


Company Registration No. 01222422

**Fearing International (Stock-Aids)
Limited**

Report and Financial Statements

31 March 2012

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Fearing International (Stock-Aids) Limited

Report and financial statements 2012

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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
LS1 2AL
United Kingdom

Fearing International (Stock-Aids) Limited

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 March 2012

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

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 6 the company generated a profit after taxation for the year of £209,682 (9 months to 31 March 2011 £197,301) from revenue of £2,937,782 (9 months to 31 March 2011 £2,074,482)

The balance sheet on page 8 shows the financial position at 31 March 2012. Net assets at the period end increased to £785,567 (9 months to 31 March 2011 £575,885)

Dividends

No dividends were paid during the year (9 months to 31 March 2011 £180,000)

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. The comparatives set out below are for a 9 month period from 1 July 2010 to 31 March 2011

- Revenue £2,937,782 (2011 £2,074,482)
- Earnings before interest, depreciation and tax £315,818 (2011 £296,879)
- Net assets £785,567 (2011 £575,885)

Fearing International (Stock-Aids) Limited

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

G Muir

Going concern

The Directors have considered the risks and uncertainties set out above when assessing the going concern assumption. The company, which was profit making in the year and in a position of net assets at the year end, 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 Ritchey Limited for a period of at least one year from the date of approval of these financial statements. 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

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

IAN REX HADWIN

25 May 2012

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

Independent Auditor's Report To The Members Of Fearing International (Stock Aids) Limited

We have audited the financial statements of Fearing International (Stock Aids) Limited for the year ended 31 March 2012 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Mark Overfield BSc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
25 May 2012

Fearing International (Stock-Aids) Limited

Income statement For the year ended 31 March 2012

	Notes	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Revenue	2	2,937,782	2,074,482
Cost of sales		(1,496,307)	(1,063,750)
Gross profit		1,441,475	1,010,732
Distribution costs		(128,359)	(97,342)
Administration expenses		(1,018,354)	(634,398)
Operating profit and profit before taxation	3	294,762	278,992
Taxation	5	(85,080)	(81,691)
Profit after taxation		209,682	197,301

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

All activity has arisen from continuing operations.

The accompanying notes are an integral part of the financial statements.

Fearing International (Stock-Aids) Limited
Statement Of Changes In Equity

For the year ended 31 March 2012

	Share capital £	Retained Earnings £	Total equity £
At 1 July 2011	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)
	<hr/>	<hr/>	<hr/>
At 1 April 2011	1,275	574,610	575,885
Recognised income and expense for the period	-	209,682	209,682
Dividends paid (note 19)	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2012	<u>1,275</u>	<u>784,292</u>	<u>785,567</u>

The accompanying notes are an integral part of these financial statements

Fearing International (Stock-Aids) Limited Balance Sheet

As at 31 March 2012

	Notes	31 March 2012 £	31 March 2011 £
Non-current assets			
Intangible assets	6	81,268	81,268
Property, plant and equipment	7	55,570	35,506
		<u>136,838</u>	<u>116,774</u>
Current assets			
Inventories	8	334,322	286,195
Trade and other receivables	9	586,641	404,179
Cash and cash equivalents	10	137,205	210,271
		<u>1,058,168</u>	<u>900,645</u>
Total assets		<u>1,195,006</u>	<u>1,017,419</u>
Current liabilities			
Trade and other payables	11	(387,815)	(348,529)
Current tax liability		(21,624)	(93,006)
		<u>(409,439)</u>	<u>(441,534)</u>
Net assets		<u>785,567</u>	<u>575,885</u>
Equity			
Share capital	13	1,275	1,275
Retained earnings	14	784,292	574,610
Shareholders' funds		<u>785,567</u>	<u>575,885</u>

These financial statements of Fearing International (Stock Aids) Limited, registered number 01222422, were approved by the Board of Directors on *25 May* 2012

Signed on behalf of the Board of Directors



Director

IAN REX HADWIN

The accompanying notes are an integral part of the financial statements

Fearing international (Stock-Aids) limited
Cash Flow Statement

For the year ended 31 March 2012

	Notes	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Net cash flow from operating activities	15	<u>18,805</u>	<u>287,452</u>
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		-	297
Purchase of property, plant and equipment	7	<u>(41,121)</u>	<u>(2,500)</u>
Net cash used in investing activities		<u>(41,121)</u>	<u>(2,202)</u>
Cash flows used in financing activities			
Dividends paid (note 19)		-	(180,000)
Net cash used in financing activities		<u>-</u>	<u>(180,000)</u>
Taxation paid		<u>(50,750)</u>	<u>(51)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(73,066)</u>	<u>105,199</u>
Cash and cash equivalents at beginning of period		<u>210,271</u>	<u>105,072</u>
Cash and cash equivalents at end of period		<u><u>137,205</u></u>	<u><u>210,271</u></u>

Fearing International (Stock-Aids) Limited

Notes To The Financial Statements

For the year ended 31 March 2012

1. ACCOUNTING POLICIES

Fearing International (Stock-Aids) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and principal activities are set out on page 2.

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 therefore comply with Article 4 of the EU IAS Regulations.

The financial statements have been prepared on the historical cost basis.

International Financial Reporting Standards

IFRS1 requires disclosures concerning the transition from UK Generally Accepted Accounting Principles 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 on 1 July 2010, 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 2011) *Financial Instruments classification and measurement*

IFRS10 (May 2012) *Consolidated financial Statements*

IFRS11 (May 2012) *Joint Arrangements*

IFRS12 (May 2012) *Disclosure of Interests in Other Entities*

IFRS13 (May 2012) *Fair Value Measurement*

IAS 19 (June 2011) *Employee Benefits*

IAS27 (May 2012) *Separate Financial Statements*

IAS28 (May 2012) *Investment in Associates and Joint Ventures*

Amendments to IAS1 (June 2011) *Presentation of items of Other comprehensive Income*

Amendments to IAS12 (December 2011) *Deferred Tax recovery of underlying assets*

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

Fearing International (Stock-Aids) Limited

Notes To The Financial Statements

For the year ended 31 March 2012

1. Accounting policies (continued)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods, except as follows

- IFRS 9 may impact both the measurement and disclosures of Financial Instruments

Beyond the information above, it is not practical to provide a reasonable estimate of the effect of these standards until a detailed review is performed

Going concern

The Directors have considered the risks and uncertainties set out above when assessing the going concern assumption. The company, which was profit making in the year and in a position of net assets at the year end, 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 Ritchey Limited for a period of at least one year from the date of approval of these financial statements. 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.

Fearing International (Stock-Aids) Limited

Notes To The Financial Statements

For the year ended 31 March 2012

1 Accounting policies (continued)

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.

Impairment of goodwill and tangible assets including investments

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.

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 on delivery 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.

Fearing International (Stock-Aids) Limited

Notes To The Financial Statements

For the year ended 31 March 2012

1 Accounting policies (continued)

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.

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.

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

1 Accounting policies (continued)

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.

Pension costs

The Company operates a defined contribution pension scheme. The amount charged to the Income Statement in respect of pension cost is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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

	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Continuing operations		
Total revenue from sale of goods	2,937,782	2,074,482

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

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

3 Profit before taxation

Profit before taxation has been arrived at after charging

	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Depreciation of property, plant and equipment	21,056	17,887
Staff costs (see note 4)	463,905	300,223
Rentals under operating leases	62,802	8,310
Net foreign exchange losses/(gains)	(786)	(14)
Cost recharged by group company	90,965	63,578
	<u>8,000</u>	<u>6,400</u>
Fees payable to the company's auditor – audit services	8,000	6,400
Fees payable to the company's auditor – non audit fees	8,514	-
	<u>16,514</u>	<u>6,400</u>

4 Staff costs

a) The aggregate remuneration comprised

	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Wages and salaries	411,324	270,483
Social security costs and pension costs	52,581	29,740
	<u>463,905</u>	<u>300,223</u>

The aggregate balance of emoluments paid to the Directors as a whole, including pension payments was £73,340 (2011 £33,586) Management consider the statutory Directors to be the key management personnel of the company

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

	Average number of employees	
	Year ended 31 March 2012 No.	9 months to 31 March 2011 No.
Sales, distribution and administration	<u>20</u>	<u>17</u>

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

5. Taxation

The tax charge for the year is £85,080 (9 month to 31 March 2011 £81,691)

	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Corporation tax		
Current year	74,255	77,256
Adjustments in respect of prior years	3,838	-
	<u>78,093</u>	<u>77,256</u>
Deferred tax (note 12)	6,987	4,435
	<u>85,080</u>	<u>81,691</u>

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

	Year ended 31 March 2012 £	9 months to 31 March 2011 £
Profit before tax	294,762	278,992
Income tax calculated at 26% (2011 - 28%)	76,638	78,118
Marginal relief	-	(411)
Adjustment in respect of prior period	3,980	
Expenses not deductible for tax purposes	4,891	3,413
Deferred taxation (note 12)	-	4,435
Impact in reduction of UK tax rate	(429)	-
Other adjustments	-	(3,864)
	<u>85,080</u>	<u>81,691</u>

The Government announced on 21 March 2012 a further reduction in the rate of corporation tax, reducing it to 24% with effect from 1 April 2012 and then by a further 1% each year to 22% by 1 April 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011 and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 March 2012 (which has been calculated based on the rate of 24% substantively enacted at the balance sheet date).

As this legislation to reduce the tax rate from 24% to 22% was not substantively enacted by 31 March 2012, the impact of the anticipated rate change is not reflected in the tax provisions reported in these statutory accounts. If the deferred tax assets and liabilities of the company were all to reverse after 1 April 2014, the effect of the changes from 24% to 22% would be to reduce the net deferred tax liability by £440.

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

6. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 1 July 2010, 1 April 2011 and 31 March 2012	184,001	184,001
Amortisation		
At 1 July 2010, 1 April 2011 and 31 March 2012	(102,733)	(102,733)
Carrying amount		
At 1 July 2010, 1 April 2011 and 31 March 2012	81,268	81,268

7. Property, plant and equipment

	Leasehold	Plant and	Furniture and	Total
	Improvements	Machinery	equipment	£
	£	£	£	
Cost				
At 1 July 2010	72,697	145,056	84,891	302,645
Additions	-	1,127	1,373	2,500
Disposals	-	-	(510)	(510)
At 1 April 2011	72,697	146,183	85,755	304,635
Additions	-	4,640	36,481	41,121
At 31 March 2012	72,697	150,823	122,235	345,755
Accumulated depreciation				
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 1 April 2011	51,008	139,035	79,086	269,129
Charge for the period	7,270	5,434	8,352	21,056
Eliminated on disposals	-	-	-	-
At 31 March 2012	58,278	144,469	87,438	290,185
Carrying amount				
At 31 March 2012	14,419	6,354	34,797	55,570
At 31 March 2011	21,689	7,148	6,669	35,506
At 30 June 2010	27,141	13,109	10,940	51,190

8 Inventories

	31 March	31 March
	2012	2011
	£	£
Goods for resale	334,322	286,195

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 year ended 31 March 2012

9 Trade and other receivables

	31 March 2012 £	31 March 2011 £
Trade receivables	255,548	288,386
Allowances for doubtful debts	(9,316)	(3,394)
	<u>246,232</u>	<u>284,992</u>
Other receivables and prepayments	35,879	13,031
Deferred tax asset	-	1,710
Amounts owed by related undertakings	304,530	104,446
	<u>586,641</u>	<u>404,179</u>

Ageing of past due but not impaired receivables

	31 March 2012 £	31 March 2011 £
0-30 days	-	83,085
30-60 days	21,033	32,064
Over 60 days	-	1,042
Total	<u>21,033</u>	<u>116,191</u>

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.

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

9 Trade and other receivables (continued)

The movements in the allowance for doubtful debts are as follows

	31 March 2012 £	31 March 2011 £
Balance at the beginning of the period	3,394	434
Amounts written off as uncollectable	-	-
Impairment provision created during the period	5,922	2,960
Balance at the end of the period	<u>9,316</u>	<u>3,394</u>

10 Cash and cash equivalents

	31 March 2012 £	31 March 2011 £
Cash at bank and in hand	<u>137,205</u>	<u>210,271</u>

11 Trade and other payables

	31 March 2012 £	31 March 2011 £
Trade payables	134,669	223,727
Other payables and accruals	65,495	43,011
Amounts owed to related undertakings	90,873	346
Other taxes and social security costs	91,501	81,415
Deferred tax liability (note 12)	5,277	-
	<u>387,815</u>	<u>348,529</u>

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

12 Deferred tax liability

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

	Total £
Accelerated capital allowances	
At 1 July 2010	(6,145)
Charge for year	4,435
Balance at 1 April 2011 (note 9)	<u>(1,710)</u>
Adjustments in respect of previous periods	142
Effect of reducing tax rate on opening liability	131
Charge for period	6,714
As 31 March 2012	<u>5,277</u>

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

13 Share capital

Issued share capital

	31 March 2012	31 March 2011
	£	£
Alotted, called up and fully paid 1,275 ordinary shares of £1 each	<u>1,275</u>	<u>1,275</u>

14. Retained earnings

	£
At 1 July 2010	557,309
Profit after taxation for the year	197,301
Dividends paid (note 19)	<u>(180,000)</u>
At 1 April 2011	574,610
Profit after taxation for the period	209,682
Dividends paid (note 19)	<u>-</u>
At 31 March 2012	<u><u>784,292</u></u>

15 Note to the cash flow statement

	31 March 2012	31 March 2011
	£	£
Profit for the year/period	209,682	197,301
Adjustments for		
Income tax expense	85,080	81,691
Depreciation of property, plant and equipment	<u>21,056</u>	<u>17,887</u>
Operating cash flows before movements in working capital	315,818	296,879
(Increase)/decrease in inventories	(48,127)	(87,552)
(Increase)/decrease in trade and other receivables	(184,171)	(92,707)
(Decrease)/increase in payables	<u>(64,715)</u>	<u>170,832</u>
Net cash flow from operating activities	<u><u>18,805</u></u>	<u><u>287,452</u></u>

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

16 Operating lease arrangements

	31 March 2012	31 March 2011
	£	£
Minimum lease payments under operating leases recognised as an expense in the year	<u>62,802</u>	<u>8,310</u>

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

	31 March 2012	31 March 2011
	£	£
Operating leases which expire		
Within one year	41,975	36,087
In the one to two years inclusive	22,700	41,644
In the third to fifth years inclusive	6,390	5,344
After five years	-	-
	<u>71,065</u>	<u>83,075</u>

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 2012	31 March 2011
	£	£
Financial assets		
Cash and cash equivalents	137,205	210,271
Trade and other receivables	<u>550,762</u>	<u>405,863</u>
Financial liabilities		
Trade and other payables	<u>276,571</u>	<u>305,488</u>

(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.

Fearing International (Stock-Aids) Limited

Notes To The Financial Statements

For the year ended 31 March 2012

17. Financial instruments (continued)

(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.

The following table details the company's remaining contractual maturity of its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay the liability.

	31 March 2012 £	31 March 2011 £
Financial liabilities		
Trade and other payables – due within 12 months	276,571	305,488

(f) Fair values

The Directors consider that the fair values of the company's trade receivables, cash and cash equivalents, trade payables and provisions approximate their book value.

Fearing International (Stock-Aids) Limited
Notes To The Financial Statements

For the year ended 31 March 2012

18 Related party disclosures

	Sales to related parties	Purchases from related parties	Loans made to related parties	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£	£
For period ended March 2011					
Ritchey Ltd	25,342	59,955	-	5,067	346
Tru-Test Ltd	-	7,278	-	99,379	-
Total	25,342	67,233	-	104,446	346
	Sales to related parties	Purchases from related parties	Loans made to related parties	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£	£
For period ended March 2012					
Ritchey Ltd	47,107	214,699	350,000	350,000	49,159
Tru-Test Ltd	-	8,377	-	-	-
Tru-Test UK Limited	-	-	-	-	87,185
Total	47,107	223,076	350,000	350,000	136,344

19. Dividends

During the period the company announced and paid total dividends of £0 (2011 £180,000) equivalent to £0 (2011 £141 18) per ordinary share

20. Ultimate parent undertaking

The company is a wholly owned subsidiary of Tru-Test UK Limited, a company registered in England and Wales and incorporated in Great Britain. The ultimate parent undertaking is Tru-Test Corporation Limited. The smallest and largest group in which the results of the company are consolidated is that headed by Tru-Test Corporation Limited. The consolidated accounts of Tru-Test Corporation Limited are available to the public and may be obtained from the company secretary at 25 Carbine Road, Mount Wellington, Auckland, New Zealand.