

Company Registration No. 06578405 (England and Wales)

**REFLEX INSTRUMENTS EUROPE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

# REFLEX INSTRUMENTS EUROPE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr P E House Mr P Evans	(Appointed 6 April 2020)
<b>Secretary</b>	Ms R Diggle	
<b>Company number</b>	06578405	
<b>Registered office</b>	Unit 4 & 5 Upper Stalls Iford Lewes East Sussex BN7 3EJ	
<b>Auditor</b>	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU	
<b>Business address</b>	Unit 4 & 5 Upper Stalls Iford Lewes East Sussex BN7 3EJ	

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# REFLEX INSTRUMENTS EUROPE LIMITED

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# REFLEX INSTRUMENTS EUROPE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present their annual report and financial statements for the year ended 30 June 2020.

### Principal activities

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

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B W Ridgeway	(Resigned 6 April 2020)
K A Dundo	(Resigned 6 April 2020)
Mr P E House	
Mr P Evans	(Appointed 6 April 2020)

### Results and dividends

The results for the year are set out on page 6.

Despite the impact of Covid19 on the wider economy, the impact on our own activities was shortlived with a minor reduction in turnover in the early part of the initial lockdown phase in Spring of 2020. Since that time we have continued to see strong demand and anticipate that our revenue for 2021 will continue to grow.

Ordinary dividends were paid amounting to £240,806. The directors do not recommend payment of a further dividend.

### Future developments

In the next financial year the company will continue to grow the business.

### Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor 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

Mr P E House  
**Director**

8 June 2021

# **REFLEX INSTRUMENTS EUROPE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2020***

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The directors are responsible for preparing the annual 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.

# REFLEX INSTRUMENTS EUROPE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF REFLEX INSTRUMENTS EUROPE LIMITED

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#### Opinion

We have audited the financial statements of Reflex Instruments Europe Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **REFLEX INSTRUMENTS EUROPE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF REFLEX INSTRUMENTS EUROPE LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **REFLEX INSTRUMENTS EUROPE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF REFLEX INSTRUMENTS EUROPE LIMITED**

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##### **Use of our report**

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 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.

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

9 June 2021

**Chartered Accountants**  
**Statutory Auditor**

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU



## REFLEX INSTRUMENTS EUROPE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	4,496,886	3,920,649
Cost of sales		(1,924,534)	(1,772,202)
<b>Gross profit</b>		<b>2,572,352</b>	<b>2,148,447</b>
Administrative expenses		(1,137,030)	(841,155)
<b>Operating profit</b>	4	<b>1,435,322</b>	<b>1,307,292</b>
Interest receivable and similar income	8	375	313
Interest payable and similar expenses	9	(3,385)	-
<b>Profit before taxation</b>		<b>1,432,312</b>	<b>1,307,605</b>
Tax on profit	10	(270,202)	(145,904)
<b>Profit for the financial year</b>		<b>1,162,110</b>	<b>1,161,701</b>

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

# REFLEX INSTRUMENTS EUROPE LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12		2,415,372		1,132,963
<b>Current assets</b>					
Stocks	13	503,013		359,558	
Debtors	14	1,422,758		948,871	
Cash at bank and in hand		134,416		181,800	
		<u>2,060,187</u>		<u>1,490,229</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,414,215)</u>		<u>(507,467)</u>	
<b>Net current assets</b>			645,972		982,762
<b>Total assets less current liabilities</b>			<u>3,061,344</u>		<u>2,115,725</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(24,864)		-
<b>Net assets</b>			<u>3,036,480</u>		<u>2,115,725</u>
<b>Capital and reserves</b>					
Called up share capital	20		1,000		1,000
Profit and loss reserves	21		3,035,480		2,114,725
<b>Total equity</b>			<u>3,036,480</u>		<u>2,115,725</u>

The financial statements were approved by the board of directors and authorised for issue on 8 June 2021 and are signed on its behalf by:

Mr P E House  
Director

Company Registration No. 06578405

# REFLEX INSTRUMENTS EUROPE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

		Share capital	Profit and loss reserves	Total
		£	£	£
<b>Balance at 1 July 2018</b>		1,000	2,778,396	2,779,396
<b>Year ended 30 June 2019:</b>				
Profit and total comprehensive income for the year		-	1,161,701	1,161,701
Dividends	<b>11</b>	-	(1,825,372)	(1,825,372)
<b>Balance at 30 June 2019</b>		1,000	2,114,725	2,115,725
<b>Year ended 30 June 2020:</b>				
Profit and total comprehensive income for the year		-	1,162,110	1,162,110
Dividends	<b>11</b>	-	(240,806)	(240,806)
Impact of lease capitalisation - see note 12		-	(549)	(549)
<b>Balance at 30 June 2020</b>		1,000	3,035,480	3,036,480

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2020**

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### **1 Accounting policies**

#### **Company information**

Reflex Instruments Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 4 & 5, Upper Stalls, Iford, Lewes, East Sussex, BN7 3EJ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Imdex Limited, a company incorporated in Australia. These consolidated financial statements are available from its office, 2016 Balcatta Road, Balcatta, Western Australia 6021.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the directors have taken in to account the impact of Covid 19 on the company's activities and finances. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits 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

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	1 - 3 years straight line
Fixtures, fittings & equipment	3 - 5 years straight line
Motor vehicles	5 years straight line
Right of use assets	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The company has departed from the requirements of FRS 102 in respect of lease transactions in order to recognise leases inline with group policies.

At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right of use (ROU) asset and a corresponding lease liability at the date at which the leased asset is available for use by the company.

At the lease commencement date a ROU asset is measured at cost comprising the following: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs to return the asset to its original condition.

The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If ownership of the ROU asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities are initially measured at their present value, which includes the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that are based on an index or a rate; amounts expected to be payable by the company under residual value guarantees; the exercise price of a purchase option if the company is reasonably certain to exercise that option; payments of penalties for terminating the lease, if the lease term reflects the company exercising that option; and payments to be made under reasonably certain extension options.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the company's incremental borrowing rate is used.

Each lease payment is allocated between the principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest in the remaining balance of the lease liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Depreciation

The company exercises judgement to determine useful lives and residual values of plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Rental sales	3,391,560	2,796,557
Parts and other sales	1,105,326	1,124,092
	<u>4,496,886</u>	<u>3,920,649</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	375	313
	<u>375</u>	<u>313</u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
UK	168,856	420,307
Rest of the world	4,328,030	3,500,342
	<u>4,496,886</u>	<u>3,920,649</u>

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	3,717	(3,214)
Research and development costs	89,681	40,358
Fees payable to the company's auditor for the audit of the company's financial statements	7,200	7,000
Depreciation of owned tangible fixed assets	980,701	847,245
Loss on disposal of tangible fixed assets	14,755	37,172
Operating lease charges	2,800	35,178
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	7,200	7,000
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Staff	10	11
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	362,861	502,091
Social security costs	95,963	80,626
Pension costs	14,977	9,291
	<u>          </u>	<u>          </u>
	473,801	592,008
	<u>          </u>	<u>          </u>

### 7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	-	208,035
	<u>          </u>	<u>          </u>

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 7 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	n/a	208,035

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

### 8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Other interest income	375	313

### 9 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	3,385	-

### 10 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	152,038	209,812
Adjustments in respect of prior periods	(12,624)	(61,987)
Total current tax	139,414	147,825
<b>Deferred tax</b>		
Origination and reversal of timing differences	130,788	(1,921)
Total tax charge	270,202	145,904

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,432,312	1,307,605
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	272,139	248,445
Tax effect of expenses that are not deductible in determining taxable profit	55	1,301
Gains not taxable	2,803	-
Adjustments in respect of prior years	12,753	(61,987)
Permanent capital allowances in excess of depreciation	(133,245)	7,256
Research and development tax credit	(10,586)	(41,009)
Pensions	30	(6,181)
Deferred tax	130,788	(1,921)
Withholding tax	(4,535)	-
Taxation charge for the year	270,202	145,904

### 11 Dividends

	2020 £	2019 £
Final paid	240,806	1,825,372

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 12 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Right of use assets £	Total £
<b>Cost</b>					
At 1 July 2019	6,421,313	55,423	25,282	92,707	6,594,725
Additions	2,311,010	5,392	-	4,915	2,321,317
Disposals	(455,315)	(1,898)	-	(3,992)	(461,205)
At 30 June 2020	8,277,008	58,917	25,282	93,630	8,454,837
<b>Depreciation and impairment</b>					
At 1 July 2019	5,299,382	47,801	21,872	-	5,369,055
Depreciation charged in the year	936,576	4,463	3,410	36,252	980,701
Eliminated in respect of disposals	(304,401)	(1,898)	-	(3,992)	(310,291)
At 30 June 2020	5,931,557	50,366	25,282	32,260	6,039,465
<b>Carrying amount</b>					
At 30 June 2020	2,345,451	8,551	-	61,370	2,415,372
At 30 June 2019	1,121,931	7,622	3,410	-	1,132,963

As disclosed in note 1.14 the company has departed from FRS 102 in regard to lease recognition in line with the rest of the group. The leases capitalised under that accounting standard are shown as right of use assets above.

### 13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	503,013	359,558

### 14 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	950,587	574,490
Corporation tax recoverable	89,536	-
Other debtors	279,663	134,756
Prepayments and accrued income	26,823	32,688
	1,346,609	741,934

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

14 Debtors		(Continued)	
		2020 £	2019 £
Amounts falling due after more than one year:			
Deferred tax asset (note 18)		76,149	206,937
		<u>76,149</u>	<u>206,937</u>
<b>Total debtors</b>		<b>1,422,758</b>	<b>948,871</b>
		<u>1,422,758</u>	<u>948,871</u>
15 Creditors: amounts falling due within one year			
	Notes	2020 £	2019 £
Obligations under finance leases	17	38,053	-
Trade creditors		158,957	90,426
Amounts owed to group undertakings		999,331	263,617
Corporation tax		-	50,415
Other taxation and social security		13,495	23,982
Other creditors		183,314	3,933
Accruals and deferred income		21,065	75,094
		<u>1,414,215</u>	<u>507,467</u>
		<u>1,414,215</u>	<u>507,467</u>
16 Creditors: amounts falling due after more than one year			
	Notes	2020 £	2019 £
Obligations under finance leases	17	24,864	-
		<u>24,864</u>	<u>-</u>
		<u>24,864</u>	<u>-</u>
17 Finance lease obligations			
		2020 £	2019 £
Future minimum lease payments due under finance leases:			
Within one year		38,053	-
In two to five years		24,864	-
		<u>62,917</u>	<u>-</u>
		<u>62,917</u>	<u>-</u>

As disclosed in accounting policy note 1.14 the company has departed from FRS 102 in regard to lease recognition in line with the rest of the group. The leases capitalised under this accounting standard are shown as right of use assets above. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# REFLEX INSTRUMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
<b>Balances:</b>		
Decelerated capital allowances	76,149	206,937
	<u>76,149</u>	<u>206,937</u>
<b>Movements in the year:</b>		2020 £
(Asset)/liability at 1 July 2019		(206,937)
Charge to profit or loss		130,788
		<u>130,788</u>
(Asset)/liability at 30 June 2020		(76,149)
		<u>(76,149)</u>

### 19 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	14,977	9,291
	<u>14,977</u>	<u>9,291</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

### 21 Reserves

#### Profit and loss reserves

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.



## REFLEX INSTRUMENTS EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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#### 22 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	-	38,053
Between two and five years	-	69,000
	<hr/>	<hr/>
	-	107,053
	<hr/>	<hr/>

As disclosed in note 1.14 the company has departed from FRS 102 in regard of lease recognition in line with the rest of the group. Consequently, the commitments under leases at the balance sheet date are shown in note 17.

#### 23 Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 33 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

#### 24 Ultimate controlling party

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, 216 Balcatta Road, Balcatta, Western Australia 6021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.