2005*
	£	*£*
Trade creditors	179,988	258,055
Other taxes and social security	183,749	208,230
Accruals and deferred income	1,195,485	872,396
Obligations under finance leases (note 14)	1,280,291	1,356,447
Other creditors	—	132,059
Amount owing to group undertakings	8,699,602	7,880,974
	11,539,115	10,708,161

13. Creditors: amounts falling due after one year

	2006	*2005*
	£	*£*
Obligations under finance leases repayable within 5 years (note 14)	1,052,326	794,022
Amount owing to group undertaking	2,347,889	2,468,603
Accruals and deferred income (note 15)	1,464,550	2,119,542
	4,864,765	5,382,167

Notes to the non statutory financial statements
at 31 December 2006 (continued)

14 Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2006 *£*	*2005* *£*
Amounts payable:		
Within one year	1,502,021	1,523,696
In two to five years	1,135,073	850,583
	2,637,094	2,374,279
Less: finance charges allocated to future periods	(304,477)	(223,810)
	2,332,617	2,150,469
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations (note 12)	1,280,291	1,356,447
Non-current obligations (note 13)	1,052,326	794,022
	2,332,617	2,150,469

Finance leases are secured on the assets to which they relate

15. Accruals and deferred income

	Deferred Government Grants 2006 £
Balance as at 1 January	2,119,542
Credited to the profit and loss account	(180,723)
Repayment of Government grant (Note 23)	(474,269)
Balance as at 31 December	1,464,550

16. Provisions for liabilities

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided		*Not provided*	
	2006 £	*2005 £*	*2006 £*	*2005 £*
Capital allowances in advance of depreciation	—	2,444,120	—	—
Other timing differences	—	(2,444,120)	(6,464,464)	(1,935,171)
	—	—	(6,464,464)	(1,935,171)

Notes to the non statutory financial statements
at 31 December 2006 (continued)

17. Share capital

	Authorised 2006 £	*Authorised 2005 £*
500,000 Ordinary shares of £1 each	500,000	500,000

	Allotted, called up and fully paid 2006 £	*2005 £*
101,000 Ordinary shares of £1 each	101,000	101,000

18. Reconciliation of movements in shareholders' funds and movement on reserves

	Share capital £	*Share premium £*	*Profit and loss account £*	*Total shareholders' funds £*
Al I January 2006	101,000	6,939,304	(2,165,443)	4,874,861
Retained loss for the year	—	—	(15,262,317)	(15,262,317)
At 31 December 2006	101,000	6,939,304	(17,427,760)	(10,387,456)

19. Pension commitments

The company operates a defined contribution scheme for certain of its employees. The assets of the scheme are held separately from those of the company in independently administered funds. During the year contributions payable amounted to £154,430 (2005: £232,563). There were no unpaid contributions outstanding at the year-end (2005: £nil).

20. Other financial commitments

At 31 December 2006, the company had annual commitments under non cancellable operating leases as set out below:

	Other	
	2006 £	*2005 £*
Operating leases which expire:		
- within one year	56,965	72,653
- in two to five years	18,935	66,579
	75,900	139,232

Notes to the non statutory financial statements
at 31 December 2006 (continued)

21. Parent company

The company's immediate parent undertaking during 2006 was Tripos UK Holdings Limited. The company's ultimate parent undertaking and controlling party, which was also the parent of the largest group for which the company is a member and for which group accounts are prepared, was Tripos Inc. incorporated in the State of Utah, USA.

Copies of the group accounts are available from 1699 S Hanley Road, Suite 303, St Louis, Missouri, 63144-2913, USA.

From June 2007, the ultimate parent company is Commonwealth Biotechnologies Inc. 601 Biotech drive, Richmond, Virginia 23235, USA.

22. Related party transactions

The company has taken advantage of the exemption conferred under Financial Reporting Standard No.8 'Related Party Disclosures', concerning disclosure of transactions with group members.

There have been no other transactions with related parties requiring disclosure under Financial Reporting Standard No.8.

23. Post Balance Sheet Events

By the end of 2006 the company had fallen below the criteria required to retain grant funding totalling £1,540,000 drawn down from the Department of Trade and Industry. The final repayment was agreed to be £591,000 during negotiations to sell the business in 2007. This has been reflected in the balance sheet as an adjusting post balance sheet event.

In June 2007 the business was sold by Tripos Inc, to Commonwealth Biotechnologies Inc. As part of the sale and purchase agreement certain inter-company balances were waived within the Tripos Inc. group. The financial effect of the inter-company debt waivers will be shown in the financial statements for the year ending 31 December 2007 being a non adjusting post balance sheet event.

24. Reconciliation of operating profit to net cash inflow from operating activities

	Note	*2006* *£*	*2005* *£*
Cash flow from Operating activities			
Operating loss		(13,371,071)	(3,076,523)
Depreciation and impairment charges on tangible fixed assets		8,904,353	2,343,450
(Profit) / loss on disposal of tangible fixed assets		(1,710)	5,447
Decrease in debtors		1,203,225	1,579,294
Decrease in inventory		1,161,900	2,906,524
Increase /(decrease) in creditors		399,529	(1,458,173)
Decrease in deferred income		(999,908)	(1,608,499)
Net cash flow from operating activities		(2,703,682)	691,520

Notes to the non statutory financial statements
at 31 December 2006 (continued)

25. Analysis of cash flows for headings netted off in the cash flow statement

Returns on investment and servicing finance	*2006* £	*2005* £
Bank interest received	14,801	23,936
Bank interest paid	(189,495)	(128,409)
Interest element of finance leases	(372,745)	(314,7491
Interest paid	(16,696)	(43,954)
Net cash outflow for returns on investment and servicing of finance	(564,135)	(463,176)

Capital expenditure and financial investment	*2006* £	*2005* £
Purchase of tangible fixed assets	(53,346)	(491,086)
Sale of tangible fixed assets	442,500	1,300
Net cash inflow / (outflow) for capital expenditure and financial investment	389,154	(489,786)

Financing	*2006* £	*2005* £
Sale and lease back receipts	2,153,747	1,105,723
Capital element of finance lease payments	(1,971,599)	(1,885,609)
Receipts from parent company - Tripos Inc	1 ,936,245	1,733,138
Net cash inflow from financing	2,118,393	953,252

Notes to the non statutory financial statements
at 31 December 2006 (continued)

26. Analysis of changes in net debt

	At 1 January 2005 *£*	*Cash flows* *£*	*Foreign exchange* *£*	*At 31 December 2006* *£*
Cash at bank and in hand	1 ,069,088	(760,270)	—	308,818
Finance leases	(2,150,409)	(182,148)	—	(2,332,617)
Ultimate Parent company loan - Tripos Inc	(10,349,576)	(1,936,245)	1,238,330	(11,047,491)
	(11,430,957)	(2,878,663)	1,238,330	(13,071,290)

The movement in foreign exchange represents the exchange gain recognised on the retranslation of the amounts due to the ultimate parent company – Tripos Inc.

27. UK GAAP to US GAAP Reconciliation

Accounting for capital grants

Under United Kingdom Generally Accepted Accounting Practice (“GAAP”) (SSAP 4 Accounting for (Government Grants) grants received from governmental bodies that are contributions towards the cost of assets are not permitted to be deducted from the purchase price of the assets. The grants received are held as deferred income on the balance sheet and are released to the profit and loss account over the estimated which permits the grant received to be credited against the cost of the asset. This treatment is different to that permitted under United States GAAP which permits the grant received to be credited against the cost of the asset.

At the balance sheet date, the company had not met all of the conditions relating to a grant that had been received from the Department for Trade and Industry (now known as the Department for Business, Enterprise and Regulatory Reform (“BERR”)). Subsequent to the year end, a repayment to BERR of £591,000 was agreed and has been dealt with as an adjusting sheet. Of this amount, £474,269 was originally treated as a contribution towards capital assets and the balance towards expenses incurred.

Under US GAAP. the repayment of the capital grant initially increased the gross cost of tangible fixed assets and was subsequently expensed as part of the asset impairment charge. Under UK GAAP, the capital element of the grant repaid is simply a balance sheet re-classification between the balance held in deferred income and accruals within current liabilities. This accounting difference has given rise to a lower loss being reported under UK GAAP of £474,269 as no further impairment of the fixed assets is required based on their projected value in use computed in accordance with FRS 11 – “Impairment of fixed assets and goodwill”. Consequently the aggregate capital and reserves under UK GAAP is higher by the same amount than that which would have been reported under US GAAP.

Notes to the non statutory financial statements
at 31 December 2006 (continued)

The impact of the accounting differences on respective line items is summarised below:

	UK GAAP		*US GAAP*	
	2006 *£*	*2005* *£*	*2006* *£*	*2005* *£*
Balance sheet				
Tangible fixed assets:				
Total cost	18,314,68	23,123,008	16,253,136	20,587,189
Total accumulated amortisation	15,202,696	8,153,776	15,079,959	7,737,499
Creditors: amounts falling due after more than one year:				
Accruals and deferred income (note 15)	1,464,550	2,119,542	—	—
Profit and loss account				
Total depreciation charge	1,755,713	2,343,450	1,574,990	2,160,789
Release of deferred income	(180,723)	(182,661)	—	—
Total fixed asset impairment charge	7,148,640	—	7,622,907	—

Reconciliation of reported loss for the year:

	2006 *£*	*2005* *£*
Reported loss for the year in accordance with UK GAAP	(15,262,317)	(4,280,122)
Difference arising on accounting for the repayment of a Government capital grant	(474,269)	—
Reported loss for the year in accordance with US GAAP	(15,736,586)	(4,280,122)

Notes to the non statutory financial statements
at 31 December 2006 (continued)

Reconciliation of aggregate share capital and reserves

	2006 *£*	*2005* *£*
Aggregate share capital and reserves as reported under UK GAAP	(10,387,456)	4,874,861
Difference arising on accounting for the repayment of a Government capital grant	(474,269)	—
Aggregate share capital and reserves as reported undo US GAAP	(10,861,725)	4,874,861

Cash flow statement

The cash How statement has been prepared in conformity with UK Financial Reporting Standard 1 (Revised) "Cash Flow Statements". The principal differences between this statement and cash flow statements presented in accordance with US Financial Accounting Standard number 95 are as follows:

- Under UK GAAP net cash flow from operating activities is determined before considering cash flows from returns on investments and servicing of finance. Under US GAAP, net cash flow from operating activities is determined after this item.
- Under UK GAAP, capital expenditure is classified separately while under US GAAP, it is classified as an investing activity.
- Under UK GAAP movements in bank overdrafts arc classified as movements in cash while under US GAAP they are classified as a financing activity.

Set out below is a summary cash flow statement under US GAAP:

	2006 *£*	*2005* *£*
Net cash (outflow) / inflow from operating activities	(3,267,818)	228,344
Net cash inflow / (outflow) from investing activities	389,154	(489,786)
Net cash inflow from financing activities	2,118,393	953,252
Net decrease in cash and cash equivalents under US GAAP	(760,271)	691,810
Net decrease in cash and cash equivalents under UK GAAP	(760,271)	691,810

Exhibit 99.3

Company No: 2493812

MIMOTOPES PTY LTD
ACN 090 841 286
Financial Report for the 7 months ended 31 January 2007

CONTENTS

MIMOTOPES PTY LTD

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements

1 The financial statements and notes, as set out on pages 3 to 18, are in accordance with the Corporations Act 2001:

 (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

 (b) give a true and fair view of the company's financial position as at 31 January 2007 and of the performance for the seven months then ended in accordance with the accounting policies described in Note 1 to the financial statements

2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Board of Directors

Paul D'Sylva
Director

Dated this 21st day of December 2007

MIMOTOPES PTY LTD

INCOME STATEMENT

For the 7 months ended 31 January 2007

	Note	7 Months ended 31 January 2007 $
Revenue	2	2,646,222
Interest income		306
Raw materials and consumables used		(703,391)
Employee benefits expense		(1,224,499)
Depreciation expense		(182,824)
Other expenses	3	(779,300)
(Loss) before income tax expense		(243,486)
Income tax expense	4	80,085
(Loss) after income tax expense		(163,401)

The accompanying notes form part of these financial statements

MIMOTOPES PTY LTD

BALANCE SHEET

As at 31 January 2007

	Note	As at 31 January 2007 $
CURRENT ASSETS		
Cash and cash equivalents	12(a)	138,436
Trade and other receivables	5	844,474
Inventory		25,818
Other current assets	6	18,645
TOTAL CURRENT ASSETS		1,027,373
NON CURRENT ASSETS		
Property, plant and equipment	7	2,841,002
TOTAL NON CURRENT ASSETS		2,841,002
TOTAL ASSETS		**3,868,375**
CURRENT LIABILITIES		
Trade and other payables	8	365,807
Employee benefits	9	131,999
Short-term borrowings	10	4,296
TOTAL CURRENT LIABILITIES		502,102
NON CURRENT LIABILITIES		
Employee benefits	9	7,403
Long-term borrowings	10	1,095,092
Deferred tax liabilities		845,705
TOTAL NON CURRENT LIABILITIES		1,948,200
TOTAL LIABILITIES		**2,450,302**
NET ASSETS		**1,418,073**
CONTRIBUTED EQUITY		
Contributed equity	11	1
Reserves		2,160,175
Retained earnings		(742,103)
TOTAL EQUITY		**1,418,073**

The accompanying notes form part of these financial statements

MIMOTOPES PTY LTD

CASH FLOW STATEMENT

For the 7 Months ended 31 January 2007

	Note	7 Months ended 31 January 2007 $
Cash flows from operating activities		
Receipts from customers		2,418,240
Payments to suppliers and employees		(2,408,512)
Interest received		306
Net cash used in operating activities	12(b)	10,034
Cash flows from investing activities		
Payments for plant and equipment		(23,349)
Net Cash used in investing activities		(23,349)
Cash flows from financing activities		
Proceeds from related party loans		—
Net cash provided by financing activities		—
Net Increase/ (decrease) in cash held		(13,315)
Cash held at the beginning of the financial year		151,751
Cash held at the end of the financial year	12(a)	138,436

The accompanying notes form part of these financial statements

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Presentation

The consolidated financial information of Mimotopes Pty Ltd includes the accounts of the Company and its wholly owned subsidiary Mimotopes UK Plc and Mimotopes France. . All significant intercompany accounts and transactions have been eliminated on consolidation. The financial information has been presented in Australian Dollars ("AUD").

The financial information has been prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards (including Australian Accounting Interpretations).

With the exception of AASB 1031: Materiality, the financial information does not include the disclosure requirements of any Australian Accounting Standards.

The financial information is presented in Australian dollars, which is also the company's functional currency.

Historical cost convention—this financial information have been prepared under the historical cost convention, as modified by the revaluation of certain non-current assets. Non-current assets are stated at the lower of carrying amount and fair value.

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of their liabilities in the normal course of business.

(i) Going Concern

The financial report has been prepared on a going concern basis. The ability of the Company to continue as a going concern and meet its debts as and when they fall due is dependent on the continuing financial support of Commonwealth Biotechnologies Inc, the Company's ultimate parent entity.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

CBI Limited has undertaken to provide to the Company, by letter dated 18 December 2007, financial support for 12 months from that, necessary to enable it to meet its debts resulting from its activities, as and when they fall due and not to call on loans advanced to the Company for repayment until the Company has sufficient funds to repay its secured and unsecured creditors.

Accordingly the Directors believe that the Company will continue as a going concern and have adopted that method of accounting in the preparation of the financial report.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deducible temporary differences can be utilised.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Increases in the carrying amount of property, plant and equipment are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation

The depreciable amount of property, plant and equipment, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	4.0%
Plant and equipment	20-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

(d) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(j) Comparative figure

No comparative figures have been included within the financial statements as parent entity does not require this information for consolidation purposes.

MIMOTOPES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

For the 7 Months Ended 31 January 2007

		7 Months Ended 31 January 2007 $
2.	REVENUE	
	Operating activities:	
	Sale of goods	2,646,222
3.	OTHER EXPENSES	
	Travel	19,342
	Maintenance	78,985
	Service	118,378
	Consulting	75,731
	Insurance	27,163
	Selling	333,417
	Administration	126,284
		779,300
4.	TAX	
	Tax effect of loss before tax	72,954
	Current year losses not recognized	(16,520)
	Current year deferred tax asset not recognized	(1,996)
	Prior year non recognition of deferred tax liability recognized	25,657
		80,085

MIMOTOPES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

For the 7 Months Ended 31 January 2007

		As at 31 January 2007 $
5.	TRADE AND OTHER RECEIVABLES	
	Trade debtors	826,977
	Provision for doubtful debts	(6,000)
		820,977
	GST receivables	11,686
	Other related parties	
	Other debtors	11,811
		23,497
		844,474
6.	INVENTORY	
	Chemicals used in production	25,818
7.	OTHER CURRENT ASSETS	
	Prepayments	18,645
8.	PROPERTY, PLANT AND EQUIPMENT	
	Plant and equipment	
	Cost	87,451
	Independent valuation (December 2005)	1,185,965
	Accumulated depreciation	(280,956)
		992,460
	Leasehold improvements	
	Independent valuation (December 2005)	1,900,000
	Accumulated depreciation	(51,458)
		1,848,542
		2,841,002

		As at 31 January 2007 $
9.	TRADE AND OTHER PAYABLES	
	CURRENT	
	Trade creditors and accruals	363,255
	Sundry creditors	2,552
		365,807
10.	PROVISIONS	
	SHORT-TERM	
	Provision for employee benefits	131,999
	LONG-TERM	
	Provision for employee benefits	7,403

		As at 31 January 2007 $
11. BORROWINGS		
SHORT-TERM		
Intercompany payable	(a)	1,083,784
Hire purchase creditors		4,296
		1,088,080
LONG-TERM		
Hire purchase creditors		11,308

(a) Subsequent to year end, in accordance with the terms of the Stock Purchase Agreement between Commonwealth Biotechnologies Inc. and Pharmaust Ltd, Mimotopes Pty Ltd was relieved of its obligation to pay the outstanding loan account due to the seller.

12. CONTRIBUTED EQUITY	
Fully paid ordinary shares	1

Pharmaust Limited holds the sole ordinary share.

13. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments. Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at bank and on hand	138,436

MIMOTOPES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

For the 7 Months Ended 31 January 2007

13. NOTES TO THE CASH FLOW STATEMENT (CONT.)

(b) Reconciliation of net cash provided by operating activities to loss after tax

	As at 31 January 2007 $
Loss after tax	(163,401)
Depreciation	182,824
Movement in assets and liabilities	
Receivables	(227,982)
Inventory	(25,818)
Sundry creditors and accruals	221,025
Provisions	23,386
Net cash used in operating activities	10,034

MIMOTOPES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

For the 7 Months Ended 31 January 2007

		As at 31 January 2007 $
14.	RESERVES	
	Asset revaluation reserve	3,085,965
	Less deferred tax liability	(925,790)
		2,160,175
15.	COMMITMENTS	
	Hire Purchase Liabilities	
	Payable not later than one year	5,182
	Payable later than one year but not later than five years	13,525
	Total payments	18,707
	Less future finance charges	(3,103)
	Total hire purchase liabilities	15,604
	Operating Lease Commitments	
	Non-cancellable operating leases contracted for but not capitalised in the financial statements	
	Payable not later than one year	151,388
	Payable later than one year but not later than five years	170,589
	Total operating lease commitments	321,977

16. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 9 February 2007, Commonwealth Biotechnologies Inc. (NASDAQ Capital Market: CBTE) acquired all of the outstanding capital stock of the Company.

17. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

18. RECONCILIATION WITH US GAAP

(a) Reconciliation of Income Statement under AIFRS and US GAAP

INCOME STATEMENT
For the 7 months ended 31 January 2007

	31 January 2007 Audited $A	Reconciliation Adjustments $A	31 January 2007 US GAAP $A
Revenue	2,646,222	—	2,646,222
Other income	306	—	306
Raw materials and consumables used	(703,391)	—	(703,391)
Employee benefits expense	(1,224,499)	—	(1,224,499)
Depreciation expense	(182,824)	168,247	(14,577)
Other expenses	(779,300)	—	(779,300)
Loss before income tax expense	(243,486)	168,247	(75,239)
Income tax expense	80,085	(80,805)	—
Loss after income tax expense	**(163,401)**	**88,162**	**(75,239)**

18. RECONCILIATION WITH US GAAP (Cont.)

(b) Reconciliation of Balance Sheet under AIFRS and US GAAP

BALANCE SHEET

	31 January 2007 Audited	Reconciliation Adjustments Note 17b (i)	31 January 2007 US GAAP
	$A	$A	$A
CURRENT ASSETS			
Cash and cash equivalents	138,436	—	138,436
Trade and other receivables	870,292	—	870,292
Other current assets	18,645	—	18,644
TOTAL CURRENT ASSETS	1,027,373	—	1,027,373
NON CURRENT ASSETS			
Property, plant and equipment	2,841,002	(2,773,505)	67,497
TOTAL NON CURRENT ASSETS	2,841,002	(2,773,505)	67,497
TOTAL ASSETS	**3,868,375**	**(2,773,505)**	**1,094,870**
CURRENT LIABILITIES			
Trade and other payables	365,807	—	365,807
Short-term provisions	131,999	—	131,999
Short-term borrowings	4,296	—	4,296
TOTAL CURRENT LIABILITIES	502,102	—	502,102
NON CURRENT LIABILITIES			
Employee benefits	7,403	—	7,403
Long-term borrowings	1,095,092	—	1,095,092
Deferred tax liability	845,705	845,705	—
TOTAL NON CURRENT LIABILITIES	1,948,200	845,705	1,102,495
TOTAL LIABILITIES	**2,450,302**	**845,705**	**1,604,597**
NET ASSETS/(LIABILITIES)	**1,418,073**	**(1,927,800)**	**(509,727)**
CONTRIBUTED EQUITY			
Contributed equity	1	—	1
Reserves	2,160,175	(2,160,175)	—
Retained earnings	(742,103)	232,375	(509,728)
TOTAL EQUITY/(DEFICIENCY)	**1,418,073**	**(1,927,800)**	**(509,727)**

18. RECONCILIATION WITH US GAAP (Cont.)

(b) Reconciliation of Balance Sheet under AIFRS and US GAAP (Cont.)

Explanation of reconciliation adjustments

(i) Property, plant and equipment

The Company previously revalued certain of its buildings and plant and equipment. Any revaluation increments and decrements are included in the Company's reserves that form part of total equity. Revalued buildings and plant and equipment are depreciated over their estimated useful lives to the Company (land is not depreciated). The reserve is accounted for net of the deferred tax liability associated with the revaluation. Under US GAAP, revaluations of buildings and plant and equipment are not permitted. Accordingly, the net revaluation increment on buildings and plant and equipment and the depreciation charges on revalued buildings and plant and equipment are adjusted back to their historical cost for US GAAP purposes.

19. COMPANY DETAILS

The registered office and principal place of business of the Company is:

11 Duerdin Street
Clayton Victoria, 3168

BDO Kendalls

BDO Kendalls Audit &
Assurance (NSW-VIC) Pty Ltd
The Rialto 525 Collins St
Melbourne VIC 3000
GPO Box 4736 Melbourne VIC 3001
Phone 61 3 8320 2222
Fax 61 3 8320 2200
aa.melbourne@bdo.com.au
www.bdo.com.au
ABN 17 114 673 540

INDEPENDENT AUDITOR'S REPORT

To the members of Mimotopes Pty Limited

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Mimotopes Pty Limited, which comprises the balance sheet as at 31 January 2007, and the income statement and cash flow statement for the seven months then ended a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian and US Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

BDO Kendalls

The financial report has been prepared for distribution to members. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Mimotopes Pty Ltd as at 31 January 2007 and of its financial performance and its cash flows for the seven months ended 31 January 2007 in accordance with the accounting policies described in Note 1 to the financial statements

Significant Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(a) (i), there is significant uncertainty whether Mimotopes Pty Ltd will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report

BDO KENDALLS AUDIT & ASSURANCE (NSW-VIC) PTY LTD

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

Paul Carr
Director
Melbourne
Dated the 21st day of December 2007

MIMOTOPES PTY LTD
ACN 090 841 286
Financial Report for the year ended 30 June 2006

CONTENTS

MIMOTOPES PTY LTD

DIRECTORS' REPORT

Your Directors present their report together with the financial report of the Company for the year ended 30 June 2006.

Directors

The names and qualifications of directors in office at any time during or since the end of the year are:

Mr Ron Deane (Chairman)

Qualifications and Experience:

Mr Deane has a distinguished career in the pharmaceutical and biotechnology industry. For over 20 years, he worked with CSL, where he became successively General Sales Manager, Marketing Director and then Group Director—Marketing, with responsibility for all sales, marketing and distribution activities across the four operating Divisions of Bioplasma, Pharmaceutical, Veterinary and Diagnostics.

In 1986, he became Group Director – Administration, controlling the Finance and Personnel functions.

He was then appointed Chief Executive Officer of CSL's new wholly-owned biotech company, Mimotopes Pty Ltd (www.mimotopes.com). When Mimotopes was acquired by Chiron and later by another US biotechnology company, MitoKor Inc, he was asked to stay on as CEO on each occasion. He was appointed Chief Business Officer for MitoKor in 2000 and worked in San Diego until his retirement in 2002.

Mr Deane also served as a non-executive director from May 2002, and Non-Executive Chairman of VRI Biomedical from May 2003, to October 2003.

Dr Paul D'Sylva

Qualifications and Experience:

Prior to 1 July 2005 when Dr D'Sylva joined the PharmAust Group as a full-time executive in the role of Managing Director of Mimotopes Pry Ltd before moving to PharmAust Limited Managing Director in October 2005, Dr D'Sylva served as the Director of Research and Development at Murdoch University (2001 — 2005). He has led the development of a number of successful research joint-venture institutes, companies and funds. He is a member of the Australian Institute of Company Directors and holds an appointment as an Adjunct Professor of Business at Murdoch University. Dr D'Sylva hold a PhD.

Dr Wayne Best

Qualifications and Experience:

Dr Best has over 20 years experience in synthetic and medicinal chemistry in academia, government and industry. After four years with ICI Australia's Research Group in Melbourne, Dr Best returned to Western Australia and spent the ten years preceding the establishment of Epichem at the Chemistry Centre (WA) where he was responsible for the formation and running of the Medicinal and Biological Chemistry Section. Dr Best is a Fellow of the Royal Australian Chemical Institute and currently holds appointments as an Adjunct Associate Professor at both Murdoch University and The University of Western Australia. Dr Best holds the following Qualifications: BSc(Hons)., PhD., DIC.

Principal Activity and Review of Operations

The principal activities of the Company during the year were the processing and sale of research-grade peptide products.

Operating Results

The loss of the Company after income tax was $860,931 for the year ended 30 June 2006 (2005:$2,800,043 unaudited).

Significant Changes in State Of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial period, not otherwise disclosed in these financial statements.

Events Subsequent to the end of the Financial Period

No matters or circumstances have arisen since the end of the financial period, that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a Law of the Commonwealth or of a State or Territory.

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or related body corporate of a director, a firm which a director is a member or an entity in which a director has a substantial, financial interest.

Indemnifying Officer or Auditor

During the period the parent company did carry Directors and Officer Indemnity insurance (which covered the directors and officers of Mimotopes Pty Ltd). The premium for the policy is $23,040 per annum.

The Company's Constitution provides that except as may be prohibited by Sections 199A and 1998 of the Corporations Act every Officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings whether civil or criminal.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial statements.

Adoption of Australian equivalents to International Financial Reporting Standards

As a result of the introduction of Australian equivalents to lnternational Financial Reporting Standards (IFRS), the company's financial report has been prepared in accordance with those Standards. A reconciliation of adjustments arising on the transition to Australian equivalents to IFRS is included in Note 20 of the financial report.

Signed in accordance with a resolution of Directors

Paul D'Sylva
Director

Dated this 5th day of December 2006

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF

MIMOTOPES PTY LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

S C Cubitt

Perth, WA
Dated: 5 December 2006

S C CUBITT
Partner

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
MIMOTOPES PTY LTD**

Scope

We nave audited the financial report of Mimotopes Pty Ltd for the year ended 30 June 2006, The Director's are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards and United States Generally Accepted Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the Company's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

The financial report for the year ended 30 June 2005 has not been audited, except for the balance sheet. Accordingly, we are not in a position to and do not express an opinion on the comparatives for 2005, except for the balance sheet.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Qualified Audit Opinion

In our opinion, except for the effects on the comparatives for 2005 of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of our work as discussed in the qualification paragraph not existed, the financial report of Mimotopes Pty Ltd is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's financial position at 30 June 2006 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

S C CUBITT
Partner

Perth, WA
Dated: 5 December 2006

MIMOTOPES PTY LTD

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including;
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 Jane 2006 and of the performance for the year ended on that date.
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Paul D'Sylva
Director

Dated this 5th day of December 2006

MIMOTOPES PTY LTD

INCOME STATEMENT

For the year ended 30 June 2006

	Note	2006 $	2005 Unaudited $
Revenue	2	4,008,315	5,381,317
Other income	2	9,185	46,244
Raw materials and consumables used		(539,296)	(772,670)
Employee benefits expense		(2,201,696)	(4,279,659)
Depreciation expense		(164,518)	(469,279)
Other expenses	3	(1,972,921)	(2,705,996)
Loss before income tax expense		(860,931)	(2,800,043)
Income tax (expense)/ benefit	4	—	—
Loss after income tax expense/ benefit		(860,931)	(2,800,043)

The accompanying notes form part of these financial statements

MIMOTOPES PTY LTD

BALANCE SHEET

As at 30 June 2006

	Note	2006 $	2005 $
CURRENT ASSETS			
Cash and cash equivalents	12(a)	151,751	619,873
Trade and other receivables	5	631,731	567,647
Other current assets	6	3,406	25,620
TOTAL CURRENT ASSETS		786,888	1,213,140
NON CURRENT ASSETS			
Property, plant and equipment	7	3,000,477	28,310
TOTAL NON CURRENT ASSETS		3,000,477	28,310
TOTAL ASSETS		**3,787,365**	**1,241,450**
CURRENT LIABILITIES			
Trade and other payables	8	602,816	782,833
Short-term provisions	9	109,938	32,755
Short-term borrowings	10	3,050	—
TOTAL CURRENT LIABILITIES		715,804	815,588
NON CURRENT LIABILITIES			
Trade and other payables	8	668,301	263,995
Long-term provisions	9	6,078	1,161
Long-term borrowings	10	11,442	—
TOTAL NON CURRENT LIABILITIES		685,821	265,156
TOTAL LIABILITIES		**1,401,625**	**1,080,744**
NET ASSETS		**2,385,740**	**160,706**
CONTRIBUTED EQUITY			
Contributed equity	11	1	1
Reserves		2,941,752	—
Retained earnings		(556,013)	160,705
TOTAL EQUITY		**2,385,740**	**160,706**

The accompanying notes form part of these financial statements

MIMOTOPES PTY LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2006

	Contributed Equity $	Retained Earnings $	Asset Revaluation Reserve $	Total $
2005 (Unaudited)				
Balance at 1 July 2004	5,682,070	(8,991,146)	—	(3,309,076)
Loss for the year	—	(2,800,043)	—	(2,800,043)
Shares issued	6,269,825	—	—	6,269,825
Cancellation of issued capital	(11,951,894)	11,951,894	—	—
Balance at 30 June 2005	1	160,705	—	160,706
2006				
Balance at 1 July 2005	1	160,705	—	160,706
Loss for the year	—	(860,931)		(860,931)
Revaluation increment	—	—	3,085,965	3,085,965
Depreciation of revalued assets	—	144,213	(144,213)	—
Balance at 30 June 2006	1	(556,013)	2,941,752	2,385,740

Description of Reserves

Asset Revaluation Reserve

The asset revaluation reserve records the revaluation of property, plant and equipment.

The accompanying notes form part of these financial statements

MIMOTOPES PTY LTD

CASH FLOW STATEMENT

For the year ended 30 June 2006

	Note	2006 $	2005 Unaudited $
Cash flows from operating activities			
Receipts from customers		3,952,656	5,399,871
Payments to suppliers and employees		(4,789,608)	(9,494,386)
Interest received		751	7,390
Net cash used in operating activities	12(b)	(836,201)	(4,087,125)
Cash flows from investing activities			
Repayment of hire purchase creditors		(3,937)	—
Payments for plant and equipment		(32,290)	(47,178)
Net cash used in investing activities		(36,227)	(47,178)
Cash flows from financing activities			
Equity from related party		—	6,269,825
Repayment of related party loans		—	(2,056,550)
Proceeds from related party loans		404,306	—
Net cash provided by financing activities		404,306	4,213,275
Net Increase/ (decrease) in cash held		(468,122)	78,972
Cash held at the beginning of the financial year		619,873	540,901
Cash held at the end of the financial year	12(a)	151,751	619,873

The accompanying notes form part of these financial statements

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Mimotopes Pty Ltd as an individual entity. Mimotopes Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Mimotopes Pty Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Mimotopes Pty Ltd has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the Company's financial statements resulting from the introduction of IFRS have been applied retrospectively to 2005. These financial statements are the first financial statements of Mimotopes Pty Ltd to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 20 to this report.

Reporting Basis and Conventions

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of their liabilities in the normal course of business.

The ability of the Company to continue as a going concern and meet its debts as and when they fall due is dependent on the continuing financial support of PharmAust Limited, the Company's ultimate parent entity.

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Basis and Conventions (Cont)

PharmAust Limited has undertaken to provide to the Company, by letter dated 4 December 2006, financial support for 12 months from that date or until the Company is sold by PharmAust Limited if that occurs within the 12 month period, necessary to enable it to meet its debts resulting from its activities, as and when they fall due and not to call on loans advanced to the Company for repayment until the Company has sufficient funds to repay its secured and unsecured creditors.

Accordingly the Directors believe that the Company will continue as a going concern and have adopted that method of accounting in the preparation of the financial report.

The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Increases in the carrying amount of property, plant and equipment are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between the depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred to the revaluation reserve from retained earnings.

Depreciation

The depreciable amount of property, plant and equipment, is depreciated on a straight line basis over their useful lives to the Company commencing from the lime the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Leasehold improvements	2.5%
Plant and equipment	20-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts in the revaluation reserve relating to that asset is transferred to retained earnings.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

(d) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense, Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

	2006 $	2005 Unaudited $
2. REVENUE		
Operating activities:		
Sale of goods	4,008,315	5,381,317
Other activities:		
Interest income	751	7,390
Realised currency gain	8,434	38,854
	9,185	46,244
3. OTHER EXPENSES		
Travel	125,557	81,135
Maintenance	196,638	274,338
Service	139,499	168,738
Consulting	245,067	121,117
Insurance	80,745	73,594
Selling	665,865	719,603
Administration	519,550	1,267,471
	1,972,921	2,705,996

	2006 $	2005 Unaudited $
4. INCOME TAX EXPENSE		
The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax on loss before income tax at 30% (2005: 30%)	(258,279)	(840,013)
Add:		
Tax effect of:		
Allocation of income tax credit/(debit) to the ultimate parent entity under the tax sharing agreement	258,279	(48,211)
Deferred tax asset not recognised	—	888,224
Income tax expense/ (benefit)	—	—

PharmAust Ltd (the ultimate parent entity) and its wholly-owned subsidiaries (which includes Mimotopes Pty Ltd) have formed an income tax consolidated regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

	2006 $	2005 $
5. TRADE AND OTHER RECEIVABLES		
Trade debtors	598,530	556,922
Provision for doubtful debts	(41,000)	(41,000)
	557,530	515,922
GST receivables	—	38,693
Other related parties	60,720	—
Other debtors	13,481	13,032
	74,201	51,725
	631,731	567,647
6. OTHER CURRENT ASSETS		
Prepayments	3,406	25,620
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Cost	79,030	28,310
Independent valuation (December 2005)	1,185,965	—
Accumulated depreciation	(140,768)	—
	1,124,227	28,310
Leasehold improvements		
Independent valuation (December 2005)	1,900,000	—
Accumulated depreciation	(23,750)	—
	1,876,250	—
	3,000,477	28,310

Movements in Carrying Amounts

	Plant and Equipment $	Leasehold Improvements $	Total $
Balance at the beginning of year	28,310	—	28,310
Additions	50,720	—	50,720
Revaluation increments	1,185,965	1,900,000	3,085,965
Depreciation expense	(140,768)	(23,750)	164,518
Carrying amount at end of year	1,124,227	1,876,250	3,000,477

	2006 $	2005 $
8. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors and accruals	497,696	457,592
Deferred revenue	—	325,241
Sundry creditors	5,833	—
Other related parties	99,287	—
	602,816	782,833
NON CURRENT		
Amounts payable to:		
- Other related parties	668,301	263,995
9. PROVISIONS		
SHORT-TERM		
Provision for employee entitlements	109,938	32,755
LONG-TERM		
Provision for employee entitlements	6,078	1,161

	2006 $	2005 Unaudited $
10. BORROWINGS		
SHORT-TERM		
Hire purchase creditors	3,050	—
LONG-TERM		
Hire purchase creditors	11,442	—
11. CONTRIBUTED EQUITY		
Fully paid ordinary shares	1	1
Reconciliation		
At the beginning of reporting period	1	5,682,070
Shares issued during the year	—	6,269,825
Cancellation of issued capital	—	(11,951,894)
At reporting date	1	1

12. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at bank and on hand	151,751	619,873

	2006 $	2005 Unaudited $
12. NOTES TO THE CASH FLOW STATEMENT (CONT.)		
(b) Reconciliation of net cash provided by operating activities to loss after tax		
Loss after tax	(860,931)	(2,800,043)
Depreciation	164,518	469,279
Movement in assets and liabilities		
Receivables	(64,094)	86,875
Payables	(180,008)	(1,117,747)
Other assets	22,214	231,994
Provisions	82,100	(957,483)
Net cash used in operating activities	(836,201)	(4,087,125)

(c) Non Cash Investing and Financing Activities

During the year plant and equipment was purchased by way of finance leases for $17,045 (2005:nil).

	2006 $	2005 Unaudited $
13. COMMITMENTS		
Hire Purchase Liabilities		
Payable not later than one year	4,296	—
Payable later than one year but not later than five years	13,245	—
Total payments	17,541	—
Less future finance charges	(3,049)	—
Total hire purchase liabilities	14,492	—
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable not later than one year	160,138	154,450
Payable later than one year but not later than five years	250,995	386,433
Total operating lease commitments	411,133	540,883

14. KEY MANAGEMENT PERSONNEL

(a) Key management personnel

The directors of the Company during the year were -

Mr Ron Deane (Chairman)
Dr Paul D'Sylva
Dr Wayne Best

Other key management, personnel of the Company -

Mr Wayne Sampson
Mr Nick Ede
Mr Jim Eadie

(b) Key management personnel remuneration

2006

	Salary	Super-annuation	Bonus	Non-cash Benefits	Other	Total
Total	275,392	36,388	—	—	1,400	313,180

2005 (Unaudited)

	Salary	Super-annuation	Bonus	Non-cash Benefits	Other	Total
Total	263,427	23,708	—	—	—	287,135

(c) Other transactions with key management personnel

There were no other transactions with key management personnel of the Company.

	2006 $	2005 Unaudited $
15. RELATED PARTY TRANSACTIONS		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available parties unless otherwise stated.		
The ultimate parent entity is PharmAust Limited.		
Intercompany receivables:		
- PharmAust Limited	23,760	—
- Epichem Pty Ltd	36,960	—
	60,720	—
Intercompany payables:		
- PharmAust Limited	714,579	263,995
- Epichem Pty Ltd	36,509	—
- PharmAust Chemistry	16,500	—
	767,588	263,995
Transactions with related parties:		
Other related parties		
Sales - Fisher	—	772,082
Sales - Epichem Pty Ltd	33,600	—
Purchases - Epichem Pty Ltd	88,484	105,085
	122,084	877,167

MIMOTOPES PTY LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

16. FINANCIAL INSTRUMENTS

(a) Interest rate risk

2006

	Rates	Variable	Fixed 1 year	Fixed 1 to 5 years	Non-interest	Total
Financial Assets						
Cash and cash equivalents	0.03%	57,178	—	—	94,573	151,751
Trade and other receivables	—	—	—	—	631,731	631,731
		57,178	—	—	726,304	783,482
Financial Liabilities						
Trade and other payables	—	—	—	—	1,271,117	1,271,117
Hire purchase creditors	9,50%	—	3,050	11,442	—	14,492
Provisions	—	—	—	—	116,016	116,016
		—	3,050	11,442	1,387,133	1,401,625
Net Financial Assets/(Liabilities)		57,178	(3,050)	(11,442)	(660,829)	(618,143)

2005 (Unaudited)

	Rates	Variable	Fixed 1 year	Fixed 1 to 5 years	Non-interest	Total
Financial Assets						
Cash and cash equivalents	—	—	—	—	619,873	619,873
Trade and other receivables	—	—	—	—	567,647	567,647
		—	—	—	1,187,520	1,187,520
Financial Liabilities						
Trade and other payables	—	—	—	—	1,046,828	1,046,828
Provisions		—	—	—	33,916	33,916
	—	—	—	—	1,080,744	1,080,744
Net Financial Assets/(Liabilities)	—	—	—	—	106,776	106,776

16. FINANCIAL INSTRUMENTS (CONT.)

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

(c) Net fair values

The net fair value of financial assets and liabilities of the Company approximates their carrying amount.

The Company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

17. SEGMENT REPORTING

Primary Reporting – Business Segments

The Company only operates in one business segment, being the processing and sale of research grade peptide products.

17. SEGMENT REPORTING (Cont.)

Secondary Reporting – Geographical Segments

The Company generates revenue primarily in Australia, Asia, Europe and USA. Sales to other countries are immaterial.

2006	Australia $	Asia $	USA $	Europe $	Total $
REVENUE					
Segment Revenue from operating activities	1,047,011	254,082	1,870,110	837,112	4,008,315
ASSETS					
Segment assets	3,787,365	—	—	—	3,787,365
OTHER					
Segment assets revalued	3,085,965	—	—	—	3,085,965
Segment assets acquired	50,720	—	—	—	50,720
Segment depreciation and amortisation	(164,518)	—	—	—	(164,518)

2005 (Unaudited)	Australia $	Asia $	USA $	Europe $	Total $
REVENUE					
Segment Revenue from operating activities	1,056,542	463,083	3,208,295	653,397	5,381,317
ASSETS					
Segment assets	1,241,450	—	—	—	1,241,450
OTHER					
Segment assets acquired	28,310	—	—	—	28,310
Segment depreciation and amortisation	(469,279)	—	—	—	(469,279)

18. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 25 July 2006, Nick Hagan was appointed to the role of Chief Executive Officer of the Company.

On 6 October 2006, the Chief Operating Officer Wayne Sampson was made redundant.

19. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

20. RECONCILIATION WITH US GAAP

(a) Reconciliation of Income Statement under AIFRS and US GAAP

INCOME STATEMENT
For the year ended 30 June 2006

	2006 Audited IFRS $A	Reconciliation Adjustments $A	2006 US GAAP $A
Revenue	4,008,315	—	4,008,315
Other income	9,185	—	9,185
Raw materials and consumables used	(539,296)	—	(539,296)
Employee benefits expense	(2,201,696)	—	(2,201,696)
Depreciation expense	(164,518)	144,213(i)	(20,305)
Other expenses	(1,972,921)	-—	(1,972,921)
Loss before income tax expense	(860,931)	144,213	(716,718)
Income tax expense	—	—	—
Loss after income tax expense	**(860,931)**	144,213	**(716,718)**

20. RECONCILIATION WITH US GAAP (Cont.)

(b) Reconciliation of Balance Sheet under AIFRS and US GAAP

BALANCE SHEET
As at 30 June 2006

	2006 Audited IFRS $A	Reconciliation Adjustments $A	2006 US GAAP $A
CURRENT ASSETS			
Cash and cash equivalents	151,751	—	151,751
Trade and other receivables	631,731	—	631,731
Other current assets	3,406	—	3,406
TOTAL CURRENT ASSETS	786,888	—	786,888
NON CURRENT ASSETS			
Property, plant and equipment	3,000,477	(2,941,752)[i]	58,725
TOTAL NON CURRENT ASSETS	3,000,477	(2,941,752)	58,725
TOTAL ASSETS	**3,787,365**	**(2,941,752)**	**845,613**
CURRENT LIABILITIES			
Trade and other payables	602,816	—	602,816
Short-term provisions	109,938	—	109,938
Short-term borrowings	3,050	—	3,050
TOTAL CURRENT LIABILITIES	715,804	—	715,804
NON CURRENT LIABILITIES			
Trade and other payables	668,301	—	668,301
Long-term provisions	6,078	—	6,078
Long-term borrowings	11,442	—	11,442
TOTAL NON CURRENT LIABILITIES	685,821	—	685,821
TOTAL LIABILITIES	**1,401,625**	**—**	**1,401,625**
NET ASSETS/(LIABILITIES)	**2,385,740**	**(2,941,752)**	**(556,012)**
CONTRIBUTED EQUITY			
Contributed equity	1	—	1
Reserves	2,941,752	(2,941,752)[i]	—
Retained earnings	(556,013)	—	(556,013)
TOTAL EQUITY/(DEFICIENCY)	**2,385,740**	**(2,941,752)**	**(556,012)**

20. RECONCILIATION WITH US GAAP (Cont.)

(b) Reconciliation of Balance Sheet under AIFRS and US GAAP (Cont.)

Explanation of reconciliation adjustments

(i) Property, plant and equipment

The Company previously revalued certain of its buildings and plant and equipment. Any revaluation increments and decrements are included in the Company's reserves that form part of total equity. Revalued buildings and plant and equipment are depreciated over their estimated useful lives to the Company (land is not depreciated). Under US GAAP, revaluations of buildings and plant and equipment are not permitted. Accordingly, the revaluation increment on buildings and plant and equipment and the depreciation charges on revalued buildings and plant and equipment are adjusted back to their historical cost for US GAAP purposes.

21. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

For periods up to and including the year ended 30 June 2005, the Company prepared its financial statements in accordance with Australian generally accepted accounting practice (AGAAP). These financial statements for the year ended 30 June 2006 are the first the Company is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the Company has prepared financial statements that comply with AIFRS applicable for periods beginning on or after 1 January 2005. In preparing these financial statements, the Company has started from an opening balance sheet as at 1 July 2004, the Company's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 First-time adoption of AIFRS.

This note explains the principal adjustments made by the Company in restating its AGAAP balance sheet as at 1 July 2004 and its previously published AGAAP financial statements for the year ended 30 June 2005.

Effect of AIFRS on the balance sheet as at 1 July 2004 and 30 June 2005

No impact. There are no material differences between the balance sheet presented under AIFRS and the balance sheet presented under previous AGAAP as at 1 July 2004 and 30 June 2005.

Effect of AIFRS on the income statement for the financial year ended 30 June 2005

No impact. There are no material differences between the income statement presented under AIFRS and the income statement presented under previous AGAAP for the financial year ended 30 June 2005.

21. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont.)

Effect of AIFRS on cash flow statement for the financial year ended 30 June 2005

No impact. There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP for the financial year ended 30 June 2005.

22. COMPANY DETAILS

The registered office and principal place of business of the Company is:

11 Duerdin Street
Clayton Victoria, 3168

RSM Bird Cameron Partners
Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

E-mail: simon.cubitt@rsmi.com.au
Direct line: 9261 9464
SOC: SET

19 December 2007

James Brennan, MBA
Vice President, Finance
Commonwealth Biotechnologies, Inc.
601 Biotech Drive
Richmond VA 23235

Dear Sir

Consent of Independent Auditors

We hereby consent to the use on Form 8-K/A (SEC File Nos. 001-13467 of Commonwealth Biotechnologies, Inc. of Our report dated December 5, 2006, related to The financial statement of Mimotopes PTY LTD as of June 30, 2006, and for the twelve months ending June 30, 2006 appearing in this Amendment No. 1 to Current Report on Form 8-K/A of Commonwealth Biotechnologies, Inc.

Yours faithfully

S C CUBITT
Partner

Exhibit 99.5

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use on Form 8-K/A (SEC File Nos. 001-13467) of Commonwealth Biotechnologies, Inc. of our report dated December 19, 2007, related to the financial statements of Tripos Discovery Research Limited as of December 31, 2006 and 2005, and for the years then ended appearing in this Amendment No. 1 to Current Report on Form 8-K/A of Commonwealth Biotechnologies, Inc.

BDO Stoy Hayward LLP

19 December 2007
BDO Stoy Hayward, LLP
Southampton

Exhibit 99.6

BDO Kendalls

BDO Kendalls Audit &
Assurance (NSW-VIC) Pty Ltd
The Rialto, 525 Collins St
Melbourne VIC 3000
CPO Box 4736 Melbourne VIC 300I
Phone 61 3 8320 2222
Fax 61 3 8320 2200
aa.melbourne@bdo.com.au
www.bdo.com.au

ABN 17 114 673 540

21 December 2007

James Brennan
Vice President, Finance
Commonwealth Biotechnologies, Inc.
601 Biotech Dr.
Richmond, VA 23235

We hereby consent to the use on Form 8-K/A (SEC File Nos. 001-13467} of Commonwealth Biotechnologies, Inc. of our report dated 21 December 2007, related to the financial statements of Mimotopes Pty Ltd as at January 31, 2007, and for the seven months ending January 31, 2007 appearing in this Amendment No.1 to Current Report on Form 8-K/A of Commonwealth Biotechnologies, Inc.

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd
Chartered Accountants

Paul Carr
Director

BDO Kendalls is a national association of
separate partnerships and entities

Exhibit 99.7

CONSENT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use on Form 8-K/A (SEC File No. 001-13467) of Commonwealth Biotechnologies, Inc. of our report dated December 21, 2007, related to the consolidated financial statements of Commonwealth Biotechnologies, Inc. as of June 30, 2007, December 31, 2006 and 2005, and for the six months ended June 30, 2007 and the years ended December 31, 2006 and 2005, appearing in this Amendment No. 1 to Current Report on Form 8-K/A of Commonwealth Biotechnologies, Inc.

BDO Seidman, LLP

BDO Seidman, LLP

Richmond, Virginia
December 21, 2007

Unaudited Pro Forma Financial Statements of the Registrant

The unaudited pro forma statements of operations and explanatory notes of Commonwealth Biotechnologies, Inc. (the "Company") set forth below for the nine month period ended September 30, 2007 and the year ended December 31, 2006 give effect to the acquisitions of Mimotopes and Excelgen as if these acquisitions occurred at the beginning of the period presented.

On a combined basis, there were no material transactions between the Company, Mimotopes and Excelgen during the periods presented excluding certain acquisition related items.

The unaudited pro forma statements of operations are provided for informational purposes only and do not purport to reflect the results of the Company's operations had the transactions actually been consummated on January 1, 2007 or 2006.

The consolidated audited balance sheet of Commonwealth Biotechnologies, Inc and subsidiaries (Mimotopes and Excelgen) is included in Exhibit 99.1

Commonwealth Biotechnologies, Inc.
Pro-forma Statement of Operations
Nine-month Period Ended September 30, 2007
(Unaudited)

	CBI 1/1/07 to 9/30/07	Mimotopes 1/1/07 to 1/31/07	Subtotal	Excelgen 1/1/07 to 5/31/07	Subtotal	Adjustments (1)	Pro-forma
Revenue	$ 7,776,853	$ 289,497	$ 8,066,350	$ 2,196,321	$ 10,262,671	$ —	$ 10,262,671
Cost of Services	6,592,171	175,945	6,768,116	2,696,809	9,464,925	(450,000)	9,014,925
Gross Profit	1,184,682	113,552	1,298,234	(500,488)	797,746	450,000	1,247,746
Operating Expenses	3,588,019	87,483	3,675,502	1,725,022	5,400,523	70,000	5,470,523
Operating Profit (Loss)	(2,403,337)	26,070	(2,377,267)	(2,225,510)	(4,602,777)	380,000	(4,222,777)
Other Income (Expense)	(519,562)	10,947	(508,615)	(3,160,535)	(3,669,150)	—	(3,669,150)
Loss Before Extraordinary Gain	(2,922,899)	37,016	(2,885,883)	(5,386,044)	(8,271,927)	380,000	(7,891,927)
Extraordinary Gain	988,515	—	988,515	—	988,515	—	988,515
Net Income (Loss)	$ (1,934,384)	$ 37,016	$ (1,897,368)	(5,386,044)	$ (7,283,412)	$ 380,000	$ (6,903,412)
Basic and Diluted EPS Before Extraordinary Gain	$ (0.56)	$ 0.01	$ (0.55)	$ (1.03)	$ (1.58)	$ 0.07	$ (1.51)
Basic and Diluted EPS After Extraordinary Gain	$ (0.37)	$ 0.01	$ (0.36)	$ (1.03)	$ (1.39)	$ 0.07	$ (1.32)
Basic and Diluted Shares	5,228,161	5,228,161	5,228,161	5,228,161	5,228,161	5,228,161	5,228,161

(1) Represents salary and travel expenses of $70,000 for Paul D'Sylva, CEO, and depreciation expense of $450,000 on fixed assets written off during the acquisition of Excelgen. (Note 5).

Commonwealth Biotechnologies, Inc.
Pro-forma Statement of Operations
Year Ended December 31, 2006
(Unaudited)

	CBI	Mimotopes	Subtotal	TDR	Subtotal	Adjustments (1)	Pro-forma
Revenue	$ 6,532,482	$ 3,361,438	$ 9,893,920	$ 5,785,003	$ 15,678,923	$ —	$ 15,678,923
Cost of Services	5,438,706	2,086,045	7,524,751	7,421,875	14,946,626	(1,575,000)	13,371,626
Gross Profit	1,093,776	1,275,393	2,369,169	(1,636,872)	732,297	1,575,000	2,307,297
Operating Expenses	2,053,176	1,607,794	3,660,970	12,662,056	16,323,025	287,000	16,610,025
Operating Profit (Loss)	(959,400)	(332,401)	(1,291,801)	(14,298,297)	(15,590,728)	1,288,000	(14,302,728)
Other Income (Expense)	(193,249)	11,890	(181,359)	(13,858,699)	(14,040,058)	—	(14,040,058)
Net Income (Loss)	$ (1,152,649)	$ (320,511)	$ (1,473,160)	$ (28,157,626)	$ (29,630,787)	$ 1,288,000	$ (28,342,787)
Basic and Diluted EPS	$ (0.21)	$ (0.06)	$ (0.27)	$ (5.18)	$ (5.46)	$ 0.24	$ (5.22)
Basic and Diluted Shares	5,431,360	5,431,360	5,431,360	5,431,360	5,431,360	5,431,360	5,431,360

(2) Represents salary and travel expenses of $287,000 for Paul D’Sylva, CEO, and depreciation expense of $1,575,000 on fixed assets written off during the acquisition of Excelgen. (Note 5).

Commonwealth Biotechnologies, Inc.
Notes to Pro-forma Statements of Operations
(Unaudited)

1. Purchase of Mimotopes

In February 2007, the Company acquired all outstanding shares of Mimotopes Pty Ltd, an Australian limited company by issuing 2,150,000 shares of its common stock to PharmAust Chemistry Ltd, an Australian limited company. Based on the 2,150,000 shares at $2.15 per share, the acquisition price for the purchase of Mimotopes was approximately $4,623,000. In addition, the Company incurred approximately $432,000 of acquisition related costs. The fair value of assets and liabilities acquired were approximately $2,985,000 and $394,000, respectively, resulting in goodwill of approximately $2,464,000 as listed below:

		At February 1, 2007 ($000s)
Cash	$	107
Accounts receivable		645
Other current assets		34
Property, plant and equipment		2,199
Total assets acquired		2,985
Accounts payable and accruals		(376)
Long-term debt		(18)
Total liabilities assumed		(394)
Net assets acquired	$	2,591

The issuance of the shares amounted to approximately 39.5% of the Company's then outstanding shares. The results of operations of Mimotopes are included in the Company's financial statements for the period beginning February 2007 and are reported on a consolidated basis.

2. Purchase of Excelgen (formerly known as Tripos Discovery Research)

In June 2007, the Company acquired all outstanding shares of Excelgen (formerly known as Tripos Discovery Research), an English limited company by remitting $350,000 to Tripos Inc., a Utah corporation (Parent). In addition, the Company has agreed to pay a promissory note of $468,997 for any advances made to Excelgen from May 14, 2007 to the closing date.

2. Purchase of Excelgen (formerly known as Tripos Discovery Research) - continued

At the closing date the Company was also liable to Tripos, Inc. for approximately $673,000 related to certain accounts receivable, as calculated under the purchase agreement.

The following allocation of the purchase price is based upon the preliminary estimated valuation of assets and liabilities acquired in the purchase of Excelgen. The purchase price of Excelgen was approximately $1,269,000 (including acquisition costs of approximately $242,000). The fair value of assets acquired amounted to approximately $8,249,000 and the Company assumed liabilities of approximately $5,991,000 resulting in excess of net assets over amount paid of approximately $989,000 which is recorded as an extraordinary gain on the statement of operations. The acquisition was accounted for as a purchase in accordance with the Statement of Financial Standards (SFAS) No. 141, Business Combinations (SFAS No. 141) and is detailed below:

	At June 1, 2007 ($000s)
Cash	$ 4,759
Accounts receivable	1,070
Inventory	2,091
Other current assets	329
Total assets acquired	8,249
Accounts payable and accruals	1,828
Other current liabilities	2,940
Long-term debt	1,223
Total liabilities assumed	5,991
Net assets acquired	$ 2,258

3. Basis of Pro Forma Presentation

The unaudited Pro Forma Statement of Operations for the Nine Month Period Ended September 30, 2007 is based on the unaudited historical Consolidated Statement of Operations as filed with the Securities and Exchange Commission (“SEC”) on Form 10-QSB on November 14, 2007, and the unaudited Statements of Operations for Mimotopes (for the period January 1, 2007 through January 31, 2007) and Excelgen (for the period January 1, 2007 through May 31, 2007). The Pro forma Statement of Operations has been prepared as if the purchases of Mimotopes and Excelgen had occurred on January 1, 2007.

The unaudited Pro Forma Statement of Operations for the Year Ending December 31, 2006 is based on the historical Statement of Operations as filed with the Securities and Exchange Commission (“SEC”) on Form 10-KSB on March 21, 2007, and the unaudited Statements of Operations for Mimotopes and the Excelgen for the Year Ending December 31, 2006. The Pro forma Statement of Operations has been prepared as if the purchases of Mimotopes and Excelgen had occurred on January 1, 2006.

The unaudited Pro Forma Statements of Operations should be read in conjunction with the Company's consolidated financial statements and related notes thereto and management's discussion and analysis of the results of operations contained in the Company's 10-QSB for the period ended September 30, 2007 and the Company's 10-KSB for the year ended December 31, 2006.

No pro forma balance sheet has been included since a consolidated balance sheet as of June 30, 2007 is included in Exhibit 99.1.

4. Earnings per Share

The pro forma basic and diluted earnings per share for the nine month period ending September 30, 2007 are based on the weighted average number of shares of common stock outstanding for the Company during this period.

The pro forma basic and diluted earnings per share for the year ending December 31, 2006 are based on the weighted average number of shares of common stock outstanding for the Company during this period adjusted for the 2,150,000 shares issued upon the purchase of Mimotopes

The following tables present the computations of pro forma basic and diluted earnings per share for the nine months ended September 31, 2007 and the year ended December 31, 2006, respectively:

	For the Nine Month Period Ended September 30, 2007	
	Basic	Diluted
Pro forma loss before extraordinary gain	$ 8,341,927	$ 8,341,927
Pro forma net loss	$ 7,353,412	$ 7,353,412
Pro forma weighted average shares	5,228,161	5,228,161
Pro forma loss per share before extraordinary gain	$ 1.59	$ 1.59
Pro forma loss per share	$ 1.40	$ 1.40

Notes to Pro Forma Statements of Operations
(continued)

4. **Earnings per Share (continued)**

	For the Year Ended December 31, 2006	
	Basic	Diluted
Pro forma net loss	$ 29,917,987	$ 29,917,987
Pro forma weighted average shares	5,431,360	5,431,360
Pro forma loss per share	$ 5.22	$ 5.22

5. **Pro Forma Adjustments**

For the nine month period ended September 30, 2007, pro forma adjustments represent salary and travel expenses of $70,000 for Paul D'Sylva, CEO of the Company, for the three month period ended March 31, 2007 and $450,000 of depreciation expense on assets written off upon acquisition of Excelgen. . Paul D'Sylva was hired by the Company effective April 1, 2007.

For the year ended December 31, 2006, pro forma adjustments represent salary and travel expenses of $287, 000 for Paul D'Sylva, CEO of the Company, for the year then ended and $1,575,000 of depreciation expense on assets written off upon the acquisition of Excelgen.