

BANKENGINE TECHNOLOGIES INC  
Form 10KSB  
December 17, 2003

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-KSB**

(Mark One)

[ X ]

Annual Report to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the Fiscal Year ended August 31, 2003**

[ ]

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-27773

**BANKENGINE TECHNOLOGIES, INC.**

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(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of Incorporation)

59-313-4518  
(I.R.S. Employer Identification No.)

**157 Adelaide Street, Suite 426**

**Toronto, ON Canada M5H 4E7**

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(Address of principal executive offices)

Registrant's telephone number, including area code: **(416) 860-9378**

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each Class</u> | <u>Name of each Exchange on which Registered</u> |
|----------------------------|--|
| Not Applicable             | None   |

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$0.001 Par Value

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter prior that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

[ X ]

No

[ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Yes

[ ]

No

[ X ]

The issuer's net sales for the most recent fiscal year were \$-0-.

The aggregate market value of the voting stock held by non-affiliates based upon the last sale price on December 12, 2003 was approximately \$235,522.32.

As of December 12, 2003 there were 19,535,893 shares of Common Stock, par value \$0.001 per share, outstanding.

## **PART I**

### **Item 1. Business**

BankEngine Technologies, Inc. ( BankEngine, or the Company ) was previously an international solutions provider and developer of Internet-based software and various electronic commerce solutions, as well as telephony solutions.

Callmate Telecom International, Inc. ("Callmate") acquired WebEngine Technologies International, Inc. ("WebEngine") pursuant to a Share Purchase Agreement effective as of January 5, 2001. Callmate acquired all 12,000,000 shares of common stock of WebEngine in a share exchange, which exchange was effected on a one-for-one basis. The transaction was reported on a Form 8-K filed with the Securities and Exchange Commission (the "SEC") on January 16, 2001. Subsequent thereto, Callmate changed its name to BankEngine Technologies, Inc. (the "Company") as reported on Schedule 14C.

The Company determined to move away from the telecom business in the UK due to the increased competitiveness in this sector internationally and growing indebtedness. The trend internationally, and especially in the UK, in the telecom sector is for consolidation and competition from transnational corporations continues to be fierce. Many competitors have since ceased operations.

On April 2, 2002, Cyberstation Computers and Support Inc., an Ontario corporation ("Cyberstation") and wholly owned subsidiary of the Company, entered into a Common Stock Purchase Agreement (the "Agreement") by and among Platinum Telecommunications, Inc. ("Platinum") and Mr. Zeeshan Saeed (the "Seller"). Pursuant to the Agreement, Cyberstation acquired seventy percent (70%) of the issued and outstanding shares of common stock of Platinum (the "Platinum Shares") in consideration for 1,800,000 shares of common stock of the Company, par value \$0.001 per share. The Platinum Shares were acquired from the Seller, by whom Platinum was immediately before closing of the Agreement wholly owned.

The Company has been considering whether, and if so how, to reorganize its telecommunications and software development businesses, while remaining open to entering into a business combination. In December 2003, the Company sold all of its interest in Platinum Telecommunications, which was its only source of revenue, as well as all of its shares of CyberStation. In connection with the sale of such shares, the purchaser assumed approximately \$384,000 in liabilities and received a minimal amount of assets from the Company. Included in the liabilities assumed by the purchaser was a loan of \$120,000 made by such purchaser to the Company. This will result in a gain on the divestitures. The impact of the divestiture has been reflected in the financial statements for the year ending August 31, 2003. The sale of the Platinum shares and the Cyberstation shares was made to Joseph J. Alves, our Chief Executive Officer. Mr. Alves agreed to sell all of his shares of common stock of the Company on December 9, 2003 to an unaffiliated third party, Michael J. Xirinachs.

Effective December 9, 2003, Michael J. Xirinachs acquired an aggregate of 10,115,000 shares of the Company's common stock, representing approximately 51.8% of the Company's issued and outstanding common stock, from Joseph J. Alves (9,615,000 shares), the Company's Chief Executive Officer and from Atlantica Marine (500,000 shares). Mr. Xirinachs paid an aggregate of \$100,000 from his personal funds to acquire such shares.

Mr. Alves has agreed to remain as the Company's Chief Executive Officer and acting Chief Financial Officer. As a result of the sale of Platinum and CyberStation, we have no revenue and intend to aggressively seek a prospective business acquisition.

## **Item 2. Properties**

The Company currently occupies approximately 100 square feet of office space within the personal offices of Joseph J. Alves located at 157 Adelaide Street, Suite 426, Toronto, ON M5H 4E7. The Company does not have a lease for

this space and is not required to pay any rent for occupying such space.

The Company believes that its facilities are adequate for its current operations.

### **Item 3. Legal Proceedings**

The Company is not subject to any material legal proceedings.

### **Item 4. Submission of Matters to a Vote of Security Holders**

The Company did not submit any matters to a vote of its security-holders during the fourth quarter of fiscal year 2003.

## **PART II**

### **Item 5. Market for BankEngine's Common Stock**

The Company's Common Stock is quoted on the NASD's OTC Bulletin Board under the symbol "BKET", which began trading on the OTC Bulletin Board on December 24, 1998. Listed below are the high and low sale prices for the Company's Common Stock during the fiscal years ended August 31, 2003 and 2002, and through December 13, 2003.

|                    | <u>Common Stock</u> |         |
|--------------------|---------------------|---------|
| <u>Fiscal 2002</u> |                     |         |
| First Quarter      | \$ 0.07             | \$ 0.02 |
| Second Quarter     | 0.05                | 0.01    |
| Third Quarter      | 0.17                | 0.01    |

|                    |  |         |    |       |
|--------------------|--|---------|----|-------|
| Fourth Quarter     |  | 0.41    |    | 0.03  |
| <u>Fiscal 2003</u> |  |         |    |       |
| First Quarter      |  | \$ 0.39 | \$ | 0.05  |
| Second Quarter     |  | 0.19    |    | 0.025 |
| Third Quarter      |  | 0.075   |    | 0.02  |
| Fourth Quarter     |  | 0.04    |    | 0.015 |

On December 12, 2003, there were approximately 333 holders of record of the Company's 19,535,893 outstanding shares of Common Stock.

On December 12, 2003, the last sale price of the Common Stock as reported on the OTC Bulletin Board was \$0.025.

### Dividend Policy

BankEngine has never paid or declared dividends on its common stock. The payment of cash dividends, if any, in the future is within the discretion of the Board of Directors and will depend upon BankEngine's earnings, its capital requirements, financial condition and other relevant factors. BankEngine intends, for the foreseeable future, to retain future earnings for use in its business.

### Securities authorized for Issuance Under Equity Plans

|  | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans |
|--|---|---|--|
| Equity compensation plans approved by security holders | None  | ---   | 2,000,000  |
|  | None  | ---   | None   |

Equity compensation plans  
not approved by security  
holders

|       |      |     |      |
|-------|------|-----|------|
| Total | None | --- | None |
|-------|------|-----|------|

## Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-looking Statements

The following discussion should be read in conjunction with the Company's consolidated financial statements and related notes included elsewhere in this Form 10-KSB.

This filing contains forward-looking statements. The words "anticipated," "believe," "expect," "plan," "intend," "seek," "estimate," "project," "will," "could," "may," and similar expressions are intended to identify forward-looking statements. These statements include, among others, information regarding future operations, future capital expenditures, and future net cash flow. Such statements reflect the Company's current views with respect to future events and financial performance and involve risks and uncertainties, including, without limitation, general economic and business conditions, changes in foreign, political, social, and economic conditions, regulatory initiatives and compliance with governmental regulations, the ability to achieve further market penetration and additional customers, and various other matters, many of which are beyond the Company's control. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove to be incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated, or otherwise indicated. Consequently, all of the forward-looking statements made in this filing are qualified by these cautionary statements and there can be no assurance of the actual results or developments.

Callmate Telecom International, Inc. ("Callmate") acquired WebEngine Technologies International, Inc. ("WebEngine") pursuant to a Share Purchase Agreement effective as of January 5, 2001. Callmate acquired all 12,000,000 shares of common stock of WebEngine in a share exchange, which exchange was effected on a one-for-one basis. The transaction was reported on a Form 8-K filed with the Securities and Exchange Commission (the "SEC") on January 16, 2001. Subsequent thereto, Callmate changed its name to BankEngine Technologies, Inc. (the "Company") as reported on Schedule 14C. The Company filed the Definitive 14C on March 5, 2001.

The Company determined to move away from the telecom business in the UK due to the increased competitiveness in this sector internationally and growing indebtedness. The trend internationally, and especially in the UK, in the



telecom sector is for consolidation and competition from transnational corporations continues to be fierce. Many competitors have since ceased operations.

On April 2, 2002, Cyberstation Computers and Support Inc., an Ontario corporation ("Cyberstation") and wholly owned subsidiary of the Company, entered into a Common Stock Purchase Agreement (the "Agreement") by and among Platinum Telecommunications, Inc. ("Platinum") and Mr. Zeeshan Saeed (the "Seller"). Pursuant to the Agreement, Cyberstation acquired seventy percent (70%) of the issued and outstanding shares of common stock of Platinum (the "Platinum Shares") in consideration for 1,800,000 shares of common stock of the Company, par value \$0.001 per share. The Platinum Shares were acquired from the Seller, by whom Platinum was immediately before closing of the Agreement wholly owned. The Agreement was effective as of April 5, 2002. The transaction was negotiated on an arms-length basis. Neither the Company nor Cyberstation had any affiliation with Platinum or any of its officers or directors.

The Company has been considering whether, and if so how, to reorganize its telecommunications and software development businesses, while remaining open to entering into a business combination. In December 2003, the Company sold all of its interest in Platinum Telecommunications, which was its only source of revenue, as well as all of its shares of CyberStation. In connection with the sale of such shares, the purchaser assumed approximately \$384,000 in liabilities and received a minimal amount of assets from the Company. Included in the liabilities assumed by the purchaser was a loan of \$120,000 made by such purchaser to the Company. This will result in a gain on the divestitures. The impact of the divestiture has been reflected in the financial statements for the year ending August 31, 2003. The sale of the Platinum shares and the Cyberstation shares was made to Joseph J. Alves, our Chief Executive Officer. Mr. Alves agreed to sell all of his shares of common stock of the Company on December 9, 2003 to an unaffiliated third party.

## CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are outlined within Item 8 as Note 1 to the consolidated financial statements. Some of those accounting policies require the Company to make estimates and assumptions that affect the amounts it reports. The following items require the most significant judgment and often involve complex estimation:

**Revenue recognition:** The Company generally recognizes a sale when the service has been provided and risk of loss has passed to the customer, collection of the resulting receivable is reasonably assured, persuasive evidence of an arrangement exists, and the fee is fixed or determinable. The assessment of whether the fee is fixed or determinable considers whether a significant portion of the fee is due after its normal payment terms. If the Company determines that the fee is not fixed or determinable, the Company recognizes revenue at the time the fee becomes due, provided that all other revenue recognition criteria have been met.

The Company assesses collectibility based on a number of factors, including general economic and market conditions, past transaction history with the customer, and the credit-worthiness of the customer. If the Company determines that

collection of the fee is not probable, then we will defer the fee and recognize revenue upon receipt of payment.

Allowance for doubtful accounts: The Company continuously monitors payments from its customers and maintains allowances for doubtful accounts, if required, for estimated losses resulting from the inability of its customers to make required payments. When the Company evaluates the adequacy of its allowances for doubtful accounts, it takes into account various factors including its accounts receivable aging, customer credit-worthiness, historical bad debts, and geographic and political risk. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. As of August 31, 2003, the Company's net accounts receivable balance was nil.

## **Results of Operations**

### **Year ended August 31, 2003 compared to August 31, 2002**

#### Continuing Operations

As a result of the Company's divestiture of Platinum and CyberStation, the Company did not report any revenues from continued operations for the year ended August 31, 2003.

#### Discontinued Operations

As a result of the Company's divestiture of Platinum and CyberStation, the Company reported a net income of \$201,458 for the year ended August 31, 2003, which consists of an operating loss of \$237,447, an income tax benefit of \$54,122 and a gain on the settlement of debt in the amount of \$384,783, as compared to a net loss of \$299,247 for the year ended August 31, 2002.

#### Liquidity and Capital Resources

#### Operating Activities

At August 31, 2003, the Company had a working capital deficit of \$54,150 and an accumulated deficit of \$489,544. For the year ended August 31, 2003, net cash used in operating activities amounted to \$38,402, a decrease from the net cash used in operating activities for the comparable period in 2002. The decrease in cash requirements for operating activities is primarily the result of the reduction in funds held in escrow.

#### Financing Activities

At August 31, 2003, the Company does not have any material commitments for capital expenditures other than for those expenditures incurred in the ordinary course of business. In December 2003, the Company's principal shareholder sold his entire stake in the Company consisting of 9,615,000 shares of common stock to an unaffiliated third-party. Additional capital could be required in excess of the Company's liquidity, requiring it to raise additional capital through an equity offering or secured or unsecured debt financing. The availability of additional capital resources will depend on prevailing market conditions, interest rates, and the existing financial position and results of operations of the Company.

#### **Item 7. Financial Statements**

See pages F-1 to F-19.

#### **Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

Not applicable.

#### **Item 8A. Controls and Procedures.**

Based on an evaluation as of the date of the end of the period covered by this Form 10-KSB, our Chief Executive Officer/Acting Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as required by Exchange Act Rule 13a-15. Based on that evaluation, our Chief Executive Officer/Acting Chief Financial Officer concluded that our disclosure controls and procedures were effective

to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

#### Changes in Internal Controls

There were no significant changes in our internal controls over financial reporting that occurred during the quarter and year ended August 31, 2003 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Limitations on the Effectiveness of Controls

We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

### PART III

#### Item 9.

#### Directors and Executive Officers, Promoters and Control Person Compliance with Section 16(a) of the Exchange Act

The officers and directors of the Company, and further information concerning them, are as follows:

| <b><u>Name</u></b> | <b><u>Elected</u></b> | <b><u>Age</u></b> | <b><u>Position</u></b>  |
|--------------------|-----------------------|-------------------|---|
| Joseph J. Alves    | 2001                  | 37                | Chairman, Chief Executive Officer, Acting Chief Financial Officer and President |
| Sandra Hrab        | 2002                  | 26                | Director and Secretary  |

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|                     |      |    |          |
|---------------------|------|----|----------|
| Paul R. Ankcorn     | 2002 | 48 | Director |
| Wm. Andrew Campbell | 2002 | 50 | Director |

Each of the above officers and directors shall hold office until the next annual meeting of the Company's shareholders or until a successor is elected and qualified.

**Joseph J. Alves** has since 1996 assisted with the development of numerous software applications including sophisticated online databases, robust security systems, online banking applications, ultra-secure encryption systems, and was co-founder and joint developer of the BankEngine Suite of ultra secure transaction systems. Between 1993 and 1996 he worked as a network engineer for IBM, SHL SystemsHouse and Computer Systems Centre. Mr. Alves has founded and co-founded various technology related enterprises since 1996. Mr. Alves has extensive international banking knowledge and has developed business relationships that span five continents. He has since served as a consultant to many technology based start-ups and public companies including Millennium Communications, DreamPlay Research Inc., and Noble House Communications Ltd. Mr. Alves has a BA (1990) from York University, and an MA (1993) from Wilfrid Laurier University in Waterloo, in Ontario, Canada.

**Sandra Hrab** has extensive corporate administrative experience that will serve the Company well as it increases its activities and diversifies its business. She served as Treasurer and Secretary of WebEngine Corporation, a Canadian public company, between 1999 and 2001. Ms. Hrab has acquired extensive personal experience in the management of the day-to-day affairs of the Company over the last two years. Ms. Hrab is currently a director of Critical Commerce Inc., a wholly owned subsidiary of the public company, as well as an officer of Cyberstation Computers and Support, Inc. and serves those companies in a variety of capacities. Ms. Hrab graduated from Sheridan College in Toronto, Ontario in 1999.

**Paul R. Ankcorn, C.M.A.** Mr. Ankcorn holds an Honours Bachelor of Business Administration degree from Wilfrid Laurier University and became a Certified Management Accountant in 1983. Mr. Ankcorn has over 17 years of corporate experience in both the public and private sector. He has been on the board of several public companies in the resource sector and is currently the president of Zenda Capital Corp where his duties include management of day-to-day operations, financing, and financial statement preparation. He is currently a director of the E21 Group Inc. (YEP-CDNX) and formerly with Southern Star Resources Ltd. (YSO-CDNX). From 1989 to 1996 Mr. Ankcorn was the Secretary-Treasurer, then Vice President and then President of Northfield Minerals Inc. Prior to this Mr. Ankcorn spent seven years in various accounting positions with Gulf Canada.

**Wm. Andrew Campbell, C.A.** Mr. Campbell holds a Bachelor of Business Administration Degree from Bishop's University (1976) and obtained his Chartered Accountants qualification in 1985. Mr. Campbell was a senior manager at Deloitte Touche from 1985 to 1992 primarily in the real estate and small business practice group. Subsequent to this date he has been a sole practitioner specializing in junior mining and industrial public company audits. He currently has approximately 32 junior public companies, which he reports on to various regulatory bodies including the Ontario

Alberta and British Columbia Securities Commissions. In addition Mr. Campbell has provided management and advisory services to private companies and individuals related to Canadian and non-resident tax issues as well as preparation of corporate and trust returns for approximately 15 years.

Except as set forth herein, no officer or director of the Company has, during the last five years: (i) been convicted in or is currently subject to a pending a criminal proceeding; (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to any Federal or state securities or banking laws including, without limitation, in any way limiting involvement in any business activity, or finding any violation with respect to such law, nor (iii) has any bankruptcy petition been filed by or against the business of which such person was an executive officer or a general partner, whether at the time of the bankruptcy of for the two years prior thereto.

Under the securities laws of the United States, the Company's directors, its executive (and certain other) officers, and any persons holding ten percent or more of the Company's Common Stock must report on their ownership of the Company's Common Stock and any changes in that ownership to the Securities and Exchange Commission. Specific due dates for these reports have been established. During the fiscal year ended August 31, 2003, the Company does not believe that all reports required to be filed by Section 16(a) were filed on a timely basis.

The Company does not have separate audit or compensation committees, as a result thereof the Company's entire board of directors acts as the compensation and audit committee.

## Item 10. Executive Compensation

The following table sets forth all cash compensation for services rendered in all capacities to the Company, for the fiscal years ended August 31, 2003, 2002 and 2001 paid to the Company's Chief Executive Officer.

### Summary Compensation Table

Annual Compensation (\$)

Long Term Compensation

Awards

Payouts

| Name and Principal Position | Year | Salary | Bonus | Other Annual Compensation | Securities Underlying Options/ SARs (#) | LTIP Payouts | All Other Compensation |
|-----------------------------|------|--------|-------|---------------------------|---|--------------|------------------------|
| <b>Joseph J. Alves</b>      |      |        |       |                           |   |              |                        |
| Chairman, CEO and President | 2003 | ---    | ---   | ---                       | ---                                     | ---          | ---                    |
|                             | 2002 | ---    | ---   | ---                       | ---                                     | ---          | ---                    |
|                             | 2001 | ---    | ---   | ---                       | ---                                     | ---          | ---                    |

### Employment Agreements

No employment agreements currently exist between BankEngine and any of its executive officers.

### Item 11. Security Ownership of Certain Beneficial Owners and Management

As of December 12, 2003, the Company's authorized capitalization consisted of 50,000,000 shares of Common Stock, par value \$.001 per share. As of December 12, 2003, there were 19,535,893 shares of Common Stock outstanding, all of which were fully paid, non-assessable and entitled to vote. Each share of Common Stock entitles its holder to one vote on each matter submitted to the shareholder.

The following table sets forth, as of December 12, 2003, the number of shares of Common Stock of the Company owned by (i) each person who is known by the Company to own of record or beneficially five percent (5%) or more of the Company's outstanding shares, (ii) each director of the Company, (iii) each of the executive officers, and (iv) all directors and executive officers of the Company as a group. Unless otherwise indicated, each of the persons listed below has sole voting and investment power with respect to the shares beneficially owned.

| Name and Address of Beneficial Owner (1) | Number of Common Shares Beneficially Owned (2) | Percentage of Common Shares Beneficially Owned |
|--|--|--|
|--|--|--|

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|  |            |       |
|--|------------|-------|
| Michael J. Xirinachs(3)                              | 10,115,000 | 51.8% |
| Joseph Alves   | -0-        | -0-   |
| Mahmoud Hashmi(4)                                    | 1,900,000  | 9.7%  |
| Zeeshan Saeed  | 1,800,000  | 9.2%  |
| Sandra Hrab  | -0-        | -0-   |
| Paul R. Ankcorn                                      | -0-        | -0-   |
| Wm. Andrew Campbell                                  | -0-        | -0-   |
| All Directors and Officers as a group<br>(2 persons) | -0-        | -0-   |

(1) Unless otherwise indicated, the address of each person listed below is c/o BankEngine Technologies, Inc., at 157 Adelaide Street, Suite 426, Toronto, Ontario, M5H 4E7.

(2) Pursuant to the rules and regulations of the Securities and Exchange Commission, shares of common stock that an individual or group has a right to acquire within 60 days pursuant to the exercise of options or warrants are deemed to be outstanding for the purposes of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person shown in the table.

(3) The address for Michael Xirinachs is 425 Broad Hollow Road, Melville, New York 11747.

(4) Mr. Mahmoud Hashmi controls the following two entities that each own 950,000 shares of the Company's common stock, Conrati Resources Ltd. and Cablerise Limited.

## Item 12. Certain Relationships and Related Transactions

In December 2003, in connection with the divestiture of the Company's subsidiaries Platinum and CyberStation, the Company sold all of its interests in each company to its Chief Executive Officer and Acting Chief Financial Officer, Mr. Joseph Alves, in exchange for nominal consideration and the assumption of all of the outstanding liabilities of each of Platinum and CyberStation.

Other than the above there have been no transactions between the Company and any of its officers, directors, 10% shareholders or any other affiliates required to be reported hereunder.



**Item 13. Exhibits, Lists and Reports on Form 8- K**

(a) Exhibits

Exhibit 31. Rule 13a-14(a)/15d-14(a) Certification.

Exhibit 32.1 Certification by the Chief Executive Officer/Acting Chief Financial Officer Relating to a Periodic Report Containing Financial Statements.\*

(b) Reports on Form 8-K.

There were no reports filed on Form 8-K during the period covered by this report.

\* The Exhibit attached to this Form 10-Q shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

## SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-KSB to be signed on its behalf by the undersigned, thereunto duly authorized.

BANKENGINE TECHNOLOGIES, INC.

By:

/s/ Joseph J. Alves

President, CEO, Acting Chief Financial Officer

and Chairman of the Board

In accordance with the Exchange Act, this report has been signed below by the following persons and in the capacities and on the dates indicated.

Signature

Title

Date

/s/ Joseph J. Alves

President, CEO, Acting CFO

December 16, 2003

Joseph J. Alves

and Chairman of the Board

/s/ Sandra Hrab

Director

December 16, 2003

Sandra Hrab

/s/ Paul R. Ankcorn

Director

December 16, 2003

Paul R. Ankcorn

**INDEX TO EXHIBITS**

**Exhibit No.**

**Description of Exhibits**

|   |  |
|---|--|
| 21.1  |  |
| Subsidiaries of Registrant. (1)   |  |
| 31  |  |
| Rule 13a-14(a)/15d-14(a) Certifications   |  |
| 32  |  |
| Certification by the Chief Executive Officer/Acting Chief Financial Officer Relating to a Periodic Report Containing Financial Statements |  |

(1)

Filed herewith.

**Exhibit 21.1**

Subsidiaries of the Registrant

1.

Critical Commerce Inc., incorporated under the laws of the State of Delaware, formerly known as WebEngine Technologies International, Inc.