

Company Registration No 06578405 (England and Wales)

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS 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

REFLEX INSTRUMENTS EUROPE LIMITED

(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)

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REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and financial statements for the year ended 30 June 2013

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

Reflex Instruments Europe Limited ("the company") is a wholly owned subsidiary of "Reflex Instruments Asia Pacific Pty", based in Perth, Australia and part of the Imdex Group. Imdex 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 £379,397 for the year and sales of £4,205,557

The company has net debt of £1,546,832

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

Directors

The following directors have held office since 1 July 2012

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

**REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2013

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

11 February 2014

**REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS INDEX EUROPE LIMITED)
INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF REFLEX INSTRUMENTS EUROPE LIMITED

We have audited the financial statements of Reflex Instruments Europe Limited for the year ended 30 June 2013 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 2013 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.

**REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF REFLEX INSTRUMENTS 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

28 February 2014

**Chartered Accountants
Statutory Auditor**

One Bell Lane
Lewes
East Sussex

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 £	2012 £
Turnover	2	4,205,557	5,386,920
Cost of sales		(2,877,998)	(3,443,892)
Gross profit		1,327,559	1,943,028
Administrative expenses		(820,863)	(1,778,381)
Operating profit	3	506,696	164,647
Other interest receivable and similar income	4	6	485
Profit on ordinary activities before taxation		506,702	165,132
Tax on profit on ordinary activities	5	(127,305)	28,639
Profit for the year	13	379,397	193,771

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

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
BALANCE SHEET

AS AT 30 JUNE 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		1,854,199		2,592,751
Current assets					
Stocks	7	803,545		1,191,713	
Debtors	8	1,278,493		1,105,121	
Cash at bank and in hand		266,263		347,187	
		<u>2,348,301</u>		<u>2,644,021</u>	
Creditors amounts falling due within one year	9	<u>(3,895,133)</u>		<u>(5,308,802)</u>	
Net current liabilities			<u>(1,546,832)</u>		<u>(2,664,781)</u>
Total assets less current liabilities			<u>307,367</u>		<u>(72,030)</u>
			<u>307,367</u>		<u>(72,030)</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		306,367		(73,030)
Shareholders' funds	14		<u>307,367</u>		<u>(72,030)</u>

Approved by the Board and authorised for issue on 11 February 2014


B W Ridgeway
Director

Company Registration No 06578405

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

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.

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

1 Accounting policies

(continued)

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.

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

	2013	2012
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	1,300,231	911,333
Loss on disposal of tangible assets	14,647	57,410
Loss on foreign exchange transactions	-	11,322
Research and development	47,391	221,536
Operating lease rentals	26,994	24,787
and after crediting		
Profit on foreign exchange transactions	(196,591)	-
	<u> </u>	<u> </u>

Auditors' remuneration

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

	4,000	4,025
Accountancy and taxation	4,663	883
	<u>8,663</u>	<u>4,908</u>

4 Investment income

	2013	2012
	£	£
Bank interest	6	485
	<u>6</u>	<u>485</u>

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

5 Taxation	2013	2012
	£	£
Domestic current year tax		
U K corporation tax	261,321	26,255
Adjustment for prior years	(253)	-
	<u>261,068</u>	<u>26,255</u>
Total current tax		
	261,068	26,255
Deferred tax		
Deferred tax charge/credit current year	(133,763)	(54,894)
	<u>127,305</u>	<u>(28,639)</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>506,702</u>	<u>165,132</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.75% (2012 - 25.75%)	<u>120,342</u>	<u>42,521</u>
Effects of		
Non deductible expenses	-	91
Depreciation add back	308,804	234,668
Capital allowances	(172,136)	(197,110)
Tax losses utilised	-	(68,698)
Adjustments to previous periods	(253)	-
Sale of assets	4,311	14,783
	<u>140,726</u>	<u>(16,266)</u>
Current tax charge for the year	<u>261,068</u>	<u>26,255</u>

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2012	3,924,369	38,225	50,859	4,013,453
Additions	608,876	16,070	-	624,946
Disposals	(297,799)	(3,267)	-	(301,066)
At 30 June 2013	4,235,446	51,028	50,859	4,337,333
Depreciation				
At 1 July 2012	1,394,701	16,695	9,306	1,420,702
On disposals	(235,582)	(2,217)	-	(237,799)
Charge for the year	1,279,214	10,845	10,172	1,300,231
At 30 June 2013	2,438,333	25,323	19,478	2,483,134
Net book value				
At 30 June 2013	1,797,113	25,705	31,381	1,854,199
At 30 June 2012	2,529,668	21,530	41,553	2,592,751

7 Stocks

	2013 £	2012 £
Finished goods and goods for resale	803,545	1,191,713

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

8 Debtors	2013	2012
	£	£
Trade debtors	959,624	852,212
Other debtors	122,183	138,663
Prepayments and accrued income	8,029	59,352
Deferred tax asset (see note 10)	188,657	54,894
	<u>1,278,493</u>	<u>1,105,121</u>

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

	2013	2012
	£	£
Other debtors	<u>7,192</u>	<u>7,192</u>

9 Creditors amounts falling due within one year	2013	2012
	£	£
Trade creditors	30,013	284,280
Amounts owed to parent and fellow subsidiary undertakings	3,573,595	4,960,981
Corporation tax	261,321	26,255
Other taxes and social security costs	17,542	17,757
Other creditors	326	572
Accruals and deferred income	12,336	18,957
	<u>3,895,133</u>	<u>5,308,802</u>

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

10 Provisions for liabilities

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

	2013 £
Balance at 1 July 2012	(54,894)
Profit and loss account	(133,763)
	<u>(188,657)</u>
Balance at 30 June 2013	<u>(188,657)</u>

	2013 £	2012 £
Decelerated capital allowances	<u>(188,657)</u>	<u>(54,894)</u>

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. £326 (2012 - £290) was outstanding at the year end.

	2013 £	2012 £
Contributions payable by the company for the year	<u>2,389</u>	<u>1,958</u>

12 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2012	(73,030)
Profit for the year	379,397
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Balance at 30 June 2013	306,367
	<hr/>

14 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	379,397	193,771
Opening shareholders' funds	(72,030)	(265,801)
	<hr/>	<hr/>
Closing shareholders' funds	307,367	(72,030)
	<hr/>	<hr/>

15 Financial commitments

At 30 June 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2014

	Land and buildings 2013 £	2012 £
Operating leases which expire Between two and five years	29,893	25,523
	<hr/>	<hr/>

16 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	202,359	177,666
	<hr/>	<hr/>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	202,359	177,666
	<hr/>	<hr/>

REFLEX INSTRUMENTS EUROPE LIMITED
(FORMERLY KNOWN AS IMDEX EUROPE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

17 Employees

Number of employees

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

2013	2012
Number	Number
<u>9</u>	<u>10</u>

Employment costs

	2013	2012
	£	£
Wages and salaries	514,873	526,728
Social security costs	61,694	65,168
Other pension costs	2,389	1,958
	<u>578,956</u>	<u>593,854</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 Reflex Instruments 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.