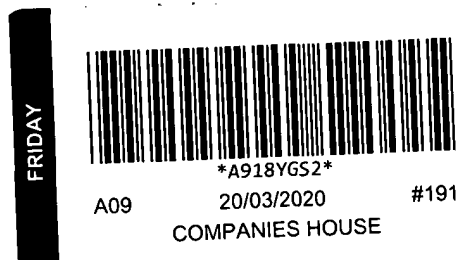


Bestway Panacea Holdings Limited

Annual report and financial statements

Registered number 09225479

30 June 2019



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## Strategic report

The Directors present their annual strategic report of Bestway Panacea Holdings Limited (the 'Company') for the year ended 30 June 2019.

### Principal activities

The principal activities of the Company during the year were that of a holding company.

### Business review

The Company operates as a non-trading holding company, holding the investments of the Well pharmacy business. The results of the Company for the year are set out in the profit and loss account on page 7. The loss for the year before taxation and adjusting items was £1,634,000 (year ended 30 June 2018: loss of £4,068,000). The net liabilities position of the company as at 30 June 2019 was £(17,321,000) (2018: £(15,687,000)).

### Future development and performance of the business

The future developments of the business is to continue to support its subsidiaries to grow organically via the wholesale distribution and retail outlets.

### Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are those of its subsidiaries and are considered to relate to government funding policy for community pharmacy, competition from both national and independent retailers, employee retention and product availability. A new pharmacy contract will come into effect in the new financial year, where funding streams will change. The information available is being reviewed in order to maximise performance in these areas. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the Bestway group's annual report which does not form part of this report.

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 has 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, growth in and engagement of members of the group, growing customer loyalty and the corporate reputation of the Well group.

On behalf of the Board



L G Krige  
Director

Date 19 December 2019

Registered Office:  
Merchants Warehouse  
Castle Street  
Manchester  
M3 4LZ

## Directors' report

The Directors present their report and audited 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 were in office during the year and up to the date of signing the financial statements were as follows:

Hon. H Z Choudrey (appointed 23 September 2019)

Lord Z M Choudrey CBE SI Pk

S Hobbs (appointed 23 September 2019)

L G Krige

J B Nuttall (resigned 23 September 2019)

Sir M A Pervez OBE HPk

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 emails. 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 Risk Management

The principal financial risk of the Company relates to the generation and availability of sufficient funds to meet business needs, including payments to members. The Company has exposure to fluctuations in interest rates, which can impact on financial performance.

#### 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 obligations, and arises principally from the Company's receivables from customers. The Company has no external trade receivables and therefore no external credit risk. The Company has a non interest bearing loan receivable with other group undertakings. There is no significant credit risk associated with this balance.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by using group funding where necessary.

#### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is not exposed to currency risk, as all dealings are within the United Kingdom.

### Corporate Governance

The Directors sit on the Well Businesses Board who 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 comprises of four Directors from the business and a non-executive Director.

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.

### Future development and performance of the business

Refer to the Strategic Report on page 2 for details on the future development of the business.

### Political contributions

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

## Directors' report (continued)

### Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the Company having net liabilities and having made a loss in the year, which the Directors believe to be appropriate.

The Company is loss making due to it being a holding company that holds the loan and interest payments for the Well group. As a result, the Company is now in a net liabilities position. The ultimate parent company has provided written confirmation to the Directors that for a period of at least twelve months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available if required for working capital or capital investment.

The Directors consider that the continued availability of the ultimate parent company funding should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

### Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, during the year PricewaterhouseCoopers LLP were appointed as auditors and will be proposed for reappointment at the AGM.

### 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.

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



L G Krige  
Director

Date 19 December 2019

Registered Office:  
Merchants Warehouse  
Castle Street  
Manchester  
M3 4LZ

## **Independent Auditors' report to the members of Bestway Panacea Holdings Limited**

### **Opinion**

In our opinion, Bestway Panacea Holdings 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 at 30 June 2019; the Profit and Loss Account, 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.

### **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.

## Independent Auditors' report to the members of Bestway Panacea Holdings Limited (continued)

### 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 financial statements set out on page 4, 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  
Manchester

19 December 2019

**Profit and Loss Account**  
*for the year ended 30 June 2019*

	Note	For year ended 30 June 2019 £'000	For year ended 30 June 2018 £'000
Administrative expenses	2	(8)	-
<b>Operating loss</b>		<b>(8)</b>	<b>-</b>
Finance income	5	-	47
Finance expenses	6	(1,626)	(4,115)
<b>Loss before taxation and adjusting items</b>		<b>(1,634)</b>	<b>(4,068)</b>
Amounts written off investments	8	-	(6,782)
<b>Loss before taxation after adjusting items</b>		<b>(1,634)</b>	<b>(10,850)</b>
Tax on loss	7	-	-
<b>Loss for the financial year</b>		<b>(1,634)</b>	<b>(10,850)</b>

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

The notes on pages 10 to 15 form part of these Financial Statements.



**Balance Sheet**  
**at 30 June 2019**

	Note	As at 30 June 2019 £'000	As at 30 June 2019 £'000	As at 30 June 2018 £'000	As at 30 June 2018 £'000
<b>Fixed assets</b>					
Investments	8	17,978		17,978	
<b>Total fixed assets</b>			17,978		17,978
<b>Current assets</b>					
Trade and other receivables	9	12,676		37,674	
<b>Total current assets</b>		12,676		37,674	
<b>Creditors: amounts falling due within one year</b>	10	(47,975)		(71,339)	
<b>Net current liabilities</b>			(35,299)		(33,665)
<b>Total assets less current liabilities</b>			(17,321)		(15,687)
<b>Net liabilities</b>			(17,321)		(15,687)
<b>Capital and reserves</b>					
Called up share capital	11		-		-
Profit and loss account			(17,321)		(15,687)
<b>Total shareholders' deficit</b>			(17,321)		(15,687)

The notes on pages 10 to 15 form an integral part of these financial statements.

These financial statements on pages 7 to 15 were approved by the Board of Directors on  
signed on its behalf by:

19 December 2019

and were



L. G. Krige  
Director  
Company registered number: 09225479

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

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Balance at 1 July 2017	-	(4,837)	(4,837)
Loss for the financial year	-	(10,850)	(10,850)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>(15,687)</b>	<b>(15,687)</b>
Balance at 1 July 2018	-	(15,687)	(15,687)
Loss for the financial year	-	(1,634)	(1,634)
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>(17,321)</b>	<b>(17,321)</b>

All items are shown net of tax.

The notes on pages 10 to 15 form an integral part of the these financial statements.

## Notes

### (forming part of the financial statements)

#### 1 Accounting policies

##### Reporting entity

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

##### 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 and 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;
- 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; and
- 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 have been prepared on the going concern basis, notwithstanding the Company having net liabilities. The Directors believe a going concern basis to be appropriate for the following reasons:

The Company is loss making due to it being a holding company that holds the loan and interest payments for the Well group. As a result, the Company is now in a net liabilities position.

The ultimate parent company has provided written confirmation to the Directors that for a period of at least twelve months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available if required for working capital or capital investment.

The Directors consider that the continued availability of the ultimate parent company funding should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**Notes (continued)**

**1 Accounting policies (continued)**

**Investments in subsidiaries**

Investments are accounted for at cost less provision for impairment. The carrying value is reviewed at each reporting date to determine any indication of impairment using fair value less costs to sell. If such an indication exists, then the investment's recoverable amount is measured. The recovered amount is the greater of its value in use and its fair value in use less cost to sell. An impairment loss is recognised in the income statement if the carrying amount exceeds the recoverable amount.

**Investment in associated undertakings**

Investments in associated undertakings are accounted for using cost less impairment.

**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 income statement. The intercompany loan receivable is repayable on demand therefore the ECL is determined by the repayment strategy.

**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.

**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.

**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 profit and loss account as an integral part of the total lease expense.

**Judgements and key areas of estimation uncertainty**

The Directors do not consider there to be any significant judgements or key areas of estimation uncertainty.

**2 Administrative expenses**

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Audit of these financial statements	8	-

In the year ended 30 June 2018 the auditors' remuneration was borne by a fellow group undertaking. Amounts receivable by the Company's auditors and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent (Bestway Group Limited).

**3 Staff numbers and costs**

The average monthly number of employees (including Directors) is:

	Number of employees 2019	Number of employees 2018
Office and Management	360	392
Retail (including pharmacists)	6,144	6,322
Distribution	451	450
	<u>6,955</u>	<u>7,164</u>

Notes (continued)

3 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Wages and salaries	148,818	150,074
Social security costs	11,305	11,352
Other pension costs	4,026	3,663
	<u>164,149</u>	<u>165,089</u>

The staff were employed by the undertaking but all costs incurred are recharged to the relevant trading business. The amounts recharged amounted to £164,149,000 (year ended 30 June 2018: £165,089,000).

The directors' emoluments were as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Aggregate emoluments	1,963	1,394
Aggregate emoluments receivable under long-term incentive schemes	160	-
Compensation for loss of office	92	-
	<u>2,215</u>	<u>1,394</u>

The highest paid director's emoluments were as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Total amount of emoluments and amounts receivable under long-term incentive schemes	857	760
Defined benefit pension scheme:		
- accrued pension at the end of the year	-	-
- accrued lump sum at the end of the year	-	-
	<u>857</u>	<u>760</u>

An element of Directors' remuneration is in respect of services provided to other Well group companies. The remuneration attributable to these services has been disclosed within the accounts of the relevant companies.

4 Defined contribution pension scheme

The pension cost charge for the year represents contributions payable by Bestway Panacea Holdings Limited to the scheme and amounted to £4,026,000 (year ended 30 June 2018: £3,663,000). This is included in the staff costs as disclosed in note 3.

At the end of the year contributions of £761,000 were outstanding (year ended 30 June 2018: £232,000).

5 Finance income

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Interest income	-	47
Total interest receivable and similar income	<u>-</u>	<u>47</u>

6 Finance expenses

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Interest expense	1,626	4,115
Total interest payable and similar expense	<u>1,626</u>	<u>4,115</u>

Notes (continued)

7 Tax on loss

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
<i>Analysis of charge in year</i>		
Current tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax charge on loss	-	-

A reduction in the UK corporation tax rate 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: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below.

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
<i>Current tax reconciliation</i>		
Loss before tax	(1,634)	(10,850)
Current tax at 19% (2018: 19%)	(310)	(2,062)
Effects of:		
Expenses not deductible for tax purposes	-	1,289
Group relief surrendered for nil consideration	310	773
Total tax charge (see above)	-	-

8 Investments

	Shares in group undertakings £'000
Net book value at 1 July 2018 and 30 June 2019	17,978
Net book value at 1 July 2017	24,760
Investment write down	(6,782)
Net book value at 30 June 2018	17,978

In the year ended 30 June 2018 an investment was written down following the transfer of pharmacies previously operated by a company owned by Bestway Panacea Holdings Limited, namely Care4U Pharmacy Limited, to another company within the Well group, Bestway National Chemists Limited.

Notes (continued)

8 Investments (continued)

The Company holds the following investments

	Registered office	Year end	Nature of share capital	Principal activity	Country of origin	% Ownership
<b>Group undertakings</b>						
Bestway Pharmacy NDC Limited	I	30 June	Ordinary	Distribution	England & Wales	100%
Bestway Panacea Healthcare Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Bestway National Chemists Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Care4U Pharmacy Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Donald Wardle and Son Limited	I	30 June	Ordinary	Distribution	England & Wales	100%
Opus Pharmaceuticals Limited	I	30 June	Ordinary	Distribution	England & Wales	100%
G Lightfoot & Son Limited	I	30 June	Ordinary	Dormant	England & Wales	100%
Portslade Medical Supplies Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Ideal Healthcare Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
F.A Parkinson (Chemists) Limited	II	30 June	Ordinary	Pharmacy	Scotland	100%
Parkinson (Paisley) Limited	II	30 June	Ordinary	Pharmacy	Scotland	100%
Bestway Belfast Chemists Limited	III	30 June	Ordinary	Pharmacy	N.Ireland	100%
Ebbw Vale Consortium Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Pills Limited	II	30 June	Ordinary	Dormant	Scotland	100%
RLJ Consultancy Limited	I	30 June	Ordinary	Dormant	England & Wales	100%
Keighley Health Centre Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Three Swans Pharmacy Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%
Penrith Health Centre (PD) Consortium Limited	I	30 June	Ordinary	Pharmacy	England & Wales	100%

During the year Bestway National Chemists Limited, a fellow group undertaking, purchased the remaining shareholdings in Three Swans Pharmacy Limited and Keighley Health Centre Limited.

During the year Bestway National Chemists Limited, a fellow group undertaking, purchased the entire Ordinary shareholding of Penrith Health Centre (PD) Consortium Limited. 75.7% Of the shareholding was purchased from Bestway Panacea Healthcare Limited, a fellow group undertaking, with the remaining shareholding purchased from other parties.

**Participating interests**

P.H.C Pharmacy Limited	II	31 March	Ordinary	Pharmacy	Scotland	67% <sup>(i)</sup>
Victoria Pharmacy Limited	IV	30 June	Ordinary	Pharmacy	England & Wales	25%
Victoria Pharmacy Limited	IV	30 June	A	Pharmacy	England & Wales	43%

(i) under the Company's Article of Association, the Company is restricted from appointing a majority on the Board of Directors and as such, it is treated as an associated undertaking.

I	Well, Merchants Warehouse, Castle Street, Manchester, England, M3 4LZ
II	Well, 18-20 Main Street, Beith, Ayrshire, Scotland, KA15 2AD
III	70 Ballygomartin Road, Belfast, BT13 3NE
IV	The Health Centre, Victoria Road, Hartlepool, TS26 8DB

Bestway National Chemists Limited, a fellow group undertaking, disposed of its participating interest in Cannon St. (HCC) Limited on 1 November 2018.

Subsequent to year end, Bestway National Chemists Limited, a fellow group undertaking, purchased the remaining shareholding in P.H.C. Pharmacy Limited on 7 August 2019 and Victoria Pharmacy Limited on 29 November 2019.

Notes (continued)

9 Trade and other receivables

	30 June 2019 £'000	30 June 2018 £'000
Amounts owed by Well group undertakings	12,676	37,674
	<u>12,676</u>	<u>37,674</u>
Due within one year	12,676	37,674

There are no fixed terms of repayment on amounts owed by Well group undertakings and no interest is charged. Amounts owed by Well group undertakings are repayable on demand. The repayment strategy of the amounts owed by group undertakings has been reviewed and concluded that no impairment is required.

10 Creditors: amounts falling due within one year

	30 June 2019 £'000	30 June 2018 £'000
Amounts owed to group undertakings	47,975	71,339
	<u>47,975</u>	<u>71,339</u>

Amounts owed to group undertakings comprises of a loan from Bestway UK Holdco Limited. The interest charged on the loan is 2.7% per annum (2018: 2.7%). This loan is repayable on demand.

11 Called up share capital

	30 June 2019 £'000
<i>Allotted, called up and fully paid</i>	

100 (2018: 100) ordinary shares of £1 each

12 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	30 June 2019 Other £'000	Restated 30 June 2018 Other £'000
Less than one year	1,782	1,886
Between one and five years	2,973	3,225
More than 5 years	362	394
	<u>5,117</u>	<u>5,505</u>

During the year £5,117,000 of leases were sub-leased to other companies within the Well group (2018: £5,505,000). 2018 has been restated as this was not disclosed in previous years due to the contracts being paid and sub-leased by other group companies.

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 Related parties transactions

The Company has a related party relationship 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.

15 Ultimate Parent Undertaking

Control of the group

On 30 June 2019 the immediate parent undertaking of this Company is Bestway UK Holdco Limited (registered address: 2 Abbey Road, Park Royal, London, NW10 7BW) and the ultimate parent undertaking of this Company is Bestway Group Limited (registered address: 2 Abbey Road, Park Royal, London, NW10 7BW).

The parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Bestway Group Limited. Copies of the group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.