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# **JV GLOBAL LIMITED**

**ABN 80 009 142 125**

## **2009 Full Year Result and Preliminary Final Report 2009**

### **Appendix 4E**

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## Results for Announcement to the Market

	Percentage Change	Amount \$
<b>Revenue and Net Profit</b>		
Revenue from ordinary activities	Up 78%	4,821,570
Loss from ordinary activities after tax attributable to members	Up 238%	(5,839,000)
Net Loss for the full year attributable to members	Up 238%	(5,839,000)
It is not proposed to declare a dividend for this reporting period		

	Year Ended 30 June 2009	Year Ended 30 June 2008
<b>Net Tangible Assets</b>		
Net tangible asset backing per security (cents per share)	(2.95)	1.21

### Details of entities over which control has been gained or lost during the period

None

### Details of associates and joint venture entities

#### Wholly owned subsidiary

- JVG Framing Pty Ltd
- JV International Pty Ltd
- JV Global Australia Pty Ltd
- JVG Contracting Pty Ltd

#### Interest in Associates

- Arabian Profile Global Co, LLC      Interest 46%
- Sharus Steel Products Pvt Ltd      Interest 40%

### Audit

This report is based on accounts which are in the process of being audited.

### Previous Corresponding Reporting Period

The previous corresponding reporting period is the year ended 30 June 2008.

### Commentary on the Results for the Period

The financial year to 30<sup>th</sup> June, 2009 has been a disappointing one for JV Global Limited.

The Global Crisis has impacted severely on most business's particularly those involved in the building and construction industry and this aspect has impacted on all three operations in which JV Global Limited is involved.

JVG Framing Pty Limited trading as Component Homes, a wholly owned subsidiary of JV Global Limited did not achieve budget projections although sales increased by 58% compared to the 30<sup>th</sup> June, 2008 figures.

### **Commentary on the Results for the Period (continued)**

Due to the Global Crisis and its resultant effect on the resources sector particularly in the North West of Western Australia several projects that we had budgeted for were cancelled and this coupled with the general tightening of the economy resulted in subdued overall business activity. Prior to the Global Crisis Component Homes was severely affected by the rapid escalation in price of raw materials which has also contributed to the poor result.

Prior to the 30<sup>th</sup> June, 2009 the Directors of JV Global Limited have undertaken a full and comprehensive review of the operations of Component Homes aimed at increasing sales, increasing gross profit and reducing staff and other business overheads. Several major changes have been made which will have a positive effect on business over the next twelve months.

The administration, sales and marketing and design divisions of Component Homes have recently moved into new premises in Wangara and the drafting, manufacturing, structural and purchasing divisions have acquired additional factory area within their existing premises which should result in improving efficiency in terms of production output.

Component Homes has appointed an agent for the South West of Western Australia and an office has been opened in Margaret River to give Component Homes a presence in this expanding area. Enquiry levels remain constant and with a concerted effort being devoted to sales and marketing activity the outlook over the next twelve months is positive.

As previously reported the company's joint venture in the United Arab Emirates, Arabian Profile Global Co LLC (JVG 46%) has suffered as a direct result of a fire which destroyed our factory together with three other factories all owned by our joint venture partner, GIBCA LIMITED. Comprehensive insurance cover was in place and a statement of claim has been submitted to the insurers which have now been accepted with payment expected by the end of September, 2009.

The United Arab Emirates, particularly Dubai and the Northern Emirates have experienced a severe and dramatic downturn in business activity as a result of the Global Crisis and given the state of the market and the resultant lack of liquidity consideration is being given as to the future of the joint venture operations. It has been decided by the joint venture partners to wait until the insurance claim is received, all outstanding work being completed and all outstanding accounts finalised prior to a final decision being made in respect to the continuation of the joint venture.

Our joint venture in India, Sharus Steel Products Pvt Ltd (JVG 40%) has also been adversely affected by the Global Crisis with projected sales not being achieved. Building and Construction activity has suffered a major slowdown and liquidity in the market for existing and new projects is extremely difficult. During the financial year new plant and equipment was acquired by the joint venture company which allows greater flexibility in terms of products manufactured which will assist projected sales targets being achieved over the next twelve months.

Shapoorji Pallonji Company Limited our joint venture partner will be utilising our steel door frames in one of their new projects in Kolkatta and the Mumbai Housing Authority has approved our single rebate frame for use in their low cost housing projects. Although the Indian market remains subdued it is the world's second most populous country and is still showing a positive growth rate.

JV Global Limited is currently in discussions with Shapoorji Pallonji Company Ltd regarding the future direction of the joint venture and is awaiting a report from Price Waterhouse Coopers who have been engaged by the joint venture company to analyse and report on the company's existing operations and outlook for the future.

JV Global Limited has recently completed a capital raising which closed over-subscribed. Funds will be utilised for the expansion of the Company's existing operations and provide additional working capital. The Company will also seek to identify and exploit new opportunities which may add value to the Company's existing shares and/or provide an alternative positive cash flow for the Company.

## Consolidated Income Statement

	Note	2009 \$	2008 \$
Revenue		4,821,570	2,708,700
Cost of sales		(2,790,411)	(1,310,081)
<b>Gross profit</b>		<b>2,031,159</b>	<b>1,398,619</b>
Other income	2	153,673	88,536
Employee benefits expenses	2	(2,773,976)	(1,990,519)
Administration expenses	2	(834,220)	(745,905)
Impairment of goodwill		(2,605,615)	-
Impairment of other assets		(1,231,082)	-
Employee share option expense		(82,377)	(222,975)
Depreciation expenses		(109,027)	(155,444)
		<b>(5,451,465)</b>	<b>(1,627,688)</b>
Finance income		17,294	24,177
Finance expenses		(170,926)	(70,027)
<b>Net finance expense</b>		<b>(153,632)</b>	<b>(45,850)</b>
Share of loss from equity accounts investees		(233,903)	(79,824)
<b>Loss before income tax</b>		<b>(5,839,000)</b>	<b>(1,753,362)</b>
Income tax benefit		-	26,133
<b>Loss from continuing operations</b>		<b>(5,839,000)</b>	<b>(1,727,229)</b>
Earnings per share (cents per share) for profit attributable to the ordinary equity holders of the Company:			
- basic		(7.71)	(2.29)

## Consolidated Balance Sheet

	Note	2009 \$	2008 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	20,177	879,637
Trade and other receivables		120,107	192,699
Inventories		110,332	291,254
Prepayments		95,008	65,920
Other current assets		63,099	193,987
<b>Total current assets</b>		<b>408,723</b>	<b>1,623,497</b>
<b>Non-Current Assets</b>			
Other financial assets		358,607	415,605
Investment in associates		-	457,257
Property, plant and equipment		378,030	970,161
Deferred tax assets		66,664	66,664
Intangible assets		600,127	3,205,742
<b>Total non-current assets</b>		<b>1,403,428</b>	<b>5,115,429</b>
<b>Total assets</b>		<b>1,812,151</b>	<b>6,738,926</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		1,313,434	506,265
Financial liabilities		1,853,727	1,199,860
Provisions		118,427	104,942
<b>Total current liabilities</b>		<b>3,285,588</b>	<b>1,811,067</b>
<b>Non-Current Liabilities</b>			
Financial liabilities		100,218	756,842
Provisions		38,946	26,995
Deferred tax liabilities		19,776	19,776
<b>Total non-current liabilities</b>		<b>158,940</b>	<b>803,613</b>
<b>Total liabilities</b>		<b>3,444,528</b>	<b>2,614,680</b>
<b>Net assets</b>		<b>(1,632,377)</b>	<b>4,124,246</b>
<b>Equity</b>			
Share capital		19,525,856	19,525,856
Reserves		387,452	305,075
Retained earnings		(21,545,685)	(15,706,685)
<b>Total equity</b>		<b>(1,632,377)</b>	<b>(4,124,246)</b>

## Consolidated Statement of Cash Flows

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		4,887,422	2,645,950
Cash paid to suppliers and employees		(5,516,286)	(3,823,105)
Finance costs		(125,993)	(58,133)
<b>Net cash from (used in) operating activities</b>	3	<b>(754,857)</b>	<b>(1,235,288)</b>
<b>Cash flows from investing activities</b>			
Interest received		17,294	23,395
Proceeds from sale of plant and equipment		5,000	-
Acquisition of property, plant and equipment		(80,733)	(149,605)
Advances to Associates		(43,405)	(60,742)
Payments for Businesses		-	(30,409)
Other		-	(274,753)
<b>Net cash from (used in) investing activities</b>		<b>(101,844)</b>	<b>(492,114)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		-	4,000
Proceeds from borrowings		115,000	1,520,000
Repayment of borrowings		(118,956)	(85,559)
<b>Net cash from (used in) financing activities</b>		<b>(3,956)</b>	<b>1,438,441</b>
Net increase (decrease) in cash and cash equivalents		(860,657)	(288,961)
Cash and cash equivalents at start of year		708,731	997,692
<b>Cash and cash equivalents at end of year</b>	3	<b>(151,926)</b>	<b>708,731</b>

## Consolidated Statement of Changes in Equity

	<i>Issued Share Capital</i>	<i>Share Option Reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
<b>Balance at 1 July 2007</b>	<b>19,521,856</b>	<b>82,100</b>	<b>(13,979,456)</b>	<b>5,624,500</b>
(Loss) for year	-	-	(1,727,229)	(1,727,229)
	19,521,856	82,100	(15,706,685)	3,897,271
Shares issued during year	4,000	-	-	4,000
Employee option expense transferred to option reserve	-	222,975	-	222,975
<b>Balance as at 30 June 2008</b>	<b>19,525,856</b>	<b>305,075</b>	<b>(15,706,685)</b>	<b>4,124,246</b>
<b>Balance at 1 July 2008</b>	<b>19,525,856</b>	<b>305,075</b>	<b>(15,706,685)</b>	<b>4,124,246</b>
(Loss) for year	-	-	(5,839,000)	(5,839,000)
	19,525,856	305,075	(21,545,685)	(1,714,754)
Shares issued during year	-	-	-	-
Employee option expense transferred to option reserve	-	82,377	-	82,377
<b>Balance as at 30 June 2009</b>	<b>19,525,856</b>	<b>387,452</b>	<b>(21,545,685)</b>	<b>(1,632,377)</b>



## 1. Summary of Significant Accounting Policies

The preliminary final report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such the preliminary final report does not include all notes of the type normally included with the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing interesting activities of the consolidated entity as the full financial report.

It is also recommended that the preliminary final report be considered together with any public announcements made by JV Global Limited in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

## 2. Revenue and Expenses

	Consolidated	
	2009	2008
	\$	\$
<b>Other Income</b>		
Net gain on foreign exchange	110,238	7,645
Rendering of services	43,435	24,153
Other	-	56,738
	<b>153,673</b>	<b>88,536</b>
<b>Employee Benefits Expense</b>		
Wages and salaries	2,086,456	1,588,102
Amounts provided for employee entitlements	61,922	45,671
Other employee expenses	625,598	356,746
	<b>2,773,976</b>	<b>1,990,519</b>
<b>Other Expenses</b>		
Rent & outgoings	252,723	200,498
Net loss on sale of property, plant and equipment	18,782	1,363
Other administration expenses	562,715	544,044
	<b>834,220</b>	<b>745,905</b>

## 3. Cash

### Cash and Cash Equivalents

	Consolidated	
	2009	2008
Bank balances	20,177	55,630
Short term deposits	-	824,007
	<b>20,177</b>	<b>879,637</b>

### 3. Cash (continued)

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 30 June 2009, the Group had stand-by borrowing facilities of \$91,962.

#### Reconciliation of cash and cash equivalents

	Consolidated	
	2009	2008
Cash and cash equivalents	20,177	879,637
Bank overdrafts	(172,103)	(170,906)
	<b>(151,926)</b>	<b>708,731</b>

#### Cash Flow Statement Reconciliation

	2009	2008
Loss after income tax	(5,839,000)	(1,727,229)
<i>Non-operating cash flows:</i>		
Interest received	(17,294)	(24,177)
<i>Non-cash flows:</i>		
Depreciation	109,027	155,444
Loss on sale of property, plant and equipment	18,782	1,363
Employee Options	82,377	222,975
Share in loss of associate	233,903	79,824
Net (gain)/loss on foreign exchange	(110,238)	(7,644)
Impairment of goodwill	2,605,615	-
Impairment of other assets	1,231,082	34,542
<i>(Increase)/decrease in assets</i>		
Change in trade and other receivables	25,154	(131,502)
Change in inventories	101,755	(64,581)
Change in prepayments	(29,087)	(15,879)
Change in other current assets	(2,738)	-
Change in financial assets	3,200	-
Change in deferred tax asset	-	(36,849)
<i>Increase/(decrease) in liabilities</i>		
Change in trade and other payables	807,170	221,842
Change in provisions and employee benefits	25,435	46,257
Change in deferred tax liability	-	10,326
<b>Net cash from operating activities</b>	<b>(754,857)</b>	<b>(1,235,288)</b>

#### 4. Dividends Paid and Proposed

It is not proposed to declare a dividend for this reporting period

#### 5. Events after the Balance Sheet Date

The company issued a prospectus to raise additional working capital and fund the expansion the company's investment interests. The company planned to issue 125,000,000 shares at \$0.01 and raise \$1,250,000.

The prospectus closed oversubscribed with share applications to the value of \$1,368,500.

#### 6. Going Concern

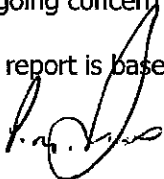
The financial statements have been prepared on the basis of going concern which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the 2009 financial year the consolidated entity made a loss of \$5,839,000, which included a substantial impairment loss of \$2,605,615, and at balance date had a net asset deficiency of \$1,632,377. Whilst acknowledging the inherent uncertainties applicable to this entity, the directors consider this to be appropriate for the following reasons:

As described in the Results for Announcement to the Market, the current economic environment is challenging and the group has reported an operating loss for the year. The directors have instituted measures to preserve cash and have successfully secured additional finance from a share capital raising of \$1,368,500. The directors consider the going concern assumptions appropriate for the following reasons:

1. JVG Framing a wholly owned subsidiary has improved its revenue position significantly to \$4,821,570 for 2009 (2008: \$2,779,157) which represents a growth rate of 58%. This entity, while making a loss this year, is currently undergoing a rationalisation of all direct and overhead costs to improve the profit position in 2010. This will ensure the viability of this business. As noted in the half year financial report at 31 December 2008 it has been considered by the board that the company could be sold in the future to provide additional working capital but the primary goal of the board is to ensure that JVG Framing becomes a fully self sustaining profitable subsidiary.
2. The Directors sought to raise additional capital in July 2009 this raised a sum of \$1,368,500. The board considers that this injection of funds, plus reduction of staff and other overhead costs will ensure the future viability of the Company.
3. As noted in the Results for Announcement to the Market Arabian Profile Global, of which the Group owns 46%, had a fire in February 2009. It was considered that the company should take a conservative approach to determining the asset value of this entity and as such the investment value has been written down to the recoverable insurance value of \$350,000 for the company's 46% interest.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the group's and the company's ability to continue as a going concern. Nevertheless after making enquiries, and considering the opportunities described above the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the interim report and accounts.

This report is based upon accounts which are currently being audited



Peter Burns .  
Chairman  
31 August 2009