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# Directors' report and financial statements

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## **Reflex 2016 Limited**

For the year ended: 31 December 2019

Company registration number: 10245274



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**REFLEX 2016 LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	W Jepps A Brymer M Atkinson
<b>Registered number</b>	10245274
<b>Registered office</b>	1 Bennet Court Bennet Road Reading Berkshire RG2 0QZ
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Pennant House 1-2 Napier Court Reading RG1 8BW

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**REFLEX 2016 LIMITED**

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**REFLEX 2016 LIMITED**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Business review**

A focus on efficiency and improving working practices during 2019 led to a significant improvement in gross profit and overall a highly satisfactory performance during the year.

**Principal risks and uncertainties**

The principle risk facing the Company continues to be the dependency on one market and the seasonal pressures that this brings. The Company has made progress with its diversification plans which will be ongoing.

The consequences of the UK's exit from the European Union are not thought to be likely to have a major impact on the business.

**Financial key performance indicators**

As indicated above gross margins were significantly above 2018 and will be a continued focus of the Company.

Stock and debtor turnover continue to be in line with the Company's high expectations.

**Other key performance indicators**

The Company monitors customer satisfaction which continues to be at a high level. Staff levels increased in line with development plans.

**Post balance sheet events**

At the time of writing the impacts of the Covid-19 virus outbreak are unquantifiable but are likely to have a significant impact on the Company and its staff.

This report was approved by the board and signed on its behalf.

  
**W Jepps**  
Director

Date: 27-03-2020

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## **REFLEX 2016 LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £132,228 (2018 - loss £219,776).

#### **Directors**

The directors who served during the year were:

W Jepps  
A Brymer  
M Atkinson

#### **Future developments**

Details of future developments can be found in the strategic report.

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**REFLEX 2016 LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

Details of post balance sheet events can be found in the strategic report.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**W Jepps**  
Director

Date: 27-03-2020

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**REFLEX 2016 LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFLEX 2016 LIMITED**

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**Opinion**

We have audited the financial statements of Reflex 2016 Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 Auditors' 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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFLEX 2016 LIMITED (CONTINUED)**

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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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



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REFLEX 2016 LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFLEX 2016 LIMITED (CONTINUED)

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**Auditors' 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

*MHA MacIntyre Hudson*

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Pennant House  
1-2 Napier Court  
Reading  
RG1 8BW

Date: *30 March 2020*

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**REFLEX 2016 LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 £
Turnover	4	14,352,590	14,049,662
Cost of sales		(11,441,095)	(11,678,117)
<b>Gross profit</b>		<b>2,911,495</b>	<b>2,371,545</b>
Administrative expenses		(2,642,190)	(2,521,106)
<b>Operating profit/(loss)</b>	5	<b>269,305</b>	<b>(149,561)</b>
Interest payable and expenses	9	(27,857)	(42,979)
<b>Profit/(loss) before taxation</b>		<b>241,448</b>	<b>(192,540)</b>
Tax on profit/(loss)	10	(109,220)	(27,236)
<b>Profit/(loss) for the financial year</b>		<b>132,228</b>	<b>(219,776)</b>
<b>Total comprehensive income for the year</b>		<b>132,228</b>	<b>(219,776)</b>
Owners of the parent Company		132,228	(219,776)

The notes on pages 16 to 33 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	11	2,080,064	2,401,090
Tangible assets	12	109,788	109,306
		<u>2,189,852</u>	<u>2,510,396</u>
<b>Current assets</b>			
Stocks	14	872,714	663,011
Debtors: amounts falling due within one year	15	1,654,653	1,950,149
Cash at bank and in hand	16	254,515	353,685
		<u>2,781,882</u>	<u>2,966,845</u>
Creditors: amounts falling due within one year	17	<u>(2,902,160)</u>	<u>(3,339,488)</u>
<b>Net current liabilities</b>		<u>(120,278)</u>	<u>(372,643)</u>
<b>Total assets less current liabilities</b>		<u>2,069,574</u>	<u>2,137,753</u>
Creditors: amounts falling due after more than one year	18	(186,412)	(386,412)
<b>Provisions for liabilities</b>			
Deferred taxation	20	<u>(12,773)</u>	<u>(13,180)</u>
		<u>(12,773)</u>	<u>(13,180)</u>
<b>Net assets</b>		<u>1,870,389</u>	<u>1,738,161</u>
<b>Capital and reserves</b>			
Called up share capital	21	427,262	427,262
Share premium account		1,386,322	1,386,322
Profit and loss account		56,805	(75,423)
<b>Equity attributable to owners of the parent Company</b>		<u>1,870,389</u>	<u>1,738,161</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
W Jepps  
Director

Date: 27-03-2020

The notes on pages 16 to 33 form part of these financial statements.

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	13	3,124,361	3,124,361
		<u>3,124,361</u>	<u>3,124,361</u>
<b>Current assets</b>			
Cash at bank and in hand	16	75	109
		<u>75</u>	<u>109</u>
Creditors: amounts falling due within one year	17	(1,124,440)	(924,474)
<b>Net current liabilities</b>		<u>(1,124,365)</u>	<u>(924,365)</u>
<b>Total assets less current liabilities</b>		<u>1,999,996</u>	<u>2,199,996</u>
Creditors: amounts falling due after more than one year	18	(186,412)	(386,412)
<b>Net assets excluding pension asset</b>		<u>1,813,584</u>	<u>1,813,584</u>
<b>Net assets</b>		<u>1,813,584</u>	<u>1,813,584</u>
<b>Capital and reserves</b>			
Called up share capital	21	427,262	427,262
Share premium account		1,386,322	1,386,322
		<u>1,813,584</u>	<u>1,813,584</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
W. Jepps  
Director

Date: 27-03-2020

The notes on pages 16 to 33 form part of these financial statements.

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**REFLEX 2016 LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	427,262	1,386,322	(75,423)	1,738,161
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	132,228	132,228
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	132,228	132,228
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2019</b>	<b>427,262</b>	<b>1,386,322</b>	<b>56,805</b>	<b>1,870,389</b>

The notes on pages 16 to 33 form part of these financial statements.

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**REFLEX 2016 LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	427,262	1,386,322	144,353	1,957,937
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(219,776)	(219,776)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(219,776)	(219,776)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2018</b>	<b>427,262</b>	<b>1,386,322</b>	<b>(75,423)</b>	<b>1,738,161</b>

The notes on pages 16 to 33 form part of these financial statements.

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**REFLEX 2016 LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	<b>427,262</b>	<b>1,386,322</b>	<b>1,813,584</b>
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 December 2019	<b>427,262</b>	<b>1,386,322</b>	<b>1,813,584</b>

The notes on pages 16 to 33 form part of these financial statements.

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**REFLEX 2016 LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2018	<b>427,262</b>	<b>1,386,322</b>	<b>1,813,584</b>
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 December 2018	<b>427,262</b>	<b>1,386,322</b>	<b>1,813,584</b>

The notes on pages 16 to 33 form part of these financial statements.



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**REFLEX 2016 LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	132,228	(219,776)
<b>Adjustments for:</b>		
Amortisation of intangible assets	321,026	323,668
Depreciation of tangible assets	57,346	61,473
Loss on disposal of tangible assets	781	239
Interest paid	27,857	42,979
Taxation charge	109,220	27,236
(Increase) in stocks	(209,703)	(111,292)
Decrease in debtors	295,496	674,667
(Decrease) in creditors	(720,048)	(607,656)
Corporation tax (paid)	(26,907)	(85,588)
<b>Net cash generated from operating activities</b>	<b>(12,704)</b>	<b>105,950</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(58,609)	(65,445)
<b>Net cash from investing activities</b>	<b>(58,609)</b>	<b>(65,445)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(27,857)	(42,979)
<b>Net cash used in financing activities</b>	<b>(27,857)</b>	<b>(42,979)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(99,170)</b>	<b>(2,474)</b>
Cash and cash equivalents at beginning of year	353,685	356,159
<b>Cash and cash equivalents at the end of year</b>	<b>254,515</b>	<b>353,685</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	254,515	353,685
	<b>254,515</b>	<b>353,685</b>

The notes on pages 16 to 33 form part of these financial statements.

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**REFLEX 2016 LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	353,685	(99,170)	254,515
	<u>353,685</u>	<u>(99,170)</u>	<u>254,515</u>

The notes on pages 16 to 33 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

Reflex 2016 Limited ('the Company') is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is disclosed on the Company information page.

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

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

*Revenue from the sale of goods is recognised when all of the following conditions are satisfied:*

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- 4 years
Plant and machinery	- 2 to 4 years
Fixtures and fittings	- 7 years
Office equipment	- 3 to 7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.10 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.13 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.14 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.15 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The directors are of the opinion that there are no critical accounting judgements or key sources of estimation uncertainty when applying the company's accounting policies.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
United Kingdom	14,352,590	14,049,662
	<u>14,352,590</u>	<u>14,049,662</u>

All turnover arose within the United Kingdom.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	57,346	61,473
Amortisation of intangible assets, including goodwill	321,026	323,668
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	13,400	12,250
Exchange differences	2,739	3,204
Other operating lease rentals	143,388	144,705
Defined contribution pension cost	105,193	97,875

**6. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	8,200	8,000
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Audit-related assurance services	2,000	2,100
Taxation compliance services	2,750	2,500
	4,750	4,600

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Wages and salaries	<b>2,523,229</b>	2,385,339	-	-
Social security costs	<b>302,829</b>	279,869	-	-
Cost of defined contribution scheme	<b>105,193</b>	97,875	-	-
	<b><u>2,931,251</u></b>	<u>2,763,083</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2019 No.</b>	<b>2018 No.</b>
Administrative staff	<b>28</b>	29
Installation staff	<b>24</b>	22
Sales staff	<b>4</b>	6
	<b><u>56</u></b>	<u>57</u>

**8. Directors' remuneration**

	<b>2019 £</b>	<b>2018 £</b>
Directors' emoluments	<b>218,700</b>	218,578
Company contributions to defined contribution pension schemes	<b>10,328</b>	10,328
	<b><u>229,028</u></b>	<u>228,906</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £131,578 (2018 - £131,578).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,578 (2018 - £6,578).

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. Interest payable and similar expenses**

	2019 £	2018 £
Bank interest payable	10,406	13,539
Other loan interest payable	17,451	29,440
	<u>27,857</u>	<u>42,979</u>

**10. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	110,010	27,290
Adjustments in respect of previous periods	(383)	143
	<u>109,627</u>	<u>27,433</u>
<b>Total current tax</b>	<u>109,627</u>	<u>27,433</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(407)	(197)
<b>Total deferred tax</b>	<u>(407)</u>	<u>(197)</u>
<b>Taxation on profit on ordinary activities</b>	<u>109,220</u>	<u>27,236</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>241,448</u>	<u>(192,540)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	45,875	(36,583)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	63,680	64,483
Change in tax rate	-	(743)
Adjustments to tax charge in respect of prior periods	(383)	143
Deferred tax liability recognised at lower rate	<u>48</u>	<u>(64)</u>
<b>Total tax charge for the year</b>	<u><u>109,220</u></u>	<u><u>27,236</u></u>

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**11. Intangible assets****Group and Company**

	<b>Customer relationships £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2019	<b>424,000</b>	<b>2,786,261</b>	<b>3,210,261</b>
At 31 December 2019	<b>424,000</b>	<b>2,786,261</b>	<b>3,210,261</b>
<b>Amortisation</b>			
At 1 January 2019	<b>106,000</b>	<b>703,171</b>	<b>809,171</b>
Charge for the year	<b>42,400</b>	<b>278,626</b>	<b>321,026</b>
At 31 December 2019	<b>148,400</b>	<b>981,797</b>	<b>1,130,197</b>
<b>Net book value</b>			
At 31 December 2019	<b>275,600</b>	<b>1,804,464</b>	<b>2,080,064</b>
At 31 December 2018	<b>318,000</b>	<b>2,083,090</b>	<b>2,401,090</b>

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NOTES TO THE FINANCIAL STATEMENTS  
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## 12. Tangible fixed assets

## Group

	Leasehold improve- ments £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2019	248,983	77,380	77,123	247,067	650,553
Additions	-	18,866	-	39,743	58,609
Disposals	-	(2,849)	-	(33,212)	(36,061)
At 31 December 2019	<u>248,983</u>	<u>93,397</u>	<u>77,123</u>	<u>253,598</u>	<u>673,101</u>
<b>Depreciation</b>					
At 1 January 2019	191,779	72,414	69,300	207,754	541,247
Charge for the year on owned assets	33,494	7,025	1,737	15,090	57,346
Disposals	-	(2,068)	-	(33,212)	(35,280)
At 31 December 2019	<u>225,273</u>	<u>77,371</u>	<u>71,037</u>	<u>189,632</u>	<u>563,313</u>
<b>Net book value</b>					
At 31 December 2019	<u>23,710</u>	<u>16,026</u>	<u>6,086</u>	<u>63,966</u>	<u>109,788</u>
At 31 December 2018	<u>57,204</u>	<u>4,966</u>	<u>7,823</u>	<u>39,313</u>	<u>109,306</u>

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. Fixed asset investments****Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2019	3,124,361
At 31 December 2019	<u>3,124,361</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Reflex 2005 Limited	Bennet Court, Bennet Rd, Reading	Ordinary	100%
Reflex Audio Visual Limited	Bennet Court, Bennet Rd, Reading	Ordinary	100%
Reflex Limited	Bennet Court, Bennet Rd, Reading	Ordinary	100%
Classroom Displays Limited	Bennet Court, Bennet Rd, Reading	Ordinary	100%
Reflex Care Limited	Bennet Court, Bennet Rd, Reading	Ordinary	100%
Reflex Home Limited	Bennet Court, Bennet Rd, Reading	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Reflex 2005 Limited	749,214	17,634
Reflex Audio Visual Limited	135,155	17,634
Reflex Limited	5,206,599	470,888
Classroom Displays Limited	1	-
Reflex Care Limited	2	-
Reflex Home Limited	(90,769)	-

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**14. Stocks**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Finished goods and goods for resale	<b>872,714</b>	663,011
	<b>872,714</b>	<b>663,011</b>

**15. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Trade debtors	<b>1,342,120</b>	1,461,060
Other debtors	<b>38,481</b>	39,339
Prepayments and accrued income	<b>274,052</b>	449,750
	<b>1,654,653</b>	<b>1,950,149</b>

**16. Cash and cash equivalents**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Cash at bank and in hand	<b>254,515</b>	353,685	<b>77</b>	109
	<b>254,515</b>	<b>353,685</b>	<b>77</b>	<b>109</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Trade creditors	<b>1,444,294</b>	1,378,932	-	-
Amounts owed to group undertakings	-	-	<b>924,440</b>	724,474
Corporation tax	<b>110,010</b>	27,290	-	-
Other taxation and social security	<b>455,778</b>	607,354	-	-
Other creditors	<b>283,708</b>	739,522	<b>200,000</b>	200,000
Accruals and deferred income	<b>608,370</b>	586,390	-	-
	<b><u>2,902,160</u></b>	<b><u>3,339,488</u></b>	<b><u>1,124,440</u></b>	<b><u>924,474</u></b>

Included within other creditors is £5,705 (2018 - £434,406) due to an invoice discounting company.

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Other creditors	<b>186,412</b>	386,412	<b>186,412</b>	386,412
	<b><u>186,412</u></b>	<b><u>386,412</u></b>	<b><u>186,412</u></b>	<b><u>386,412</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**19. Financial instruments**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Financial assets</b>				
Financial assets measured at face value through profit or loss	<b>254,515</b>	353,685	<b>77</b>	109
Financial assets that are debt instruments measured at amortised cost	<b>1,380,601</b>	1,696,992	-	-
	<b>1,635,116</b>	2,050,677	<b>77</b>	109
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(2,454,852)</b>	(2,706,277)	<b>(1,310,852)</b>	(1,310,885)

Financial assets measured at face value through profit or loss comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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**20. Deferred taxation****Group**

	2019 £
At beginning of year	(13,180)
Charged to profit or loss	407
<b>At end of year</b>	<b>(12,773)</b>

  

	Group 2019 £	Group 2018 £
Accelerated capital allowances	(12,773)	(13,180)
	<b>12,773</b>	<b>13,180</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**21. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
377,951 (2018 - 377,951) Ordinary shares of £1.000 each	377,951	377,951
49,266 (2018 - 49,266) A shares of £1.000 each	49,266	49,266
45,450 (2018 - 45,450) B shares of £0.001 each	45	45
	<u>427,262</u>	<u>427,262</u>

**22. Commitments under operating leases**

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	241,593	215,008
Later than 1 year and not later than 5 years	171,228	436,386
	<u>412,821</u>	<u>651,394</u>

**23. Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102, Section 33 Related Party Disclosures.

**24. Key Management Personnel**

The total remuneration for key management personnel for the year totalled £444,001 (2018 - £405,493).

**25. Controlling party**

The company was under the control of the directors throughout the current period by virtue of their majority shareholding.