MAP Trading Limited

Annual report and financial statements

Registered number 1826942

For year ended 30 June 2017

Contents

Company information

Registered number	1826942
Registered office	2 Abbey Road Park Royal London NW10 7BW
Directors	ZM Choudrey, CBE, BA (Hons), FCA MY Sheikh R Pervez, ACA D Pervez, BA (Hons), FRSA MA Oxon, Solicitor
Secretary	D Pervez, BA (Hons), FRSA MA Oxon, Solicitor
Solicitors	Kerman & Co LLP 7 Savoy Court Strand London WC2R 0ER Lovells LLP Atlantic House Holborn Viaduct London EC1A 2FG
Auditor	KPMG LLP 15 Canada Square London E14 5GL

Strategic report

Business review

The directors present their Strategic report and the audited financial statements of MAP Trading Limited for the year ended 30 June 2017.

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 2017 amounted to £24.2 million compared to £19.1 million for the previous year, which is an increase of 27%. The operating loss for the year ended 30 June 2017 was £1.2 million compared to £2.1 million in the previous year. The loss before taxation was £1.7 million *(2016: £2.4 million).*

Principal risks & uncertainties

The company is affected by the rate of inflation. Economic risks of reducing commodity prices and deflationary factors in the economy could adversely affect sales and margins.

The Company continues to face increasing competition, with consequent pressure on margins. Economic risks of reducing commodity prices and deflationary factors in the economy could adversely affect sales and margins. There is a liquidity risk surrounding the management of stock and working capital.

On 23 June 2016, the UK electorate voted to discontinue its membership of the European Union. The UK Government further triggered article 50 on 29 March 2017 to start the formal process of leaving the EU. While there will be commercial, operational and legal impacts from the UKs eventual exit from the EU, with the UK Government setting out its intention to leave the single market, uncertainties remain and make it difficult to forecast future years. Until further clarity is known regarding the terms of the exit, it is too early for Directors to include their assessment of the impact on the companies trade and customers, regulatory requirements and legal consequences of such event.

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 by customer, sales by department, wages, stock availability and stock levels.

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

By order of the board

14 December 2017

Z M Choudrey
Director

Directors' report

The directors present their annual report and financial statements for the year ended 30 June 2017.

Principal activities

The principal activities of the company and the nature of the Company's operations are set out in the Strategic report on page 2.

Directors

The directors who held office during the year were as follows:
ZM Choudrey, CBE, BA (Hons), FCA
MY Sheikh
AM Chaudhary, MBA (resigned on 14 November 2016)
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 dividend during the year *(2016: £nil)*.

Disabled persons

The Company makes every effort to ensure that disabled people receive equal opportunities and are not discriminated against on the grounds of their disability.

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 *(2016: £nil)*. No political contributions were made during the year *(2016: £nil)*.

Disclosure of information to auditor

The directors who held office at the date of the 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 auditor is unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is 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.

Directors' report (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Z M Choudrey
Director
Registration No: 1826942

14 December 2017

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

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

Independent Auditor's Report to the members of MAP Trading Limited

Opinion

We have audited the financial statements of MAP Trading Limited ("the company") for the year ended 30 June 2017 which comprise Profit and Loss, the Other Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity and related notes; including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

KPMG

Independent Auditor's Report to the members of MAP Trading Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Malcolm Footer

Malcolm Footer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
15 Canada Square
London
E14 5GL

14 December 2017

Profit and Loss and Other Comprehensive Income
for the year ended 30 June 2017

	Note	2017	2016
		£'000	£'000
Turnover	4	24,232	19,109
Cost of sales		(24,292)	(19,897)
Gross loss		(60)	(788)
Administrative expenses		(1,185)	(1,298)
Operating loss	6	(1,245)	(2,086)
Other interest receivable and similar income	8	-	2
Interest payable and similar expenses	9	(458)	(314)
Loss before taxation		(1,703)	(2,398)
Tax on loss on ordinary activities	10	(6)	27
Loss for the financial year		(1,709)	(2,371)
Other Comprehensive Income		-	-
Total comprehensive income for the year		(1,709)	(2,371)

The notes on pages 11 to 22 form part of the financial statements.

Balance Sheet
As at 30 June 2017

	Note	2017	2016
		£'000	£'000
Fixed Assets			
Tangible assets	*11*	1,857	1,976
		1,857	1,976
Current assets			
Stock	*12*	3,743	3,426
Debtors	*13*	3,212	2,605
Cash at bank and in hand		906	-
		7,861	6,031
Current liabilities			
Creditors: amounts falling due within one year	*14*	(12,809)	9,395
Net current liabilities		(4,948)	(3,364)
Total assets less current liabilities		(3,091)	(1,388)
Provisions for liabilities			
Deferred tax liabilities	*15*	(28)	22
Net liabilities		(3,119)	(1,410)
Capital and reserves			
Called up share capital	*16*	1	1
Profit and loss account		(3,120)	(1,411)
Shareholder's deficit		(3,119)	(1,410)

The notes on pages 11 to 22 form part of the financial statements.

These financial statements were approved by the Board of Directors on 14 December 2017 and were signed on its behalf by:

ZM Choudrey
Director
Registration No: 1826942

Statement of Changes in Equity
for the year ended 30 June 2017

	Called Up Share Capital	Profit and Loss Account	Total equity
	£000	£000	£000
Balance at 1 July 2015	1	960	961
Total comprehensive income for the period	-	(2,371)	(2,371)
Balance at 30 June 2016	1	(1,411)	(1,410)
Total comprehensive income for the period	-	(1,709)	(1,709)
Balance at 30 June 2017	1	(3,120)	(3,119)

The notes on pages 11 to 22 form part of the financial statements.

Notes to the Financial Statements

1. General information

MAP Trading Limited (the Company) is a company incorporated, domiciled and registered in England, in the UK under the Companies Act. 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.

These financial statements are presented in Pound sterling because that is the currency of the primary economic environment in which the group operates.

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 amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to company with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Bestway (Holdings) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bestway (Holdings) 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.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, or the reclassification of items in the financial statements;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Bestway (Holdings) Limited includes the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

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. *Historical cost is generally based on the fair value of the consideration given in* exchange for goods and services.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

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.

2.2 Going concern

The Company balance sheet shows net current liabilities of £4.9 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 (Holdings) 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, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

2.3 Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2.4 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.

2.5 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.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

2.6 Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

a) 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.

b) 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.

c) 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.

2.8 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.

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.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

2.8 Impairment excluding stocks and deferred tax assets (continued)

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

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.

2.9 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.

2.10 Employee benefits

The company operates a defined contribution pension scheme. 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.

Notes to the Financial Statements (continued)

2. Significant Accounting Policies (continued)

2.11 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.

2.12 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.

2.13 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.

2.14 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 estimated customer returns, 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).

2.15 Retrospective rebates and discounts

The Company negotiates discounts directly with its suppliers. These discounts are accounted for once the directors are confident that the Company is entitled to the discount and are treated as a deduction to cost of sales.

2.16 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.

Notes to the Financial Statements (continued)

3. Critical Account Judgements and Key Sources of Estimation Uncertainty

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:	2017	2016
	£000	£000
Sale of goods	24,232	19,109
Total turnover	24,232	19,109

Analysis of turnover by geography:	2017	2016
	£000	£000
UK sales	15,753	15,760
Overseas sales	8,479	3,349
Total turnover	24,232	19,109

5. Staff numbers and costs

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

	2017	2016
	Number	Number
Office and Management	10	9
Retail	13	13
Manufacturing	8	9
Distribution	2	2
	33	33

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£000	£000
Wages and salaries	876	865
Social security costs	93	88
Other pension costs	20	2
	989	955

Notes to the Financial Statements (continued)

6. Expenses and auditor's remuneration

Included in profit/loss are the following:	2017	2016
	£000	£000
Net foreign exchange gain/(loss)	18	(13)
Depreciation of property, plant and equipment (see note 11)	309	281
Cost of inventories recognised as expense (see note 12)	22,993	17,908
Staff costs (see note 5)	989	955
Impairment loss recognised on trade debtors	2	(94)

Auditor's Remuneration:

	2017	2016
	£000	£000
Audit of these financial statements	10	7
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	7	5
	17	12

The company's policy on the use of the external auditor for non-audit services is to ensure that any work undertaken does not impair the auditor's independence. We have considered the auditor's independence and we continue to believe that KPMG LLP is independent within the meaning of all UK regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The non-audit services provided within the period were, in the opinion of the group, more efficiently provided by KPMG LLP than other comparable firms due to it having information which it collects during the audit process. We believe that appropriate safeguards are in place and no services were provided pursuant to contingent fee arrangements.

7. 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 £4,500 *(2016: £5,000).*

8. Other interest receivable and similar income

	2017	2016
	£000	£000
Bank interest receivable	-	2
Total other interest receivable and similar income	-	2

9. Interest payable and similar expenses

	2017	2016
	£000	£000
Interest payable to group undertakings	458	314
Total interest payable and similar expenses	458	314

Notes to the Financial Statements (continued)

10. Taxation

a) *Analysis of charge for the period*

	2017	2016
	£000	£000
UK corporation tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax (see note 15)		
Origination and reversal of timing differences	8	22
Reduction in tax rate	(2)	-
Recognition of previously unrecognised tax losses	-	(49)
Total deferred tax	6	(27)
Tax on loss	6	(27)

The current tax charge/(credit) for the year is higher (2016: lower) than the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below.

b) Reconciliation of effective tax rate

	2017	2016
	£000	£000
Loss for the year	(1,703)	(2,398)
Tax using the UK corporation tax rate of 19.75% (*2016: 20%)*	(336)	(480)
Effects of:		
Non-deductible expenses	2	9
Group relief surrendered	342	496
Over provided in prior years	-	(49)
Rate change impact	(2)	(3)
Total tax expense	6	(27)

c) Factors that may affect future current and total tax rate changes

Reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. A reduction to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. Accordingly, the Company's profits for this accounting year are subject to tax at a rate of 19.75% (2016: 20%). The deferred tax liability at 30 June 2017 has been calculated based on these rates.

Notes to the Financial Statements (continued)

11. Tangible Fixed Assets

	Freehold buildings	Plant and machinery	Fixtures & fittings	Motor Vehicles	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 July 2016	46	4,208	260	103	4,617
Additions	-	149	41	-	190
At 30 June 2017	**46**	**4,357**	**301**	**103**	**4,807**
Accumulated depreciation					
At 1 July 2016	12	2,393	154	82	2,641
Charge for year	1	283	20	5	309
At 30 June 2017	**13**	**2,676**	**174**	**87**	**2,950**
Net book value					
At 30 June 2017	**33**	**1,681**	**127**	**16**	**1,857**
At 30 June 2016	34	1,815	106	21	1,976

12. Stocks

	2017	2016
	£000	£000
Finished goods and goods for resale	3,743	3,426

The cost of inventories recognised as an expense during the year in respect of continuing operations was £23 million *(2016: £17.9 million).*

The write-down of stocks to net realisable value amounted to £nil *(2016: £nil).*

Inventories with a carrying amount of £3.4 million *(2016: £ 3.4 million)* have been pledged as security for certain of the group's bank overdrafts.

13. Debtors

	2017	2016
	£000	£000
Trade debtors	2,194	1,823
Amounts owed by group undertakings	182	-
Amounts owed by related parties	162	352
Other taxes and social security	673	430
Prepayments and accrued income	1	-
	3,212	2,605

Trade debtors are shown net of provision for bad debts amounted to £0.01million (*2016: £0.01 million*).

Included within trade and other receivables is £nil *(2016: £ nil)* expected to be recovered in more than 12 months.

Notes to the Financial Statements (continued)

14. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Bank loans and overdrafts	-	716
Trade creditors	577	1,126
Amounts owed to group undertakings	10,583	7,250
Accruals and deferred income	1,649	303
	12,809	9,395

15. Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2017	2016
	£000	£000
Deferred tax liabilities	28	22

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

	Short term timing differences	Accelerated capital allowances	Total
	£000	£000	£000
Items that may reverse through the Profit and Loss account			
At 1 July 2016	(4)	26	22
Charged to the income statement (see note 10)	-	6	6
Deferred tax liability at 30 June 2017	(4)	32	28

16. Capital and reserves

	2017	2016
	£000	£000
Authorised		
1,000 ordinary share of £1 each	1	1
Allotted, called up and fully paid		
1,000 ordinary share of £1 each	1	1

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 (*2016: nil*) and no dividend have been proposed or recognised (*2016: nil*).

Notes to the Financial Statements (continued)

17. Capital commitments

The Company had £nil *(2016: £28,000)* 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.

18. 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 with JP Morgan Limited on 6th October 2014, whereby the liabilities to JP Morgan Limited of each of the subsidiaries are cross guaranteed by each of the companies. The loans under the agreement at 30th June 2017 amount to £290 million (2016: £430 million).

19. Related party transactions

Remuneration of key management personnel

The company has taken advantage of the exemption outlined in FRS 101:8(j) and is therefore not required to disclose key management personnel compensation, analysed into five categories as prescribed by IAS 24 Related Party Disclosures.

The company has taken advantage of the exemption outlined in FRS 101:8(k) and is therefore not required to disclose transactions with fellow group companies, as prescribed by IAS 24 Related Party Disclosures.

Aggregate directors' remuneration

The directors were not remunerated for their services to this company for this period or in the prior period.

Transactions with related parties

The Company's related parties, as defined by IAS 24, the nature of the relationship and the amount of transactions with them during the year were as follows:

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bestway Northern Limited	982	1,469	-	-
Map Rice Mill (Pvt) Limited	-	-	2,864	3,365

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Map Rice Mill (Pvt) Limited	-	179	162	-

The directors of MAP Trading Limited are also directors of Bestway Northern Limited and some are directors of Map Rice Mills (Pvt).

On 4th April 2017, Bestway Northern Limited became a wholly owned subsidiary of Bestway (Holdings) Limited and thus it is exempt from related party disclosure. The amount included here is to this date.

All balance sheet amounts as at 30 June 2017 between Bestway (Holdings) Limited's wholly owned subsidiaries and Bestway Northern Limited have been disclosed as group undertakings and thus are exempt from related party disclosure.

Notes to the Financial Statements (continued)

20. Ultimate parent company and parent company of larger group

The immediate parent undertaking of MAP Trading Limited is Bestway UK Holdco Limited which is registered in United Kingdom.

The ultimate parent undertaking of MAP Trading Limited is Bestway (Holdings) Limited which is registered in United Kingdom. There is no ultimate controlling party.

The parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Bestway (Holdings) Limited, incorporated in United Kingdom. The parent undertaking of the smallest group which includes the Company and for which group accounts are prepared is Bestway Securities Limited, incorporated in United Kingdom. No other group financial statements include the results of the Company.

The registered address of Bestway (Holdings) Limited and Bestway Securities 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.

21. Subsequent events

On 19th September 2017 the Company, together with the other companies in the Bestway Holdings Limited Group became party to a Senior Facilities Agreement, whereby the liabilities of each of the subsidiaries are cross guaranteed by each of the companies. The loans available to be drawn under the Senior Facilities Agreement amount to £225million of term loan, and £125million of rolling credit facility.