

Donald Wardle and Son Limited

Directors' report and financial statements

Registered number 02914910

30 June 2019

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Strategic report

The Directors present their annual strategic report of Donald Wardle and Son Limited (the 'Company') for the year ended 30 June 2019.

Principal activities

The principal activities of the Company during the year related to the wholesale distribution and retail of medical and surgical supplies to both internal customers (Well pharmacy branches) and external customers.

Business review

The results of the Company for the year are set out in the profit and loss account on page 5. Revenue for the year was £41,757,000 (year ended 30 June 2018: £42,188,000) with profit before taxation of £1,184,000 (year ended 30 June 2018: £576,000). The position of the company as at 30 June 2019 was net assets of £21,533,000 (2018: £20,574,000).

Future development and performance of the business

The Company expects to improve gross margins and maximise profitability by realising efficiencies within the business.

Principal risks and uncertainties


The key business risks and uncertainties affecting the Company are considered to relate to government funding policy for community pharmacy, competition from both national and independent retailers, employee retention and product availability.

The Well group has continued to monitor the status of Brexit, assessed the impact that this may have on both supply chain and staffing levels, and taken appropriate action. It is not believed that Brexit will have an impact on the going concern of the business.

Key performance indicators

The Company is part of the Well Pharmacy division (the 'Well group') of Bestway Group Limited. The key performance indicators of the Well group which are monitored by the Directors include financial performance, being revenue and EBITDA, growth in and engagement of members of the Well group, growing customer loyalty and the corporate reputation of the Well group, which is in addition to monitoring revenue and profitability of the Company. The revenue for the year was £41,757,000 (year ended 30 June 2018: £42,188,000), and EBITDA for the year was £1,364,000 (year ended 30 June 2018: £747,000).

On behalf of the Board



L G Krige
Director

Date 04/03/2020

Registered Office:
Merchants Warehouse
Castle Street
Manchester
M3 4LZ

Directors' report

The Directors present their report and unaudited financial statements for the year ended 30 June 2019.

Dividend

The Directors do not recommend the payment of a dividend (year ended 30 June 2018: £nil).

Directors

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

D A Hamilton (resigned 25 October 2018)

L G Krige

J B Nuttall (resigned 27 September 2019)

S Hobbs (appointed 27 September 2019)

The Directors benefited from third party indemnity provisions in place during the financial year and at the date of this report.

Company Secretary:

T R J Ferguson (appointed 26 April 2019)

C Hilton (resigned 10 August 2018)

Employees

The main communication with employees is via the intranet site. This includes business specific information provided through Branch Support e-mails. All managers are kept informed about the Well group's performance through annual reports, management bulletins and the electronic weekly news service.

The Company's policy is to recruit disabled workers for those vacancies they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employees are also consulted on a regular basis so that the views of the employees can be taken into account in making decisions which are likely to affect their interests.

Financial instruments

The principal financial risk of the Company relates to the generation and availability of sufficient funds to meet business needs. The policy on overall liquidity is to ensure that the Well group has sufficient funds to facilitate all on-going operations.

Corporate governance

The Company is an indirect subsidiary of Bestway Panacea Holdings Limited. The Directors sit on the Well Businesses Board and determine the major operating decisions of this Company.

The Board meets monthly and reviews operating performance against the strategic business plan and detailed management budgets. This strategic business plan incorporates all aspects of strategy and associated risks; all proposals for contract variations are vetted before approval against the plan. The Board reserves its own decision on contractual expenditure above a certain amount and associated funding.

The Board, after seeking appropriate external advice, decides upon the accounting policies which are appropriate for the Company and ensures they are consistently applied. The Board has instigated a rigorous process of internal control, under the discipline of contractual agreements, in order to safeguard the outcomes for the Company in terms of operational performance, financial control, legal and regulatory compliance provisions for risk factors and longer term relationships.

Political contributions

The Company has made no political donations during the year (year ended 30 June 2018: £nil).

Going concern

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Company made post-tax profits of £959,000 in the current year (year ended 30 June 2018: £654,000) and the Company had net assets of £21,533,000 as at 30 June 2019 (year ended 30 June 2018: £20,574,000). Based on this the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors' Report (continued)

Statement of Directors' responsibilities in respect of 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.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the Board



L G Krige
Director

Date

04/03/2020

Registered Office:
Merchants Warehouse
Castle Street
Manchester
M3 4LZ

Profit and Loss Account
for the year ended 30 June 2019

	Note	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Revenue		41,757	42,188
Cost of sales		(35,311)	(35,940)
Gross profit		6,446	6,248
Administrative expenses		(5,262)	(5,672)
Profit before taxation	2	1,184	576
Tax (charge) / credit on profit	5	(224)	78
Profit for the financial year		960	654

All amounts relate to continuing activities.

The Company has no recognised income or expenses in the current or prior period other than those included in the profit and loss shown above.

The notes on pages 8 to 13 form part of these Financial Statements.

Balance Sheet
at 30 June 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Property, plant and equipment	6	<u>2,909</u>		<u>3,082</u>	
Total non-current assets			2,909		3,082
Current assets					
Inventories	7	<u>1,924</u>		<u>1,934</u>	
Trade and other receivables	8	<u>21,976</u>		<u>18,758</u>	
Cash and cash equivalents		<u>1,758</u>		<u>5,110</u>	
Total current assets		25,658		25,802	
Creditors: amounts falling due within one year					
Trade and other payables	9	<u>(5,867)</u>		<u>(7,236)</u>	
Provisions	10	<u>(1,148)</u>		<u>(1,063)</u>	
Net current assets			18,643		17,503
Total assets less current liabilities			21,552		20,585
Creditors: amounts falling due after more than one year					
Deferred taxation	11	<u>(18)</u>		<u>(11)</u>	
Total non-current liabilities			(18)		(11)
Net Assets			21,534		20,574
Capital and reserves					
Called up share capital	12	<u>50</u>		<u>50</u>	
Profit and loss account		<u>21,484</u>		<u>20,524</u>	
Total shareholders' funds		21,534		20,574	

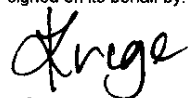
For the year ending 30 June 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 13 form an integral part of these Financial Statements.

These financial statements on pages 5 to 13 were approved by the Board of Directors on 4th March 2020 and were signed on its behalf by:



L G Krige
Director
Company registered number: 02914910

**Statement of changes in equity
for the year ended 30 June 2019**

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 July 2018	50	20,524	20,574
Profit for the financial year	-	960	960
Balance at 30 June 2019	50	21,484	21,534
Balance at 1 July 2017	50	19,870	19,920
Profit for the financial year	-	654	654
Balance at 30 June 2018	50	20,524	20,574

All items are shown net of tax.

The notes on pages 8 to 13 form part of these Financial Statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Reporting entity

Donald Wardle and Son Limited (the Company) is a private company limited by shares and domiciled in England and the UK. The address of the Company's registered office is Well, Merchants Warehouse, Castle Street, Manchester, M3 4LZ.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') under the historical cost convention.

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 comply 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 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, are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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

- Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 a reconciliation of share capital;
 - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment' a reconciliation of fixed assets;
 - (iii) paragraph 118(e) of IAS 38, 'Intangible assets' a reconciliation of intangible assets.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) a statement of cash flows for the period;
 - 16 a statement of compliance with all IFRS;
 - 38A a requirement for a minimum of two primary statements, including cash flow statements;
 - 111 cash flow statement information; and
 - 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7.

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

New standards implemented in the year

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 30 June 2019. IFRS 9 has been assessed to have an immaterial impact, and IFRS 15 has been assessed to have no impact on revenue streams.

Going concern

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Company made post-tax profits of £959,000 in the current year (year ended 30 June 2018: £654,000) and the Company had net assets of £21,533,000 as at 30 June 2019 (year ended 30 June 2018: £20,574,000). Based on this the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes (continued)

1 Accounting policies (continued)

Property, plant, and equipment

(i) Owned assets

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2.5% per annum
Fixtures and fittings	-	10% - 33% per annum

The residual value, if not insignificant, is reassessed annually.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

No depreciation is provided on freehold land.

(ii) Leased assets

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses.

Impairment

The carrying amount of the Company's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

The recoverable amount of the Company's assets is the greater of their net selling price and value in use. 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.

In respect of these assets, an impairment loss is reversed if there has been a change in the estimates based on an event subsequent to the initial impairment 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.

Pensions and other post-retirement benefits

The Company makes contributions towards the personal (defined contribution) pension scheme. Pension costs charged against profits represent the amounts payable to the schemes in respect of the year.

Inventories

Inventories are stated at the lower of cost, including attributable overheads, and net realisable value.

Trade and other receivables

Trade and other receivables are recognised at fair value, less any impairment losses. A provision for impairment is established when the carrying value of the receivable is unlikely to be recoverable. The carrying value of the receivable is reduced and any impairment loss is recognised in the profit and loss account.

The Group calculated the expected credit losses using the IFRS 9 simplified approach model, and concluded that this did not create a material difference to the current method of impairment loss. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash held in bank accounts, and card receipts recognised at the point of sale.

Trade and other creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised at fair value.

Notes (continued)

1 Accounting policies (continued)

Taxation

(i) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income 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.

(ii) Deferred taxation

Deferred tax is provided, with no discounting, using the balance sheet liability method, providing for temporary difference 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 assets or liabilities that affect neither accounting nor taxable profits 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 asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Revenue

Revenue 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. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue 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). All revenue received by Donald Wardle and Son Limited is deemed to have the control transferred at a point in time when the goods are distributed from the warehouse.

NHS sales, included in revenue, are estimated for May and June by reference to the number of items dispensed, the expected cost of drugs, together with the remuneration element published by the National Health Service. The remainder of the year is recognised as actual revenue reimbursed by the NHS.

The revenue and profit before taxation were derived from its principal activity and performed solely in the United Kingdom.

Operating Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

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 Profit before taxation

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Profit before taxation is stated after charging :		
Depreciation	173	171
Staff costs (note 3)	3,002	3,403

3 Staff numbers and costs

The staff were employed by Bestway Panacea Holdings Limited and associated costs incurred and recharged amounted to £3,002,000 (year ended 30 June 2018: £3,403,000).

Directors' remuneration in respect of services provided to the Company were £25,000 (year ended 30 June 2018: £nil). The emoluments in respect of the highest paid Director amounted to £15,000 (year ended 30 June 2018: £nil).

4 Pension Scheme

The Company is an indirect subsidiary of Bestway Panacea Holdings Limited which operates a defined contribution scheme. Full details of the scheme for the year ended 30 June 2019 are disclosed in the Bestway Panacea Holdings Limited financial statements for that year.

The amount recognised as an expense in respect of the contribution for this Company was £29,000 (year ended 30 June 2018: £12,448). There was £5,000 outstanding at the year end (2018: £910). This is included in the staff costs as disclosed in note 3.

Notes (continued)

5 Tax (charge)/credit on profit

Analysis of credit in year	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<i>Current tax:</i>				
UK corporation tax at 19% (2018: 19%)	-		117	
Adjustments in respect of prior periods	217		(224)	
Total current tax charge / (credit)		217		(107)
<i>Deferred tax (see note 11)</i>				
Adjustments in respect of prior periods	(4)		15	
Effect of tax rate change on opening balance	-		-	
Origination of timing differences	11		14	
Total deferred tax charge		7		29
Tax charge / (credit) on profit		224		(78)

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% (2018 : 19%). The deferred tax liability at 30 June 2019 has been calculated based on these rates.

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

	2019 £'000	2018 £'000
<i>Current tax reconciliation</i>		
Profit before tax	1,184	576
UK corporation tax at 19% (2018: 19%)	225	109
<i>Effects of:</i>		
Expenses not deductible for tax purposes	25	24
Group relief (claimed)/surrendered for nil consideration	(238)	-
Adjustments to tax charge in respect of previous periods	213	(209)
Effect of tax rate change on deferred tax balances	(1)	(2)
Total income tax charge / (credit) (see above)	224	(78)

6 Property, plant and equipment

	Land and buildings	Fixtures and fittings	Total
<i>Cost</i>	£'000	£'000	£'000
Balance at 1 July 2018	3,025	303	3,328
Additions	-	-	-
Balance at 30 June 2019	3,025	303	3,328
<i>Accumulated Depreciation</i>			
Balance at 1 July 2018	130	116	246
Charge for the year	89	84	173
Balance at 30 June 2019	219	200	419
<i>Net book value</i>			
At 30 June 2019	2,806	103	2,909
At 30 June 2018	2,895	187	3,082

Notes (continued)

7 Inventories

	30 June 2019 £'000	30 June 2018 £'000
Finished goods and consumables	1,924	1,934
	<u>1,924</u>	<u>1,934</u>

There is no material difference between the replacement cost of inventories and the amounts stated above.

The amount of inventories recognised as an expense in cost of sales during the year was £35,311,000 (2018: £35,940,000). There is no material difference between the replacement cost of inventories and the amounts stated above. Inventories are stated after provisions for impairment of £nil (2018: £nil).

8 Trade and other receivables

	30 June 2019 £'000	30 June 2018 £'000
<i>Current assets:</i>		
Trade receivables	8,747	5,379
Amounts owed by group undertakings	13,227	13,155
Prepayments and accrued income	2	8
Other receivables including taxation and social security	-	216
	<u>21,976</u>	<u>18,758</u>

All of the above financial assets are classified as loans and receivables. Trade receivables are stated net of a bad debt provision of £38,229 (year ended 30 June 2018: £8,464).

The Company calculated the expected credit losses using the IFRS 9 simplified approach model, and concluded that this did not create a material difference to the historic method of impairment loss. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The repayment strategy of the amounts owed by group undertakings has been reviewed and concluded that no impairment is required.

9 Creditors: amounts falling due within one year

	30 June 2019 £'000	30 June 2018 £'000
<i>Current liabilities:</i>		
Trade payables	5,545	6,784
Accruals and deferred income	322	452
	<u>5,867</u>	<u>7,236</u>

As above, amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment, and are repayable on demand.

10 Provisions

	Discount Provision £'000	2019 Total £'000	2018 Total £'000
At the beginning of the year	1,063	1,063	972
Additional provisions made in the year	85	85	91
Amounts used during the year	-	-	-
At the end of the year	<u>1,148</u>	<u>1,148</u>	<u>1,063</u>
Current		1,148	1,063
		<u>1,148</u>	<u>1,063</u>

The £1,149,000 provision (30 June 2018: £1,063,000) relates to the discount provision. The year ended 30 June 2019 saw an increase in the discount provision of £86,000 (year ended 30 June 2018: increase £91,000).

Notes (continued)

11 Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using an effective rate of 17% (2018 17%).

	£'000
<i>Deferred taxation (liability)/asset</i>	
At 30 June 2018	(11)
Income statement charge in the year	(7)
At 30 June 2019	(18)
Comprising:	
Accelerated tax depreciation	(19)
Short term timing differences	1
At 30 June 2019	(18)

The deferred tax liability at 30 June 2019 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

12 Called up share capital

	30 June 2019 £'000	30 June 2018 £'000
<i>Allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	50	50

13 Contingent liabilities

On 19 September 2017, the Company, together with other companies in the Bestway (Securities) Limited Group, became party to a Senior Facilities Agreement with the Royal Bank of Scotland Plc. (RBS), 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 £225 million of term loan, and £125 million of rolling credit facility. The term loan outstanding under the agreement at 30 June 2019 amounted to £209 million.

14 Commitments

There are no capital or contingent commitments at the end of the current and preceding financial years.

15 Ultimate parent company

Control of the group

The company is a subsidiary of Bestway Panacea Holdings Limited (registered address: Well, Merchants Warehouse, Castle Street, Manchester, England, M3 4LZ) and the ultimate parent undertaking of this Company is Bestway Group Limited (registered address: 2 Abbey Road, Park Royal, London, NW10 7BW).

The largest group in which the results of the company are consolidated is that headed by Bestway Group Limited, the ultimate parent company. Copies of the group financial statements are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

16 Related party transactions

The Company has related party relationships with its subsidiaries, associates, and with its Directors and key management. The Company has taken advantage of exemptions conferred by FRS 101 not to disclose transactions and amounts due to and from fellow group companies that are wholly owned by the ultimate parent company.