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BG&E ENGINEERS LIMITED

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2009**

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BG&E ENGINEERS LIMITED

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BG&E ENGINEERS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 AED	2008 AED
Revenue		17,791,698	20,268,594
Cost of sales		<u>(6,058,992)</u>	<u>(8,873,416)</u>
Gross profit		11,732,706	11,395,178
Other revenues		2,617,364	(15,867)
Occupancy expenses		(1,116,184)	(917,036)
Other expenses		<u>(7,179,040)</u>	<u>(3,274,800)</u>
Profit		<u>6,054,846</u>	<u>7,187,475</u>
Profit attributable to members of the company		<u>6,054,846</u>	<u>7,187,475</u>

The accompanying notes form part of these financial statements.

BG&E ENGINEERS LIMITED

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009 AED	2008 AED
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,615,206	1,232,473
Trade and other receivables	3	11,968,491	18,483,860
Other current assets	4	1,117,964	930,224
TOTAL CURRENT ASSETS		14,701,661	20,646,557
NON-CURRENT ASSETS			
Property, plant and equipment	5	497,221	213,947
TOTAL NON-CURRENT ASSETS		497,221	213,947
TOTAL ASSETS		15,198,882	20,860,504
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	2,629,196	9,543,055
Other current liabilities	7	262,812	-
TOTAL CURRENT LIABILITIES		2,892,008	9,543,055
TOTAL LIABILITIES		2,892,008	9,543,055
NET ASSETS		12,306,874	11,317,449
EQUITY			
Issued capital	8	646	646
Retained earnings	9	12,306,228	11,316,803
TOTAL EQUITY		12,306,874	11,317,449

Director:



Mr Peter Canaway

Dated this 12 day of October 2009

The accompanying notes form part of these financial statements.

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1 Statement of Significant Accounting Policies

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

Reporting basis and conventions

The director has 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 director has 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

Income Tax

Within the jurisdictions in which the company is governed, there is no tax payable and therefore no provision has been made in the financial statements.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or director's valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. 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 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 from the revaluation reserve to retained earnings.

The carrying amount of 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 asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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 balance sheet.

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. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest 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.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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 2009

	2009 AED	2008 AED
2 Cash and Cash Equivalents		
Cash at Bank	1,547,989	1,215,865
Petty Cash - Abu Dhabi	1,064	-
Petty Cash - Dubai	2,660	3,245
Investment Account	13,493	13,363
Project Guarantee Investment Account	50,000	-
	<u>1,615,206</u>	<u>1,232,473</u>
3 Trade and Other Receivables		
Current		
Debtors - Dubai	12,998,179	20,425,801
Less: Provision for Doubtful Debts	(2,063,977)	(1,943,055)
Payroll Clearing	162,208	468
Loan Account - Other	871,474	-
Loan - BG&E International Partnership	607	646
	<u>11,968,491</u>	<u>18,483,860</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
4 Other Current Assets		
Current		
Unbilled Revenue	125,456	(143,244)
Prepayments	992,508	1,073,468
	<u>1,117,964</u>	<u>930,224</u>

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 AED	2008 AED
5 Property, Plant and Equipment		
Furniture & Fittings - Dubai	143,816	135,922
Less: Accumulated Depreciation	(105,606)	(71,499)
	38,210	64,423
Office Equipment - Dubai	407,649	270,646
Less: Accumulated Depreciation	(232,588)	(186,775)
	175,061	83,871
Computer Software - Dubai	399,127	244,818
Less: Accumulated Depreciation	(272,149)	(179,165)
	126,978	65,653
Furniture & Fittings - Abu Dhabi	155,557	-
Less: Accumulated Depreciation	(38,616)	-
	116,941	-
Office Equipment - Abu Dhabi	92,963	-
Less: Accumulated Depreciation	(52,932)	-
	40,031	-
Computer Software - Abu Dhabi	6,865	-
Less: Accumulated Depreciation	(6,865)	-
	-	-
Total Plant and Equipment	497,221	213,947
Total Property, Plant and Equipment	497,221	213,947
6 Trade and Other Payables		
Current		
Loan Account - Other	-	427,926
Job Cost Variance Payable	665,679	47,184
Trade Creditors	1,389,427	7,566,599
Accrued Profit Share	540,000	1,480,000
Accruals - Control	34,090	21,346
	2,629,196	9,543,055
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- Total current	2,629,196	9,543,055
Financial liabilities as trade and other payables	2,629,196	9,543,055

BG&E ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 AED	2008 AED
7 Other Liabilities		
Current		
Income in Advance	<u>262,812</u>	<u>-</u>
8 Issued Capital		
Issued Capital	<u>646</u>	<u>646</u>

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.

9 Retained Earnings

Retained earnings at the beginning of the financial year	11,316,803	8,126,128
Net profit attributable to members of the company	6,054,846	7,187,475
Dividends provided for or paid	<u>(5,065,421)</u>	<u>(3,996,800)</u>
Retained earnings at the end of the financial year	<u>12,306,228</u>	<u>11,316,803</u>

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 Accounting Standards; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2009 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 12 day of October 2009

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 2009, 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 designing, implementing 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 state, 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.

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

Independence

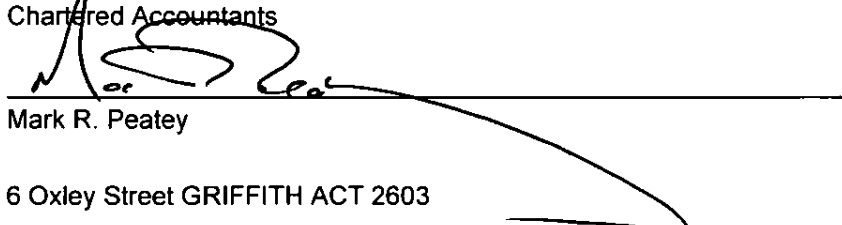
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the director of BG&E Engineers Limited on 12 October 2009, would be in the same terms if provided 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 2009 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 12 day of October 2009

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BG&E ENGINEERS LIMITED

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	2009 AED	2008 AED
SALES		
Professional Fees	17,791,698	20,268,594
LESS: COST OF GOODS SOLD		
Opening Work in Progress	-	8,456
Direct Labour	6,131,576	5,173,968
Job Cost Variance	(100,537)	187,534
Consulting/Drafting - BG&E	1,801,130	3,806,611
Consulting/Drafting - Other	170,457	692,712
Variation WIP - BG&E	(185,477)	(1,019,708)
Entertainment - Client	4,888	1,702
Travel & Accommodation	111,477	49,277
Reimbursed Direct Expenses	(1,934,559)	(28,000)
Courier	230	214
Telephone	-	200
Miscellaneous Direct Expenses	185,263	450
Closing Work in Progress	(125,456)	-
	6,058,992	8,873,416
GROSS PROFIT FROM TRADING	11,732,706	11,395,178
OTHER INCOME		
Interest Received	130	249
Sundry Revenue	24,964	-
Capital Gain(Loss) on Sale of Non-current Assets	-	2,832
Currency Gain/(Loss)	2,592,270	(18,948)
	2,617,364	(15,867)
	14,350,070	11,379,311

The accompanying notes form part of these financial statements.

BG&E ENGINEERS LIMITED

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	2009 AED	2008 AED
EXPENSES		
Indirect Labour	1,950,459	1,245,671
Advertising - General/Employment	74,146	93,495
Administration Support Services	407,701	779,203
Courses & Seminars	13,070	33,337
Employee Amenities	18,356	11,755
Employee Entertainment	8,347	18,464
Bad Debts Written Off	2,854,853	(1,240,347)
Safety & Protective Wear	743	1,183
Staff Visa's & Associated Costs	241,984	154,019
Computer Software	23,813	30,167
Profit Share	338,760	1,483,100
Computer Services	25,328	13,199
Entertainment - Client	25,974	31,485
Subscriptions	6,947	5,916
Travel & Accommodation	115,796	103,141
Travel - Taxis/Public Transport	7,805	11,088
Cleaning & Amenities	16,600	9,800
Electricity/Gas	11,260	7,631
Rent	1,082,428	899,605
Couriers & Freight	8,106	2,282
Drawing Office/CAD Consumables	342	135
Insurance - Fire & General	143,321	8,964
Internet	40,383	15,394
Photographic & Colour Photocopying	3,973	5,790
Photocopying	1,246	1,659
Postage	999	613
Printing - Corporate Stationery	5,865	5,307
Printing - Plans & Documents	-	300
Printer Cartridges (ex CAD)	9,015	4,420
Stationery - General Office	22,983	16,477
Telephone - Office	44,691	38,047
Telephone - Mobiles	41,143	36,303
Sundry Expenses	17,358	(56,120)
Accounting Fees	96,830	112,344
Bank Charges	5,405	5,700
Depreciation Expenses	271,318	165,819
Filing, Fines & Miscellaneous	114,369	61,998
Management Fees	13,742	16,464
Relocation Costs	168,352	37,670
Donations	-	20

The accompanying notes form part of these financial statements.

BG&E ENGINEERS LIMITED

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	AED	AED
Legal Fees	-	5,559
Repairs & Maintenance	60,556	14,130
Stationery - Copy Paper	857	649
	<u>8,295,224</u>	<u>4,191,836</u>
Profit before income tax	<u>6,054,846</u>	<u>7,187,475</u>

The accompanying notes form part of these financial statements.