

Company Registration No 06578405 (England and Wales)

INDEX EUROPE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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IMDEX EUROPE LIMITED

COMPANY INFORMATION

Directors	B W Ridgeway R Parfitt K A Dundo
Secretary	D Schwitters
Company number	06578405
Registered office	One Bell Lane Lewes East Sussex
Auditors	Knill James One Bell Lane Lewes East Sussex
Business address	Unit 4 & 5 Upper Stalls Iford Lewes East Sussex

INDEX EUROPE LIMITED

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INDEX EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and financial statements for the year ended 30 June 2012

Principal activities and review of the business

The principal activity of the company during the year was that of the supply and hire of electronic surveying instruments

Index Europe Ltd ("the company") is a wholly owned subsidiary of "Reflex Instruments Asia Pacific Pty", based in Perth, Australia and part of the Index Group. Index is a public company which is quoted on the Australian Stock Exchange

The company sells and distributes within Western and Eastern Europe and the Middle East and supplies surveying tools to the mining and civil engineering industries. Our product base includes Ez Trac, Ez Shot, Ez Dip, Maxibor and Core tools

The results for the company show a profit of £193,771 for the year and sales of £5,386,920

The company has net debt of £2,664,781

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the company are considered to relate to the global financial crisis and the ability of our customers to gain bank funding for mining exploration in our region which directly affects demand for our products. Foreign exchange rates continue to be volatile and the weakening GB Pound against the Euro and US Dollar

Key performance indicators

Along with stock levels, debtor and creditor days are monitored regularly and measured against annual budgets with variance analysis performed monthly and monitored accordingly

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Future developments

In the next financial year the company will continue to grow the business and has already expanded into sales and distribution of down hole chemicals

Directors

The following directors have held office since 1 July 2011

B W Ridgeway
R Parfitt
K A Dundo

Auditors

Knill James were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

INDEX EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



B W Ridgeway

Director

21.3.13

INDEX EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDEX EUROPE LIMITED

We have audited the financial statements of Index Europe Limited for the year ended 30 June 2012 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEX EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF INDEX EUROPE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or



Kevin Powell FCA (Senior Statutory Auditor)
for and on behalf of Knill James

22-3-13

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex

IMDEX EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2011 £
Turnover	2	5,386,920	3,658,160
Cost of sales		(3,443,892)	(2,529,382)
Gross profit		1,943,028	1,128,778
Administrative expenses		(1,778,381)	(1,187,327)
Operating profit/(loss)	3	164,647	(58,549)
Other interest receivable and similar income	4	485	131
Profit/(loss) on ordinary activities before taxation		165,132	(58,418)
Tax on profit/(loss) on ordinary activities	5	28,639	-
Profit/(loss) for the year	13	193,771	(58,418)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

INDEX EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

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IMDEX EUROPE LIMITED

BALANCE SHEET

AS AT 30 JUNE 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6		2,592,751		1,504,210
Current assets					
Stocks	7	1,191,713		1,408,209	
Debtors	8	1,105,121		931,078	
Cash at bank and in hand		347,187		415,181	
		2,644,021		2,754,468	
Creditors' amounts falling due within one year	9	(5,308,802)		(4,524,479)	
Net current liabilities			(2,664,781)		(1,770,011)
Total assets less current liabilities			(72,030)		(265,801)
			(72,030)		(265,801)
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		(73,030)		(266,801)
Shareholders' funds	14		(72,030)		(265,801)

Approved by the Board and authorised for issue on 21-3-13


B W Ridgeway
Director

Company Registration No 06578405

INDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on a going concern basis which assumes that the company will receive financial support from its ultimate parent company. The ultimate parent company has confirmed that it will continue to provide this support for the foreseeable future.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 - 5 years straight line
Motor vehicles	5 years straight line

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

INDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3	Operating profit/(loss)	2012 £	2011 £
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	911,333	405,136
	Loss on disposal of tangible assets	57,410	39,541
	Loss on foreign exchange transactions	11,322	340,803
	Research and development	221,536	76,287
	Operating lease rentals	24,787	6,017

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts
Accountancy and taxation

4,025	3,014
883	1,763
4,908	4,777

4	Investment income	2012 £	2011 £
	Bank interest	485	131
		485	131

INDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	26,255	-
	Total current tax	26,255	-
	Deferred tax		
	Deferred tax charge/credit current year	(54,894)	-
		(28,639)	-
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	165,132	(58,418)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.75% (2011 - 28.00%)	42,521	(16,357)
	Effects of		
	Non deductible expenses	91	16,357
	Depreciation add back	234,668	-
	Capital allowances	(197,110)	-
	Tax losses utilised	(68,698)	-
	Sale of assets	14,783	-
		(16,266)	16,357
	Current tax charge for the year	26,255	-

The company has estimated losses of £ nil (2011 - £ 266,789) available for carry forward against future trading profits

IMDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2011	2,021,732	39,927	25,577	2,087,236
Additions	2,147,011	1,108	25,282	2,173,401
Disposals	(244,374)	(2,810)	-	(247,184)
At 30 June 2012	3,924,369	38,225	50,859	4,013,453
Depreciation				
At 1 July 2011	573,102	9,526	398	583,026
On disposals	(73,380)	(277)	-	(73,657)
Charge for the year	894,979	7,446	8,908	911,333
At 30 June 2012	1,394,701	16,695	9,306	1,420,702
Net book value				
At 30 June 2012	2,529,668	21,530	41,553	2,592,751
At 30 June 2011	1,448,630	30,401	25,179	1,504,210

7 Stocks

	2012 £	2011 £
Finished goods and goods for resale	1,191,713	1,408,209

IMDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

8 Debtors	2012	2011
	£	£
Trade debtors	852,212	628,867
Other debtors	138,663	274,569
Prepayments and accrued income	59,352	27,642
Deferred tax asset (see note 10)	54,894	-
	<u>1,105,121</u>	<u>931,078</u>

Amounts falling due after more than one year and included in the debtors above are

	2012	2011
	£	£
Prepayments	<u>7,192</u>	<u>-</u>

9 Creditors amounts falling due within one year	2012	2011
	£	£
Trade creditors	284,280	498,146
Amounts owed to parent and fellow subsidiary undertakings	4,960,981	3,969,765
Corporation tax	26,255	-
Other taxes and social security costs	17,757	15,050
Other creditors	572	6,589
Accruals and deferred income	18,957	34,929
	<u>5,308,802</u>	<u>4,524,479</u>

INDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

10 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows

	2012 £	
Profit and loss account	(54,894)	
	2012 £	2011 £
(Decelerated)/accelerated capital allowances	(54,894)	-

11 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. £290 (2011 - £237) was outstanding at the year end.

	2012 £	2011 £
Contributions payable by the company for the year	1,958	1,488

12 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2011	(266,801)
Profit for the year	193,771
Balance at 30 June 2012	(73,030)

INDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

14 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit/(Loss) for the financial year	193,771	(58,418)
Opening shareholders' funds	<u>(265,801)</u>	<u>(207,383)</u>
Closing shareholders' funds	<u><u>(72,030)</u></u>	<u><u>(265,801)</u></u>

15 Financial commitments

At 30 June 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Between two and five years	<u>25,523</u>	<u>24,067</u>

16 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	<u>177,666</u>	<u>112,005</u>

INDEX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

2012	2011
Number	Number
10	8

Employment costs

	2012	2011
	£	£
Wages and salaries	526,728	374,765
Social security costs	65,168	38,376
Other pension costs	1,958	1,488
	<u>593,854</u>	<u>414,629</u>

18 Control

The company is ultimately controlled by Imdex Limited, a company incorporated in Australia, who own the entire issued share capital of Reflex Instruments Asia Pacific Pty Limited, a company incorporated in Australia, who in turn own the entire issued share capital of Imdex Europe Limited. Copies of its consolidated accounts, which include the results of the company, are available from Imdex Limited, Level 1, 15 Rheola Street, West Perth 6005, Western Australia.

19 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.