Company Registration No. 01222422

Fearing International (Stock-Aids) Limited

Annual Report and Financial Statements

31 December 2015

Fearing International (Stock-Aids) Limited

Annual report and financial statements 2015

Contents

Fearing International (Stock-Aids) Limited

Officers and professional advisers

DIRECTORS

Stuart Clive WARD
Kevin David PARKER

COMPANY SECRETARY

Louis-Marie ALLAIN

REGISTERED OFFICE

1 Greencroft Industrial Park
Stanley
County Durham
England
United Kingdom
DH9 7YA

BANKERS

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

SOLICITORS

Squire Sanders (UK) LLP
2 Park Lane
Leeds
LS3 1ES

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2015.

An exemption has been taken from preparing a Strategic report and 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 year was that of the distribution of animal identification tags and other agricultural products. The Directors consider the current level of performance to be satisfactory.

As shown in the income statement on page 7, the company generated a profit after taxation for the year ended 31 December 2015 of £321,943 (2014: £94,208) from revenue of £1,948,036 (2014: £1,909,470).

The statement of financial position on page 9 shows the financial position at 31 December 2015. Net assets at the year-end increased to £1,308,732 (2014: £986,789).

Dividends

No dividends were paid or proposed during the year (2014: £nil).

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 ("KPIs")

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

- Revenue £1,948,036 (2014: £1,909,470).
- Earnings before interest, depreciation and tax £427,893 (2014: £147,490).
- Net assets £1,308,732 (2014: £986,789).

Prospects and post balance sheet events

On the 30 June 2016, the entire balance sheet comprising all assets and liabilities of Fearing International (Stock-Aids) Limited; was hived up into Allflex UK Group Limited (formerly Ritchey Limited) a fellow Allflex group undertaking at Net Book Value, whilst leaving a loan balance payable to the company. Fearing International (Stock-Aids) Limited will remain dormant with no trade. The directors have are no plans to liquidate the company within twelve months from the Annual Report and Financial Statements signing date. Consequently the financial statements have been prepared on a going concern basis.

Directors' report (continued)

Directors

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

Stuart Clive WARD

Kevin David PARKER (appointed 15 April 2015)

Going concern

The Directors have considered the risks and uncertainties set out above when assessing the going concern assumption. Following the hiving up of the entire balance sheet of Fearing International (Stock-Aids) Limited on 30 June 2016; comprising all the assets and liabilities to Allflex UK Group Limited (formerly Ritchey Limited). And there having been no decision by management to liquidate the company; management have continued to adopt the going concern basis in preparing the financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period of at least 12 months from the signing of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 prepared 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

Grant Thornton UK LLP resigned as auditors on 23 October 2015 and PricewaterhouseCoopers LLP were appointed to fill a casual vacancy. A resolution re-appointing them as auditor for the ensuing year will be proposed at the forthcoming Annual General Meeting.

Directors' report (continued)

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board on 30 September 2016.

Kevin David PARKER
Finance Director

Independent auditors' report to the members of Fearing International (Stock-Aids) Limited

Report on the financial statements

Our opinion

In our opinion, Fearing International (Stock-Aids) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2015;
- the income statement for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Independent auditors' report to the members of Fearing International (Stock-Aids) Limited (continued)

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Michael Philp

Michael Philp (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
30 September 2016

Fearing International (Stock-Aids) Limited

Income statement
For the year ended 31 December 2015

	Note	Discontinued 2015 £	Discontinued 2014 £
Revenue	2	1,948,036	1,909,470
Cost of sales		(969,277)	(919,616)
Gross profit		978,759	989,854
Distribution costs		(73,013)	(109,100)
Administration expenses		(501,518)	(760,152)
Profit before taxation	3	404,228	120,602
Taxation	5	(82,285)	(26,394)
Profit for the year		321,943	94,208

There have been no other comprehensive income. Accordingly, no separate statement of comprehensive income has been presented.

All activity has arisen from discontinued 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 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2014	1,275	891,306	892,581
Total comprehensive income	-	94,208	94,208
Balance at 1 January 2015	1,275	985,514	986,789
Total comprehensive income	-	321,943	321,943
Balance at 31 December 2015	1,275	1,307,457	1,308,732

Fearing International (Stock-Aids) Limited

Statement of financial position
As at 31 December 2015

	Note	31 December 2015 £	31 December 2014 £
Non-current assets			
Intangible assets	6	81,268	81,268
Property, plant and equipment	7	23,348	49,283
Deferred tax asset	8	4,726	1,671
		109,342	132,222
Current assets			
Inventories	9	257,556	271,657
Trade and other receivables	10	1,200,757	690,555
Cash and cash equivalents	11	34,505	120,690
		1,492,818	1,082,902
Total assets		1,602,160	1,215,124
Current liabilities			
Trade and other payables	12	(235,587)	(211,574)
Current tax liability		(57,841)	(16,761)
Total liabilities		(293,428)	(228,335)
Net assets		1,308,732	986,789
Equity			
Share capital	13	1,275	1,275
Retained earnings	14	1,307,457	985,514
Total equity		1,308,732	986,789

The financial statements of Fearing International (Stock Aids) Limited, registered number 01222422, on pages 7 to 24 were approved by the Board of Directors and authorised for issue on 30 September 2016.

Signed on behalf of the Board of Directors by

Kevin David PARKER

Finance Director

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

Fearing international (Stock-Aids) limited

Cash flow statement
For the year ended 31 December 2015

	Notes	2015 £	2014 £
Net cash flow (used in)/from operating activities	15	(86,282)	4,392
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		428	616
Purchase of property, plant and equipment		(331)	(2,024)
Net cash from/(used in) investing activities		97	(1,408)
Net (decrease)/increase in cash and cash equivalents		(86,185)	2,984
Cash and cash equivalents at beginning of year		120,690	117,706
Cash and cash equivalents at end of year		34,505	120,690

Notes to the financial statements
For the year ended 31 December 2015

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.

The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using IFRS. And prepared with EU adopted IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC).

International Financial Reporting Standards

In previous years, 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 IAS 38 *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):

- IFRS 9 Financial Instruments (IASB effective date 1 January 2018)*
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)*
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)*
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (IASB effective date 1 July 2014)**
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (IASB effective date 1 January 2016)*
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (IASB effective date 1 January 2016)*
- Annual Improvements to IFRSs 2010-2012 Cycle (IASB effective date generally 1 July 2014)**
- Annual Improvements to IFRSs 2012-2014 Cycle_(effective 1 January 2016)*
- Amendments to IAS 16 and IAS 41: Bearer Plants (effective 1 January 2016)*
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)*
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2016)*
- Amendments to IAS 1: Disclosure Initiative (effective for year commencing on or after 1 January 2016)

* Not adopted by the EU (as at 9 January 2015).

** EU mandatory effective date is financial years starting on or after 1 February 2015.

The Directors have taken advantage of the transitional exemption from applying IFRS 3 *Business Combinations* retrospectively.

1. Accounting policies (continued)
Basis of accounting (continued)

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

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.

The accounting policies have been applied consistently.

Going concern

The Directors have considered the risks and uncertainties set out in the Directors' Report when assessing the going concern assumption.

Following the hiving up of the entire balance sheet of Fearing International (Stock-Aids) Limited on 30 June 2016; comprising all the assets and liabilities to Allflex UK Group Limited (formerly Ritchey Limited). And there having been no decision by management to liquidate the company; management have continued to adopt the going concern basis in preparing the financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period of at least 12 months from the signing of the financial statements. 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
Motor vehicles	4 years

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

Impairment of goodwill and property, plant and equipment

At every balance sheet date, a review of the carrying amounts of the goodwill and property, plant and equipment 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.

Fearing International (Stock-Aids) Limited

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

Impairment of goodwill and property, plant and equipment (continued)

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

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

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

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.

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 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 finance costs.

1. **Accounting policies (continued)**

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 year. 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 year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Financial assets and liabilities

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

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

Loans and receivables

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

Foreign currency translation

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

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.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future years.

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 year.

2. Revenue

An analysis of revenue is as follows:

	2015 £	2014 £
Discontinued operations		
Sale of goods	1,948,036	1,909,470
Total revenue	1,948,036	1,909,470

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.

3. Profit before taxation

Profit before taxation has been arrived at after charging/(crediting):

	2015 £	2014 £
Depreciation of property, plant and equipment	23,665	26,888
Loss on disposal of property, plant and equipment	2,173	50
Staff costs (see note 4)	207,351	294,915
Rentals under operating leases		
- land & buildings	32,333	37,000
- other	13,974	18,384
Net foreign exchange losses	163	460
Cost recharged by group company	139,853	127,953
Fees payable to the company's auditors for the audit of the company's annual financial statements	5,389	4,800
Fees payable to the company's auditors for other services	-	1,750
Total fees payable to the company's auditors	5,389	6,550

Notes to the financial statements
For the year ended 31 December 2015

4. Staff costs

a) The aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	183,397	259,979
Social security costs	11,690	24,545
Other pension costs (see note 18)	12,264	10,391
	207,351	294,915

The aggregate balance of emoluments paid to the Directors, including pension payments was £nil (2014: £nil). The amount of contributions paid in the year was £nil (2014: £nil). Management consider the statutory Directors to be the key management personnel of the company.

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

	Average number of employees	
	2015 No.	2014 No.
Sales, distribution and administration	6	11

5. Taxation

The tax charge for the year is £82,285 (2014: £26,394).

	2015 £	2014 £
Corporation tax:		
Current year	85,341	29,661
Adjustment in respect of prior years	(1)	-
	85,340	29,661
Deferred tax (note 8)	(3,055)	(3,267)
	82,285	26,394

Notes to the financial statements
For the year ended 31 December 2015

5. Taxation (continued)

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

	2015 £	2014 £
Profit before tax	404,228	120,602
Tax at the UK corporation tax rate at 20.25% (2014: 21%)	81,856	25,326
Other	(1)	3,428
Expenses not deductible for tax purposes	152	226
Impact of reduction of UK tax rate	279	(2,586)
	82,286	26,394

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting year are being taxed at an effective rate of 20.25%.

A further reduction to the UK corporation tax rate was substantially enacted for accounting purposes on 26 October 2015, such that the main rate will reduce further to 19% from 1 April 2017 and remain at this rate for the financial years beginning 1 April 2018 and 1 April 2019. In the 2016 budget it was also announced that the corporation tax rate will be reduced by a further 2% to 17% for the financial year beginning 1 April 2020.

6. Intangible assets

	Goodwill £	Total £
Cost		
At 1 January 2014, 31 December 2014 and 31 December 2015	184,001	184,001
Accumulated amortisation		
At 1 January 2014, 31 December 2014 and 31 December 2015	102,733	102,733
Carrying amount		
At 31 December 2013, 31 December 2014 and 31 December 2015	81,268	81,268

Fearing International (Stock-Aids) Limited

Notes to the financial statements
For the year ended 31 December 2015

7. Property, plant and equipment

	Leasehold improvements £	Plant and machinery £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2014	72,697	123,831	119,690	26,498	342,716
Additions	-	-	2,024	-	2,024
Disposals	-	(38,590)	-	-	(38,590)
At 31 December 2014	72,697	85,241	121,714	26,498	306,150
Additions	-	331	-	-	331
Disposals	(72,697)	(45,428)	(12,710)	-	(130,835)
At 31 December 2015	-	40,144	109,004	26,498	175,646
Accumulated depreciation					
At 1 January 2014	70,460	121,610	75,833	-	267,903
Charge for the year	720	1,046	18,497	6,625	26,888
Eliminated on disposal	-	(37,924)	-	-	(37,924)
At 31 December 2014	71,180	84,732	94,330	6,625	256,867
Charge for the year	720	587	15,733	6,625	23,665
Eliminated on disposal	(71,900)	(45,428)	(10,906)	-	(128,234)
At 31 December 2015	-	39,891	99,157	13,250	152,298
Carrying amount					
At 31 December 2015	-	253	9,847	13,248	23,348
At 31 December 2014	1,517	509	27,384	19,873	49,283
At 31 December 2013	2,237	2,221	43,857	26,498	74,813

8. Deferred tax asset

The following are the major deferred tax balances recognised by the company and movements thereon during the current year.

	Total
	£
At 1 January 2014	(1,596)
Credit for year	3,267
At 31 December 2014	1,671
Credit for year	3,055
As 31 December 2015	4,726

Deferred tax relates to timing differences over fixed assets balances held.

9. Inventories

	2015	2014
	£	£
Goods for resale	257,556	271,657

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

The cost of inventories recognised as an expense and included in cost of sales during the year is £954,659 (2014: £905,587).

10. Trade and other receivables

	2015	2014
	£	£
Trade receivables	167,015	156,993
Allowances for doubtful debts	(5,743)	(13,854)
	161,272	143,139
Other receivables and prepayments	16,240	29,727
Amounts owed by related undertakings	1,023,245	517,689
	1,200,757	690,555

Ageing of past due but not impaired receivables

	2015	2014
	£	£
0-30 days	(12,643)	(8,913)
30-60 days	42,809	3,834
Over 60 days	33,137	12,989
Total	63,303	7,910

Notes to the financial statements
For the year ended 31 December 2015

10. Trade and other receivables (continued)

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 year. The concentration of credit risk is limited due to the varied customer base.

11. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	34,505	120,690

12. Trade and other payables

	2015 £	2014 £
Trade payables	37,458	81,096
Other payables and accruals	74,551	51,983
Amounts owed to related undertakings	71,512	36,767
Other taxes and social security costs	52,066	41,728
	235,587	211,574

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit year 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.

13. Share capital

Issued share capital

	2015 £	2014 £
Allotted, called up and fully paid:		
1,275 (2014: 1,275) ordinary shares of £1 each	1,275	1,275

Notes to the financial statements
For the year ended 31 December 2015

14. Retained earnings

	£
Balance at 1 January 2014	891,306
Profit for the year	94,208
Balance at 31 December 2014	985,514
Profit for the year	321,943
Balance at 31 December 2015	1,307,457

15. Note to the cash flow statement

	2015 £	2014 £
Profit for the year	321,943	94,208
Adjustments for:		
Income tax expense	82,285	26,394
Depreciation of property, plant and equipment	23,665	26,888
Loss on disposal of property, plant and equipment	2,173	50
Operating cash flows before movements in working capital	430,066	147,540
Decrease/(increase) in inventories	14,101	(15,863)
Increase in trade and other receivables	(510,202)	(48,530)
Increase/(decrease) in payables	24,013	(59,766)
Cash generated by operations	(42,022)	23,381
Income taxes paid	(44,260)	(18,989)
Net cash flow (used in)/from operating activities	(86,282)	4,392

16. Operating lease arrangements

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

	2015 £	2014 £
Operating leases which expire:		
Within one year	12,504	27,978
In the one to two years inclusive	2,084	12,504
In the third to fifth years inclusive	-	2,084
	14,588	42,566

Notes to the financial statements
For the year ended 31 December 2015

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

	2015	2014
	£	£
Financial assets – measured at amortised cost		
Cash and cash equivalents	34,505	120,690
Trade and other receivables	1,184,517	660,828
Financial liabilities - measured at amortised cost		
Trade and other payables	161,036	159,591

(b) Financial risk management objectives

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

(c) Market risk

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

(d) Credit risk management

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

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

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

(e) Liquidity risk management

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

17. Financial instruments (continued)

(e) Liquidity risk management (continued)

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.

	2015	2014
	£	£
Financial liabilities		
Trade and other payables – due within 12 months	161,036	159,591

(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 to their book value.

18. 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 £12,264 (2014: £10,391) represents contributions payable to these schemes by the company at rates specified in the rules of the schemes. As at 31 December 2015 contributions of £319 (2014: £901) due in respect of the current reporting year had not been paid over to the schemes.

19. Related party disclosures

	For the year ended 31 December 2014:			As at 31 December 2014:	
	Sales to related parties	Purchases from related parties	Management charges between related parties	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£	£
Ritchey Limited*	17,433	161,195	104,530	510,000	19,842
Allflex Europe S.A.S	-	73,480	4,696	-	4,696
Allflex Holdings France SASU	-	-	18,727	2,348	-
Allflex Europe UK Limited	8,118	66,707	-	5,341	12,121
Markrite Limited	264	-	-	-	-
Cox Agri Limited	57	90	-	-	108
Total	25,872	301,472	127,953	517,689	36,767

	For the year ended 31 December 2015:			As at 31 December 2015:	
	Sales to related parties	Purchases from related parties	Management charges between related parties	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£	£
Ritchey Limited*	16,717	239,015	116,484	1,022,722	13,887
Allflex Europe S.A.S	-	38,821	5,157	-	5,158
Allflex Holdings France SASU	-	-	18,212	-	52,467
Allflex Europe UK Limited	29,623	91,210	-	523	-
Cox Agri Limited	5	4,336	-	-	-
Total	46,345	373,382	139,853	1,023,245	71,512

*Ritchey Limited is now called, as of 31 March 2016, Allflex UK Group Limited

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.

Directors' emoluments are disclosed in note 4. There are no employees other than the directors who are considered to be key management.

20. Ultimate parent undertaking

The company is a wholly owned subsidiary of Destron Fearing Corporation, a company incorporated and registered in the United States of America. The ultimate parent undertaking is Allflex Corporation, a company incorporated in the United States of America, which is controlled by funds managed by BC Partners Holdings Limited. The Directors consider there to be no ultimate controlling related party.

At the year end, the smallest group in which the results are consolidated is that headed by Allflex Holdings III, Inc. And the largest group in which the results of the company are consolidated is that headed by Allflex Corporation.