

**MAP Trading Limited**

Annual report and financial statements

Registered number 1826942

For the year ended 30 June 2019

WEDNESDAY



\*A91LMS2H\*

A17

25/03/2020

#12

COMPANIES HOUSE

<b>Contents</b>	<b>Page</b>
Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the annual report and the financial statements	5
Independent auditors' report to the members of MAP Trading Limited	6
Profit and loss account and other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

## **Company information**

<b>Registered number</b>	1826942
<b>Registered office</b>	2 Abbey Road Park Royal London NW10 7BW
<b>Directors</b>	ZM Choudrey, CBE, BA (Hons), FCA MY Sheikh R Pervez, ACA D Pervez, BA (Hons), Solicitor
<b>Secretary</b>	D Pervez, BA (Hons), Solicitor
<b>Solicitors</b>	Kerman & Co LLP 7 Savoy Court Strand London WC2R 0ER  Lovells LLP Atlantic House Holborn Viaduct London EC1A 2FG
<b>Independent Auditors'</b>	PricewaterhouseCoopers LLP 54 Clarendon Road, Watford, WD17 1DU United Kingdom

## Strategic report

The directors present their Strategic report of MAP Trading Limited for the year ended 30 June 2019.

### Principal activities

The principal activity of the Company during the year was the milling and processing of rice and the importation and sale of rice, herbs, spices and lentils and import & export sales.

### Business review

Turnover for the year ended 30 June 2019 amounted to £14.9 million compared to £15.2 million for the previous year, which is a decrease of 2%. Operating loss for the year to 30 June 2019 was £0.8 million compared to £0.8 million operating profit for the previous year. Loss on ordinary activities before taxation was £1.1 million compared to £1.1 million loss last year.

### Principal risks & uncertainties

The market is highly competitive with multiple convenience businesses in the wholesale sector and various mergers and acquisitions within the industry. The Company competes by closely monitoring the demands of its customers and ensures better price, choice and quality is being offered. The Company frequently reviews its prices to remain competitive whilst also maintain margins.

The UK's referendum decision to leave the EU has increased uncertainty. Brexit negotiations are ongoing and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers, foreign exchange and wider economy, which could impact the reported performance and results of the company.

The Company balance sheet shows net current liabilities of £6.6 million as at the balance sheet date. Notwithstanding these facts the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The directors have received assurances from the board of directors of its ultimate parent, Bestway Group Limited that they will continue to make adequate funding available via intercompany accounts for the foreseeable future. As with any company placing reliance on a parent company for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, Bestway Group Limited has agreed that it will not call in amounts owed in the next 12 months from the date of approval of these financial statements. The Company is an important entity within the Group as it is a member of the banking group; this gives the directors further assurance that the parent company will continue to support the Company.

### Key performance indicators

The Board of Directors uses many performance indicators, both financial and non-financial, to monitor the Company's position.

Among the financial performance indicators within the business, the most important ones are gross profit margin, sales per depot, sales per department, wages per depot, stock availability and stock levels.

The non-financial performance indicators are staff revenue, staff/supplier/customer satisfaction, health and safety reports among others. The Board is of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

### Future outlook

We continue to broaden our range to match our customer's needs. The Directors are investing in a better information technology platform to enable our sales representatives to have access to better information about the customers

On behalf of the board



**D Pervez**  
Director

18 November 2019

## Directors' report

The directors present their annual report and audited financial statements for the year ended 30 June 2019.

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

ZM Choudrey, CBE, BA (Hons), FCA  
MY Sheikh  
R Pervez, ACA  
D Pervez, BA (Hons), FRSA MA Oxon, Solicitor

### Indemnity provisions

No qualifying third party provision is in force for the benefit of any director of the Company.

### Dividends

The directors do not recommend the payment of a final dividend during the year (2018: £nil).

No dividends were paid or are payable on the non-cumulative preference shares in issue (2018: £nil).

### Financial Risk Management

#### a) Financial risk

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include liquidity risk and cash flow interest rate risk.

The Company seeks to minimise the effects of these risks by detailed forecasting and cash management to ensure that loan covenants are not breached. The Company has a policy of using reasonable cash surpluses to pay down debt and thereby reducing interest costs. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the receivables from customers.

The Company manages credit risk principally through the performance of credit checks on new customers and credit control procedures. The trade debtor balances are made up of a large number of individual customers balances, none of which are individually significant. The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the receivable, the ageing profile of debtors and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

Cash and cash equivalents represent deposits at high quality financial institutions.

#### c) Interest rate and liquidity risk

The Company is exposed to interest rate risk due to borrowing funds at floating interest rates namely LIBOR.

Ultimately the responsibility for liquidity risk management rests with the board of directors, which has established an appropriated liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

## Directors' report (continued)

### Financial instruments

The Company's policy is to finance its operations on a medium term basis from retained profits, inter-company borrowings and bank facilities. Additional uncommitted borrowing and overdraft facilities are utilised for short term financing requirements.

The financial instruments utilised by the Company are borrowings, short-term cash deposits and items such as trade creditors which arise directly from its operations. Borrowing and deposit facilities are on a floating rate basis. The Company's policy is not to trade in other financial instruments.

### Employee involvement and equal opportunities

The Company informs and consults regularly with employees on matters affecting their interests with a view to achieving a common awareness of the financial and economic factors affecting its performance. The views expressed by employees have been taken into account when making decisions where appropriate.

The Company is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. It recognises its responsibilities towards the disabled and gives full and fair consideration to applications for employment from them and, so far as particular disabilities permit, will give continued employment to any existing employee who becomes disabled. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Political and charitable donations

Donations to UK charities amounted to £nil (2018: £nil). No political contributions were made during the year (2018: £nil).

### Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on page 2.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

On behalf of the board



**D Pervez**  
Director  
**Registration No 1826942**

18 November 2019

2 Abbey Road  
Park Royal  
London  
NW10 7BW

## Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

On behalf of the board



**D Pervez**  
Director  
**Registration No 1826942**

18 November 2019

2 Abbey Road  
Park Royal  
London  
NW10 7BW

# ***Independent auditors' report to the members of MAP Limited***

## **Report on the audit of the financial statements**

---

### **Opinion**

In our opinion, MAP Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2019; the profit and loss account and other comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

---

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

---

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



# ***Independent auditors' report to the members of MAP Limited***

## *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

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.

---

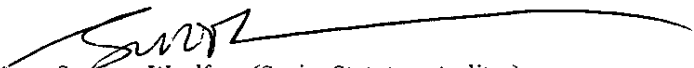
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Suzanne Woolfson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford

19 November 2019

**Profit and loss and other comprehensive income**  
*for the year ended 30 June 2019*

	<i>Note</i>	<b>2019</b> <b>£000</b>	2018 £000
Turnover	4	<b>14,924</b>	15,237
Cost of sales		<b>(14,502)</b>	(14,674)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>422</b>	563
Administrative expenses		<b>(1,213)</b>	(1,319)
		<hr/>	<hr/>
<b>Operating loss</b>	6	<b>(791)</b>	(756)
Interest payable and similar expenses	7	<b>(287)</b>	(330)
		<hr/>	<hr/>
<b>Loss before taxation</b>		<b>(1,078)</b>	(1,086)
Tax on loss on ordinary activities	0	<b>(3)</b>	(3)
		<hr/>	<hr/>
<b>Loss for the financial year and total comprehensive loss</b>		<b>(1,081)</b>	(1,089)
		<hr/>	<hr/>

The notes on pages 11 to 21 form part of the financial statements.

## Balance sheet

*As at 30 June 2019*

	<i>Note</i>	<b>2019</b> <b>£000</b>	2018 £000
<b>Fixed Assets</b>			
Tangible assets	9	1,362	1,585
		<hr/> 1,362 <hr/>	<hr/> 1,585 <hr/>
<b>Current assets</b>			
Stocks	10	2,801	2,831
Debtors (including £nil (2018: £nil) due after more than one year)	11	2,178	2,135
Cash at bank and in hand		265	537
		<hr/> 5,244 <hr/>	<hr/> 5,503 <hr/>
<b>Creditors: amounts falling due within one year</b>	12	(11,861)	(11,265)
		<hr/> (6,617) <hr/>	<hr/> (5,762) <hr/>
<b>Net current liabilities</b>			
		<hr/> (5,255) <hr/>	<hr/> (4,177) <hr/>
<b>Total assets less current liabilities</b>			
<b>Provision for liabilities</b>			
Deferred tax liabilities	13	(34)	(31)
		<hr/> (5,289) <hr/>	<hr/> (4,208) <hr/>
<b>Net liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Accumulated losses		(5,290)	(4,209)
		<hr/> (5,289) <hr/>	<hr/> (4,208) <hr/>
<b>Total shareholders' funds</b>			
		<hr/> (5,289) <hr/>	<hr/> (4,208) <hr/>

The notes on pages 11 to 21 form part of the financial statements.

The financial statements on pages 8 to 21 were approved by the Board of Directors on 13 November 2019 and signed on its behalf by



**D Pervez**  
Director

18 November 2019

Registered number: 1826942

## Statement of changes in equity

*for the year ended 30 June 2019*

	Called up share capital	Accumulated losses	Total shareholders' funds
	£000	£000	£000
Balance at 1 July 2017	1	(3,120)	(3,119)
Loss for the year and total comprehensive loss	-	(1,089)	(1,089)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	1	(4,209)	(4,208)
Loss for the year and total comprehensive loss	-	(1,081)	(1,081)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2019</b>	<b>1</b>	<b>(5,290)</b>	<b>(5,289)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 21 form part of the financial statements.

## Notes to the financial statements (continued)

### 1. General information

MAP Trading Limited (the Company) is a private Company incorporated, domiciled and registered in the UK under the Companies Act 2006. The Company is limited by shares. The address of the registered office is given on page 1. The principal activities of the Company and the nature of the Company's operations are set out in the Strategic report on page 2.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below and in accordance with Companies Act 2006. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company's ultimate parent undertaking, Bestway Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bestway Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures,'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - a) paragraph 79(a)(iv) of IAS 1;
  - b) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - c) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - o 10(d) (statement of cash flows);
  - o 16 (statement of compliance with all IFRS);
  - o 38A (requirement for minimum of two primary statements, including cash flow statements);
  - o 38B–D (additional comparative information);
  - o 11 (cash flow statement information); and
  - o 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

## Notes to the financial statements (continued)

### 2.2 Going concern

The Company balance sheet shows net current liabilities of £6.6 million as at the balance sheet date. Notwithstanding these facts the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The directors have received assurances from the board of directors of its ultimate parent, Bestway Group Limited that they will continue to make adequate funding available via intercompany accounts for the foreseeable future. As with any company placing reliance on a parent company for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, Bestway Group Limited has agreed that it will not call in amounts owed in the next 12 months from the date of approval of these financial statements. The Company is an important entity within the Group as it is a member of the banking group; this gives the directors further assurance that the parent company will continue to support the Company.

### 2.3 New standards, amendments and IFRIC interpretations

#### Interpretations and amendments IFRSs effective for the current year

The following new standards and interpretations to existing standards have been published and are mandatory for the Company's future accounting. The application of the amendments has had no material impact on the disclosures, or the amounts recognised in the Company's financial statements.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Annual Improvements to IFRS Standards 2014–2016 Cycle (Amendments to IFRS 1 and IAS 28)
- IAS 7 (amendments): Disclosure Initiative
- IAS 12 (amendments): Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to IFRSs – 2014-2016 Cycle
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective date: 1 January 2018)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective date: to be confirmed)
- Annual Improvements to IFRSs – 2010-2012 Cycle deemed cost for properties previously measured at fair value: IFRS 8 and IAS 24 amendments
- Annual Improvements to IFRSs – 2011-2013 Cycle: The amendments are in the nature of clarifications rather than substantive changes to existing requirements

The Company has adopted and has assessed IFRS 9 and IFRS 15. The new standards did not have any material impact on the Company's financial statements during the year.

#### New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

- IFRS 16: Leases (effective date: 1 January 2019) introduces a new model for recognising leases whereby entities are required to recognise right of use assets and lease liabilities on the balance sheet for applicable leases. The adoption of this standard is not expected to be material on the Company's balance sheet and profit and loss account. The assessment is in progress.
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- IAS 16 and IAS 18: Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 27 (amendments): Separate Financial statements
- IFRS 11 (amendments): Joint arrangements

## Notes to the financial statements (continued)

### 2.4 Foreign currency translation

#### a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£'000), which is also the company's functional currency.

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

### 2.5 Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is charged to the profit and loss account at rates calculated to write each asset down to its estimated residual value. Land is not depreciated

Their estimated useful lives as follows:

Freehold and long leasehold properties	2% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised within 'Other operating income' in the income statement.

### 2.6 Stocks

Stocks are valued at the lower of cost and net realisable value. In determining the cost of goods purchased for resale, the weighted average purchase price is used. A provision is made for obsolete and slow moving items.

### 2.7 Trade and other debtors

Trade and other debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

### 2.8 Cash at bank and in hand

Cash at bank and in hand includes cash in hand and bank overdrafts. In the balance sheet, bank overdrafts are shown within current liabilities. Cash at bank and in hand also include debit and credit card receipts taken from customers which clear the bank shortly after the sale takes place.

## Notes to the financial statements (continued)

### 2.9 Trade and other creditors

Creditors are obligations to pay for good or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.10 Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any differences between the proceeds (net of transaction costs) are the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and are amortised over the period of the facility to which it relates.

### 2.11 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

### 2.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

#### a) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### b) Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.13 Impairment excluding stocks and deferred tax assets

#### Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.



## Notes to the financial statements (continued)

### 2.13 Impairment excluding stocks and deferred tax assets (continued)

#### Financial assets (including trade and other debtors) (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### Non-financial assets (including tangible assets)

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.14 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

### 2.15 Employee benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

### 2.16 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## **Notes to the financial statements (continued)**

### **2.17 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **2.18 Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents the invoiced amounts receivable for goods provided to customers in the normal course of business, net of discounts, VAT and other sales-related taxes. Turnover is reduced for rebates and other similar allowances. Turnover is recognised when the risks and rewards of ownership are transferred to the customer, which is at the point of sale (or on despatch for delivered items). It is the Company's policy to sell its products to the end customer with a right of return within 30 days. Turnover is reduced by a provision for expected returns (refund liability). An asset and corresponding adjustment to cost of sales is recognised for the Company's right to recover goods from customers.

### **2.19 Retrospective rebates and discounts**

The Company negotiates discounts directly with suppliers. These discounts are accounted for once the directors are confident that the Company is entitled to the discount, and are netted against cost of sales accordingly.

### **2.20 Interest receivable and interest payable**

Financial income comprises interest receivable on cash balances. Interest receivable is recognised as it accrues, using the effective interest method. Financial expenses comprise interest payable on loans and overdrafts. Interest receivable and payable is recognised in the profit and loss as it accrues.

## **3. Critical accounting estimates and judgements**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other facts that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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 periods if the revision affects both current and future periods.

There were no estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## **4. Turnover**

The analysis of the Company's turnover is as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Sale of goods	<b>14,924</b>	15,237
<b>Total turnover</b>	<b>14,924</b>	15,237
Analysis of turnover by geography:		
UK sales	<b>14,868</b>	15,120
Overseas sales	<b>56</b>	117
<b>Total turnover</b>	<b>14,924</b>	15,237

## Notes to the financial statements (continued)

### 5. Staff costs

#### Employees

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2019	2018
	Number	Number
Office and Management	12	10
Retail	6	8
Manufacturing	8	8
Distribution	1	6
	<hr/> 27	<hr/> 32
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£000	£000
Wages and salaries	836	842
Social security costs	90	91
Other pension costs	27	25
	<hr/> 953	<hr/> 958
	<hr/> <hr/>	<hr/> <hr/>

#### Directors' remuneration

The costs relating to the directors remuneration are wholly incurred by Bestway Wholesale Limited for the wider group. The amount attributable to services provided to the Company was £9,000 (2018: £16,000).

### 6. Operating loss

Included in operating loss are the following:	2019	2018
	£000	£000
Net foreign exchange gain/(loss)	(5)	36
Depreciation of property, plant and equipment (see note 9)	235	276
Cost of inventories recognised as expense (see note 10)	13,231	13,407
Staff costs (see note 5)	953	958
Impairment loss recognised on trade debtors	18	-
Audit fees payable to the company's auditor	12	10
Taxation compliance services	7	7

### 7. Interest payable and similar expenses

	2019	2018
	£000	£000
Interest payable to group undertakings	287	330
	<hr/> 287	<hr/> 330
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements (continued)

### 8. Taxation

#### Tax expense included in profit and loss:

	2019 £000	2018 £000
<b>Current tax:</b>		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
	2019 £000	2018 £000
<b>Deferred tax (see note 13)</b>		
Origination and reversal of timing differences	1	3
Reduction in tax rate	(2)	(2)
Recognition of previously unrecognised tax losses	4	2
	<hr/>	<hr/>
Total deferred tax	3	3
	<hr/>	<hr/>
Tax on loss	3	3
	<hr/>	<hr/>

The current tax expense for the year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below.

#### Reconciliation of effective tax rate

	2019 £000	2018 £000
Loss for the year	(1,078)	(1,086)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2018: 19%)	(205)	(206)
Effects of:		
Non-deductible expenses	3	2
Group relief surrendered	203	208
Over provided in prior years	4	1
Rate change impact	(2)	(2)
	<hr/>	<hr/>
Total tax expense	3	3
	<hr/>	<hr/>

#### Factors that may affect future current and total tax rate changes

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2018.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

## Notes to the financial statements (continued)

### 9. Tangible assets

	Freehold buildings £000	Plant and machinery £000	Fixtures & fittings £000	Motor Vehicles £000	Total £000
Cost					
At 1 July 2018	46	4,360	302	103	4,811
Additions	-	9	3	-	12
<b>At 30 June 2019</b>	<b>46</b>	<b>4,369</b>	<b>305</b>	<b>103</b>	<b>4,823</b>
Accumulated depreciation					
At 1 July 2018	14	2,927	193	92	3,226
Charge for year	1	214	17	3	235
<b>At 30 June 2019</b>	<b>15</b>	<b>3,141</b>	<b>210</b>	<b>95</b>	<b>3,461</b>
<b>Net book value</b>					
<b>At 30 June 2019</b>	<b>31</b>	<b>1,228</b>	<b>95</b>	<b>8</b>	<b>1,362</b>
At 30 June 2018	32	1,433	109	11	1,585

#### Assets pledged as security

Tangible moveable property has been pledged to secure borrowings of the Company and relating parties within the Banking Group. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity

### 10. Stocks

	2019 £000	2018 £000
Finished goods and goods for resale	2,801	2,831

The cost of inventories recognised as an expense during the year in respect of continuing operations was £13.2 million (2018: £13.4 million).

The write-down of stocks to net realisable value amounted to £nil million (2018: £nil).

### 11. Debtors

	2019 £000	2018 £000
Trade debtors	1,731	1,329
Amounts owed by group undertakings	250	429
Amounts owed by related parties	177	356
Other taxes and social security	17	19
Prepayments	3	2
	<b>2,178</b>	<b>2,135</b>

Trade debtors are shown net of provision for bad debts amounted to £0.01 million (2018: £0.01 million).

Included within trade and other receivables is £nil (2018: £ nil) expected to be recovered in more than 12 months.

Amounts owed by group undertakings are repayable on demand and interest free.

## Notes to the financial statements (continued)

### 12. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	785	837
Amounts owed to group undertakings	10,245	10,356
Accruals	831	72
	<u>11,861</u>	<u>11,265</u>

Amounts owed to group undertakings are repayable on demand and interest bearing.

### 13. Deferred tax liabilities

The provision for deferred tax consists of the following deferred tax liabilities:

	2019	2018
	£000	£000
Deferred tax liabilities	34	31

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

	Accelerated capital allowances £000	Short term timing differences £000	Total £000
<b>Items that may reverse through the Profit and Loss account</b>			
As at 1 July 2017	(4)	32	28
Charged to the profit and loss account (see note 8)	1	2	3
	<u>          </u>	<u>          </u>	<u>          </u>
As at 30 June 2018	(3)	34	31
Charged to the profit and loss account (see note 8)	-	3	3
	<u>          </u>	<u>          </u>	<u>          </u>
<b>As at 30 June 2019</b>	<b>(3)</b>	<b>37</b>	<b>34</b>

### 13. Called up share capital

	2019	2018
	£000	£000
<b>Authorised</b>		
1,000 (2018: 1,000) ordinary share of £1 each	1	1
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
1,000 (2018: 1,000) ordinary share of £1 each	1	1
	<u>          </u>	<u>          </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year the Company did not issue any shares (2018: nil) and no dividend have been proposed or recognised (2018: nil).

## Notes to the financial statements (continued)

### 14. Contingent liabilities

The company together with the other companies in the Bestway Securities Limited Group and Bestway Northern (a related party) became party to a Senior Facilities Agreement on 19th September 2017, whereby the liabilities of each of the subsidiaries are cross guaranteed by each of the companies. The loans under agreement at 30 June 2019 amount to £208 million (2018: £225 million) and £125 million of rolling credit facility (2018: £125 million).

### 15. Capital commitments

The Company had £nil (2018: £nil) commitments of capital expenditure contracted for but not provided in these financial statements. These commitments are expected to be settled in the following financial year.

### 16. Related party transactions

The Company has taken advantage of the exemption outlined in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group

See note 5 for disclosure of the directors' remuneration.

Transactions with related party companies other than group companies are disclosed below:

	Sale of goods		Purchase of goods	
	2019	2018	2019	2018
	£000	£000	£000	£000
Map Rice Mill (Pvt) Limited	-	-	2,431	2,766

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	2019	2018	2019	2018
	£000	£000	£000	£000
Map Rice Mill (Pvt) Limited	177	356	-	-

Sales and purchases of goods between related parties are either done so at cost or at cost plus a mark-up to cover administrative expenses. 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.

### 17. Controlling parties

The Company's immediate parent undertaking is Bestway Holdco Limited, incorporated in the United Kingdom.

The Company's ultimate parent undertaking is Bestway Group Limited, incorporated in the United Kingdom. There is no ultimate controlling party.

The parent undertaking of the largest group which includes the Company and for which group financial statements are prepared is Bestway Group Limited. The smallest group in which they are consolidated is within Bestway Securities Limited.

The registered address of Bestway Group Limited, Bestway Securities Limited & Bestway Holdco Limited is 2 Abbey Road, Park Royal, London, NW10 7BW. The consolidated financial statements of these groups are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

### 18. Events after the end of the reporting period.

There have been no events subsequent to balance sheet date which would have a material effect on the entity's financial statements at 30 June 2019.