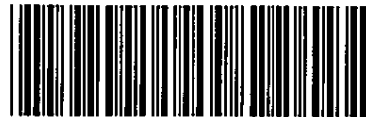


Company Registration No. 06578405 (England and Wales)

REFLEX INSTRUMENTS EUROPE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009

WEDNESDAY



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REFLEX INSTRUMENTS EUROPE LIMITED

COMPANY INFORMATION

Directors	I F Burston	(Appointed 28 April 2008)
	B W Ridgeway	(Appointed 28 April 2008)
Company number	06578405	
Registered office	One Bell Lane Lewes East Sussex	
Auditors	Knill James One Bell Lane Lewes East Sussex	
Business address	2 Reading Room Upper Stalls Iford Lewes East Sussex	

REFLEX INSTRUMENTS EUROPE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

REFLEX INSTRUMENTS EUROPE LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2009

The directors present their report and financial statements for the period ended 30 June 2009.

Principal activities and review of the business

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

Reflex Instruments Europe Ltd ("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 loss of £94,019 for the year and sales of £131,579.

The company has net debt of £262,953.

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 period are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments

The external commercial environment is expected to remain very uncertain due to the global financial crisis that developed in October 2008. This has affected our customers, however, we remain confident that we will continue to grow the business in the next financial year. We will expand our sales capability and enhance our presence in the market place in the next financial year.

Directors

The following directors have held office since 28 April 2008:

I F Burston	(Appointed 28 April 2008)
B W Ridgeway	(Appointed 28 April 2008)

REFLEX INSTRUMENTS EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2009

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 June 2009	28 April 2008
I F Burston	-	-
B W Ridgeway	-	-

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.

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:

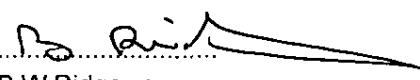
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 January 2010

REFLEX INSTRUMENTS 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 period ended 30 June 2009 set out on pages 5 to 12. 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 sections 495 and 496 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 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.

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 2009 and of its loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

REFLEX INSTRUMENTS EUROPE LIMITED

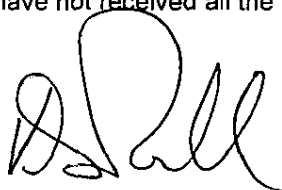
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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.



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

Chartered Accountants
Statutory Auditor



One Bell Lane
Lewes
East Sussex

REFLEX INSTRUMENTS EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2009

	Notes	Period ended 30 June 2009 £
Turnover	2	131,579
Cost of sales		(97,759)
Gross profit		<u>33,820</u>
Administrative expenses		(127,914)
Other operating income		75
Loss on ordinary activities before taxation	3	<u>(94,019)</u>
Tax on loss on ordinary activities	4	-
Loss for the period	11	<u><u>(94,019)</u></u>

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.

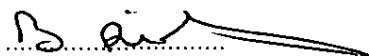
REFLEX INSTRUMENTS EUROPE LIMITED

BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 £	£
Fixed assets			
Tangible assets	5		169,934
Current assets			
Stocks	6	162,012	
Debtors	7	51,925	
Cash at bank and in hand		42,614	
		<u>256,551</u>	
Creditors: amounts falling due within one year	8	<u>(519,504)</u>	
Net current liabilities			<u>(262,953)</u>
Total assets less current liabilities			<u>(93,019)</u>
Capital and reserves			
Called up share capital	10		1,000
Profit and loss account	11		<u>(94,019)</u>
Shareholders' funds	12		<u>(93,019)</u>

Approved by the Board and authorised for issue on 11th January 2010



B W Ridgeway
Director

Company Registration No. 06578405

REFLEX INSTRUMENTS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2009

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

1.6 Stock

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

1.7 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 period they are payable.

1.8 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.

1.9 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.

REFLEX INSTRUMENTS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2009

2 Turnover

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

3 Operating loss 2009 £

Operating loss is stated after charging:

Depreciation of tangible assets	55,989
Research and development	27,723

and after crediting:

Profit on foreign exchange transactions	(842)
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Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	2,200
Accountancy and taxation	1,877
	<u>4,077</u>

4 Taxation 2009

Current tax charge

Factors affecting the tax charge for the period

Loss on ordinary activities before taxation	(94,019)
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Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00%

Effects of:	(26,325)
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Non deductible expenses	26,325
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Current tax charge

The company has estimated losses of £ 96,000 available for carry forward against future trading profits.

REFLEX INSTRUMENTS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2009

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 28 April 2008	-	-	-
Additions	212,638	13,286	225,924
	<hr/>	<hr/>	<hr/>
At 30 June 2009	212,638	13,286	225,924
	<hr/>	<hr/>	<hr/>
Depreciation			
At 28 April 2008	-	-	-
Charge for the period	55,832	158	55,990
	<hr/>	<hr/>	<hr/>
At 30 June 2009	55,832	158	55,990
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2009	156,806	13,128	169,934
	<hr/>	<hr/>	<hr/>

6 Stocks

	2009 £
Finished goods and goods for resale	162,012
	<hr/>

REFLEX INSTRUMENTS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2009

7 Debtors	2009
	£
Trade debtors	39,477
Amounts owed by parent and fellow subsidiary undertakings	1,000
Other debtors	10,717
Prepayments and accrued income	731
	<hr/>
	51,925
	<hr/>

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

	2009
	£
Amounts owed by group undertakings	1,000
	<hr/>

8 Creditors: amounts falling due within one year	2009
	£
Trade creditors	780
Amounts owed to parent and fellow subsidiary undertakings	349,424
Other creditors	160,000
Accruals and deferred income	9,300
	<hr/>
	519,504
	<hr/>

9 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.

	2009
	£
Contributions payable by the company for the period	2,005
	<hr/>

REFLEX INSTRUMENTS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2009

10 Share capital	2009
	£
Authorised	
1,000 Ordinary shares of £1 each	1,000

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

The company issued 1,000 £1 ordinary shares on 28 April 2008 for the sum of £1,000.

11 Statement of movements on profit and loss account	Profit and loss account £
Loss for the period	(94,019)

12 Reconciliation of movements in shareholders' funds	2009 £
Loss for the financial period	(94,019)
Shares issued	1,000
Net depletion in shareholders' funds	(93,019)
Opening shareholders' funds	-
Closing shareholders' funds	(93,019)

REFLEX INSTRUMENTS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2009

13 Employees

Number of employees

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

	2009 Number
Sales	1
Administration	1
	<hr/> 2

Employment costs

	2009 £
Wages and salaries	67,553
Social security costs	7,360
Other pension costs	2,005
	<hr/> 76,918

14 Control

The company is ultimately controlled by Index 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 Index Limited, Level 1, 15 Rheola Street, West Perth 6005, Western Australia.

15 Related party 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.