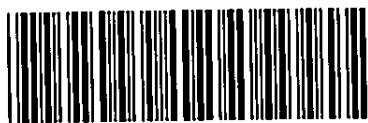


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BG&E ENGINEERS LIMITED (AED)

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007**

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BG&E ENGINEERS LIMITED

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BG&E ENGINEERS LIMITED

DIRECTORS' REPORT

Your directors present their report on the BG&E Engineers Ltd for the financial year ended 30 June 2007

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

Mr Peter Canaway
Mr Robert Johnson
Mrs Judith Uren
Mr Peter de Bruin
Mr Francesco Cerra

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated

The profit of the group for the financial year after providing for income tax amounted to AED 9,954,369

No significant changes in the company's state of affairs occurred during the financial year

The principal activities of the company during the financial year were consulting engineering

No significant change in the nature of these activities occurred during the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the result of those operations, or the state of affairs of the entity in future financial years

Likely developments in the operations of the entity 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 entity

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

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

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company

Signed in accordance with a resolution of the Board of Directors

Director



Mr Peter Canaway.

Dated

2008

BG&E ENGINEERS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 AED	2006 AED
Revenue		20,914,624	20,277,505
Other Income		3,176,037	(4,000)
Direct Costs		(10,968,766)	(15,127,567)
Staff Costs		(2,486,232)	(686,458)
Practice Costs		(99,730)	(60,222)
Occupancy Costs		(339,908)	(128,569)
Office Costs		(85,591)	(63,598)
Financial Costs		(156,065)	(133,705)
Profit before income tax		<u>9,954,369</u>	<u>4,073,385</u>
Retained earnings at the beginning of the financial year		2,884,391	-
Profit attributable to members of the company		<u>12,838,760</u>	<u>4,073,385</u>

BG&E ENGINEERS LIMITED

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 AED	2006 AED
CURRENT ASSETS			
Cash and cash equivalents	2	2,288,101	2,419,207
Trade and other receivables	3	9,609,172	7,232,719
Inventories	4	8,546	-
Other current assets	5	731,855	131,958
TOTAL CURRENT ASSETS		<u>12,637,674</u>	<u>9,783,884</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	215,298	180,194
TOTAL NON-CURRENT ASSETS		<u>215,298</u>	<u>180,194</u>
TOTAL ASSETS		<u>12,852,972</u>	<u>9,964,078</u>
CURRENT LIABILITIES			
Trade and other payables	7	4,726,201	7,079,041
TOTAL CURRENT LIABILITIES		<u>4,726,201</u>	<u>7,079,041</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,726,201</u>	<u>7,079,041</u>
NET ASSETS		<u>8,126,774</u>	<u>2,885,037</u>
EQUITY			
Issued capital	8	646	646
Retained earnings	9	8,126,128	2,884,391
TOTAL EQUITY		<u>8,126,774</u>	<u>2,885,037</u>

The accompanying notes form part of these financial statements

BG&E ENGINEERS LIMITED

DIRECTOR'S DECLARATION

The director has 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 outlined in Note 1 to the financial statements

The director of the company declares that

- 1 The financial statements and notes, as set out on pages 1 to 7 are in accordance with the Corporations Act 2001,
 - (a) comply with Australian 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 financial position as at 30 June 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements
- 2 In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable

This declaration is made in accordance with a resolution of the director

Director:

Mr Peter Canaway

Dated this 15th day of February 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BG&E ENGINEERS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of BG&E Engineers Limited which comprises the balance sheet as at 30 June 2007, and the income statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration

Director's Responsibility for the Financial Report

The director of the company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility 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. In Note 1, the director also states, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian 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 auditors' judgment, 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 auditors consider 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 director, as well as evaluating the overall presentation of the financial report.

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

Independence

PO BOX 4259 MANUKA ACT 2603

6 OXLEY STREET GRIFFITH ACT 2603

P 02 6295 8744 F 02 6295 8344 E info@maximca.com.au

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BG&E ENGINEERS LIMITED

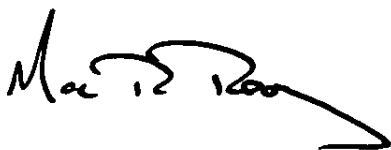
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the director of BG&E Engineers Limited on 15 February 2008, would be in the same terms if provided to the director as at the date of this auditors' report.

Auditors' Opinion

In our opinion

- (a) the financial report of BG&E Engineers Limited is in accordance with the Corporations Act 2001, including
 - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date, and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Name of Firm: Maxim Chartered Accountants



Name of Partner:

Mark R. Peatey

Address: 6 Oxley Street GRIFFITH ACT 2603

Dated this 15th day of February 2008

BG&E ENGINEERS LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007 AED	2006 AED
SALES		
Professional Fees	20,677,650	20,277,505
Reimbursable Expense Revenue	236,974	-
	<u>20,914,624</u>	<u>20,277,505</u>
LESS: COST OF GOODS SOLD		
Opening Work in Progress	-	523,625
Direct Labour - Estimated	3,803,183	3,568,570
Consulting/Drafting - BG&E	7,968,040	6,314,378
Consulting/Drafting - Other	15,500	(28,568)
Variation WIP - BG&E	(957,164)	2,939,894
Entertainment - Client	2,125	4,221
Travel & Accommodation	205,989	9,955
Taxis & Public Transport	11,000	10,971
Courier	1,661	3,395
Photographic & Colour Copying	(133)	1,193
Photocopying	358	141
Postage	-	95
Printing - Plans & Documents	3,405	106
Telephone	800	900
Miscellaneous Direct Expenses	1,808	200
Bad Debts Written Off	(79,259)	-
Bad Debts Provision	-	1,778,493
Closing Work in Progress	(8,546)	-
	<u>10,968,767</u>	<u>15,127,569</u>
GROSS PROFIT FROM TRADING	<u>9,945,857</u>	<u>5,149,936</u>
OTHER INCOME		
Interest Received	499	2,323
Capital Gain(Loss) on Sale of Non-current Assets	(5,653)	(95)
Currency Gain/(Loss)	(16,665)	(6,228)
Loans Forgiven	3,197,856	-
	<u>3,176,037</u>	<u>(4,000)</u>
	<u>13,121,894</u>	<u>5,145,936</u>

The accompanying notes form part of these financial statements

BG&E ENGINEERS LIMITED

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007 AED	2006 AED
EXPENSES		
Staff Costs		
Indirect Labour - Estimated	621,053	155,790
Job Cost Variance	128,423	(13,085)
Administration Support Services	615,821	196,604
Courses & Seminars	14,851	8,662
Employee Amenities	10,171	6,963
Employee Entertainment	5,319	2,996
Safety & Protective Wear	300	451
Staff Recruitment	-	(2,805)
Staff Visa's & Associated Costs	114,315	68,532
Profit Share	961,000	261,500
Advertising - General/Employment	700	850
Relocation Costs	14,279	-
Total Staff Costs	2,486,232	686,458
Practice Costs		
Company Brochure	(335)	335
Computer Software	5,904	1,480
Computer Services	2,521	2,650
Entertainment - Client	35,852	12,192
Motor Vehicle - km/Parking	-	100
Publications	1,648	1,234
Subscriptions	1,250	3,807
Travel & Accommodation	10,838	5,297
Travel - Taxis/Public Transport	5,409	5,954
Cleaning & Amenities	7,050	4,950
Insurance - Fire & General	8,172	8,487
Business Development Costs	7,000	-
Management Fees	14,421	13,736
Total Practice Costs	99,730	60,222
Occupancy Costs		
Repairs & Maintenance - Tenancy	988	780
Rent	332,980	123,990
Electricity/Gas	5,940	3,799
Total Occupancy Costs	339,908	128,569
Office Costs		
Drawing Office/CAD Consumables	4,154	2,128

The accompanying notes form part of these financial statements

BG&E ENGINEERS LIMITED

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	2007 AED	2006 AED
Couriers & Freight	1,116	1,929
Internet	16,073	18,553
Photographic & Colour Photocopying	(68)	949
Photocopying	150	618
Postage	1,273	29
Printing - Corporate Stationery	6,150	2,680
Printing - Plans & Documents	485	635
Printer Cartridges (ex CAD)	12,258	4,779
Repairs & Maintenance	4,874	3,428
Stationery - Copy Paper	1,743	803
Stationery - General Office	8,967	5,946
Telephone - Office	16,895	7,881
Telephone - Mobiles	10,478	6,665
Sundry Expenses	743	6,575
Security	300	-
Total Office Costs	85,591	63,598
Financial Costs		
Accounting Fees	7,017	1,038
Bank Charges	4,871	5,000
Depreciation Expenses	135,149	106,281
Filing, Fines & Miscellaneous	9,027	21,385
Total Financial Costs	156,064	133,704
TOTAL EXPENSES	3,167,525	1,072,551
Profit before income tax	9,954,369	4,073,385

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1 Statement of Significant Accounting Policies

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the Corporations Act 2001. The director has determined that the company is not a reporting entity.

BG&E Engineers Limited is a company limited by shares, incorporated in the United Kingdom and domiciled in Australia.

Basis of Preparation

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101	Presentation of Financial Statements
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 116	Property, Plant and Equipment
AASB 118	Revenue
AASB 123	Borrowing Costs
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 1031	Materiality
AASB 1046	Director and Executive Disclosures by Disclosing Entities
AASB 1048	Interpretation and Application of Standards

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historic 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.

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.

Accounting Policies

Inventories

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent of director's valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 AED	2006 AED
2 Cash and Cash Equivalents		
Current		
Cash at Bank	2,122,933	2,257,509
Cash Management Account	148,151	148,151
Petty Cash	3,901	930
Investment Account	13,116	12,617
	<u>2,288,101</u>	<u>2,419,207</u>
3 Trade and Other Receivables		
Current		
Debtors - Dubai	11,305,636	9,010,566
Less Provision for Doubtful Debts	(1,699,234)	(1,778,493)
Payroll Clearing	468	-
Loan Account - Other	1,656	-
Loan - BG&E International Partnership	646	646
	<u>9,609,172</u>	<u>7,232,719</u>
4 Inventories		
Unbilled Revenue	<u>8,546</u>	<u>-</u>
5 Other Current Assets		
Current		
Prepayments	<u>731,855</u>	<u>131,958</u>
6 Property, Plant and Equipment		
BG&E Home Contents	-	14,599
Less Accumulated Depreciation	-	(4,861)
	-	<u>9,738</u>
Furniture & Fittings - Dubai	80,167	46,835
Less Accumulated Depreciation	(38,619)	(22,473)
	<u>41,548</u>	<u>24,362</u>
Office Equipment - Dubai	252,734	199,223
Less Accumulated Depreciation	(155,554)	(89,799)
	<u>97,180</u>	<u>109,424</u>
Computer Software - Dubai	194,808	105,045
Less Accumulated Depreciation	(118,238)	(68,375)
	<u>76,570</u>	<u>36,670</u>
Total Plant and Equipment	<u>215,298</u>	<u>180,194</u>

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 AED	2006 AED
Total Property, Plant and Equipment	<u>215,298</u>	<u>180,194</u>
7 Trade and Other Payables		
Current		
Job Cost Variance Payable	72,071	(85,148)
Trade Creditors	3,398,164	3,650,049
Accounts Payable - Australia	278,205	54,784
Accrued Profit Share	975,000	261,500
Accruals - Control	2,761	-
Loan - Other	-	3,197,856
	<u>4,726,201</u>	<u>7,079,041</u>
8 Issued Capital		
Issued Capital	<u>646</u>	<u>646</u>
9 Retained Earnings		
Retained earnings at the beginning of the financial year	2,884,391	-
Net profit attributable to members of the company	9,954,369	4,073,385
Dividends provided for or paid	<u>(4,712,632)</u>	<u>(1,188,994)</u>
Retained earnings at the end of the financial year	<u>8,126,128</u>	<u>2,884,391</u>