KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
New York, New York

ANNUAL REPORT
AT
AUGUST 31, 2011

KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
New York, New York

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EFP ROTENBERG LLP
what counts

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and
Stockholders of Kading Companies, S.A.

We have audited the accompanying balance sheet of Kading Companies, S.A. as of August 31, 2011, and the related statements of operations, changes in equity, and cash flows for the year ended August 31, 2011. Kading Companies, S.A.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit 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 financial statements referred to above present fairly, in all material respects, the financial position of Kading Companies, S.A. as of August 31, 2011, and the results of its operations and its cash flows for the year ended August 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note G to the financial statements, these conditions raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 16, 2012

KADING COMPANIES, S.A.
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New York, New York

BALANCE SHEET

August 31		2011
ASSETS		
Cash and Cash Equivalents	$	77,383
Prepaid Expenses		279
Total Current Assets		77,662
Other Assets		
Investment - at Cost		11,846
Note Receivable		300
Notes Receivable - Related Party		1,587,695
Total Assets	$	1,677,503
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts Payable	$	—
Note Payable - Due Within One Year		19,206
Total Current Liabilities		19,206
Stockholders' Equity		
Common Stock - $.01 Par; 500,000,000 Shares Authorized, 103,877,000 and Shares Issued and Outstanding		1,038,770
Additional Paid-In-Capital		1,036,191
Deficit Accumulated Since Inception		(416,664)
Total Stockholders' Equity		1,658,297
Total Liabilities and Stockholders' Equity	$	1,677,503

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

KADING COMPANIES, S.A.
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AUGUST 31, 2011

	Common Stock $ .01 Par Shares	Common Stock $ .01 Par Amount	Additional Paid-In Capital	Deficit	Total Stockholders' Equity
Balance - September 1, 2010	90,447,000	904,470	1,036,191	(398,230)	1,542,431
Common Stock Issued for Services	30,000	300	—	—	300
Cash Received for Sale of Stock	13,400,000	134,000	—	—	134,000
Net Loss	—	—	—	(18,434)	(18,434)
Balance - August 31, 2011	103,877,000	1,038,770	1,036,191	(416,664)	1,658,297

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

KADING COMPANIES, S.A.
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New York, New York

STATEMENT OF OPERATIONS

For the Year Ended August 31,		**2011**
Sales	**$**	**—**
Cost of Sales		**—**
Gross Profit		**—**
Expenses		
General and Administrative		**17,051**
Interest Expense		**1,383**
Total Expenses		**18,434**
Net Loss Before Provision for Taxes		**18,434**
Provision for Taxes		**—**
Net Loss	**$**	**(18,434)**
Loss per Share - Basic and Diluted	**$**	**(0.00)**
Weighted Average Common Shares Outstanding		**92,965,846**

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

KADING COMPANIES, S.A.
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New York, New York

STATEMENT OF CASH FLOWS

For the Year Ended August 31,		2011
Cash Flows from Operating Activities		
Net Loss	$	(18,434)
Adjustments to Reconcile Net Loss to Net Cash Flows from Operating Activities:		
Common Stock Issued in Exchange for Services		300
Interest Expense - Loan Renee Kent		1,382
Changes in Assets and Liabilities:		
Prepaid Expenses		(64)
Accounts Payable		(50)
Net Cash Flows from Operating Activities		(16,866)
Net Cash Flows from Investing Activities		
Cash Paid to Related Parties		(45,292)
Cash Flows from Financing Activities		
Cash Proceeds from Sale of Stock		134,000
Net Change in Cash and Cash Equivalents		71,842
Cash and Cash Equivalents - Beginning of Year		5,541
Cash and Cash Equivalents - End of Year	$	77,383
Cash Paid During the Year for:		
Interest	$	—
Income Taxes	$	—

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

NOTES TO FINANCIAL STATEMENTS

Note A - The Company

Kading Companies, S.A. (the Company) was incorporated under the International Business Companies Ordinance of the Territory of the British Virgin Islands on October 10, 1995.

Scope of Business

The Company operates as a holding company and seeks to acquire technologies it can build companies around or operating companies that are developing technologies. The Company primarily uses shares of its own common stock to finance opportunities. The Company eventually spins off the ownership of operating companies to existing shareholders.

Note B - Summary of Significant Accounting Policies

Method of Accounting

The Company maintains its books and prepares its financial statements on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The more significant areas requiring the use of estimates include asset impairment, stock-based compensation, and future income tax amounts. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions, which periodically may exceed federally insured amounts.

Financial Instruments

The Company's financial instruments consist of cash, prepaid expenses, long-term investments, notes receivable, accounts payable and notes payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

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Note B - Summary of Significant Accounting Policies – continued

Fair Value

The Company categorizes its assets and liabilities recorded at fair value based upon the fair value hierarchy specified by GAAP. As of August 31, 2011, all financial assets and liabilities are recorded at cost which approximates fair value.

ASC 820-10 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the Company categorizes such financial asset or liability based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Both observable and unobservable inputs may be used to determine the fair value of positions that are classified within the Level 3 category. As of August 31, 2011, all assets and liabilities have been recorded at cost which approximate fair value or otherwise meet the criteria that precludes fair value from being used (see investments policy for further details).

Income Taxes

The Company is not subject to income taxes. The Company may qualify as a passive foreign investment company ("PFIC") under United States tax law. If it does, U.S. citizens and residents who are stockholders will be required to pay taxes and interest on deferred taxes when shares of the Company are sold by them, or when they receive distributions from the Company. This additional interest may be avoided if a stockholder makes an election to be taxed currently on the earnings of the Company (if the Company is a PFIC at any time). Stockholders should consult with their tax advisors regarding the consequences of being stockholders of a PFIC, and the impact of the election to currently tax earnings.

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Note B - Summary of Significant Accounting Policies – continued

Earnings per Share

Earnings per share of common stock are computed in accordance with FASB ASC 260, "Earnings per Share". Basic earnings per share are computed by dividing income or loss available to common shareholders by the weighted-average number of common shares outstanding for each period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding assuming conversion of all potentially dilutive stock options, warrants and convertible securities, if dilutive. Common stock equivalents that are anti-dilutive are excluded from both diluted weighted average number of common shares outstanding and diluted earnings per share.

Stock-Based Compensation

Stock-based compensation related to non-employees is recognized based on service provided in the accompanying statements of operations and is based on the fair value of the services received or the fair value of the equity instruments issued, whichever is more readily determinable. The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of FASB ASC 505, "Equity Based Payments to Non-Employees". The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

Investments

The Company accounts for investments in debt and equity interests using the cost-method of accounting in compliance with FASB ASC 325. In applying ASC 325 the Company considers whether any events or changes in circumstances would be indicative of a significant adverse effect on the fair value of the investment. The Company also applies the guidance of FASB ASC 825 to further support its position of using the cost-method to account for investments in debt and equity securities.

Note C - Recently Issued Accounting Standards

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

NOTES TO FINANCIAL STATEMENTS

Note D-Investment

The investment in equity securities held by the Company is valued utilizing the cost method of accounting:

August 31,	2011
Kading Corp.	$ 11,846
Investments – at Cost	$ 11,846

For the year ended August 31, 2011 the Company did not purchase or sell any shares of Kading Corp., nor has Kading Corp. distributed any earnings or loss to the Company. As disclosed in the policies, the Company is not aware of any other event that would be indicative of an adverse effect of the fair value of the investment and continues to conclude that it is not practicable for the Company to estimate fair value without incurring excessive costs.

Note E - Related Party Transactions

Related Parties

In accordance with the provisions established under FASB ASC 850, Kading Corporation has been deemed a related party. The Company and Kading Corporation have one common owner and the Company holds a minority equity interest in Kading Corporation. The Company has accounted for its investment in Kading Corporation using the cost method (see Note D for further details). The Company also defines any transactions with and among Kevin Kading as a related party transaction due to Mr. Kading being the president and sole officer of Kading Companies.

Notes Receivable – Related Party

The Company has provided certain disbursements to Kevin Kading, officer of the Company in lieu of compensation and reimbursement for business expenses incurred to further develop and market the Company and its objectives. Mr. Kading has agreed to reimburse the Company but as of August 31, 2011, there are no established repayment terms. As of August 31, 2011, the Company does not believe that any reserve is necessary.

Note F - Note Payable

Note payable consisted of the following:

August 31,	2011
Renee Kent	
Demand note payable, interest payable at 10%	**$19,206**

The note payable to Renee Kent was initially a demand note payable in the amount of $11,500. Upon demand for payment, the Company did not comply with her request. Ms. Kent, therefore sought legal action against the Company and was awarded interest and legal costs associated with the proceeding. Interest expense for the year ended August 31, 2011 was $1,383. Subsequently, on September 1, 2011 the note was satisfied and paid in full.

Note G - Going Concern

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has reported recurring losses from operations. As a result, there is an accumulated deficit of $416,664 at August 31, 2011.

. The Company's continued existence is dependent upon its ability to raise capital. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note H - Subsequent Events

Subsequent events have been considered through March 16, 2012. With the exception of the subsequent event discussed in Note F, there were no other matters that would require adjustment to or disclosure in the August 31, 2011 annual report.