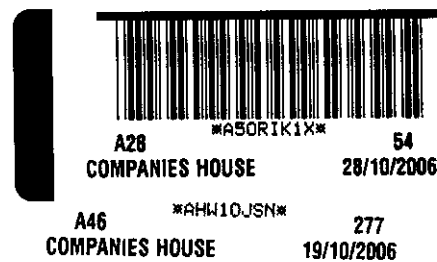


COMPANY REGISTRATION NUMBER 05467449

REFLEX 2005 LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2005



HURST MORRISON THOMSON LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

REFLEX 2005 LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

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REFLEX 2005 LIMITED

DIRECTORS REPORT

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

The directors have pleasure in presenting their report and the financial statements of the group for the period from 26 May 2005 to 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on 26 May 2005.

The principal activity of the company during the period was that of a holding company.

RESULTS AND DIVIDENDS

The trading results for the period and the group's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

		At Class of share 31 December 2005	At 26 May 2005 or later date of appointment
A Brymer	Ordinary	74,922	-
R Dreesden	Ordinary	303,030	-
W Jepps	Ordinary	<u>303,030</u>	<u>-</u>

A Brymer was appointed as a director on 29 July 2005.

R Dreesden was appointed as a director on 11 July 2005.

W Jepps was appointed as a director on 11 July 2005.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 11 to 13, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REFLEX 2005 LIMITED

DIRECTORS REPORT

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITOR

Hurst Morrison Thomson LLP were appointed to fill a casual vacancy. A resolution to re-appoint Hurst Morrison Thomson LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
1 Bennet Court
Bennet Road
Reading
Berkshire
RG2 0QZ

Signed on behalf of the directors



W Jepps
Company Secretary

Approved by the directors on 03.10.2006

REFLEX 2005 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF REFLEX 2005 LIMITED

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR
telephone: 01491 579866
facsimile: 01491 573397
email: hmt@hmtgroup.co.uk
www.hmtgroup.com

We have audited the group and parent company financial statements ("the financial statements") of Reflex 2005 Limited for the period from 26 May 2005 to 31 December 2005 on pages 5 to 19 which have been prepared on the basis of the accounting policies set out on pages 11 to 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REFLEX 2005 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF REFLEX 2005 LIMITED *(continued)*

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2005 and of the group's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies; and
- the information given in the Directors' Report is consistent with the financial statements.

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

12th October, 2006.



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

REFLEX 2005 LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005**

	Note	Period from 26 May 05 to 31 Dec 05 £
GROUP TURNOVER	2	5,476,800
Cost of sales		3,476,932
GROSS PROFIT		1,999,868
Distribution costs		136,174
Administrative expenses		1,690,072
OPERATING PROFIT	3	173,622
Interest receivable		17,311
Interest payable and similar charges		(60,155)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		130,778
Tax on profit on ordinary activities	6	77,039
PROFIT FOR THE FINANCIAL PERIOD	7	53,739

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the period as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 11 to 19 form part of these financial statements.

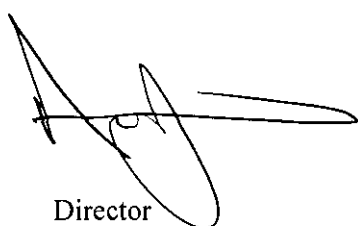
REFLEX 2005 LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2005

	Note	31 Dec 05 £
FIXED ASSETS		
Intangible assets	8	3,232,073
Tangible assets	9	104,276
		<u>3,336,349</u>
CURRENT ASSETS		
Stocks		550,663
Debtors	10	2,090,296
Cash in hand		14
		<u>2,640,973</u>
CREDITORS: Amounts falling due within one year	13	<u>3,473,547</u>
NET CURRENT LIABILITIES		<u>(832,574)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,503,775</u>
CREDITORS: Amounts falling due after more than one year	14	<u>1,700,822</u>
		<u>802,953</u>
CAPITAL AND RESERVES		
Called-up equity share capital	16	749,214
Profit and loss account	17	53,739
SHAREHOLDERS' FUNDS	17	<u>802,953</u>

These financial statements were approved by the directors on the 31.12.06 and are signed on their behalf by:



Director

The notes on pages 11 to 19 form part of these financial statements.

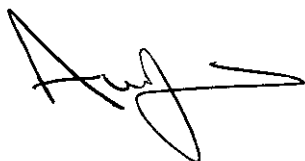
REFLEX 2005 LIMITED

BALANCE SHEET

31 DECEMBER 2005

	Note	31 Dec 05 £
FIXED ASSETS		
Investments	10	<u>3,075,909</u>
CREDITORS: Amounts falling due within one year	13	<u>625,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,450,036</u>
CREDITORS: Amounts falling due after more than one year	14	<u>1,700,822</u>
		<u>749,214</u>
CAPITAL AND RESERVES		
Called-up equity share capital	16	<u>749,214</u>
SHAREHOLDERS' FUNDS		<u>749,214</u>

These financial statements were approved by the directors on the 3rd October 2006 and are signed on their behalf by:



Director

The notes on pages 11 to 19 form part of these financial statements.

REFLEX 2005 LIMITED**GROUP CASH FLOW CASH FLOW STATEMENT****PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005**

	Period from 26 May 05 to 31 Dec 05 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(307,878)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	17,311
Interest paid	<u>(60,155)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(42,844)
TAXATION	(182,977)
CAPITAL EXPENDITURE	
Payments to acquire tangible fixed assets	<u>(14,245)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(14,245)
ACQUISITIONS AND DISPOSALS	
Cash paid to acquire subsidiaries	(3,075,909)
Net cash acquired with subsidiary	<u>998,445</u>
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS	(2,077,464)
CASH OUTFLOW BEFORE FINANCING	(2,623,644)
FINANCING	
Issue of equity share capital	749,214
Repayment of bank loans	(135,241)
Net inflow from other long-term creditors	<u>1,700,822</u>
NET CASH INFLOW FROM FINANCING	2,314,795
DECREASE IN CASH	<u>(310,613)</u>

The notes on pages 11 to 19 form part of these financial statements.

REFLEX 2005 LIMITED

GROUP CASH FLOW STATEMENT *(continued)*

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period from 26 May 05 to 31 Dec 05 £
Operating profit	173,622
Amortisation	86,999
Depreciation	42,725
Loss on disposal of fixed assets	4,055
Increase in stocks	(409,324)
Increase in debtors	(735,239)
Increase in creditors	529,284
Net cash outflow from operating activities	<u>(307,878)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 Dec 05 £
Decrease in cash in the period	(310,613)
Net cash outflow from bank loans	135,241
Net cash (inflow) from other long-term creditors	<u>(1,700,822)</u>
	(1,876,194)
Bank loans acquired on acquisition	<u>(419,357)</u>
Change in net debt	(2,295,551)
Net funds at 26 May 2005	—
Net debt at 31 December 2005	<u>(2,295,551)</u>

The notes on pages 11 to 19 form part of these financial statements.

REFLEX 2005 LIMITED**GROUP CASH FLOW CASH FLOW STATEMENT** *(continued)***PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005****ANALYSIS OF CHANGES IN NET DEBT**

	At 26 May 2005 £	Cash flows £	Other changes £	At 31 Dec 2005 £
Net cash:				
Cash in hand and at bank	–	14	–	14
Overdrafts	–	(310,627)	–	(310,627)
	–	(310,613)	–	(310,613)
Debt:				
Debt due within 1 year	–	135,241	(419,357)	(284,116)
Debt due after 1 year	–	(1,700,822)	–	(1,700,822)
	–	(1,565,581)	(419,357)	(1,984,938)
Net debt	–	(1,876,194)	(419,357)	(2,295,551)

The notes on pages 11 to 19 form part of these financial statements.

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- 4 years
Office Equipment	- 3 to 7 years
Furniture, Fixtures & Fittings	- 7 years
Demonstration & Service Equipment	- 2 to 4 years

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	Period from 26 May 05 to 31 Dec 05 £
United Kingdom	4,998,655
Overseas	478,145
	<u>5,476,800</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 26 May 05 to 31 Dec 05 £
Amortisation	86,999
Depreciation of owned fixed assets	42,725
Loss on disposal of fixed assets	4,055
Auditor's fees	8,000
Operating lease costs:	
Plant and equipment	4,155
Other	105,318
Net profit on foreign currency translation	<u>(589)</u>

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Period from 26 May 05 to 31 Dec 05
	No
Number of administrative staff	21
Number of installation staff	12
Number of sales staff	12
	<u>45</u>

The aggregate payroll costs of the above were:

	Period from 26 May 05 to 31 Dec 05
	£
Wages and salaries	1,043,595
Social security costs	108,650
Other pension costs	20,740
	<u>£1,172,985</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 26 May 05 to 31 Dec 05
	£
Emoluments receivable	138,946
Value of company pension contributions to money purchase schemes	6,732
	<u>£145,678</u>

Emoluments of highest paid director:

	Period from 26 May 05 to 31 Dec 05
	£
Total emoluments (excluding pension contributions)	65,406
Value of company pension contributions to money purchase schemes	3,228
	<u>£68,634</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 26 May 05 to 31 Dec 05
	No
Money purchase schemes	<u>3</u>

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Period from 26 May 05 to 31 Dec 05 £
Current tax:	
In respect of the period:	
UK Corporation tax based on the results for the period at 30%	74,924
Total current tax	74,924
Deferred tax:	
Origination and reversal of timing differences	2,115
Tax on profit on ordinary activities	77,039

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £
Profit on ordinary activities before taxation	130,778
Profit/(loss) on ordinary activities by rate of tax	39,233
Expenses not deductible for tax purposes	49,938
Group relief	(9,247)
Total current tax (note 10(a))	£79,924

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £Nil.

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	3,319,072
At 31 December 2005	<u>3,332,292</u>
AMORTISATION	
Charge for the period	86,999
At 31 December 2005	<u>86,999</u>
NET BOOK VALUE	
At 31 December 2005	<u>3,232,073</u>

The goodwill has arisen on consolidation and is being written off over twenty years.

9. TANGIBLE FIXED ASSETS

Group	Leasehold Improvements £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
COST					
Additions	26,986	56,060	11,899	56,111	151,056
Disposals	—	(1,342)	—	(2,713)	(4,055)
At 31 December 2005	<u>26,986</u>	<u>54,718</u>	<u>11,899</u>	<u>53,398</u>	<u>147,001</u>
DEPRECIATION					
Charge for the period	5,496	13,939	1,826	21,464	42,725
At 31 December 2005	<u>5,496</u>	<u>13,939</u>	<u>1,826</u>	<u>21,464</u>	<u>42,725</u>
NET BOOK VALUE					
At 31 December 2005	<u>21,490</u>	<u>40,779</u>	<u>10,073</u>	<u>31,934</u>	<u>104,276</u>

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

10. INVESTMENTS

Company	Group companies £
COST	
Additions	3,075,909
At 31 December 2005	<u>3,075,909</u>
NET BOOK VALUE	
At 31 December 2005	<u>3,075,909</u>

During the period the company acquired 100% of the share capital of Reflex Audio Limited, which holds 100% of the share capital of the other companies listed below:

	Country of Incorporation	Share Holding	Proportion of voting rights and shares held	Nature of business
Reflex Audio Visual Limited	England	Ordinary shares	100%	Holding Company
Reflex Limited	England	Ordinary shares	100%	Sale, installation, hire and maintenance of business presentation equipment
Claimgrange Limited	England	Ordinary shares	100%	Dormant
Reflex Care Limited	England	Ordinary shares	100%	Dormant
Classroom Displays Limited	England	Ordinary shares	100%	Dormant
Reflex Home Limited	England	Ordinary shares	100%	Sale, installation of home presentation equipment

11. DEBTORS

	Group £	Company £
Trade debtors	1,881,328	-
Other debtors	147,026	-
Deferred taxation (see note 12)	61,942	-
	<u>2,090,296</u>	<u>-</u>

12. DEFERRED TAXATION

The movement in the deferred taxation asset during the period was:

	Group £	Company £
Provision acquired	64,057	-
Movement in period	(2,115)	-
Asset carried forward	<u>61,942</u>	<u>-</u>

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

12. DEFERRED TAXATION *(continued)*

The elements of the group's deferred taxation, which result in a nil balance at the end of the period, together with details of other amounts not provided for, are as follows:

	Provided	Unprovided
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>61,942</u>	<u>-</u>

13. CREDITORS: Amounts falling due within one year

	Group £	Company £
Bank loans and overdrafts	594,743	-
Trade creditors	878,853	-
Amounts owed to group undertakings	-	625,873
Other creditors	830,924	-
Accruals and deferred income	<u>1,169,027</u>	<u>-</u>
	<u>3,473,547</u>	<u>625,873</u>

Included in the group other creditors is £366,201 due to the invoice discounting company.

The Bank of Scotland has a debenture for all sums over the whole assets of certain of the group companies, dated 22 April 2003. There is also a cross corporate guarantee in place between Reflex Limited and associated group companies, dated 22 April 2003.

The following liabilities disclosed under creditors falling due within one year are secured by the group:

	2005 £
Bank loans and overdrafts	<u>594,743</u>

14. CREDITORS: Amounts falling due after more than one year

	Group £	Company £
Unsecured loan notes	<u>1,700,822</u>	<u>1,700,822</u>

15. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

REFLEX 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26 MAY 2005 TO 31 DECEMBER 2005

16. SHARE CAPITAL

Authorised share capital:

	31 Dec 05 £
1,380,000 Ordinary shares of £1 each	1,380,000
120,000 A Ordinary shares of £1 each	120,000
	<u>1,500,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	680,982	680,982
A Ordinary shares of £1 each	68,232	68,232
	<u>749,214</u>	<u>749,214</u>

On the date of incorporation 2 Ordinary £1 shares were issued at par. On 29 July the company increased the authorised share capital to 1,500,000 by the creation of 1,379,000 Ordinary £1 shares and 120,000 "A" Non-voting Ordinary £1 shares. On this date 680,980 Ordinary £1 shares and 68,232 "A" Non-voting Ordinary £1 shares were issued at par.

The only difference in the rights of the shares is that the "A" Non-voting Ordinary shares have no voting rights. The shares rank pari passu in all aspects in relation to dividends and capital.

17. RESERVES

Group	Profit and loss account £
Profit for the period	53,739
Balance carried forward	<u>53,739</u>
Company	Profit and loss account £
Balance carried forward	<u>—</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Dec 05 £
Profit for the financial period	53,739
New ordinary share capital subscribed	749,214
Net addition to shareholders' funds	802,953
Closing shareholders' funds	<u>802,953</u>