

financial statements group

Reflex 2016 Limited

For the year ended: 31 December 2017

Company registration number: 10245274

SATURDAY



A71WZ9PM

A16

17/03/2018

#222

COMPANIES HOUSE



MHA MacIntyre Hudson

GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

REFLEX 2016 LIMITED

COMPANY INFORMATION

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

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10 - 11
Company Statement of Changes in Equity	12 - 13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 - 32

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Business review

2017 saw significant increases in both profit and turnover as the Company implemented its new 5 year plan.

The Company continues to invest in people to enable the expansion of the business and at the end of the year took on additional premises to facilitate the same.

The plans for 2018 and beyond envisage a continued growth in turnover, though profit growth is likely to lag given the ongoing investment plans.

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.

Financial key performance indicators

Overall gross margins were in line with 2016 despite supplier increases due to the change in exchange rates.

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.

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



W Jepps
Director

Date: 14 March 2018

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

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 loss for the year, after taxation, amounted to £17,859 (2016 - profit £162,212).

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 on page 1.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

There have been no significant events affecting the Group since the year end.

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: 14 March 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REFLEX 2016 LIMITED

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 2017, 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 2017 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 SHAREHOLDERS OF REFLEX 2016 LIMITED
(CONTINUED)**

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.

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

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. This description forms part of our Auditors' Report.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

Jason Mitchell (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:

14 March 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017	6 months ended 31 December 2016
	Note	£	£
Turnover	4	14,787,436	7,946,697
Cost of sales		(12,196,906)	(6,521,854)
Gross profit		2,590,530	1,424,843
Administrative expenses		(2,483,917)	(1,143,191)
Operating profit	5	106,613	281,652
Interest payable and expenses	9	(47,989)	(36,784)
Profit before taxation		58,624	244,868
Tax on profit	10	(76,483)	(82,656)
(Loss)/profit for the financial year		(17,859)	162,212
 Total comprehensive income for the year		 (17,859)	 162,212
 Owners of the parent Company		 (17,859)	 162,212

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	2,724,758	3,074,853
Tangible assets	12	105,573	157,394
		<u>2,830,331</u>	<u>3,232,247</u>
Current assets			
Stocks	15	551,719	409,351
Debtors: amounts falling due within one year	16	2,634,064	2,223,518
Cash at bank and in hand	17	356,159	169,071
		<u>3,541,942</u>	<u>2,801,940</u>
Creditors: amounts falling due within one year	18	(3,814,547)	(3,153,362)
Net current liabilities		<u>(272,605)</u>	<u>(351,422)</u>
Total assets less current liabilities		<u>2,557,726</u>	<u>2,880,825</u>
Creditors: amounts falling due after more than one year	19	(586,412)	(882,693)
Provisions for liabilities			
Deferred taxation	21	(13,377)	(22,336)
		<u>(13,377)</u>	<u>(22,336)</u>
Net assets		<u>1,957,937</u>	<u>1,975,796</u>
Capital and reserves			
Called up share capital	22	427,262	427,262
Share premium account		1,386,322	1,386,322
Profit and loss account		144,353	162,212
Equity attributable to owners of the parent Company		<u>1,957,937</u>	<u>1,975,796</u>

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


A Brymer
Director

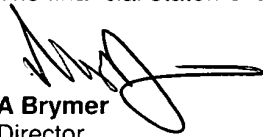
Date: 14/3/2018

The notes on pages 15 to 32 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	13	3,124,361	3,120,861
		<u>3,124,361</u>	<u>3,120,861</u>
Current assets			
Cash at bank and in hand	17	110	107
		<u>110</u>	<u>107</u>
Creditors: amounts falling due within one year	18	(724,475)	(520,979)
		<u>(724,475)</u>	<u>(520,979)</u>
Net current liabilities		<u>(724,365)</u>	<u>(520,872)</u>
Total assets less current liabilities		<u>2,399,996</u>	<u>2,599,989</u>
Creditors: amounts falling due after more than one year	19	(586,412)	(786,405)
		<u>(586,412)</u>	<u>(786,405)</u>
Net assets excluding pension asset		<u>1,813,584</u>	<u>1,813,584</u>
Net assets		<u>1,813,584</u>	<u>1,813,584</u>
Capital and reserves			
Called up share capital	22	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:


A Brymer
Director

Date: 14-3-2018

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	427,262	1,386,322	162,212	1,975,796
Comprehensive income for the year				
Loss for the year	-	-	(17,859)	(17,859)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(17,859)	(17,859)
Total transactions with owners	-	-	-	-
At 31 December 2017	427,262	1,386,322	144,353	1,957,937

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
Comprehensive income for the period				
Profit for the period	-	-	162,212	162,212
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	162,212	162,212
Shares issued during the period	427,262	1,386,322	-	1,813,584
Total transactions with owners	427,262	1,386,322	-	1,813,584
At 31 December 2016	427,262	1,386,322	162,212	1,975,796

The notes on pages 15 to 32 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2017	427,262	1,386,322	1,813,584
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 December 2017	427,262	1,386,322	1,813,584

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Share premium account £	Total equity £
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	-	-
Contributions by and distributions to owners			
Shares issued during the period	427,262	1,386,322	1,813,584
Total transactions with owners	427,262	1,386,322	1,813,584
At 31 December 2016	427,262	1,386,322	1,813,584

The notes on pages 15 to 32 form part of these financial statements.

REFLEX 2016 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	(17,859)	162,212
Adjustments for:		
Amortisation of intangible assets	323,669	161,834
Depreciation of tangible assets	72,812	42,193
Loss on disposal of tangible assets	44	287
Interest paid	47,989	36,784
Taxation charge	76,483	82,659
(Increase)/decrease in stocks	(142,368)	313,759
(Increase) in debtors	(222,415)	(674,380)
Increase in creditors	162,790	936,700
Corporation tax (paid)/received	(41,531)	-
Net cash generated from operating activities	259,614	1,062,048
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,037)	(6,658)
Purchase of subsidiary	(3,500)	(320,970)
Cash acquired with business	-	457,842
Net cash from investing activities	(24,537)	130,214
Cash flows from financing activities		
Interest paid	(47,989)	(36,784)
Deferred consideration	-	(986,407)
Net cash used in financing activities	(47,989)	(1,023,191)
Net increase in cash and cash equivalents	187,088	169,071
Cash and cash equivalents at beginning of year	169,071	-
Cash and cash equivalents at the end of year	356,159	169,071
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	356,159	169,071
	356,159	169,071

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

A reclassification of cost of sales and administrative expenses has been applied to the current and prior period figures. There has been no adjustment to profit and loss.

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 2017**

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 2017**

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.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

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 2017**

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 non-puttable 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
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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 FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	2017 £	6 months ended 31 December 2016 £
United Kingdom	14,787,436	7,946,697
	<u>14,787,436</u>	<u>7,946,697</u>

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5. Operating profit

The operating profit is stated after charging:

	2017	6 months ended 31 December 2016
	£	£
Depreciation of tangible fixed assets	72,812	51,248
Amortisation of intangible assets, including goodwill	323,669	161,834
Exchange differences	1,762	668
Defined contribution pension cost	92,416	61,402
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	7,750	7,500
	<u> </u>	<u> </u>
Fees payable to the Group's auditor and its associates in respect of:		
Audit-related assurance services	1,600	2,050
Taxation compliance services	2,900	2,850
	<u> </u>	<u> </u>
	4,500	4,900
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Employees

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	2,318,477	1,631,753	-	-
Social security costs	275,909	194,265	-	-
Cost of defined contribution scheme	92,416	61,402	-	-
	<u>2,686,802</u>	<u>1,887,420</u>	<u>-</u>	<u>-</u>

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

	2017 No.	2016 No.
Administrative staff	27	27
Installation staff	21	16
Sales staff	6	9
	<u>54</u>	<u>52</u>

8. Directors' remuneration

	2017 £	6 months ended 2016 £
Directors' emoluments	313,770	105,924
Company contributions to defined contribution pension schemes	14,237	5,621
	<u>328,007</u>	<u>111,545</u>

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £131,577 (2016 - £65,780).

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 (2016 - £3,289).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Interest payable and similar charges

	2017 £	6 months ended 31 December 2016 £
Bank interest payable	9,733	4,187
Other loan interest payable	38,256	32,597
	<u>47,989</u>	<u>36,784</u>

10. Taxation

	2017 £	6 months ended 31 December 2016 £
Corporation tax		
Current tax on profits for the year	85,442	71,457
	<u>85,442</u>	<u>71,457</u>
Total current tax	<u>85,442</u>	<u>71,457</u>
Deferred tax		
Origination and reversal of timing differences	(8,959)	12,313
Changes to tax rates	-	(1,114)
Total deferred tax	<u>(8,959)</u>	<u>11,199</u>
Taxation on profit on ordinary activities	<u>76,483</u>	<u>82,656</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**
10. Taxation (continued)
Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>58,624</u>	<u>244,868</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	11,285	81,339
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	64,592	3,798
Other tax charge (relief) on exceptional items	(16)	-
Adjustment in tax rate	-	(1,113)
Deferred tax liability recognised at lower rate	622	(1,368)
Total tax charge for the year/period	<u>76,483</u>	<u>82,656</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**
11. Intangible assets
Group and Company

	Customer relationships £	Goodwill £	Total £
Cost			
At 1 January 2017	424,000	2,812,687	3,236,687
Additions	-	3,500	3,500
Adjustment	-	(29,926)	(29,926)
At 31 December 2017	424,000	2,786,261	3,210,261
Amortisation			
At 1 January 2017	21,200	140,634	161,834
Charge for the year	42,400	281,269	323,669
At 31 December 2017	63,600	421,903	485,503
Net book value			
At 31 December 2017	360,400	2,364,358	2,724,758
At 31 December 2016	402,800	2,672,053	3,074,853

On 30 June 2016 the company acquired the assets and liabilities from Reflex 2005 Limited. In accordance with section 19.19 of Financial Reporting Standard 102, the company has retrospectively adjusted amounts recognised as assets to reflect new information obtained, disclosed above as the addition and disposal.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Tangible fixed assets

Group

	Leasehold improve- ments £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2017	223,518	96,029	70,627	248,150	638,324
Additions	5,824	8,166	2,325	4,722	21,037
Disposals	-	(14,653)	-	(12,553)	(27,206)
At 31 December 2017	229,342	89,542	72,952	240,319	632,155
Depreciation					
At 1 January 2017	130,171	85,667	66,404	198,688	480,930
Charge for the year on owned assets	28,972	8,920	1,092	33,828	72,812
Disposals	-	(14,607)	-	(12,553)	(27,160)
At 31 December 2017	159,143	79,980	67,496	219,963	526,582
Net book value					
At 31 December 2017	70,199	9,562	5,456	20,356	105,573
At 31 December 2016	93,347	10,362	4,223	49,462	157,394

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	3,120,861
Additions	3,500
At 31 December 2017	<u>3,124,361</u>
Net book value	
At 31 December 2017	<u>3,124,361</u>
At 31 December 2016	<u>3,120,861</u>

14. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Reflex 2005 Limited	Ordinary	100 %	Non trading
Reflex Audio Visual Limited	Ordinary	100 %	Non trading Sale, installation and maintenance of audio visual equipment
Reflex Limited	Ordinary	100 %	
Classroom Displays Limited	Ordinary	100 %	Dormant
Reflex Care Limited	Ordinary	100 %	Dormant
Reflex Home Limited	Ordinary	100 %	Dormant

REFLEX 2016 LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017****14. Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Reflex 2005 Limited	749,214	27,277
Reflex Audio Visual Limited	135,155	38,459
Reflex Limited	4,725,925	420,746
Classroom Displays Limited	1	-
Reflex Care Limited	2	-
Reflex Home Limited	(90,769)	-
	5,519,528	486,482

15. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished goods and goods for resale	551,719	409,351	-	-
	551,719	409,351	-	-

16. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	2,316,164	1,930,608	-	-
Other debtors	16,067	33,558	-	-
Prepayments and accrued income	301,833	259,352	-	-
	2,634,064	2,223,518	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	356,159	169,071	110	107
	356,159	169,071	110	107

18. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	1,746,205	729,731	-	-
Amounts owed to group undertakings	-	-	524,473	420,970
Corporation tax	85,445	71,460	-	-
Other taxation and social security	646,022	531,926	-	-
Other creditors	739,188	1,204,157	200,002	100,009
Accruals and deferred income	597,687	616,088	-	-
	3,814,547	3,153,362	724,475	520,979

Included within other creditors is £266,678 (2016 - £879,371) due to an invoice discounting company.

The bank has a debenture for all sums over the whole assets of the group, dated 22 April 2003. There is also a cross guarantee in place between Reflex Limited and associated group companies, dated 22 April 2003.

19. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other creditors	586,412	882,693	586,412	786,405
	586,412	882,693	586,412	786,405

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at face value through profit or loss	356,159	169,071	110	107
Financial assets that are debt instruments measured at amortised cost	2,332,231	1,964,165	-	-
	2,688,390	2,133,236	110	107
Financial liabilities				
Financial liabilities measured at amortised cost	(3,340,059)	(3,084,477)	(1,310,885)	(1,307,382)
	(3,340,059)	(3,084,477)	(1,310,885)	(1,307,382)

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Deferred taxation

Group

	2017 £
At beginning of year	(22,336)
Charged to profit or loss	8,959
Arising on business combinations	-
At end of year	(13,377)

At end of year

	Group 2017 £	Group 2016 £
Accelerated capital allowances	(13,377)	(22,336)
	13,377	22,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

22. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
377,951 Ordinary shares of £1 each	377,951	377,951
49,266 A shares of £1 each	49,266	49,266
45,450 B shares of £0.001 each	45	45
	<u>427,262</u>	<u>427,262</u>

23. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	199,513	174,125
Later than 1 year and not later than 5 years	419,259	327,866
	<u>618,772</u>	<u>501,991</u>

24. 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.

25. Key Management Personnel

The total remuneration for key management personnel for the year totalled £352,566.

26. Controlling party

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