

**Company Registration No. 01222422**

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

**Report and Financial Statements**

**31 December 2012**



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

## **Report and financial statements 2012**

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

**Officers and professional advisers**

**DIRECTORS**

Louis-Marie ALLAIN

**COMPANY SECRETARY**

Louis-Marie ALLAIN

**REGISTERED OFFICE**

Fearby Road  
Masham  
Ripon  
HG4 4ES

**BANKERS**

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

**SOLICITORS**

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**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 period ended 31 December 2012

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

### **Change of accounting period**

During the period, the company changed its accounting reference date from 31 March to 31 December to align with the year end of the new group following acquisition on 31 October 2012. As a result these financial statements cover the period from 1 April 2012 to 31 December 2012. Comparative information disclosed relates to the year ended 31 March 2012

### **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 9 month period ended 31 December 2012 of £34,397 (year ended 31 March 2012 £209,682) from revenue of £1,966,795 (year ended 31 March 2012 £2,937,782)

The balance sheet on page 8 shows the financial position at 31 December 2012. Net assets at the period end increased to £819,964 (year ended 31 March 2012 £785,567)

### **Dividends**

No dividends were paid during the period (year ended 31 March 2012 £0)

### **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**

The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms

#### **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 12 month period from 1 April 2011 to 31 March 2012

- Revenue £1,966,795 (31 March 2012 £2,937,782)
- Earnings before interest, depreciation and tax £63,952 (31 March 2012 £315,818)
- Net assets £819,964 (31 March 2012 £785,567)

## **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

Andrew Thomas Douglas COWAN (resigned 11 February 2013)

Louis-Marie ALLAIN (appointed 31 October 2012)

Ian Rex HADWIN (resigned 31 October 2012)

Gregory John MUIR (resigned 31 October 2012)

#### **Going concern**

The Directors have considered the risks and uncertainties set out above when assessing the going concern assumption. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they 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

  
Louis-Marie ALLAIN  
Company Secretary  
2013  
April 2nd, 2013

## **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 December 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 21. 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 December 2012 and of its profit for the year 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 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
- 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.



Mark Overfield BSc FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom  
2 April 2013

## Fearing International (Stock-Aids) Limited

### Income statement For the period ended 31 December 2012

	Notes	9 month period ended 31 December 2012 £	Year ended 31 March 2012 £
<b>Revenue</b>	2	1,966,795	2,937,782
Cost of sales		(1,038,902)	(1,496,307)
<b>Gross profit</b>		927,893	1,441,475
Distribution costs		(93,695)	(128,359)
Administration expenses		(789,054)	(1,018,354)
<b>Operating profit</b>		45,144	294,762
Finance income	5	19	-
Profit before taxation	3	45,163	294,762
Taxation	6	(10,766)	(85,080)
<b>Profit after taxation</b>		34,397	209,682

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 period ended 31 December 2012**

	<b>Share capital £</b>	<b>Retained Earnings £</b>	<b>Total equity £</b>
Balance at 1 April 2011	1,275	574,610	575,885
Profit for the year	-	209,682	209,682
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year ended 31 March 2012	1,275	784,292	785,567
Profit for the period	-	34,397	34,397
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period ended 31 December 2012	<u>1,275</u>	<u>818,689</u>	<u>819,964</u>

# Fearing International (Stock-Aids) Limited

## Balance Sheet

As at 31 December 2012

	Notes	31 December 2012 £	31 March 2012 £
<b>Non-current assets</b>			
Intangible assets	7	81,268	81,268
Property, plant and equipment	8	64,057	55,570
		<u>145,325</u>	<u>136,838</u>
<b>Current assets</b>			
Inventories	9	405,976	334,322
Trade and other receivables	10	273,845	586,641
Cash and cash equivalents	11	255,505	137,205
		<u>935,326</u>	<u>1,058,168</u>
<b>Total assets</b>		<u>1,080,651</u>	<u>1,195,006</u>
<b>Current liabilities</b>			
Trade and other payables	12	(252,255)	(382,538)
Current tax liability		(5,642)	(21,624)
		<u>(257,897)</u>	<u>(404,162)</u>
<b>Net current assets</b>		<u>822,754</u>	<u>790,844</u>
<b>Non-current liabilities</b>			
Deferred tax liability	13	(2,790)	(5,277)
<b>Total liabilities</b>		<u>(260,687)</u>	<u>(409,439)</u>
<b>Net assets</b>		<u>819,964</u>	<u>785,567</u>
<b>Equity</b>			
Share capital	14	1,275	1,275
Retained earnings	15	818,689	784,292
<b>Shareholders' funds</b>		<u>819,964</u>	<u>785,567</u>

These financial statements of Fearing International (Stock Aids) Limited, registered number 01222422, were approved by the Board of Directors on Apr. 1<sup>st</sup>, 2013

Signed on behalf of the Board of Directors

  
Louis Marie ALLAIN

Director

The accompanying notes are an integral part of the financial statements

**Fearing international (Stock-Aids) limited**  
**Cash Flow Statement**

**For the period ended 31 December 2012**

	Notes	9 months ended 31 December 2012 £	Year ended 31 March 2012 £
<b>Net cash flow from/(used in) operating activities</b>	16	<b>145,577</b>	<b>(31,945)</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment		171	-
Purchase of property, plant and equipment	8	(27,467)	(41,121)
<b>Net cash used in investing activities</b>		<b>(27,296)</b>	<b>(41,121)</b>
<b>Cash flows used in financing activities</b>			
Dividends paid (note 20)		-	-
Interest received	5	19	-
<b>Net cash used in financing activities</b>		<b>19</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>118,300</b>	<b>(73,066)</b>
Cash and cash equivalents at beginning of period		137,205	210,271
<b>Cash and cash equivalents at end of period</b>		<b>255,505</b>	<b>137,205</b>

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

## **Notes To The Financial Statements**

**For the period ended 31 December 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**

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)

Improvement to IFRS 2011

IFRS9 (revised October 2011) *Financial Instruments*

IFRS10 *Consolidated financial Statements*

IFRS11 *Joint Arrangements*

IFRS12 *Disclosure of Interests in Other Entities*

IFRS13 (May 2012) *Fair Value Measurement*

IAS 1 (amended) *Presentation of Financial Statements*

IAS 19 (revised) *Employee Benefits*

IAS27 (revised) *Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

IAS28 *Investment in Associates and Joint Ventures*

IAS32 (amended) *Financial Instruments Presentation*

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

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements 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.

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

## **Notes To The Financial Statements**

**For the period ended 31 December 2012**

### **1. Accounting policies (continued)**

#### **Going concern**

The Directors have considered the risks and uncertainties set out within the directors' report when assessing the going concern assumption. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they 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 period ended 31 December 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 period ended 31 December 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 period ended 31 December 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

	9 months ended 31 December 2012 £	Year ended 31 March 2012 £
<b>Continuing operations</b>		
Sale of goods	1,966,795	2,937,782
Interest receivable	19	-
<b>Total revenue</b>	<u>1,966,814</u>	<u>2,937,782</u>

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 period ended 31 December 2012**

**3. Profit before taxation**

Profit before taxation has been arrived at after charging

	<b>9 months ended 31 December 2012 £</b>	<b>Year ended 31 March 2012 £</b>
Depreciation of property, plant and equipment	18,809	21,056
Staff costs (see note 4)	362,992	463,905
Rentals under operating leases		
- land & buildings	32,706	41,658
- other	16,269	21,144
Net foreign exchange losses/(gains)	(1,733)	(786)
Cost recharged by group company	76,804	90,965
	<u>          </u>	<u>          </u>
Fees payable to the company's auditor for the audit of the company's annual accounts	6,000	8,000
Fees payable to the company's auditor for other services	3,000	8,514
	<u>          </u>	<u>          </u>
Total fees payable to the company's auditor	<u>9,000</u>	<u>16,514</u>

**4. Staff costs**

**a) The aggregate remuneration comprised**

	<b>9 months ended 31 December 2012 £</b>	<b>Year ended 31 March 2012 £</b>
Wages and salaries	323,821	411,324
Social security costs	29,065	41,397
Other pension costs (see note 19)	10,106	11,184
	<u>          </u>	<u>          </u>
	<u>362,992</u>	<u>463,905</u>

The aggregate balance of emoluments paid to the Directors as a whole, including pension payments was £47,009 (31 March 2012 £73,340) 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:**

	<b>Average number of employees</b>	
	<b>9 months ended 31 December 2012 No.</b>	<b>Year ended 31 March 2012 No.</b>
Sales, distribution and administration	<u>19</u>	<u>20</u>

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

**For the period ended 31 December 2012**

**5. Finance income**

	<b>9 month period ended 31 December 2012 £</b>	<b>Year ended 31 March 2012 £</b>
Interest on bank deposits	19	-

**6. Taxation**

The tax charge for the period is £10,766 (year ended March 2012 £85,080)

	<b>9 months ended 31 December 2012 £</b>	<b>Year ended 31 March 2012 £</b>
Corporation tax		
Current year	13,253	74,255
Adjustments in respect of prior years	-	3,838
	<u>13,253</u>	<u>78,093</u>
Deferred tax (note 13)	(2,487)	6,987
	<u>10,766</u>	<u>85,080</u>

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

	<b>9 months ended 31 December 2012 £</b>	<b>Year ended 31 March 2012 £</b>
Profit before tax	45,163	294,762
Income tax calculated at 24% (2012 - 26%)	10,839	76,638
Marginal relief	-	-
Adjustment in respect of prior period	2	3,980
Expenses not deductible for tax purposes	48	4,891
Impact in reduction of UK tax rate	(123)	(429)
	<u>10,766</u>	<u>85,080</u>

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

**For the period ended 31 December 2012**

**6. Taxation (continued)**

The UK Government announced in March 2012 that it intended to reduce the main rate of UK corporation tax from 25% to 23% and Finance Act 2012, which was substantively enacted on 17 July 2012, included provisions to reduce the rate of corporation tax to 23% with effect from 1 April 2013. Accordingly, deferred tax balances have been revalued to the lower rate of 23% in these accounts, which has resulted in a credit to the profit & loss account of £123.

The UK Government announced in March 2013 it intends to enact further reductions of main the rate of corporation tax, reducing it to 21% with effect from 1 April 2014 and then by a further 1% to 20% by 1 April 2015. As this legislation was not substantively enacted by 31 December 2012, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts. If the deferred tax assets and liabilities of the company were all to reverse after 1 April 2015, the effect of the changes from 23% to 20% would be to reduce the net deferred tax liability by £364. To the extent that the deferred tax liability reverses more quickly than this, the impact on the net deferred tax liability will be reduced.

**7. Intangible assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 April 2011, 31 March 2012, 31 December 2012	184,001	184,001
	<u>184,001</u>	<u>184,001</u>
<b>Amortisation</b>		
At 1 April 2011, 31 March 2012 and 31 December 2012	102,733	102,733
	<u>102,733</u>	<u>102,733</u>
<b>Carrying amount</b>		
At 1 April 2011, 31 March 2012 and 31 December 2012	81,268	81,268
	<u>81,268</u>	<u>81,268</u>

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

**For the period ended 31 December 2012**

**8. Property, plant and equipment**

	Leasehold Improvements £	Plant and Machinery £	Furniture and equipment £	Total £
<b>Cost</b>				
At 1 April 2011	72,697	146,183	85,755	304,635
Additions	-	4,640	36,481	41,121
Disposals	-	-	-	-
At 31 March 2012	<u>72,697</u>	<u>150,823</u>	<u>122,235</u>	<u>345,755</u>
Additions	-	-	27,467	27,467
Disposals	-	(16,317)	(822)	(17,139)
At 31 December 2012	<u><u>72,697</u></u>	<u><u>134,506</u></u>	<u><u>148,880</u></u>	<u><u>356,083</u></u>
<b>Accumulated depreciation</b>				
At 1 April 2011	51,008	139,035	79,086	269,129
Charge for the year	7,270	5,434	8,352	21,056
Eliminated on disposals	-	-	-	-
At 31 March 2012	<u>58,278</u>	<u>144,469</u>	<u>87,438</u>	<u>290,185</u>
Charge for the period	5,453	2,211	11,145	18,809
Eliminated on disposals	-	(16,317)	(651)	(16,968)
At 31 December 2012	<u><u>63,731</u></u>	<u><u>130,363</u></u>	<u><u>97,932</u></u>	<u><u>292,026</u></u>
<b>Carrying amount</b>				
At 31 December 2012	<u><u>8,966</u></u>	<u><u>4,143</u></u>	<u><u>50,948</u></u>	<u><u>64,057</u></u>
At 31 March 2012	<u><u>14,419</u></u>	<u><u>6,354</u></u>	<u><u>34,797</u></u>	<u><u>55,570</u></u>
At 31 March 2011	<u><u>21,689</u></u>	<u><u>7,148</u></u>	<u><u>6,669</u></u>	<u><u>35,506</u></u>

**9. Inventories**

	31 December 2012 £	31 March 2011 £
Goods for resale	<u><u>405,976</u></u>	<u><u>334,322</u></u>

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 period ended 31 December 2012**

**10. Trade and other receivables**

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
Trade receivables	250,257	255,548
Allowances for doubtful debts	(9,278)	(9,316)
	<u>240,979</u>	<u>246,232</u>
Other receivables and prepayments	26,303	35,879
Deferred tax asset	-	-
Amounts owed by related undertakings	6,563	304,530
	<u>273,845</u>	<u>586,641</u>

**Ageing of past due but not impaired receivables**

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
0-30 days	23,020	-
30-60 days	18,943	21,033
Over 60 days	5,715	-
Total	<u>47,678</u>	<u>21,033</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 period ended 31 December 2012**

**10. Trade and other receivables (continued)**

The movements in the allowance for doubtful debts are as follows

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
Balance at the beginning of the period	9,316	3,394
Amounts written off as uncollectable	(582)	-
Impairment provision created during the period	544	5,922
Balance at the end of the period	<u>9,278</u>	<u>9,316</u>

**11. Cash and cash equivalents**

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
Cash at bank and in hand	<u>255,505</u>	<u>137,205</u>

**12. Trade and other payables**

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
Trade payables	96,093	134,669
Other payables and accruals	58,189	65,495
Amounts owed to related undertakings	21,437	90,873
Other taxes and social security costs	76,536	91,501
	<u>252,255</u>	<u>382,538</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days. For most suppliers no interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair values.

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

**For the period ended 31 December 2012**

**13. 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

	<b>Total</b>
	<b>£</b>
At 1 April 2012	5,277
Adjustment in respect of prior period	2
Charge for period	(2,489)
As 31 December 2012	<u>2,790</u>

**14. Share capital**

**Issued share capital**

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

**15. Retained earnings**

Balance at 1 April 2011	<b>£</b> 574,610
Net profit for the year	209,682
Balance at 1 April 2012	<u>784,292</u>
Net profit for the period	34,397
Balance at 31 December 2012	<u>818,689</u>

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

**For the period ended 31 December 2012**

**16 Note to the cash flow statement**

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
Profit for the year/period	34,397	209,682
Adjustments for		
Finance income	(19)	-
Income tax expense	10,766	85,080
Depreciation of property, plant and equipment	18,809	21,056
Operating cash flows before movements in working capital	<u>63,953</u>	<u>315,818</u>
Increase in inventories	(71,654)	(48,127)
Decrease/(increase) in trade and other receivables	312,797	(184,171)
Decrease in payables	(130,283)	(64,715)
Cash generated by operations	<u>174,813</u>	<u>18,805</u>
Income taxes paid	<u>(29,236)</u>	<u>(50,750)</u>
Net cash flow from/(used in) operating activities	<u><u>145,577</u></u>	<u><u>(31,945)</u></u>

**17. Operating lease arrangements**

	<b>31 December 2012 £</b>	<b>31 March 2012 £</b>
Minimum lease payments under operating leases recognised as an expense in the year		
- land & buildings	32,706	41,658
- other	16,269	21,144

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

	<b>Land and buildings 31 December 2012 £</b>	<b>Other 31 December 2012 £</b>	<b>Land and buildings 31 March 2012 £</b>	<b>Other 31 March 2012 £</b>
Operating leases which expire				
Within one year	25,164	20,684	25,754	16,221
In the one to two years inclusive	5,250	14,334	9,000	13,700
In the third to fifth years inclusive	-	27,091	3,000	3,390
After five years	-	-	-	-
	<u>30,414</u>	<u>62,109</u>	<u>37,754</u>	<u>33,311</u>



# Fearing International (Stock-Aids) Limited

## Notes To The Financial Statements

For the period ended 31 December 2012

### 18. 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 December 2012 £	31 March 2012 £
<b>Financial assets</b>		
Cash and cash equivalents	255,505	137,205
Trade and other receivables	247,543	550,762
	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>		
Trade and other payables	194,066	276,571
	<u>          </u>	<u>          </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.

#### (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.

## Fearing International (Stock-Aids) Limited

### Notes To The Financial Statements

For the period ended 31 December 2012

#### 18. Financial instruments (continued)

##### (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 December 2012 £	31 March 2012 £
<b>Financial liabilities</b>		
Trade and other payables – due within 12 months	<u>194,066</u>	<u>276,571</u>

##### (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.

#### 19. Defined contribution pension scheme

The company operates defined contribution retirement benefit schemes for all qualifying employees, managed by an external pension provider. The company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to income of £10,106 (year ended 31 March 2012: £11,184) represents contributions payable to these schemes by the company at rates specified in the rules of the schemes. As at 31 December 2012 contributions of £1,102 (year ended 31 March 2012: £1,080) due in respect of the current reporting period had not been paid over to the schemes.

#### 20. Related party disclosures

The company was controlled by Tru-Test UK Limited until 31 October 2012. The company's results were consolidated by Tru-Test UK Limited and accounts were publicly available, therefore the company has taken advantage of the exemption afforded to it by IAS 24 not to disclose transactions or outstanding balances with Tru-Test UK Limited and companies which are 100% controlled by Tru-Test UK Limited.

Following the sale of the company on 31 October 2012, the company's results are not consolidated, therefore the amounts below represent related party disclosures since the change in ownership.

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

**For the period ended 31 December 2012**

	Sales to related parties	Purchases from related parties	Management charges between related parties	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£	£
For the 9 month period ended December 2012					
Related parties	37,946	128,052	76,804	6,563	21,437
<b>Total</b>	<b>37,946</b>	<b>128,052</b>	<b>76,804</b>	<b>6,563</b>	<b>21,437</b>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

**21. Ultimate parent undertaking**

The company is a wholly owned subsidiary of Destron Fearing Corporation, a company incorporated and registered in the United States. The ultimate parent undertaking is Electra Partners LLP, a private equity fund manager incorporated and registered in England and Wales.