Company Registration No. 01222422

Fearing International (Stock-Aids) Limited

Report and Financial Statements

31 March 2011

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Gregory John Muir

Ian Rex Hadwin

Andrew Cowan

COMPANY SECRETARY

Ian Rex Hadwin

REGISTERED OFFICE

Fearby Road
Masham
Ripon
HG4 4ES

BANKERS

Barclays Bank Plc
PO Box 190
1 Park Row
Leeds
LS1 5WU

SOLICITORS

Irwin Mitchell LLP
2 Wellington Place
Leeds
LS1 4BZ

AUDITOR

Deloitte LLP
Chartered Accountants and Registered Auditor
Leeds
United Kingdom

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the 9 month period from 1 July 2010 to 31 March 2011

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemptions

CHANGE OF ACCOUNTING PERIOD

During the period, the company changed its accounting reference date from 30 June to 31 March As a result these financial statements cover the period from 1 July 2010 to 31 March 2011 Comparative information disclosed relates to the year ended 30 June 2010

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company's principal activity during the period was that of the distribution of animal identification tags and other agricultural products The Directors consider the current level of performance to be satisfactory

As shown in the income statement on page 7 the company generated a profit after taxation for the period of £197,301 (year to 30 June 2010 £164,934) from revenue of £2,074,482 (year to 30 June 2010 £1,894,467)

The balance sheet on page 9 shows the financial position at 31 March 2011 Net assets at the period end increased to £575,885 (2010 £558,584) as a result of trading activity

These are the company's first financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union following the company's transition

Dividends

During the period the company announced and paid total dividends of £180,000 (year to 30 June 2010 £150,000)

RISKS AND UNCERTAINTIES

The Board has a policy of continuous identification and review of key business risks and oversees the development of processes to ensure that these risks are managed appropriately The key risks identified by the Board include

Economic conditions

In recent years the agricultural sector has been subject to a number of adverse factors, such as changes in subsidy regimes, competition from lower cost overseas producers and a consequent reduction in the overall UK flock and herd size The Directors have sought to mitigate the impact of these factors by seeking out and exploiting opportunities in non-agricultural markets

Liquidity risk

Financial and liquidity risks are managed on a group wide basis Further details of those risks are contained within the financial statements of the ultimate parent company, Tru-Test Corporation Limited

Credit risk

The company's principal financial assets include cash and trade debtors The credit risk of liquid funds is limited as the counterparties are banks with high credit ratings as assigned by international credit rating agencies There is no significant concentration of credit risk within the trade debtor balance

The company's principal financial liabilities include trade payables and other taxes These liabilities do not bear interest The company does not enter into any derivative instruments for hedging or other purposes

Key performance indicators

The Board monitors its performance by reference to a number of key performance indicators of which the most important are noted below The Board considers the performance in the current period to be in line with expectation

- Revenue £2,074,482 (year to 30 June 2010 £1,894,467)
- Earnings before interest, depreciation and tax £301,479 (year to 30 June 2010 £239,936)
- Net assets £ 575,885 (30 June 2010 £558,584)

DIRECTORS' REPORT (CONTINUED)

PROSPECTS AND POST BALANCE SHEET EVENTS

The Directors expect the company to remain profitable in the coming year

There are no post balance sheet events that require disclosure

DIRECTORS

The Directors, who served throughout the year and to the date of this report except as noted, are as follows

A Cowan

I Hadwin (appointed 17 September 2010)

G Muir (appointed 17 September 2010)

Lord Downshire (resigned 17 September 2010)

J Tobin (resigned 17 September 2010)

S M Wildridge (resigned 17 September 2010)

GOING CONCERN

The company is dependent on funding from its ultimate parent company Tru-Test Corporation Limited The Directors have, in the context of their consideration of the going concern basis of the financial statements, obtained confirmation of the continued financial support of Tru-Test Corporation Limited Based on the Tru-Test group's projected trading and cash flows, the Directors of Tru-Test Corporation Limited are satisfied that the group will have adequate resources to continue to support Fearing International (Stock Aids) Limited for a period of at least one year from the date of approval of these financial statements

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason the Directors continue to adopt the going concern basis in preparing the financial statements

DISCLOSURE OF INFORMATION TO AUDITOR

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who is a Director at the date of approval of this Directors' report confirms that

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information

AUDITOR

Deloitte LLP were appointed as the company's auditor in the period A resolution re-appointing Deloitte LLP as auditors for the ensuing year will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board

Company Secretary

16/12/2011

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEARING INTERNATIONAL (STOCK AIDS) LIMITED

We have audited the financial statements of Fearing International (Stock Aids) Ltd for the 9 month period ended 31 March 2011 which comprise of the Income statement, the Balance sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEARING INTERNATIONAL (STOCK AIDS) LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report

David Johnson BA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
16 DECEMBER 2011

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
INCOME STATEMENT
For the 9 month period to 31 March 2011

	Note	9 months to 31 March 2011 £	Year ended 30 June 2010 £
Revenue	2	**2,074,482**	**1,894,467**
Cost of sales		(1,063,750)	(850,651)
Gross profit		**1,010,732**	**1,043,816**
Distribution costs		(97,342)	(110,337)
Administration expenses		(634,398)	(719,623)
Operating profit and profit before taxation	3	**278,992**	**213,856**
Taxation	5	(81,691)	(48,922)
Profit after taxation		**197,301**	**164,934**

There have been no items of income or expense other than as reported above Accordingly, no separate statement of comprehensive income has been presented

The accompanying notes are an integral part of the financial statements

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the 9 month period to 31 March 2011

	Share capital £	Total equity £	Total equity £
At 1 July 2009	1,275	542,375	543,650
Recognised income and expense for the period	-	164,934	164,934
Dividends paid (note 19)	-	(150,000)	(150,000)
At 1 July 2010	1,275	557,309	558,584
Recognised income and expense for the period	-	197,301	197,301
Dividends paid (note 19)	-	(180,000)	(180,000)
At 31 March 2011	1,275	574,610	575,885

All activity has arisen from continuing operations

The accompanying notes are an integral part of these financial statements

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
BALANCE SHEET
As at 31 March 2011

	Note	31 March 2011 £	30 June 2010 £
Non-current assets			
Intangible assets	6	81,268	81,268
Property, plant and equipment	7	35,506	51,190
		116,774	132,458
Current assets			
Inventories	8	286,195	198,643
Trade and other receivables	9	404,179	315,907
Cash and cash equivalents	10	210,271	105,072
		900,645	619,622
TOTAL ASSETS		**1,017,419**	**752,080**
Current liabilities			
Trade and other payables	11	(348,529)	(177,697)
Current tax liability		(93,006)	(15,799)
		(441,534)	(193,496)
NET ASSETS		**575,885**	**558,584**
Equity			
Share capital	13	1,275	1,275
Retained earnings	14	574,610	557,309
SHAREHOLDERS' FUNDS		**575,885**	**558,584**

These financial statements of Fearing International (Stock Aids) Limited, registered number 01222422, were approved by the Board of Directors on 16/12/ 2011

Signed on behalf of the Board of Directors

HK Goodwin

Director

The accompanying notes are an integral part of the financial statements

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
CASH FLOW STATEMENT
For the 9 month period to 31 March 2011

	Note	9 months to 31 March 2011 £	Year ended 30 June 2010 £
Net cash flow from operating activities	15	**287,452**	**169,395**
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		297	-
Purchase of property, plant and equipment	7	(2,500)	(11,270)
Net cash used in investing activities		**(2,202)**	**(11,270)**
Cash flows used in financing activities			
Dividends paid (note 19)		(180,000)	(150,000)
Net cash used in financing activities		**(180,000)**	**(150,000)**
Taxation paid		(51)	(65,080)
Net increase/(decrease) in cash and cash equivalents		**105,199**	**(56,955)**
Cash and cash equivalents at beginning of period		105,072	162,027
Cash and cash equivalents at end of period		**210,272**	**105,072**

1. ACCOUNTING POLICIES

Accounting period

During the period, the company changed its accounting period from 30 June to 31 March As a result, these financial statements cover the period from 1 July 2010 to 31 March 2011 Comparative information disclosed relates to the year ended 30 June 2010

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) The Financial statements have also been prepared in accordance with IFRS adopted by the European Union and the Companies Act 2006

The financial statements have been prepared on the historical cost basis

International Financial Reporting Standards

These are the company's first financial statements prepared in accordance with International Financial Reporting Standards following the company's transition with effect from 1 July 2009 The accounting policies set out in Note 1 have been applied in preparing the financial statements for the 9 months ended 31 March 2011 and the comparative information presented in these financial statements for the year ended 30 June 2010 IFRS1 requires disclosures concerning the transition from UK Generally Accepted Accounting Principals to IFRS No adjustments have been identified on this transition, and as such no such disclosures have been provided

In previous periods, the company recognised goodwill arising on a prior business combination At the time of transition to IFRS, amortisation of these goodwill balances ceased in accordance with IAS38 *Intangible Assets* The directors have taken advantage of the transitional exemptions available under IFRS 3 *Business Combinations* and have not restated balances relating to previous business combinations

Basis of accounting

At the date of authorisation of these Financial statements, the following standards and interpretations which have not been applied in these Financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IFRS9 (revised October 2010) *Financial Instruments classification and measurement*

IFRS10 (May 2011) *Consolidated financial Statements*

IFRS11 (May 2011) *Joint Arrangements*

IFRS12 (May 2011) *Disclosure of Interests in Other Entities*

IFRS13 (May 2011) *Fair Value Measurement*

IAS27 (May 2011) *Separate Financial Statements*

IAS28 (May 2011) *Investment in Associates and Joint Ventures*

Amendments to IFRS7 (October 2010) *Transfer of Financial Assets*

Amendments to IAS12 (December 2010) *Deferred Tax recovery of underlying assets*

Amendments to IFRS1 (December 2010) *Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters*

The Directors have taken advantage of the transitional exemption from applying IFRS3 *Business Combinations* retrospectively

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 9 month period to 31 March 2011

1. **ACCOUNTING POLICIES (CONTINUED)**

Going concern

The company is dependent on funding from its ultimate parent company Tru-Test Corporation Limited The Directors have, in the context of their consideration of the going concern basis of the financial statements, obtained confirmation of the continued financial support of Tru-Test Corporation Limited Based on the Tru-Test group's projected trading and cash flows, the Directors of Tru-Test Corporation Limited are satisfied that the group will have adequate resources to continue to support Fearing International (Stock Aids) Limited for a period of at least one year from the date of approval of these financial statements

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason the Directors continue to adopt the going concern basis in preparing the financial statements

Investments

Fixed asset investments are shown at cost less provision for impairment

Goodwill

The company recognises goodwill at cost less accumulated amortisation and impairment losses Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of the business acquired Where it is believed the carrying value of goodwill suffers any impairment, the fall in value is charged immediately to the income statement

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, as follows -

Leasehold improvements	10 years
Plant and machinery	4 to 7 years
Furniture and equipment	4 years
Computer software	2 to 4 years
Motor vehicles	4 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement

Impairment of goodwill and tangible assets including investments

At every balance sheet date, a review of the carrying amounts of the goodwill, tangible assets and investments is performed to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount An impairment loss is immediately recognised as an expense in the income statement

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years A reversal of an impairment loss is immediately recognised in the income statement

1. ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition Cost is calculated using the weighted average method Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution Provision is made for obsolete, slow moving or damaged items where appropriate

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Short-term provisions

Short-term provisions are recognised when the company has a present obligation as a result of a past event and it is probable that the company will be required to settle that obligation Short-term provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, returns, VAT and other sales related taxes

In the case of goods sold, revenue is recognised at dispatch of goods when the significant risks and rewards of ownership are deemed to have passed to the customer

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable

Leasing

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

The company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

The company as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term

Operating profit or loss

Operation profit or loss is stated before investment income and finance costs

Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax The taxation currently payable is based upon the taxable profit for the accounting period Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Financial assets and liabilities

Financial assets and liabilities are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument The company has no borrowings other than from related parties The company does not use derivative financial instruments for speculative or any other purposes

Financial assets are classified into the following specified categories financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables Loans and receivables are measured at amortised cost using the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate All differences are taken to the profit and loss account

Critical accounting judgements and key sources of estimation uncertainty

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

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

The Directors consider that there is estimation uncertainty around the carrying value of goodwill Determining whether goodwill is impaired requires an estimation of the value in use of the intangible asset The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the asset or cash generating unit to which the goodwill relates and a suitable discount rate in order to calculate present value The Directors consider that there is no indication of impairment of the goodwill in the current period

2. REVENUE

An analysis of revenue is as follows

	9 months to 31 March 2011 £	Year ended 30 June 2010 £
Continuing operations		
Total revenue	2,074,482	1,894,467

The Directors consider that there is only on class and segment of revenue since this is the level at which information is regularly reviewed by the entity's chief operating decision maker

3. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging

	9 months to 31 March 2011 £	Year ended 30 June 2010 £
Depreciation of property, plant and equipment	17,887	26,079
Staff costs (see note 4)	300,223	338,269
Rentals under operating leases	8,310	6,631
Fees payable to the company's auditor – audit services	6,400	8,500
Cost recharged by group company	63,578	67,000

4. STAFF COSTS

a) The aggregate remuneration comprised

	9 months to 31 March 2011 £	Year ended 30 June 2010 £
Wages and salaries	270,483	302,564
Social security costs	29,740	35,705
	300,223	338,269

The aggregate balance of emoluments paid to the Directors as a whole, including pension payments was £33,586 (year to 30 June 2010 £66,000)

b) The average number of persons employed by the company during the accounting period was as follows:

	Average number of employees	
	9 months to 31 March 2011 Number	Year ended 30 June 2010 Number
Sales and distribution	17	17

5. TAXATION

The tax charge for the period is £81,691 (year to 30 June 2010 £48,922)

The taxation charge for the period can be reconciled to the profit before taxation shown in the income statement as follows

	9 months to 31 March 2011 £	Year ended 30 June 2010 £
Profit before tax	278,992	213,856
Income tax calculated at 28% (2010 - 28%)	78,118	59,890
Marginal relief	(411)	-
Expenses not deductible for tax purposes	3,413	690
Deferred taxation (note 12)	4,435	(1,392)
Tax rate lower than 28%	-	(5,250)
Other adjustments	(3,864)	(5,016)
	81,691	48,922

During the period, a change in the UK corporation tax rate from 28% to 26% was enacted and the reduced rate was intended to be effective from 1 April 2011 The relevant deferred tax balances have been re-measured accordingly

6. INTANGIBLE ASSETS

	Goodwill £	Total £
Cost		
At 1 July 2009, 1 July 2010 and 31 March 2011	184,001	184,001
Amortisation		
At 1 July 2009, 1 July 2010 and 31 March 2011	102,733	102,733
Carrying amount		
At 30 June 2009, 30 June 2010, 31 March 2011	81,268	81,268

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £	Plant and Machinery £	Furniture and equipment £	Total £
Cost				
At 1 July 2009	72,697	144,718	126,105	343,521
Additions	-	850	10,420	11,270
Disposals	-	(512)	(51,633)	(52,145)
At 1 July 2010	72,697	145,056	84,891	302,645
Additions	-	1,127	1,373	2,500
Disposals	-	-	(510)	(510)
At 31 March 2011	72,697	146,183	85,755	304,635
Accumulated depreciation				
At 1 July 2009	38,286	123,347	115,887	277,520
Charge for the period	7,270	9,113	9,697	26,079
Eliminated on disposals	-	(512)	(51,633)	(52,145)
At 1 July 2010	45,556	131,947	73,951	251,454
Charge for the period	5,452	7,088	5,347	17,887
Eliminated on disposals	-	-	(212)	(212)
At 31 March 2011	51,008	139,035	79,086	269,129
Carrying amount				
At 31 March 2011	21,689	7,148	6,669	35,506
At 30 June 2010	27,141	13,109	10,940	51,190
At 30 June 2009	34,483	21,371	10,218	66,072

8. INVENTORIES

	31 March 2011 £	30 June 2010 £
Goods for resale	286,195	198,643

The net replacement value of inventories is not considered to be materially different from that stated in the balance sheet

FEARING INTERNATIONAL (STOCK-AIDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 9 month period to 31 March 2011

9. TRADE AND OTHER RECEIVABLES

	31 March 2011 £	30 June 2010 £
Trade receivables	288,386	134,106
Allowances for doubtful debts	(3,394)	(434)
	284,992	133,672
Other receivables and prepayments	13,031	26,090
Deferred tax asset	1,710	6,145
Amounts owed by related undertakings	104,446	150,000
	404,179	315,907

Ageing of past due but not impaired receivables

	31 March 2011 £	30 June 2010 £
0-30 days	83,085	31,642
30-60 days	32,064	11,934
Over 60 days	1,042	2,706
Total	116,191	46,282

No interest is charged on any trade receivables that are overdue A provision has been made for the estimated irrecoverable amounts included in trade receivables This provision has been determined by reference to past default experience and knowledge of the individual circumstances of certain debtors

Before accepting any new customer, the company performs credit checks and reviews trade references in order to assess the potential customer's credit quality and then defines credit limits by individual customer Credit risk is managed on a regular basis in order to minimise the exposure by reviewing adherence to settlement terms Credit limits and terms are only increased based on past settlements

In determining the recoverability of any trade receivables, the company considers any change in credit quality of the trade receivables from the date credit was initially granted up to the end of the accounting period The concentration of credit risk is limited due to the varied customer base

The movements in the allowance for doubtful debts are as follows

	31 March 2011 £	30 June 2010 £
Balance at the beginning of the period	434	-
Amounts written off as uncollectable	-	-
Impairment provision created during the period	2,960	434
Balance at the end of the period	3,394	434

10. CASH AND CASH EQUIVALENTS

	31 March 2011 £	30 June 2010 £
Cash at bank and in hand	210,271	105,072

11. TRADE AND OTHER PAYABLES

	31 March 2011 £	30 June 2010 £
Trade payables	223,727	55,786
Other payables and accruals	43,011	6,974
Amounts owed to related undertakings	346	62,512
Other taxes and social security costs	81,415	52,424
	348,529	177,697

The Directors consider that the carrying amount of trade payables approximates to their fair value

12. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the company and movements thereon during the current and prior reporting period

	Total £
Accelerated capital allowances	
At 1 July 2009	(4,753)
Credit for year	(1,392)
At 30 June 2010	(6,145)
Charge for period	4,435
As 31 March 2011	(1,710)

13. SHARE CAPITAL

Issued share capital

	31 March 2011 £	30 June 2010 £
Allotted, called up and fully paid		
1,275 ordinary shares of £1 each	1,275	1,275

14. RETAINED EARNINGS

	£
At 1 July 2009	542,375
Profit after taxation for the year	164,394
Dividends paid (note 19)	(150,000)
At 30 June 2010	557,309
Profit after taxation for the period	197,301
Dividends paid (note 19)	(180,000)
As 31 March 2011	574,610

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 March 2011 £	30 June 2010 £
Operating profit from continuing operations	278,992	213,856
Depreciation of property, plant and equipment	17,887	26,079
Operating cash flows before movements in working capital	296,879	239,935
(Increase)/decrease in inventories	(87,552)	9,646
(Increase)/decrease in trade and other receivables	(92,707)	30,452
Increase/(decrease) in payables	170,832	(110,638)
Net cash flow from operating activities	287,452	169,395

16. OPERATING LEASE ARRANGEMENTS

	31 March 2011 £	30 June 2010 £
Minimum lease payments under operating leases recognised as an expense in the year	8,310	6,631

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

	Land and buildings 31 March 2011 £	Land and buildings 30 June 2010 £
Operating leases which expire		
Within 1 year	36,087	7,002
In the one to two years inclusive	41,644	16,033
In the third to fifth years inclusive	5,344	-
After five years	-	-
	83,075	23,035

17. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in the accounting policies of these Financial statements

(a) Categories of financial instruments

	31 March 2011 £	30 June 2010 £
Financial assets		
Cash and cash equivalents	210,271	105,072
Trade and other receivables	405,863	310,196
Financial liabilities		
Trade and other payables	305,488	170,722

(b) Financial risk management objectives

The company's Directors monitor and manage the financial risks relating to the operations of the company through internal risk reports and analyses exposures by degree and magnitude of risks These risks include market risk (including interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk

(c) Market risk

The company's exposure to interest risk is deemed to be limited since no interest is accrued on its financial liabilities The Directors seek to address price risk through negotiation with suppliers and optimised inventory purchasing procedures

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults The company only transacts with entities that have a good credit rating The company uses publicly available financial information and its own trading records to rate its major customers The company's exposure and the credit ratings of its counterparties are continuously monitored and controlled by the Treasury department

As the principal business of the company is retail related, trade receivables consist of a relatively small number of customers, although spread across diverse business sectors Ongoing credit evaluation is performed on the financial condition of accounts receivables

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors The company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecasts and actual cash flows

17. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Lıquıdıty rısk management (contınued)

The followıng table detaıls the company's remaınıng contractual maturıty of ıts non-derıvatıve financıal lıabılıtıes The table has been drawn up based on the undıscounted cash flows of financıal lıabılıtıes based on the earlıest date on whıch the company can be requıred to pay the lıabılıty

	31 March 2011 £	30 June 2010 £
Fınancıal lıabilıtıes		
Trade and other payables – due wıthın 12 months	305,488	170,722

(f) Faır values

The Dırectors consıder that the faır values of the company's trade receıvables, cash and cash equıvalents, trade payables and provısıons approxımate theır book value

18. RELATED PARTY DISCLOSURES

Tradıng Transactıons	Sales to related partıes £	Purchases from related partıes £	Amounts owed by related partıes £	Amounts owed to related partıes £
For perıod ended March 2011				
Rıtchey Ltd	25,342	59,955	5,067	346
Tru-Test Ltd	-	7,278	99,379	-
Total	**25,342**	**67,233**	**104,446**	**346**

Tradıng Transactıons	Sales to related partıes £	Purchases from related partıes £	Amounts owed by related parties £	Amounts owed to related partıes £
For year ended June 2010				
Rıtchey Ltd	-	-	-	-
Anımalcare Plc	-	62,512	150,000	62,512
Total	-	**62,512**	**150,000**	**62,512**

19. DIVIDENDS

Durıng the perıod the company announced and paıd total dıvıdends of £180,000 (year to 30 June 2010 £150,000) equıvalent to £141 18 (year ended 30 June 2010 £117 65) per ordınary share

20. ULTIMATE PARENT UNDERTAKING

The company ıs a wholly owned subsıdıary of Tru-Test UK Lımıted, a company regıstered ın England and Wales and ıncorporated ın Great Brıtaın The ultımate parent undertakıng ıs Tru-Test Corporatıon Lımıted The smallest and largest group ın whıch the results of the company are consolıdated ıs that headed by Tru-Test Corporatıon Lımıted The consolıdated accounts of Tru-Test Corporatıon Lımıted are avaılable to the publıc and may be obtaıned from the company secretary at 25 Carbıne Road, Mount Wellıngton, Auckland, New Zealand