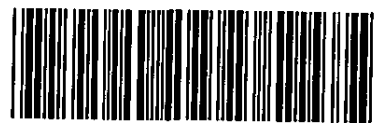


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**BG&E ENGINEERS LIMITED - DUBAI**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2012**

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## **BG&E ENGINEERS LIMITED - DUBAI**

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**BG&E ENGINEERS LIMITED - DUBAI**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue		8,889,697	6,695,358
Cost of sales		<u>(4,942,859)</u>	<u>(7,428,451)</u>
Gross profit (loss)		3,946,838	(733,093)
Other income		(372,312)	1,361,749
Administration expenses		(81,674)	(490,956)
Marketing expenses		-	(19,457)
Occupancy expenses		(266,587)	(314,810)
Other expenses		<u>(1,799,164)</u>	<u>(2,178,970)</u>
<b>Profit (Loss) for the year</b>		1,427,101	(2,375,537)
<b>Total comprehensive income for the year</b>		<u><u>1,427,101</u></u>	<u><u>(2,375,537)</u></u>
Total comprehensive income attributable to members of the entity		1,427,101	(2,375,537)

The accompanying notes form part of these financial statements

**BG&E ENGINEERS LIMITED - DUBAI**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	1,646,355	55,659
Trade and other receivables	3	9,115,419	6,166,801
Inventories	4	220,530	505,422
Other current assets	5	346,393	331,379
<b>TOTAL CURRENT ASSETS</b>		<u>11,328,697</u>	<u>7,059,261</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	213,190	167,286
<b>TOTAL NON-CURRENT ASSETS</b>		<u>213,190</u>	<u>167,286</u>
<b>TOTAL ASSETS</b>		<u>11,541,887</u>	<u>7,226,547</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	5,406,381	4,629,960
Borrowings	8	-	76,211
Provisions	9	750,000	-
Other current liabilities	10	371,802	(1,758,968)
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,528,183</u>	<u>2,947,203</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and Other Payables	7	3,586,030	4,278,756
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,586,030</u>	<u>4,278,756</u>
<b>TOTAL LIABILITIES</b>		<u>10,114,213</u>	<u>7,225,959</u>
<b>NET ASSETS</b>		<u>1,427,674</u>	<u>588</u>
<b>EQUITY</b>			
Issued capital	11	573	588
Retained earnings	12	1,427,101	-
<b>TOTAL EQUITY</b>		<u>1,427,674</u>	<u>588</u>

The accompanying notes form part of these financial statements

## **BG&E ENGINEERS LIMITED - DUBAI**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

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#### **1 Statement of Significant Accounting Policies**

BG&E Engineers Limited - Dubai is a company limited by shares, domiciled in Dubai, U A E

##### **Reporting basis and conventions**

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001, and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of this report are as follows:

##### **Accounting Policies**

###### **Inventories**

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 a first-in first-out basis.

###### **Property, Plant and Equipment**

All property, plant and equipment excluding freehold land and buildings, are initially measured at cost and are depreciated over their useful lives to the company.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

## **BG&E ENGINEERS LIMITED - DUBAI**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

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#### **Depreciation**

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

#### **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

#### **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### **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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

**BG&E ENGINEERS LIMITED - DUBAI**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

# BG&E ENGINEERS LIMITED - DUBAI

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
<b>2 Cash and Cash Equivalents</b>		
Cash on Hand	573	588
Petty Cash	4,006	5,071
Cash at Bank	1,185,221	-
Cash at Bank - Dubai	406,555	-
Project Guarantee Investment Account	50,000	50,000
	<u>1,646,355</u>	<u>55,659</u>
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	14,923,449	10,558,129
Less Provision for Doubtful Debts	<u>(5,808,030)</u>	<u>(4,391,328)</u>
	9,115,419	6,166,801
	<u>9,115,419</u>	<u>6,166,801</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired		
<b>4 Inventories</b>		
<b>Current</b>		
Work in Progress	<u>220,530</u>	<u>505,422</u>
<b>5 Other Current Assets</b>		
<b>Current</b>		
Prepayments	<u>346,393</u>	<u>331,379</u>
<b>6 Property, Plant and Equipment</b>		
Furniture & Fittings - Dubai	170,917	173,746
Less Accumulated Depreciation	<u>(140,532)</u>	<u>(111,036)</u>
	30,385	62,710
Office Equipment - Dubai	304,933	429,995
Less Accumulated Depreciation	<u>(212,160)</u>	<u>(381,873)</u>
	92,773	48,122
Computer Software - Dubai	586,942	471,325
Less Accumulated Depreciation	<u>(496,910)</u>	<u>(414,871)</u>
	<u>90,032</u>	<u>56,454</u>



**BG&E ENGINEERS LIMITED - DUBAI**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
<b>Total Plant and Equipment</b>	<u>213,190</u>	<u>167,286</u>
<b>Total Property, Plant and Equipment</b>	<u><u>213,190</u></u>	<u><u>167,286</u></u>
<b>7 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	4,853,418	4,028,184
Other Creditors	<u>552,963</u>	<u>601,776</u>
	<u>5,406,381</u>	<u>4,629,960</u>
<b>Non-Current</b>		
Loans - Related Entities	<u><u>3,586,030</u></u>	<u><u>4,278,756</u></u>
<b>8 Borrowings</b>		
<b>Current</b>		
Bank Overdraft	<u>-</u>	<u>76,211</u>
	<u>-</u>	<u>76,211</u>
Total borrowings	<u><u>-</u></u>	<u><u>76,211</u></u>
<b>9 Provisions</b>		
<b>Current</b>		
Other Current Provisions	<u>750,000</u>	<u>-</u>
<b>10 Other Liabilities</b>		
<b>Current</b>		
Accrued Charges	180,816	(2,217,737)
Income in Advance	<u>190,986</u>	<u>458,769</u>
	<u>371,802</u>	<u>(1,758,968)</u>
<b>11 Issued Capital</b>		
Issued Capital	<u><u>573</u></u>	<u><u>588</u></u>

There are no externally imposed capital requirements

**BG&E ENGINEERS LIMITED - DUBAI**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
<hr/>		
There have been no changes in the strategy adopted by management to control the capital of the company since the prior year		
<b>12 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	-	14,128,687
Net profit (Net loss) attributable to members of the company	1,427,101	(2,375,537)
Dividends provided for or paid	-	(11,753,150)
Retained earnings at the end of the financial year	<u>1,427,101</u>	<u>-</u>

## BG&E ENGINEERS LIMITED - DUBAI

### 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 outlined in Note 1 to the financial statements

The directors of the company declare that

- 1 The financial statements and notes, as set out on pages 1 to 8 are in accordance with the Corporations Act 2001,
  - (a) comply with Australian Accounting Standards, and
  - (b) give a true and fair view of the company's financial position as at 30 June 2012 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 directors' 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 Board of Directors

Director:

  
Mr Peter DeBruin

Dated this 5 day of November 2012



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BG&E ENGINEERS LIMITED - DUBAI**

### **Report on the Financial Report**

We have audited the accompanying financial report of BG&E Engineers Limited - Dubai which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error

### **Auditors' 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 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 directors, 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.

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LEVEL 2 59 WENTWORTH AVENUE KINGSTON ACT 2604  
P 02 6295 8744 F 02 6295 8344 E [info@maximca.com.au](mailto:info@maximca.com.au)

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BG&E ENGINEERS LIMITED - DUBAI**

### **Independence**

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 directors of the company, would be in the same terms if provided to the directors as at the date of this auditor's report.

### **Auditors' Opinion**

In our opinion the financial report of BG&E Engineers Limited - Dubai is in accordance with the Corporations Act 2001, including

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001

### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

**Name of Firm:**

Maxim  
Chartered Accountants

**Name of Partner:**

  
Mark R Peatey

**Address:**

Level 2 59 Wentworth Avenue KINGSTON ACT 2604

**Dated this 5 day of November 2012**

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