Bestway (Holdings) Limited

Annual Report & Accounts 2015

Welcome to the Bestway (Holdings) Limited 2014/15 Annual Report

Bestway (Holdings) Limited was founded in 1963 by Sir Anwar Pervez. It is the UK's 18th largest privately-owned company and 7th largest family-owned business. The Group consists of: Bestway Wholesale, the largest independent wholesaler in the UK; Bestway Cement, the largest cement manufacturer in Pakistan; United Bank Limited, the 2nd largest private bank in Pakistan; and Well Pharmacy, the 3rd largest retail pharmacy in the UK. We continue to grow from strength to strength in all these areas.

CARBON TRUST STANDARD
REDUCING CO2 YEAR ON YEAR

THE QUEEN'S AWARDS FOR ENTERPRISE: INTERNATIONAL TRADE 2012

INVESTORS IN PEOPLE | Bronze

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Chairman's Statement

On behalf of the Board of Directors, I am pleased to place before you the consolidated financial statements of Bestway (Holdings) Limited and its subsidiaries ('the Group') for the year ended 30 June 2015.

Business overview

Under the leadership of our Group Chief Executive, the management team has developed an operating model which is based on the principles of simplicity, focus, transparency and accountability.

In today's uncertain world it's of paramount importance that we not only stay true to these principles, but also ensure they evolve with the changing business landscape.

During the period under review Bestway Group has consolidated its position as a leading British Multinational conglomerate, with a strong heritage and an enviable portfolio of leading brands and robust market positions.

Performance

Group turnover, for the year ended 30 June 2015 totalled £2.52 billion compared to £1.98 billion in the previous year. Profit before tax increased to £355.4 million compared to £250.3 million in the previous year.

Whilst the UK wholesale sector remains challenging, Bestway distinguishes itself by acting as exchange facilitator to its independent retail customers by identifying and offering solutions to their customer needs.

During the period under review the Group rebranded the newly acquired pharmacy business as Well Pharmacy. This rebranding is part of a large investment programme in the UK's third largest retail pharmacist.

Under the guidance of our Group Chief Executive Bestway continues to be forerunners in the cement industry in Pakistan. In July 2014 Bestway Cement Limited agreed to buy a controlling stake in PakCem (formerly known as Lafarge Pakistan).

Bestway Cement is focused on minimising environmental externalities and contributing to the country's power generation capacity. After pioneering the use of waste heat recovery (WHR) at our Chakwal plant in 2009, in July 2015 the company launched two projects of 13.5MWs at the Hattar and Farooquia plants respectively and inaugurated the fourth plant of 12MW at the Pakcem plant. With the fourth WHR plant, Bestway Cement achieved another milestone by becoming the only company in the cement industry in Pakistan to deploy WHR technology at all its operations. These green initiatives have allowed us to enhance the operational efficiencies of our businesses which have in turn allowed us to maintain our market competitiveness.

United Bank Limited ('UBL') experienced a period of robust growth with the asset base increasing by 30% to £9.0 billion and deposits growing by 20% to £6.6 billion for the year ending June 2015. In August 2014, UBL was selected as the Best Consumer Internet Bank in Pakistan by Global Finance Magazine. In April 2015, UBL was presented the Karachi Stock Exchange Top 25 Companies of Pakistan Award. This award recognised UBL's consistent outstanding performance in the financial sector.

'Profit before tax increased to £355.4 million compared to £250.3 million in the previous year.'

Image left page:
Sir MA Pervez, OBE HPk
Chairman

Chairman's Statement

'We have not only consolidated our leadership positions, the management team led by the Chief Executive has doubled the group turnover and profitability.'

Social responsibility
As part of our commitment to help raise industry standards, we have continued with our patronage of the Retail Development Awards (RDAs). This year's event was the biggest organised and was held at the Marriott Grosvenor House Hotel.

Bestway believes that the independent retailers are the real lifeblood of the local community.

In June 2015 Bestway Group organised its 21st annual charity event at Royal Ascot. The chosen charity this year was GroceryAid. GroceryAid is the national charity for grocery people. It reaches out to the wider grocery industry sector — from the largest factory, to the supply chain and through to the smallest of stores — to help all those in need. GroceryAid currently looks after more than 8,000 current and former industry colleagues.

The Bestway Group donated £1,276,000 to the Bestway Foundation. The Bestway Foundation continues to provide vital support to University students; local; national and international charities.

Bestway Foundation established a £1.8 million endowment fund for Pakistani postgraduate students at the University of Oxford.

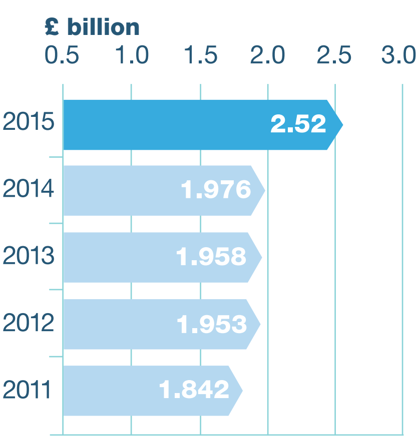
Outlook
There are more encouraging signs for the economy as a whole and, although this has not yet come through as a significant increase in consumer spending, I am cautiously optimistic that we will see improvements this year.

I am confident that however quickly the global economy emerges from this prolonged period of slow growth, Bestway Group businesses are well positioned to continue to strengthen their competitive positions and to grow market shares.

I salute my fellow directors for their commitment and the contribution they make to our strategic deliberations and on behalf of the board I applaud every one of our employees, customers and supplier partners for their contribution to the continuing success of the Group.

Sir MA Pervez, OBE HPk
Chairman

Bestway (Holdings) Ltd turnover
(£ billion)



£355.4m

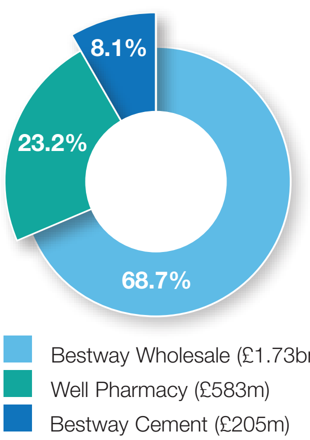
Bestway (Holdings) Ltd Profit before tax

£583m

Well Pharmacy Turnover*

*(9 months period)

Bestway Group turnover
by sector



(UBL not included as banking group has no turnover)

‘During the period under review the Group rebranded the newly acquired pharmacy business as Well Pharmacy. This rebranding is part of a large investment programme in UK’s third largest retail pharmacist.’

Group Chief Executive's Review

ZM Choudrey
Chief Executive

£2.52 bn turnover in 2015 (£1.98bn, 2014)

“On behalf of the Board of Directors, I am pleased to present the audited financial statements for Bestway (Holdings) Limited for the year ended 30 June 2015.”

Review of business

The past financial year has been very exciting for the Group. Despite difficult business conditions we have maintained our focus on our strategic goals by increasing turnover and market share of our businesses both in the UK and in Pakistan.

During the year the Group undertook two major acquisitions. The Group acquired The Co-operative Pharmacy (now re-branded as Well Pharmacy) in the UK for £641.3 million, of which £419.1 million is direct consideration and £222.2 million pertains to settlement of Well Pharmacy's debt with its former owner The Co-operative Group. Well Pharmacy is the UK's 3rd largest retail pharmacy with 795 stores nationwide and represents a key diversification for the Group.

The Group also acquired an 88% shareholding in Lafarge Pakistan (now re-branded as Pakcem) for a total consideration of £182.0 million, of which £161.6 million is direct consideration and £20.4 million is existing debt within Pakcem, taken on by the Group on completion. Pakcem's cement plant has a capacity of 2.4 million tonnes per annum and the acquisition has resulted in Bestway Cement becoming Pakistan's largest cement producer, with an annual production capacity of 8 million tonnes.

Both the acquisitions were completed through a competitive bidding process where the Group saw off some major competitors.

Despite the fact that the Group's offers were not the highest, the Group was seen as the most credible party and the best fit to complement the existing businesses.

Group financial performance

During the year ended 30 June 2015, the Group's turnover increased by 27% to £2.52 billion from £1.98 billion in 2014. This is due predominantly to the recognition of the additional turnover from Well Pharmacy for the 9 months ended June 2015 and from Pakcem for the two months ended June 2015.

All our businesses were profitable for the year under review and overall Group profit before tax increased by 42% to £355.4 million as compared to £250.3 million in 2014. This was due to an improvement in performance of the Group as well as the recognition of profit from the newly acquired businesses.

Tangible fixed assets after depreciation as at 30 June 2015 stood at £951.9 million, compared to £624.0 million in the previous year. This is largely due to the acquisition of Well Pharmacy and Pakcem. Intangible assets after amortisation increased from £78.0 million at 30 June 2014 to £673.2 million at 30 June 2015 predominantly due to £563.0 million of licences acquired with Well Pharmacy.

To finance the acquisitions the Group raised £832 million of debt. Of this, £650 million debt relates to the acquisition of Well Pharmacy with the balance of £182.0 million relating to the acquisition of Pakcem. In the UK, loan repayments of £115.5 million were made during the financial year to June 2015; the £34.6 million loan outstanding at 30 June 2014 was settled in full and £80.9 million of the debt pertaining to the acquisition of Well Pharmacy was repaid. During the financial year, the cement business settled in full the £14.2 million of debt it had outstanding at 30 June 2014.

The Trading Group has improved cash in hand to £65.0 million in 2015 as compared to £35.7 million in 2014.

The Group remains committed to reducing its financial risk and will continue to repay its debt as quickly as possible.

Key highlights

During the year ended 30 June 2015, the Group's turnover increased by 27% to £2.52 billion from £1.98 billion in 2014.

The Group acquired The Co-operative Pharmacy (now re-branded as Well Pharmacy) in the UK for £641.3 million.

The Group also acquired an 88% shareholding in Lafarge Pakistan (now re-branded as Pakcem) for a total consideration of £182.0 million.

Well Pharmacy

£641.3m acquisition

The acquisition of Well Pharmacy was completed in October 2014 for £641.3 million.

Key highlights

Turnover of the pharmacy business for the 9 months ended June 2015 slightly exceeded expectations at £583.0 million.

Profit before tax of £14.6 million.

During the year £5.9 million has been invested in separating and restructuring the business post-acquisition.

The Well Pharmacy

The acquisition of Well Pharmacy for £641.3 million was completed in October 2014. The Group had been searching for a target that was asset backed, in a defensive sector which generated stable cashflows and Well Pharmacy met these criteria.

Turnover of the pharmacy business for the 9 months ended June 2015 slightly exceeded expectations at £583.0 million, with profit before tax of £14.6 million.

The main focus since acquisition has been separating the business from The Co-operative Group, such that it is a fully standalone business, as well as rebranding all 795 pharmacy branches under the new name "Well Pharmacy". This rebranding exercise was completed in October 2015.

The majority of the separation process has been completed and we expect final separation activities to be completed by the end of December 2015, thus ensuring we have a strong platform to execute our future growth strategy. During the year £5.9 million has been invested in separating and restructuring the business post-acquisition.

A further £1.6 million was invested into establishing a new headquarter for Well Pharmacy in Manchester, relocating 227 colleagues. The new office was inaugurated by The Chancellor, George Osborne in October 2015.

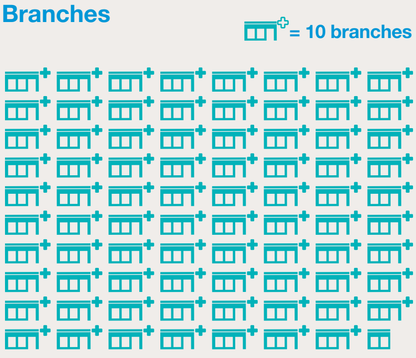
The Group is committed to investing in this business and announced a £200 million investment programme over a five year period, linked to the pharmacy business' five year strategy. A number of growth initiatives have been agreed which include growing both existing and new income streams in order to diversify the pharmacy business' income mix.

New initiatives that have been launched include a business-to-business pharmaceutical trading arm, under the name "Bestway Medhub", as well as a care home pharmaceutical supply solution, under the name "WellCarePlus". During the year, Well Pharmacy acquired Ideal Healthcare Limited, a group of 7 pharmacies in Devon.

Company data

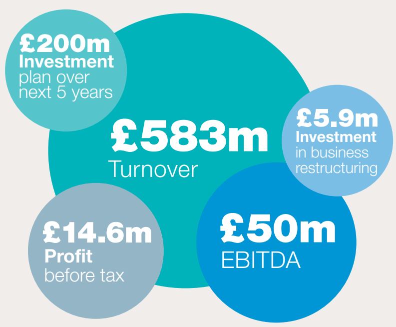
EMPLOYEES	7440
PRESCRIPTIONS VOLUME	54m
MEDICINE USAGE REVIEWS	180k

Branches



795 branches

Key figures




well

Bestway Wholesale

'The year under review has been a busy and challenging year for the company as we maintained our focus on the three pillars of Symbol & Club, Foodservice and Digital'

£1.73bn
Wholesale business turnover

£26.2m
Profit before tax

Bestway Wholesale

Turnover in our wholesale business amounted to £1.73 billion, a decrease of 4.1% on the prior financial year. The sales decrease has been driven by tobacco, which has declined as a sector due to the recently introduced display ban. Additionally, non-tobacco sales have been adversely impacted by food price deflation.

Profit before tax decreased by £6.1 million to £26.2 million a reflection of the continued competitive pressure in the market. The emergence of discounters and grocery multiples in the sector have created downward pressure on price which also have impacted margin.

Trading stock as at 30 June 2015 amounted to £144.9 million as compared to £149.8 million in the previous year.

The year under review has been a busy and challenging year for the company as we maintained our focus on the three pillars of Symbol & Club, Foodservice and Digital;

- **Symbol & Club:** During the year, the Best-one and Xtra Local retail club membership increased to 4,300 stores with a combined turnover of £650 million. The Group are further investing in this area by continuing our crusade on developing a market leading chilled, fresh and retail foodservice offering to help our customers compete, as well as doubling the number of business development executives.

Key highlights

Turnover in our wholesale business amounted to £1.73 billion.

Best-one and Xtra Local retail club membership increased to 4,300 stores.

Best-one and Xtra Local combined turnover of £650 million.

"This underlines Bestway's commitment to the wholesale sector and reiterates the Group's mission of "Building Business for the Independents""

M Younus Sheikh
Managing Director—Wholesale Business

Bestway Wholesale

> "We have become the first wholesaler to introduce Apple Pay which allows our customers to pay using their iPhone or iWatch."

Key highlights

Net sales from the Bestway Wholesale app during the year averaged £2 million per month.

We also created a multiple account division within Bestway Direct to service the supply requirements of multi-site forecourt and convenience operators.

During the year we completed the installation of 12 dedicated world food hubs in the depots that serve multicultural communities.

Bestway Wholesale (continued)

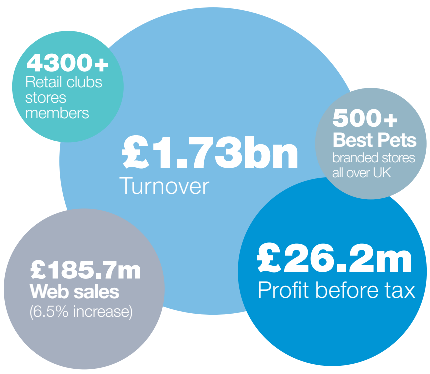
•Foodservice: During the year, Bestway Batleys foodservice signed on new contracts including Accuro Catering, Warwickshire Colleges and East Lancashire & Birmingham NHS hospitals. We were also re-awarded two 4-year contracts worth over £24 million.

•Digital: Last year we became the first wholesaler to introduce a fully functional mobile app. In a year, the app has been downloaded over 12,000 times. Net sales from the app during the year averaged £2 million per month. We also introduced i-beacon technology in our depots that transmits promotional offers to customers' smart phones as they shop in the depot. At our Abbey Road Depot we have become the first wholesaler to introduce Apple Pay which allows our customers to pay using their iPhone or iWatch.

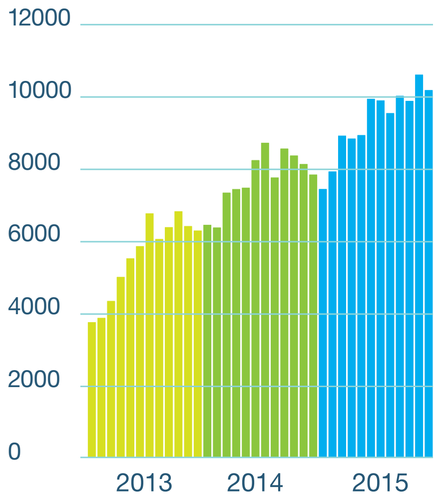
Our latest dual branded Bestway Batleys depot that opened in Glasgow in July last year is now achieving weekly sales of over £750,000.

During the year we completed the installation of 12 dedicated world food hubs in the depots that serve multicultural communities. We also created a multiple account division within Bestway Direct to service the supply requirements of multi-site forecourt and convenience operators. In order to facilitate our customers and improve their cash flows, we removed all charges for credit card transactions and delivery surcharges. This underlines Bestway's commitment to the wholesale sector and reiterates the Group's mission of "Building Business for the Independents".

Bestway Wholesale in numbers



Wholesale digital transactions



£24m

Bestway Batleys Foodservice

Foodservice re-awarded two 4-year contracts worth over £24 million.

£0.75m

Weekly sales in new depot

Weekly sales in new dual branded Bestway Batleys in Glasgow.

12,000

App downloads

The number of times the Bestway app has been dowloaded last year.

United Bank Limited

UBL's total assets at 30 June 2015 were £9.0 billion as compared to £6.9 billion for the corresponding period last year, an increase of 30%.

Key highlights

UBL's deposit base grew by 20% to £6.6 billion for the year to 30 June 2015.

Net interest income increased by 27.1% from £277.1 million in 2014 to £352.1 million in 2015.

UBL's profit before tax recognised in the Group's accounts increased from £163.9 million in 2014 to £300.6 million, an increase of 83.4%.

United Bank Limited ('UBL')

UBL's total assets at 30 June 2015 were £9.0 billion as compared to £6.9 billion for the corresponding period last year, an increase of 30%. UBL's deposit base grew by 20% to £6.6 billion for the year to 30 June 2015.

UBL's profit before tax recognised in the Group's accounts during the period under review increased from £163.9 million in 2014 to £300.6 million, an increase of 83.4%. This increase has largely been due to a change in accounting methodology as UBL has now been reflected as a subsidiary for the full year, whereas in the prior year it was accounted for as an associate for 6 months and as a subsidiary for 6 months. On a like for like basis UBL's profit before tax increased by 39.7% to £300.6 million in 2015 from £215.2 million in 2014.

UBL was able to increase its like for like net interest income by 27.1% from £277.1 million in 2014 to £352.1 million in 2015. Critically, UBL was also able to deliver an increased focus on non-financial income which grew, like for like, by 25.8% from £131.5 million in 2014 to £165.4 million in 2015.

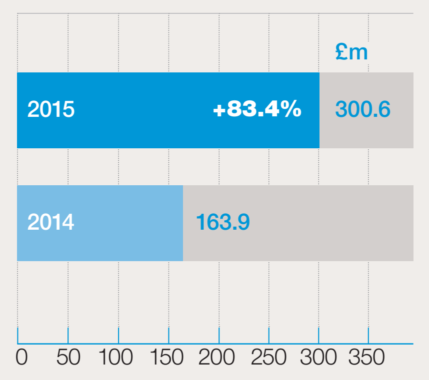
During the year UBL's operation in Tanzania continued to trade ahead of plans and has started to make a positive contribution to the group after being opened in June 2013. This is a significant milestone and presents an opportunity for UBL to increase its presence in the region.

The Pakistani banking market has started to witness increased pressure on net interest margins as a result of the State Bank of Pakistan's policy of reducing interest rates. There is a clear indication that this margin compression will continue going forward as inflation has been on a downward trend. Consequently, there has been an increased focus on diversifying income streams into non-interest derived income to better counteract any changes to margin spreads.

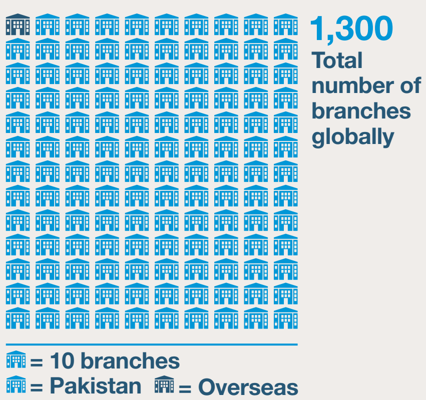
UBL continues to pursue its goal of financial inclusion. During the financial year UBL has grown its Omni division of the bank, which provides communities with branchless banking. This is a major milestone in the evolution of banking that will reshape the traditional banking model by offering basic banking services across urban and rural Pakistan, well beyond the regular branch networks. UBL is the largest supplier of this service in Pakistan with over 36,800 agents, an increase of 15,100 agents on the prior year.

The Group also remains committed to Khushhali Bank, the largest micro-finance institution in Pakistan, which UBL had invested in in June 2012. Khushhali Bank increased its deposits by 35.4% from £41.3 million at December 2013 to £55.9 million at December 2014. Khushhali Bank also grew its loan portfolio by 54.0% to £78.0 million over the same period. Khushhali Bank contributed profit before tax of £7.1 million in the year to 30 June 2015, compared to £4.0 million in the year to 30 June 2014.

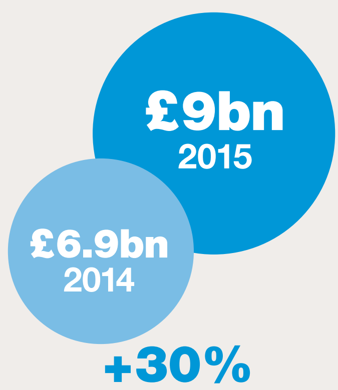
Profits before tax (£ million)



Branches



UBL's total assets



Bestway Cement Limited

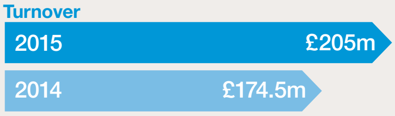
> "In July 2014, BCL entered into a binding agreement to acquire Pakcem and on 22 April 2015, BCL completed the transaction."

Key highlights

Turnover for the financial year 2015 amounted to £205.0 million compared to £174.5 million for 2014, an increase of 17.5%.

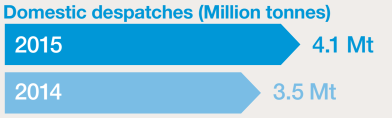
Profit before tax registered an increase of 19.9% from £56.9 million in 2014 to £68.2 million for the year to 30 June 2015.

Turnover

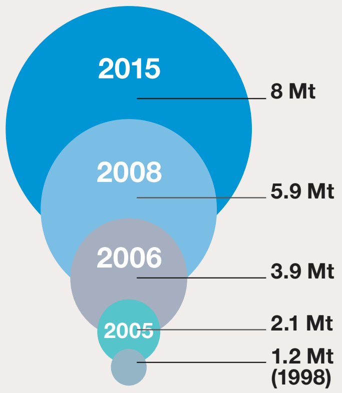


Profit before tax

Domestic despatches (Million tonnes)



Cement capacity (million tonnes)



Bestway Cement Limited ('BCL')

In July 2014, BCL entered into a binding agreement to acquire Pakcem and on 22 April 2015, BCL completed the transaction and assumed management control of the company after a public tender. Pakcem's plant has a production capacity of 2.4 million tonnes per year. Consequently, BCL has now become the largest cement manufacturer in Pakistan with an annual capacity of 8 million tonnes.

Recently, there has been a shift in market dynamics with domestic demand continuing to exhibit strong growth, while the export market has declined due to less activity in Afghanistan and the imposition of import levies in certain economies.

Consequently, BCL's domestic despatches increased by 15.4% to 4.1 million tonnes from 3.5 million tonnes in 2014, with like for like sales up by 7.8%. Export despatches decreased by 7.9% to 772 thousand tonnes in 2015 as compared to 838 thousand tonnes in 2014. Despite a decrease in exports to Afghanistan, we were able to maintain our position as the largest exporter of cement to Afghanistan.

During the financial year BCL consolidated despatches increased by 10.9% to 4.9 million tonnes from 4.4 million tonnes in the corresponding period last year. The strong despatches performance is due to domestic demand and due to the recognition of despatches from the acquisition of Pakcem for the two months to June 2015.

Turnover for the financial year 2015 amounted to £205.0 million compared to £174.5 million for 2014, an increase of 17.5%. Profit before tax registered an increase of 19.9% from £56.9 million in 2014 to £68.2 million for the year to 30 June 2015. This is attributable to the increased economies of scale and synergies generated through the acquisition of Pakcem as well as our continued focus on cost control.

During the financial year, the cement business settled in full the £14.2 million of debt it had outstanding at 30 June 2014. During the year, BCL took on debt of £182.0 million in order to complete the acquisition of Pakcem.

During the year, BCL installed a 7.5 MW and 6.0 MW Waste Heat Recovery Power Plant (WHRPP) at Hattar plant and Farooqia plant respectively. The Hattar WHRPP became fully operational in May 2015 and Farooqia's power plant became operational in June 2015. BCL also signed a contract for a 12MW WHRPP at the newly acquired Pakcem plant and this is currently under construction. The plant is estimated to cost £9.5 million and is expected to come online by March 2017. The investments in WHRPPs are part of our continued strategy to reduce our reliance on the national grid as well as to reduce the environmental impact of our operations through the reduction of carbon emissions. This will reduce our cost of production and we shall be able to enjoy financial benefits in future years.

For the year ended 30 June 2015, the BCL declared a combined dividend of 10 PKR per share compared to a 7.5 PKR per share dividend last year.

"BCL has now become the largest cement manufacturer in Pakistan with an annual capacity of 8 million tonnes."

£68.2m

Profit before tax (19.9% increase)

+10.9%

Increase in consolidated despatches

£205m

Turnover (£174.5m in 2014), an increase of 17.5%

Executive Review

The Group has taken the necessary measures to reduce, or where possible eliminate, the key risks in the business.

Principal risks & uncertainties

The Group's wholesale business is exposed to the market risk of an increasing number of multiples which is putting 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.

The Group's pharmacy business is exposed to funding risks linked to the NHS, which is under pressure to reduce costs. Risks associated with acquisition and separation have largely been alleviated in the year although a small amount of risk remains associated with the smooth transition away from The Co-operative Group.

Due to the Group's presence in Pakistan, it is exposed to foreign exchange risk and interest rate movements. As the cement industry is directly related to the state of the economy a key risk is the performance of the Pakistani economy. Additionally, the increase in power costs in Pakistan continues to pose a threat to the cement sector.

The Group's banking subsidiary faces the risk of future net interest margin compression as the State Bank of Pakistan has cut interest rates in the last year. There is economic risk as the state of the economy has an effect on lending. As with any bank there is regulatory compliance risk.

The Group has taken the necessary measures to reduce, or where possible eliminate, the key risks in the business.

Key performance indicators

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

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

Among the financial performance indicators within the pharmacy business, the key performance indicators are prescription growth, over the counter sales growth, profitability per branch and stock levels.

Financial performance indicators in the cement business are net retention price, daily despatches and cost of production.

Among the financial performance indicators within the banking business, the key performance indicators are deposit levels, assets under management, return on assets, return on equity, net interest margin and non-financial income.

General non-financial performance indicators are staff turnover, staff / supplier / customer satisfaction and health and safety reports, amongst others. The Board is of the belief that the monitoring of the aforementioned indicators is an effective aspect of business performance review.

"In the last twelve months we have continued to demonstrate the strength of our business model and to create value for all our stakeholders."

Future outlook

The Group's focus is to continue to repay the debt that was taken on as part of the two acquisitions that were completed during the year.

The wholesale business will focus on organic growth which is supported by investments in existing and new initiatives. Despite the tough trading conditions, we are confident that we will continue to provide maximum support to our customers by delivering the best prices, value and service to them.

Our focus in the pharmacy business is to diversify the business' income streams and participate more broadly in the pharmacy sector through investment in a variety of initiatives. We are confident in the new structure we have in place and in our ability to execute our business plan.

BCL's focus will be on integrating the Pakcem operations into the business and sustaining cash generation in order to reduce debt. The fundamentals of the Pakistani cement sector are strong and BCL will continue its focus on being the most efficient operator in the market. UBL continues its focus on managing its asset portfolio, improving asset quality and expanding its network both through branches and through Omni branchless banking. Diversifying the income stream into more non-interest derived income will be important as pressure will continue on net interest margins.

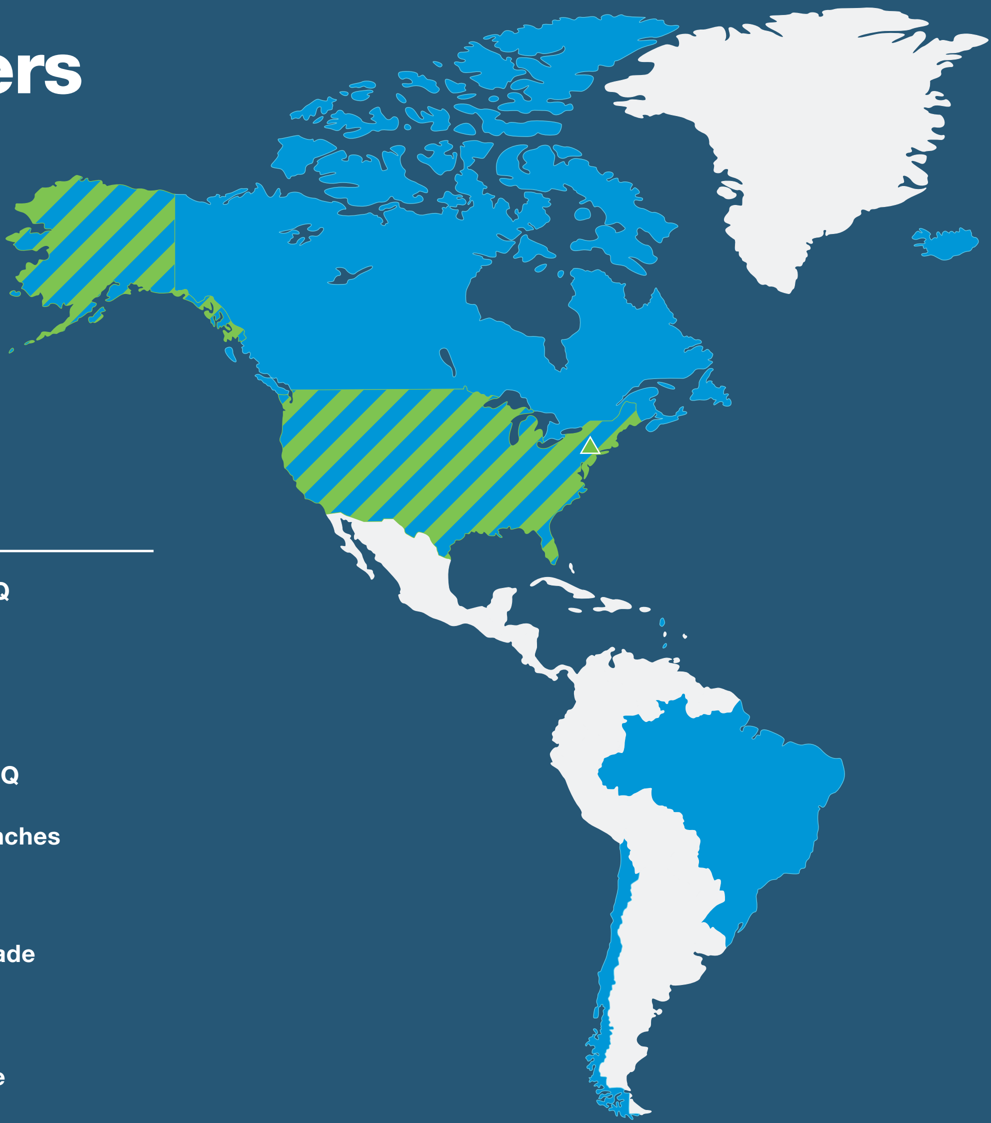
We see challenges ahead of us both in UK and in Pakistan as the respective economies go through an economic stabilisation phase. We will continue to enhance our market share in UK wholesale and pharmacy sectors and in the Pakistan cement and banking sectors whenever suitable opportunities arise.

In the last twelve months we have continued to demonstrate the strength of our business model and to create value for all our stakeholders. This has been accomplished with the continued support of our employees and our highly successful relationships with suppliers and customers.

I would like to thank all our suppliers and employees for their commitment to the business. I would also like to thank my fellow directors for their contribution to our strategic deliberations.

Z M Choudrey, BA (Hons), FCA
Group Chief Executive

Bestway In numbers



- Bestway Wholesale HQ
- Well Pharmacy HQ
- Bestway Cement HQ
- United Bank Limited HQ
- UBL International branches

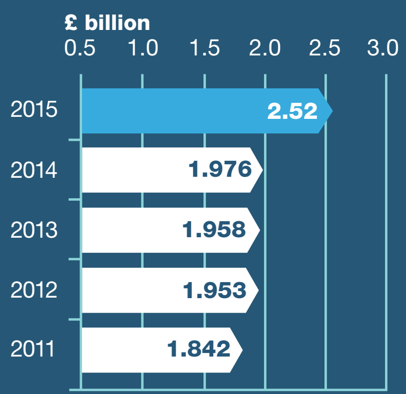
- Bestway Wholesale trade
- Well Pharmacy trade
- Bestway Cement trade
- UBL presence

Bestway (Holdings) Ltd—Total No. Employees

2015
33,600 employees

2014
14,548 employees

Bestway (Holdings) Ltd—Turnover
(£ billion)



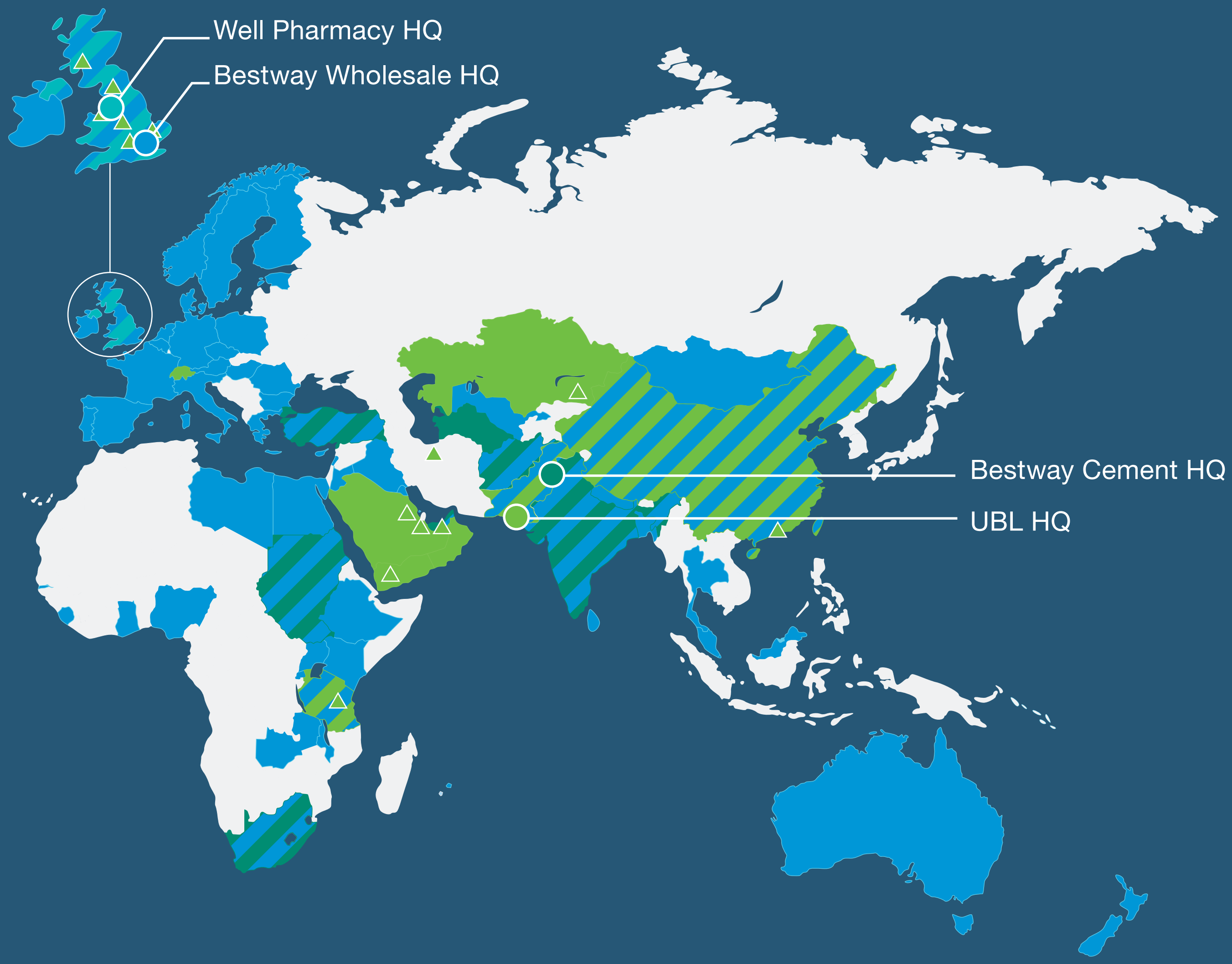
United Bank Limited

UBL's deposit base grew 20% to $6.6bn
$6.6bn

UBL's profit before tax — up 83.4%
£300.6m

Non financial income — up 25.8%
£165.4m

UBL's Net Interest income — up 27.1%
£352.1m

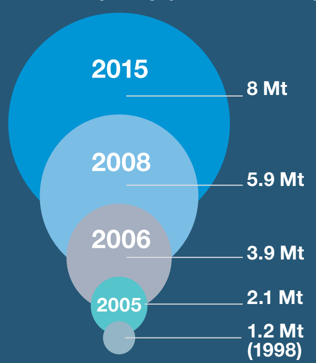


Bestway Cement Limited

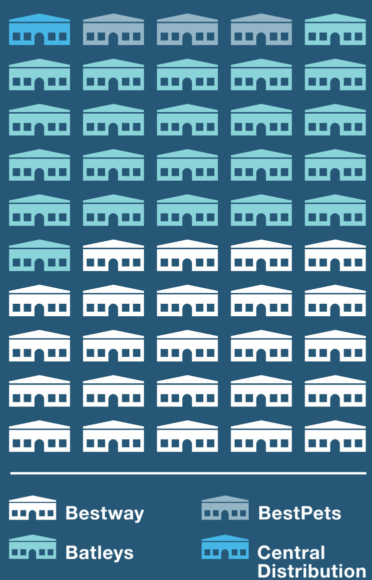
Largest cement manufacturer in Pakistan

8m. Tonnes

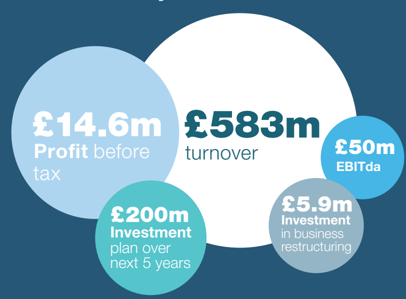
Cement capacity (million tonnes)



Bestway Wholesale: depots



Well Pharmacy



EMPLOYEES	7440
PRESCRIPTIONS VOLUME	54m
MEDICINE USAGE REVIEWS	180k

Directors' Report


Sir MA Pervez OBE HPk


ZM Choudrey BA (Hons), FCA


MY Sheikh


AK Bhatti

The directors submit their report and the financial statements of Bestway (Holdings) Limited for the year ended 30 June 2015.

Principal activities
The principal activities of the Group during the year were in the wholesale, pharmacy, cement and banking sectors.

Review of the business and future developments
A detailed review of the business and an indication of likely future developments are contained in the Strategic Report on pages 2 to 19.

Results and dividends
The profit for the year after taxation was £230.3 million *(2014: £168.2 million).*

The directors do not recommend the payment of a dividend *(2014: £nil).*

Directors
The directors who held office during the year were as follows:

Sir MA Pervez, OBE HPk
ZM Choudrey, BA (Hons), FCA
MY Sheikh
AK Bhatti
AK Chaudhary
AM Chaudhary, MBA
R Pervez, ACA
D Pervez, BA (Hons), FRSA MA Oxon, Solicitor

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

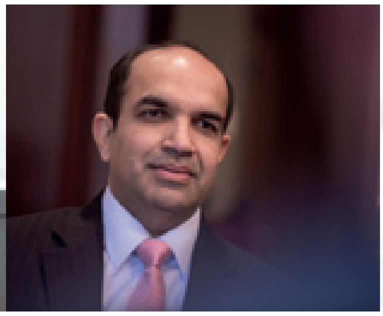
The financial instruments utilised by the Group are borrowings, short-term cash deposits and items such as trade creditors which arise directly from its operations. Borrowing and deposit facilities are on a floating rate basis. Further details are included in notes 16, 17 and 22.

Employee involvement and disabled persons
The Group 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 Group is an equal opportunities employer and its policies for

AM Chaudhary MBA

AK Chaudhary



R Pervez ACA

D Pervez FRSA MA Oxon, Solicitor

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 disabled persons 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 Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Policy and practice on payment of creditors

The Group aims to settle supplier accounts in accordance with their individual terms of business, and as such no specific code or standard on payment practice is followed.

Donations

The Group made charitable donations of £1,276,000 *(2014: £705,000)* to the Bestway Foundation whose objectives are the advancement of education, the relief of sickness, the preservation and protection of health and the relief of suffering of the old, disabled and needy. The Group made political donations of £127,000 *(2013: £71,000)* to the Conservative party.

Disclosure of information to auditors

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.

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, BA (Hons), FCA
Director

2 Abbey Road, Park Royal
London NW10 7BW

16 November 2015

Statement of directors' responsibilities in respect of the Strategic Report, Directors' 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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

Independent auditor's report to the members of Bestway (Holdings) Limited

We have audited the financial statements of Bestway (Holdings) Limited for the year ended 30 June 2015 set out on pages 28 to 101. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Mike Woodward
(Senior Statutory Auditor)
for and on behalf of

KPMG LLP,
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

16 November 2015

Accounts

Consolidated profit and loss account
for the year ended 30 June 2015

	Note	Trading Group 2015 £000	Banking Group 2015 £000	Total Combined 2015 £000	Trading Group 2014 £000	Banking Group 2014 £000	Total Combined 2014 £000
Turnover							
Continuing operations	2	1,918,722	-	1,918,722	1,975,503	-	1,975,503
Acquisitions	2	596,683	-	596,683	-	-	-
Total	2	2,515,405	-	2,515,405	1,975,503	-	1,975,503
Cost of sales		(2,162,234)	-	(2,162,234)	(1,832,587)	-	(1,832,587)
		353,171	-	353,171	142,916	-	142,916
Interest income	5b	-	594,389	594,389	-	259,396	259,396
Interest expense	6b	-	(242,301)	(242,301)	-	(117,697)	(117,697)
Net interest income		-	352,088	352,088	-	141,699	141,699
Fee and commission income		-	165,402	165,402	-	69,705	69,705
Gross profit		353,171	517,490	870,661	142,916	211,404	354,320
Administrative expenses		(267,947)	(225,430)	(493,377)	(63,812)	(94,630)	(158,442)
		85,224	292,060	377,284	79,104	116,774	195,878
Net (loss)/ gain on financial assets		--	(6,240)	(6,240)	-	3,245	3,245
Other operating income	4	9,470	4,725	14,195	14,092	430	14,522
Group operating profit		94,694	290,545	385,239	93,196	120,449	213,645
Share of joint ventures profit:	12	-	-	-	42,483	-	42,483
Operating profit		94,694	290,545	385,239	135,679	120,449	256,128
From continuing operations		68,851	290,545	359,396	135,679	120,449	256,128
From acquisitions		25,843	-	25,843	-	-	-
Interest receivable	5a	1,975	-	1,975	2,382	-	2,382
Interest payable	6a	(31,837)	-	(31,837)	(8,253)	-	(8,253)
Profit before tax	3	64,832	290,545	355,377	129,808	120,449	250,257
Taxation: Group	8	(21,856)	(103,200)	(125,056)	(27,118)	(38,764)	(65,882)
Taxation: Joint ventures	8	-	-	-	(16,185)	-	(16,185)
		(21,856)	(103,200)	(125,056)	(43,303)	(38,764)	(82,067)
Profit after taxation		42,976	187,345	230,321	86,505	81,685	168,190
Minority interest	30	(26,263)	(76,019)	(102,282)	(20,124)	(35,038)	(55,162)
Investors in UBL funds		-	(30,792)	(30,792)	-	(9,992)	(9,992)
Profit for the financial year attributable to shareholders	20, 21	16,713	80,534	97,247	66,381	36,655	103,036

All of the group's activities were entirely from continuing operations.
The notes on pages 35 to 101 form part of these financial statements.

Consolidated balance sheet
at 30 June 2015

	Note	At 30 June 2015 £000	At 30 June 2014 £000
Fixed assets			
Intangible assets			
Group Goodwill	10	**129,343**	69,890
Trading Group	10	**536,379**	-
Banking Group	10	**7,547**	8,086
		673,269	77,976
Tangible assets			
Trading Group	11	**724,858**	450,108
Banking Group	11	**227,000**	173,848
		951,858	623,956
Current assets			
Trading Group			
Stock	13	**243,579**	185,423
Debtors: due within one year	14	**208,494**	84,950
Debtors: due after more than one year	14	**921**	586
Investments	15	**437**	587
Cash at bank and in hand		**65,012**	35,661
		518,443	307,207
Banking Group			
Debtors: due within one year	14	**2,090,999**	1,982,907
Debtors: due after more than one year	14	**1,276,463**	1,064,848
Investments: due within one year	15	**1,549,044**	842,656
Investments: due after one year	15	**2,909,295**	2,038,426
Cash at bank and in hand		**897,544**	827,962
		8,723,345	6,756,799
Creditors: amounts falling due within one year			
Trading Group	16	**(554,194)**	(304,651)
Banking Group	16	**(7,260,679)**	(5,788,126)
		(7,814,873)	(6,092,777)
Net current assets		**1,426,915**	971,229
Total assets less current liabilities		**3,052,042**	1,673,161

***Continued** overleaf >*

Consolidated balance sheet
(continued)

	Note	At 30 June 2015 £000	At 30 June 2014 £000
Creditors: amounts falling due after more than one year			
Trading Group	*17*	**(687,026)**	(81,821)
Banking Group	*16*	**(667,658)**	(414,381)
		(1,354,684)	(496,202)
Provisions for liabilities			
Trading Group	*18*	**(84,801)**	(29,246)
Banking Group	*18*	**(54,993)**	(5,794)
		(139,794)	(35,040)
Net assets excluding pension liabilities		**1,557,564**	1,141,919
Pension scheme liability			
Trading Group	*29*	**(5,915)**	(5,672)
Banking Group	*29*	**(4,516)**	(3,760)
Net assets including pension liabilities		**1,547,133**	1,132,487
Capital and reserves			
Called up share capital	*19*	**96**	96
Share premium account	*20*	**3,055**	3,055
Revaluation reserve	*20*	**64,954**	43,519
Investment property revaluation reserve	*20*	**154,279**	32,354
Cash flow hedge reserve	*20*	**-**	42
Statutory reserve	*20*	**144,360**	123,617
Reserve pertaining to UBL Funds	*20*	**9,618**	1,468
Capital redemption reserve	*20*	**14**	14
Profit and loss account	*20*	**646,920**	545,334
	21	**1,023,296**	749,499
Minority interest	*30*	**523,837**	382,988
Shareholders' funds		**1,547,133**	1,132,487

The notes on pages 35 to 101 form part of these financial statements.
These financial statements were approved by the board on 16 November 2015 and were signed on its behalf by:

Z M Choudrey, BA (Hons), FCA
Director

M Y Sheikh
Director

Company balance sheet
at 30 June 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	11	**-**	115,701
Investments	12	**371,598**	402,095
		371,598	517,796
Current assets			
Debtors: due within one year	14	**11,752**	16,322
Debtors: due after more than one year	14	**185,913**	20,000
		197,665	36,322
Investments	15	**437**	587
Cash at bank and in hand		**1,416**	2,805
		199,518	39,714
Creditors: amounts falling due within one year	16	**(53,737)**	(165,839)
Net current assets / (liabilities)		**145,781**	(126,125)
Total assets less current liabilities		**517,379**	391,671
Provisions for liabilities	18	**(809)**	(752)
Net assets		**516,570**	390,919
Capital and reserves			
Called up share capital	19	**96**	96
Share premium account	20	**3,055**	3,055
Revaluation reserve	20	**-**	1,401
Investment property revaluation reserve	20	**-**	6,482
Capital redemption reserve	20	**14**	14
Profit and loss account	20	**513,405**	379,871
Shareholders' funds	21	**516,570**	390,919

The notes on pages 35 to 101 form part of these financial statements.
These financial statements were approved by the board on 16 November 2015
and were signed on its behalf by:

Z M Choudrey, BA (Hons), FCA
Director

M Y Sheikh
Director

Company registered number: 01392861

Consolidated cash flow statement
for the year ended 30 June 2015

	Note	**2015 £000**	2014 £000
Cash flow from operating activities	*23a*	**(91,636)**	411,011
Dividends received from joint ventures		**-**	16,086
Returns on investments and servicing of finance	*23b*	**(25,325)**	(5,846)
Taxation		**(117,198)**	(51,988)
Capital expenditure and financial investment	*23b*	**(57,056)**	(23,018)
Dividends paid to minority interest		**(52,783)**	(34,703)
Acquisitions and disposals	*23b*	**(558,887)**	598,133
Cash (outflow) / inflow before management of liquid resources and financing		**(902,885)**	909,675
Financing	*23b*	**963,882**	(95,665)
Increase in cash in the year		**60,997**	814,010
Reconciliation of net cash flow to movement in net debt			
Increase in cash	*23c*	**60,997**	814,010
Cash (outflow) / inflow from movement in debt	*23c*	**(956,838)**	95,665
Change in net debt resulting from cash flows		**(895,841)**	909,675
Movement due to exchange differences	*23c*	**28,415**	26,658
Movement due to acquisition of subsidiary undertakings	*23c*	**(242,629)**	(237,876)
Movement in the period		**(1,110,055)**	698,457
Net funds / (debt) at the start of the period	*23c*	**604,744**	(93,713)
Net (debt) / funds at the end of the period	*23c*	**(505,311)**	604,744

Consolidated statement of total recognised gains and losses
for the year ended 30 June 2015

	2015 £000	2014 £000
Profit for the financial year after minority interests		
Group	**97,247**	76,738
Share of joint ventures	**-**	26,298
Minority interest	**102,282**	55,162
Investors of UBL funds	**30,792**	9,992
	230,321	168,190
Actuarial losses recognised in the pension scheme (note 29)	**(1,059)**	(2,012)
Deferred tax arising on losses in the pension scheme (note 29)	**327**	308
Revaluation of fixed assets (note 11)	**119,490**	10,527
Change in market value of available for sale assets net of deferred tax	**85,771**	4,294
Share of revaluation of assets in joint ventures	**-**	(6,208)
Exchange differences on retranslation of net investments	**38,489**	(42,719)
Cash flow hedges: effective portion of changes in fair value	**-**	42
Issuance and repurchase of units	**8,137**	-
Other Losses in the year	**(2,411)**	-
Total gains recognised for the year	**479,065**	132,422
Less Investors of UBL Funds	**(30,792)**	(9,992)
Total Gains recognised in the year	**448,273**	122,430
Gains Attributable to Shareholders	**273,797**	67,268
Minority interest	**174,476**	55,162
Total Gains recognised in the year	**448,273**	122,430

Note of consolidated historical cost profits and losses
for the year ended 30 June 2015

	2015 £000	2014 £000
Reported profit on ordinary activities before taxation	**355,377**	250,257
Difference between historical cost depreciation charge and the actual depreciation charge	**806**	958
Historical cost profit on ordinary activities before taxation	**356,183**	251,215
Historical cost profit for the year retained after taxation and minority interests	**98,053**	113,986

Notes
(forming part of the financial statements)

Overview

Bestway (Holdings) Limited is a private company incorporated in the United Kingdom (Registration number 01392861). The company is domiciled in the United Kingdom and its registered address is 2 Abbey Road, Park Royal, London, NW10 7BW. The nature of the Group's operations and its principal activities are set out in the Strategic and Directors' Reports.

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings/certain assets. The Group has applied the transitional rules contained in FRS 15 Tangible fixed assets to retain previous valuations as the basis on which certain of these assets are held. The Group has adopted FRS 26 Financial Instruments: Measurement and FRS 29 Financial Instruments Disclosures.

The risks noted in the Strategic Report are those known to the Directors at the date of this Report which the Directors consider to be material to the Group, but these do not necessarily comprise all the risks to which the Group is exposed. In particular, the Group's performance could be adversely affected by poor economic conditions.

The Group accounts have been prepared on a going concern basis. The directors are confident that the group has access to sufficient financial resources to meet its liabilities as they fall due.

The Directors have considered compliance with covenants within certain UK loan agreements and are satisfied that no events of default have occurred. The Directors are confident that Bestway Cement Limited can meet capital and interest payments as they fall due, and that no default events will be experienced in the foreseeable future. Neither the banking nor pharmacy components of the group have significant third party debt.

Basis of consolidation

The Group financial statements consolidate the financial statements of Bestway (Holdings) Limited and all its subsidiaries made up to 30 June 2015. Under section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account.

During the prior year the group acquired an additional shareholding in United Bank Limited (UBL). Accordingly UBL was accounted for as a Joint Venture up to the point of step acquisition. At both of the current yearend and prior yearend, UBL has been accounted for as a subsidiary. Due to the size and significance of the United Bank Limited, in order to provide users of the financial statements clarity in the financial statements, the results have been separately disclosed between those of the "Trading Group" (incorporating the Wholesale, Pharmacy and Cement operations) and those of the "Banking Group" (incorporating the Bank and Insurance operations).

Accounting for acquisitions and disposals

The results of businesses acquired or disposed of are consolidated from or to the effective date of acquisition or disposal. On the acquisition of subsidiary undertakings or businesses, the acquisition cost is allocated against the fair value of net assets acquired, after adjustments to bring accounting policies into line with the Group.

Joint venture

In the prior the Group accounted for the United Bank Limited as a joint venture before an additional shareholding was purchased (note 12). A joint venture is defined as an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits of the joint venture was included in the consolidated profit and loss account and its interest in their net assets was included in investments in the consolidated balance sheet.

Goodwill and amortisation

Goodwill represents the excess or shortfall of the cost of an acquisition over the fair value attributed to the net assets at acquisition which is capitalised.

The useful economic life of the goodwill arising on each acquisition is determined at the time of acquisition. In accordance with FRS 11, impairment of the goodwill is evaluated by comparing the present value of the expected future cash flows, excluding financing and tax, (the 'value-in-use') to the carrying value of the underlying goodwill. If the net assets and goodwill were to exceed the value-in-use, an impairment would be deemed to have occurred and the resulting write-down in the goodwill would be charged to the profit and loss account immediately.

Goodwill arising on acquisitions is written off on a straight line basis over its useful economic life (note 10), which is expected not to exceed 20 years, or the period in which the assets acquired are recovered, whether through depreciation or sale. Provision is made for any impairment.

Negative goodwill arising on business combinations in respect of acquisitions is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Notes
(continued)

1. Accounting policies *(continued)*

Tangible fixed assets
Fixed assets include certain properties which were professionally valued by Chartered Surveyors on an existing use open market basis, in accordance with the Royal Institute of Chartered Surveyors Valuation – Professional Standards and the associated guidance notes (or equivalent). Other fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets other than freehold and long leasehold land, and freehold and leasehold investment properties where the lease has over 20 years to run, at rates calculated to write each asset down to its estimated residual value over its expected useful life as follows:

Freehold and long leasehold properties	2% straight line
Short leasehold properties	over life of lease
Plant and machinery	5 - 25% straight line or reducing balance
Fixtures, fittings and equipment	10 - 25% reducing balance
Motor vehicles	20 - 25% reducing balance

The carrying values of tangible fixed assets are subject to annual review and any impairment is charged to the profit and loss account.

In accordance with Statement of Standard Accounting Practice No.19, the Group's investment properties have been revalued in the current year to market valuations.

In accordance with Statement of Standard Accounting Practice No.19, no depreciation is provided in respect of freehold investment properties and leasehold investment properties where the lease has over 20 years to run. This treatment, in relation to certain of the Group's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for use but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view.

Investment properties
Investment properties are initially recorded at open market value. Changes in the value of investment property are recognised in the statement of total recognised gains and losses, unless impaired, in which case the impairment loss is recognised in profit and loss.

Rental income
Rental income from investment property leased out under an operating lease is recognised in the profit and loss account on a straight-line basis.

Licenses
Licences acquired on acquisition of pharmacies are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Stock and work in progress
Stock and work in progress are valued at the lower of cost and net realisable value. Work in progress comprises the cost of direct materials, labour and appropriate manufacturing overheads. For obsolete and slow moving items a provision is made.

Stores, spares and loose tools are valued at the lower of moving average cost and net realisable value, while items considered obsolete are carried at nil value. Net realisable value represents the estimated selling price less necessary incurred as part of the sale.

Taxation
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance.

Notes
(continued)

1. Accounting policies *(continued)*

Leased assets and obligations
Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Post-retirement benefits
The Trading Group makes contributions towards the personal money purchase pension schemes of certain directors and senior employees. Contributions to the defined contribution fund are charged to the profit and loss account and represent a fixed percentage of pensionable salaries of scheme members. Contributions to both the defined contribution fund and the defined benefit fund continue to be made to separately administered trust funds.

The Trading Group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. Full details are disclosed in note 29.

Pension scheme assets are measured using market values which for quoted securities is the bid price. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

The Banking group operates; an approved contributory provident fund (defined contribution scheme); an approved gratuity scheme (defined benefit scheme); a post retirement medical benefit scheme for eligible retired employees; and an approved funded pension scheme, (defined benefit scheme).

Annual contributions towards defined benefit schemes are made on the basis of actuarial advice using the Projected Unit Credit Method.

For the defined contribution scheme, the Bank pays contributions to the fund on a periodic basis. The Banking group has no further payment obligation once the contributions have been paid. The contributions are recognised as an expense when the obligation to make payments to the fund has been established. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Turnover
Turnover from wholesale sales represents the invoiced value, net of Value Added Tax and discounts, of goods sold to customers. Turnover is recognised when goods are received by the customer and the risks and rewards of ownership have passed to them. Turnover is measured at the fair value of consideration received or receivable and represents amounts receivable for goods net of discounts, volume rebates and value added tax. Discounts are accounted for the in period they are earned.

Turnover from cement sales is recorded on despatch of goods to the customer.

Turnover from pharmacy sales includes cash sales and goods sold on credit, net of Value Added Tax. NHS Sales, included in Company revenue, are estimated for May to 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.

Retrospective rebates and discounts
The Group's wholesale subsidiaries negotiate discounts directly with suppliers. These discounts are accounted for once the directors are confident that those companies are entitled to the discount. Supplier allowances and credits are recorded as a reduction of cost of sales as they are earned according to the underlying agreement. Allowances consist primarily of promotional allowances, quantity discounts and payments under merchandising agreements. Amounts received under promotional or other merchandising allowance agreements that require specific performance are recognised when the performance is satisfied, the amount is fixed and determinable and the collection is reasonably assured.

Investments
In the Company's financial statements, investments in subsidiary undertakings and joint ventures are stated at cost.

Notes
(continued)

1. Accounting policies *(continued)*

Foreign currency transactions
Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the profit and loss account. The assets and liabilities of overseas subsidiaries, joint ventures and associates undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves.

Cash and liquid resources
Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), and investments in money market managed funds.

Borrowing costs
The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of the qualifying assets as part of the cost of the asset. Otherwise, the group expenses borrowing costs in the period to which they relate through the profit and loss account.

Software
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost and the accumulated amortisation of intangible assets of foreign branches include exchange differences arising on currency translation at the year-end rates of exchange. Amortisation is calculated so as to write off the amortisable amount of the assets over their expected useful lives. Amortisation on additions is charged from the month the asset is available for use. No amortisation is charged in the month of disposal.

Provisions
Provisions are recognised when; the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provisions are recognised.

Provision against identified non-funded losses is recognised when intimated and reasonable certainty exists that the Banking Group will be required to settle the obligation. The provision is charged to the profit and loss account net of expected recovery and the obligation is classified under other liabilities.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The Banking Group accounting policies

Basis of preparation
In accordance with the directives of the Federal Government of Pakistan regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Ordinance 1984.

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

Interest income
Mark-up, return and interest on performing advances and investments is recognised on a time proportionate basis that takes into account the effective yield of the asset over the term of the advances and interest earning investments. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining period of maturity of the debt securities.

Interest recoverable on non-performing advances and investments in debt securities is recognised on interest continues to accrue in a memorandum account. Mark up accrued after classification is not recognised in the books. As a result of the legal framework in Pakistan, the recoverability of such mark-up is highly uncertain and it is not probable that the mark up as agreed at the time of financing will be recovered.

Mark-up is the agreed profit using the cost plus basis for deferred sale of goods under which one party purchases goods from a supplier and sells the goods to another party at cost price plus an agreed mark-up.

Notes
(continued)

1. Accounting policies *(continued)*

Interest income (continued)
The delivery of the goods is immediate, payment is deferred. Murabaha contract has a variety of applications and is often used as an Islamic financing arrangement, for instance for working capital and trade finance.

Interest expense
Interest expense on borrowings and deposits is recognised on an effective interest rate method as an expense in the period in which it is incurred.

Discounting
If the effect is material, other debtors are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts and foreign bills purchased are measured at fair value.

Non-monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the date of initial recognition of the non-monetary assets or liabilities.

Foreign operations and subsidiaries
The assets and liabilities of foreign operations and subsidiaries are translated to rupees at exchange rates prevailing at the statement of financial position date. The results of foreign operations and subsidiaries are translated at the average rate of exchange for the year.

Translation gains and losses
Translation gains and losses are taken to the profit and loss account, except those arising on translation of the net investment in foreign branches and subsidiaries which are taken to reserves until the disposal of the net investment, at which time these are recognised in the profit and loss account.

Loans and advances
Loans and advances to banks/customers are initially measured at fair value and subsequently measured at their amortised cost (less impairment losses) using the effective interest method. For details pertaining to impairment, refer to accounting policy section on impairment.

Loans and advances to banks also include purchases under resale agreement. In this case, the amount advanced (being the purchase price) is classified as loans and advances while the differential between the purchase price and the resale price is amortised over the period of the agreement and recorded as income. Securities held as collateral are not recognised in the books, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

Investment securities
Investments of the Bank, other than investments in subsidiaries and associates, are classified as held for trading, held to maturity and available for sale.

Held for trading
These are securities which are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements and dealer's margin, or are securities included in a portfolio in which a pattern of short term profit taking exists.

Held to maturity
These are securities with fixed or determinable payments and fixed maturities, in respect of which the Bank has the positive intent and ability to hold to maturity.

Available for sale
These are investments, other than those in subsidiaries and associates that do not fall under the held for trading or held to maturity categories.

Initial measurement
All purchases and sales of investments are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the investment. Purchases or sales of investments that require delivery of investments within the time frame generally established by regulation or convention in the market place. Investments are initially recognised at fair value which, in the case of investments other than held for trading, includes transaction costs associated with the investments. Transaction costs on investments held for trading are expensed as incurred.

Subsequent measurement

Held for trading
These are measured at subsequent reporting dates at fair value. Gains and losses on re-measurement are included in the profit and loss account.

Held to maturity
These are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Notes *(continued)*

1. Accounting policies *(continued)*

Available for sale
Investments in debt and equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the revaluation reserve), except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Borrowings and deposits
Borrowings and deposits from banks and deposits from customers are recorded at fair value which is the amount of proceeds received.

Borrowings from banks also include securities sold under repurchase agreements. Securities sold subject to a repurchase agreement are continued to be recorded as investments since the risk and rewards associated with the security is not transferred while the amount of cash advanced is reported as borrowings from financial institutions. The differential between the sale price and the repurchase price is amortised over the period of the agreement and recorded as an expense.

Fee and commission
Fee, brokerage and commission income is recognised on an accrual basis.

Dividend income
Dividend income is recognised when the right to receive the dividend is established.

Impairment

Impairment of financial instruments carried at amortised cost or debt securities
The Group considers evidence of impairment for loans and advances, held-to-maturity and available for sale investment securities at both a specific asset and a collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Group uses statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than is suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on debt securities are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

Impairment of available for sale equity investments
Available for sale equity investments are impaired when there has been a significant or prolonged decline in their fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates, among other factors, the normal volatility in share price.

Impairment of investments in subsidiaries and associates
The Banking Group considers that a decline in the recoverable value of the investment in a subsidiary or an associate below its cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable value falls below the carrying value and is charged to the profit and loss account. A subsequent reversal of an impairment loss, up to the cost of the investment in the subsidiary or the associate, is credited to the profit and loss account.

Impairment in non-financial assets (excluding deferred tax)
The carrying amounts of non-financial assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is charged to the profit and loss account except for an impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the revaluation surplus.

Notes
(continued)

1. Accounting policies *(continued)*

Derivative financial instruments
Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when their fair value is positive and liabilities when their fair value is negative. Any change in the fair value of derivative financial instruments during the period is taken to the profit and loss account.

Hedge accounting
The Banking Group makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risks. In order to manage particular risks, the Banking Group may undertake a hedge. The Banking Group applies hedge accounting for transactions which meet the specified criteria.

At the inception of the hedging relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship. A formal assessment is also undertaken to ascertain whether the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. A hedge is regarded as highly effective if, during the period for which the hedge is designated, changes in the fair value or cash flows attributable to the hedged item are expected to be offset by between 80% to 125% by corresponding changes in the fair value or cash flows attributable to the hedging instrument.

Cash flow hedges
For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in the statement of changes in equity, and recycled through the profit and loss account in the periods when the hedged item will affect profit or loss. Any gain or loss on the ineffective portion of the hedging instrument is recognised in the profit and loss account immediately.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the profit and loss account.

Offsetting financial instruments
Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

Fair value measurement
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 in the principal or, in its absence, the most advantageous market to which the Banking Group has access to at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Banking Group then uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

The Banking Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Notes
(continued)

2. Segmental reporting

The Group's turnover and profit before taxation arose principally from its financial services, cement, wholesale and pharmacy activities. The Group's turnover, profits before taxation and net assets are principally attributable to activities in the United Kingdom and Pakistan. Segmental analysis is presented after elimination of intra-group sales, profits / (losses) and balances.

The Holding company analysis disclosed below pertains to Bestway Holdings, Bestway HoldCo Limited and Bestway Securities Limited. Included within these figures are the interest costs relating to debt required for the acquisition of Bestway Panacea Holdings Limited; amortisation of goodwill for all entities where goodwill arises and elimination of subsidiaries retained earnings on acquisition where applicable.

	Wholesale	**Pharmacy**	**Cement**	**Financial Services**	**Holding Companies**	**Total**
	2015 £000	**2015 £000**	**2015 £000**	**2015 £000**	**2015 £000**	**2015 £000**
Turnover	**1,727,433**	**582,993**	**204,979**	**-**	**-**	**2,515,405**
Profit before taxation	**26,159**	**14,577**	**68,211**	**300,555**	**(54,125)**	**355,377**
Net assets	**253,366**	**238,340**	**171,310**	**970,046**	**(85,929)**	**1,547,133**

	Wholesale	Pharmacy	Cement	Financial Services	Holding Companies	Total
	2014 £000	2014 £000	2014 £000	2014 £000	2014 £000	2014 £000
Turnover	1,801,024	-	174,479	-	-	1,975,503
Profit before taxation	32,253	-	56,915	163,442	(2,353)	250,257
Net assets	209,318	-	131,492	728,137	63,540	1,132,487

3. Profit on ordinary activities before taxation

	2015 £000	2014 £000
Profit on ordinary activities before taxation is stated after charging/ (crediting):		
Depreciation and amounts written off tangible fixed assets:		
Owned assets – Trading Group	**30,695**	14,877
Owned assets – Banking Group	**8,847**	4,047
Leased assets – Trading Group		46
Leased assets – Banking Group	**1,270**	634
Amortisation		
Goodwill	**11,478**	5,485
Intangible assets – Trading Group	**27,737**	-
Intangible assets – Banking Group	**3,008**	1,490
Operating lease rentals:		
Plant and machinery	**176**	105
Land and buildings	**10,291**	646
Auditor's remuneration		
Audit of these financial statements	**17**	100
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**744**	323
Taxation compliance services	**81**	126
Other advisory services	**1,317**	148
All other services	**349**	22
Amortisation of joint venture goodwill	**-**	4,515
Loss on sale of fixed assets	**3,010**	1,457

Included within the cost of debt (note 18) is £1,484,000 relating to other advisory services provided by the company's auditors.

Notes
(continued)

4. Other operating income

Trading Group: Other operating income	2015 £000	2014 £000
Net rental income	7,071	7,469
Other operating income	2,274	3,877
Exchange gain	125	2,746
	9,470	14,092

Banking Group: Other operating income	2015 £000	2014 £000
Other operating income	4,725	430
	4,725	430

5. Other interest receivable and similar income

5a. Trading Group: interest receivable and similar income	2015 £000	2014 £000
Bank interest	643	403
Other interest	2	452
Interest to Related Parties	368	311
Expected return on defined benefit pension plan assets of trading assets	962	1,216
	1,975	2,382

5b. Banking Group: interest income	2015 £000	2014 £000
On loans and advances to customers	237,600	106,596
On lendings to financial institutions	9,952	5,137
On investments in		
Held for trading securities	17,038	13,973
Available for sale securities	193,613	87,147
Held to maturity securities	128,428	43,480
On deposits with financial institutions	7,758	3,063
	594,389	259,396

Notes
(continued)

6. Interest payable and similar charges

6a. Trading Group: interest payable	2015 £000	2014 £000
On bank loans, overdrafts and other loans	**26,225**	6,210
Finance charges in respect of finance leases	**51**	-
Interest to Related Parties	**3,956**	750
Other interest	**362**	52
Interest on defined benefit pension plan obligation of trading liabilities	**1,243**	1,241
	31,837	8,253

Interest payable of £816,000 *(2014: £233,000)* has been transferred to fixed assets. The amount transferred represents the cost of funds forming part of the Trading Group's general borrowings which were used in financing major capital projects.

6b. Banking Group: interest expense	2015 £000	2014 £000
On deposits	**205,620**	101,190
On securities sold under repurchase agreements	**18,374**	8,304
On other short term borrowings	**14,745**	6,385
On long term borrowings	**3,562**	1,818
	242,301	117,697

Notes
(continued)

7. Employees, contract employees and directors

Trading Group and Banking Group

The average annual full time equivalent number of people employed by the Group (including directors) during the year was:

	2015	2014
Office and management	**2,224**	1,292
Retail	**8,943**	2,366
Manufacturing	**1,188**	673
Distribution	**872**	580
Banking	**9,329**	4,644
	22,556	9,555

Staff costs for the above persons:	2015 £000	2014 £000
Wages and salaries	**244,455**	114,569
Social security costs	**13,208**	6,143
Other pension costs (see note 29)	**5,126**	1,319
	262,789	122,031

The year end number of contract employees was:	2015	2014
Contract employees (Manufacturing)	**1,207**	691
Contract employees (Banking)	**4,216**	4,302
Total contract employees	**4,216**	4,993

Costs for the above contracted employees:	2015 £000	2014 £000
Fees	**10,244**	6,111

Directors' emoluments	2015 £000	2014 £000
Emoluments	**7,535**	12,437
Contribution to money purchase pension schemes	**38**	80
Total emoluments	**7,573**	12,517

The number of directors to whom relevant benefits are accruing in respect of qualifying services to the company is as follows:

	2015 Number	2014 Number
Money purchase schemes	**3**	7

Emoluments in respect of the highest paid director, including contributions for money purchase schemes amounted to:

	2015 £000	2014 £000
Emoluments	**3,650**	3,077

Notes
(continued)

8. Taxation

Trading Group and Banking Group combined

Analysis of charge in period	**2015 £000**	2014 £000
UK corporation tax		
Current tax on income for the period	**10,884**	8,381
Adjustments in respect of prior periods	**233**	92
Foreign tax		
Current tax on income for the period	**116,472**	51,257
Share of joint venture's current tax	**-**	16,185
Total current tax	**127,589**	75,915
Deferred taxation (see note 18)		
Origination and reversal of timing differences	**(623)**	6,814
Movement in FRS 17 liability	**(241)**	(232)
Effect of corporation tax rate change	**(1,669)**	(781)
Adjustments in respect of previous periods	-	351
Total deferred tax	**(2,533)**	6,152
Tax on profit on ordinary activities	**125,056**	82,067

Factors affecting the current tax charge for the current period
The tax assessed for the period is higher (2014: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	**355,377**	250,257
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (*2014: 22.5%*)	**73,741**	56,308
Effects of:		
Expenses not allowable for tax purposes	**3,960**	1,643
Income not treated as taxable	**1,584**	803
Capital allowances (more than) / less than depreciation	**(314)**	104
Other timing differences	**(5,293)**	(11,395)
Higher rates of tax on overseas earnings	**46,812**	24,390
Adjustments in respect of prior periods	**233**	92
Overseas withholding tax	**6,866**	3,970
Current tax charge for period	**127,589**	75,915

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Notes
(continued)

9. Profit attributable to members of the parent company

	2015 £000	2014 £000
Profit for the financial year (see note 20)	**57,293**	54,768

10. Intangible fixed assets

Group Goodwill	**Total £000**
Cost	
At beginning of year	77,854
Additions	70,931
30 June 2015	148,785
Amortisation	
At beginning of year	7,964
Charged in the year	11,478
30 June 2015	19,442
Net book value	
30 June 2015	**129,343**
30 June 2014	69,890

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The following sets out the periods over which goodwill is amortised and the net book values:

- Benson (Grocers) Limited – amortised over 20 years: net book value £1,886,000;
- Batleys Limited – amortised over 20 years: net book value £5,483,000;
- Martex Cash & Carry – amortised over 20 years: net book value £885,000;
- UBL Insurers Limited – amortised over 20 years: net book value £52,000;
- Sher Brothers (Cash & Carries) Limited– amortised over 20 years: net book value £925,000
- United Bank Limited – amortised over six and a half years: net book value £50,049,000; and
- Pakcem Limited – amortised over 20 years: net book value £70,063,000

Notes
(continued)

10. Intangible fixed assets *(continued)*

On the 5 October 2014, Bestway Panacea Holdings Limited became a wholly owned subsidiary of Bestway UK HoldCo Limited, which in turn is owned by Bestway (Holdings) Limited, with no goodwill arising. On acquisition, Bestway Panacea Holdings Limited had licences with a book value of £310,169,000. These licences were revalued to £554,507,000 to reflect their fair value at acquisition.

On the 22 April 2015, Pakcem Limited became an 88.2% subsidiary of Bestway Cement Limited, which in turn is owned by Bestway (Holdings) Limited, with £70,931,000 of goodwill.

On the 27 February 2015, Care4u Pharmacy Limited became a wholly owned subsidiary of Bestway Panacea Holdings Limited which is in turn a wholly own subsidiary of Bestway (Holdings) Limited, with no goodwill arising.

	Bestway Panacea Holdings Limited £000	Pakcem Limited £000	Care4u Pharmacy Limited £000	Total £000
Consideration	419,108	161,566	9,057	589,731
Less: Net assets purchased				
Intangible assets	554,507	123	8,326	562,956
Tangible assets	67,001	118,709	1,765	187,475
Stock	51,132	12,390	377	63,899
Debtors	109,671	5,676	635	115,982
Cash in Bank	29,059	850	935	30,844
Creditors: within one year	(104,300)	(13,847)	(2,981)	(121,128)
Creditors: debt acquired with business	(222,206)	(20,423)	-	(242,629)
Creditors: after one year	(8,704)	-	-	(8,704)
Provision for liabilities	(57,052)	(731)	-	(57,783)
Less Net assets purchased	(419,108)	(102,747)	(9,057)	(530,912)
Minority interest	-	12,112	-	12,112
Goodwill	-	70,931	-	70,931

The above acquisitions gave rise to the following results:

	Bestway Panacea Holdings Limited £000	Pakcem Limited £000	Care4u Pharmacy Limited £000	Total £000
Turnover	580,269	13,690	2,724	596,683
Operating Profit	21,446	4,107	290	25,843

Notes *(continued)*

10. Intangible fixed assets *(continued)*

Trading Group

	Licences £000
Cost	
At beginning of year	-
Additions	1,160
On acquisition of the subsidiaries	562,956
30 June 2015	**564,116**
Amortisation	
At beginning of year	-
Charged in the year	27,737
30 June 2015	**27,737**
Net book value	
30 June 2015	**536,379**
30 June 2014	-

Banking Group

	Software £000
Cost	
At beginning of year	9,855
Additions	2,079
Disposals	(9)
Exchange difference	(31)
30 June 2015	**11,894**
Amortisation	
At beginning of year	1,769
Charged in the year	3,008
Disposals	(9)
Exchange difference	(421)
30 June 2015	**4,347**
Net book value	
30 June 2015	**7,547**
30 June 2014	8,086

Notes
(continued)

11. Tangible fixed assets

Trading Group	Land and buildings	Investment properties	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Assets in course of construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At beginning of year	256,621	95,221	202,148	30,191	9,237	3,068	596,486
Acquired in business combination	43,647	-	93,860	48,448	119	1,401	187,475
Additions	978	171	6,829	4,680	3,341	11,027	27,026
Disposals	(233)	(564)	(716)	(2,400)	(2,527)	(458)	(6,898)
Exchange difference	1,692	94	6,122	62	65	292	8,327
Transfers	5,256	(2,396)	9,929	-	-	(12,789)	-
Revaluation	45,403	23,386	-	-	-	-	68,789
At 30 June 2015	353,364	115,912	318,172	80,981	10,235	2,541	881,205
Depreciation							
At beginning of year	39,850	-	76,222	24,167	6,139	-	146,378
Charged in year	10,383	-	10,819	8,033	1,460	-	30,695
Disposals	(95)	-	(586)	(2,070)	(1,822)	-	(4,573)
Revaluation	(18,364)	-	-	-	-	-	(18,364)
Exchange difference	523	-	1,615	34	39	-	2,211
At 30 June 2015	32,297	-	88,070	30,164	5,816	-	156,347
Net book value							
At 30 June 2015	**321,067**	**115,912**	**230,102**	**50,817**	**4,419**	**2,541**	**724,858**
At 30 June 2014	216,771	95,221	125,926	6,024	3,098	3,068	450,108

Included within the cost of land and buildings is £54.1 million *(2014: £54.1 million*) of land which is not depreciated.

Included within land and buildings is long leasehold property with a net book value at the balance sheet date of £13,560,000 *(2014: £13,921,000)*.

During the year, the investment property (including land and buildings) portfolio was subject to a full revaluation by Jones Lang La Salle – Chartered Surveyors – on an open market existing use basis. Jones Lang La Salle is a member of the Royal Institution of Chartered Surveyors. The portfolio has therefore been revalued by £87,153,000 at the balance sheet date.

Land and building and investment properties have a historic cost of £297,883,000 *(2014: £246,428,000)*

Notes
(continued)

11. Tangible fixed assets *(continued)*

Banking Group	Land and buildings £000	Investment properties £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Assets in course of construction £000	Total £000
Cost or valuation							
At beginning of year	125,415	9,807	4,146	25,607	1,558	12,926	179,459
Additions	1,380	4,243	2,617	6,197	1,046	11,967	27,450
Disposals	(70)	(2,316)	(835)	(1,633)	(441)	-	(5,295)
Transfer	490	(502)	-	12	-	-	-
Exchange difference	4,976	463	231	2,653	235	512	9,070
Revaluation	27,422	150	-	-	-	-	27,572
At 30 June 2015	159,613	11,845	6,159	32,836	2,398	25,405	238,256
Depreciation							
At beginning of year	1,546	-	733	3,175	157	-	5,611
Charge for the year	2,715	-	1,270	5,707	425	-	10,117
Disposal	(54)	-	(551)	(1,353)	(295)	-	(2,253)
Revaluation	(4,765)	-	-	-	-	-	(4,765)
Exchange Difference	644	-	89	1,627	186	-	2,546
At 30 June 2015	86	-	1,541	9,156	473	-	11,256
Net book value							
At 30 June 2015	**159,527**	**11,845**	**4,618**	**23,680**	**1,925**	**25,405**	**227,000**
At 30 June 2014	123,869	9,807	3,413	22,432	1,401	12,926	173,848

Included within the cost of land and buildings is £31.5m *(2014: £18.1 million)* of land which is not depreciated.

Included within the net book value of plant and machinery is an amount of £nil *(2014: £3,413,000)* in respect of assets held under finance leases. Depreciation charged for the year on these assets before they were disposed was £nil *(2014: £634,000)*.

During the year, the investment property portfolio was subject to a full revaluation by M/s. Pirsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s. Engineering Pakistan International (Private) Limited and M/s. Indus Surveyors (Private) Limited. The portfolio has therefore been revalued by £27,422,000 at the balance sheet date.

Land and building and investment properties have a historic cost of £36,360,000 *(2014: £30,696,000)*

Notes
(continued)

11. Tangible fixed assets *(continued)*

Company	Land and buildings £000	Investment properties £000	Total £000
Cost or valuation			
At beginning of year	105,150	28,441	133,591
Additions	-	129	129
Revaluation	45,403	4,591	49,994
Disposals	(150,553)	(33,161)	(183,714)
At 30 June 2015	-	-	-
Amortisation			
At beginning of year	17,890	-	17,890
Charged in year	474	-	474
Revaluation	(18,364)	-	(18,364)
At 30 June 2015	-	-	-
Net book value			
At 30 June 2015	**-**	**-**	**-**
At 30 June 2014	87,260	28,441	115,701

During the financial year, the company transferred its entire investment property portfolio to subsidiary, Palmbest Limited. During the financial year, the company transferred its entire land and buildings assets to subsidiary, Bestway Wholesale Limited.

Included within the cost of land and buildings is £nil *(2014: £31.8 million)* of land which is not depreciated.

Notes
(continued)

12. Fixed asset investments

Trading Group

The Trading Group had an investment in the prior year in United Bank Limited, which was accounted for as a joint venture until an additional tranche of equity was purchased in United Bank Limited. Bestway (Holdings) Limited then gained a controlling stake in United Bank Limited and as such from 1 January 2014, United Bank Limited has been treated as a subsidiary undertaking and has been consolidated into these financial statements. United Bank Limited forms the Banking Group.

	Joint Venture 2015 £000	Joint Venture 2014 £000
Cost		
At beginning of year	-	285,612
Additions	-	35,708
Transfer from joint venture to subsidiary undertaking	-	(321,320)
At 30 June	-	-
Share of post-acquisition reserves		
At beginning of year	-	151,928
Profit after tax for the year	-	30,813
Goodwill amortisation	-	(4,515)
Dividends received	-	(16,086)
Actuarial loss	-	(395)
Cash flow hedges	-	23
Surplus on revaluation of assets	-	(6,208)
Exchange difference	-	(39,265)
Revaluation of fixed assets	-	-
Transfer from joint venture to subsidiary undertaking	-	(116,295)
At 30 June 2014	-	-
Net book value		
At 30 June 2015	-	-

During the financial year ended 30 June 2014 Bestway (Holdings) Limited acquired a further 8.3% ownership of United Bank Limited giving the group an overall holding of 59.25% at 30 June 2014 and 30 June 2015. The joint venture agreement ended as the other party to the agreement no longer holds any shares. The purchase of this additional shareholding was split over two tranches; 4.8% was acquired in September 2013 and a further 3.5% was acquired in December 2013.

Notes
(continued)

12. Fixed asset investments *(continued)*

Company	Total £000
Cost	
At beginning of year	402,095
Disposals	(30,497)
30 June 2015	**371,598**

During the financial year to 30 June 2015, Bestway (Holdings) Limited transferred its entire shareholdings of; Bestway Cash and Carry Limited, Palmbest Limited, MAP Trading Limited, Bestway Direct Limited, Euroimpex (U.K.) Limited, Batleys Limited and Bestway Limited to Bestway HoldCo Limited.

The undertakings in which the Company has an interest at year end is :

Trading Group	Country of incorporation and operation	Principal activity	Class of shares held	Percentage of equity held %
Bestway Cash and Carry Limited*	United Kingdom	Wholesalers	Ordinary	100.00
MAP Trading Limited*	United Kingdom	Milling and processing of rice	Ordinary	100.00
Palmbest Limited*	United Kingdom	Investment property	Ordinary	100.00
Bestway Cement Limited	Pakistan	Cement production	Ordinary	55.32
Pakcem Limited*	Pakistan	Cement production	Ordinary	88.20
Euroimpex (U.K.) Limited*	United Kingdom	Dormant	Ordinary	100.00
Bestway Direct Limited*	United Kingdom	Wholesalers	Ordinary	100.00
Batleys Limited*	United Kingdom	Wholesalers	Ordinary	100.00
Batleys Properties Limited*	United Kingdom	Property and related services	Ordinary	100.00
Benson (Grocers) Limited*	United Kingdom	Holding company	Ordinary	100.00
Bellevue Cash and Carry Limited*	United Kingdom	Property and related services	Ordinary	100.00
Batleys Glasgow Limited*	United Kingdom	Property and related services	Ordinary	100.00
Bestway Power Limited	Pakistan	Dormant	Ordinary	100.00
MAP (UK) Limited	United Kingdom	Dormant	Ordinary	100.00
Bestway Limited*	United Kingdom	Dormant	Ordinary	100.00
Bestway Bluechip limited*	United Kingdom	Dormant	Ordinary	100.00
Bestway Securities Limited	United Kingdom	Holding Company	Ordinary	100.00
Bestway UK Holdco Limited*	United Kingdom	Holding Company	Ordinary	100.00
Bestway Panacea Holdings Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Bestway Pharmacy NDC Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Donald Wardle and Son Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Prospect Pharmaceuticals Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Opus Pharmaceuticals Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Bestway Panacea Healthcare Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Bestway National Chemists Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Portslade Medical Supplies Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
FA Partinson (Chemists) Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Partinson (Palsley) Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Bestway Belfast Chemists Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Ebbow Vale Consortium Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00
Care4u Pharmacy Limited*	United Kingdom	Pharmaceutical retail	Ordinary	100.00

*Held through a subsidiary

Notes
(continued)

12. Fixed asset investments *(continued)*

	Country of incorporation and operation	Principal activity	Class of shares held	Percentage of equity held %
Banking Group				
United Bank Limited	Pakistan	Banking	Ordinary	59.25
United Bank AG Zurich*	Switzerland	Banking	Ordinary	100.00
United National Bank Limited*	United Kingdom	Banking	Ordinary	55.00
Oman Exchange Company*	Oman	Banking	Ordinary	25.00
UBL Bank (Tanzania) Limited*	Tanzania	Banking	Ordinary	100.00
Khushhali Bank Limited*	Pakistan	Banking	Ordinary	29.69
United Executors & Trustees Company Limited*	Pakistan	Banking	Ordinary	100.00
DHA Cogen Limited*	Pakistan	Power plant	Ordinary	20.99
UBL Fund Managers Limited*	Pakistan	Banking	Ordinary	100.00
UBL Insurers Limited*	Pakistan	Insurance brokers	Ordinary	55.60

*Held through a subsidiary

United Bank Limited joint venture

In the prior year, included within joint ventures is the following individually significant undertaking up to the 1 January 2014 when it became a subsidiary undertaking:

	2015 £000	2014 £000
Group's share of		
Interest income	-	132,143
Interest expense	-	(58,856)
Fees and commission income	-	19,347
Net trading income	-	5,820
Other operating income	-	8,232
General administrative expenses	-	(48,209)
Operating expenses	-	(1,803)
Operating profit before impairment losses and taxation	-	56,674
Impairment losses on loans and advances and other credit risk provisions	-	(3,934)
Provision for diminution in value of investments	-	(952)
Other impairment movements	-	(814)
Profit from associates	-	208
Goodwill	-	(4,515)
Minority interest	-	(4,184)
Profit before taxation	-	42,483
Tax (note 8)	-	(16,185)
Group's share of profits after tax for the year to 30 June	-	26,298

Notes
(continued)

13. Stock

	Trading Group 2015 £000	Trading Group 2014 £000	Company 2015 £000	Company 2014 £000
Stores, spares and loose tools	**25,759**	24,089	**-**	-
Raw materials	**2,501**	1,376	**-**	-
Work in progress	**11,908**	7,764	**-**	-
Goods for resale within the wholesale business	**144,927**	149,825	**-**	-
Goods for resale within the pharmacy business	**55,964**	-	**-**	-
Goods for resale within the cement business	**2,520**	2,369	**-**	-
	243,579	185,423	**-**	-

The Banking Group does not have any stock *(2014: nil)*

14. Debtors

	Trading Group 2015 £000	Trading Group 2014 £000	Company 2015 £000	Company 2014 £000
Due within one year:				
Trade debtors	**116,688**	32,169	**11**	300
Amounts owed by group undertakings	**-**	-	**5,001**	13,515
Amounts owed by related parties	**-**	717	**-**	-
Other debtors	**52,324**	31,226	**6,740**	-
Prepayments and other accrued income	**37,626**	20,136	**-**	2,507
Corporation tax debtor	**1,856**	702	**-**	-
	208,494	84,950	**11,752**	16,322
Due in more than one year:				
Amounts owed by group undertakings	**-**	-	**185,913**	20,000
Other debtors	**921**	586	**-**	-
	209,415	85,536	**197,665**	36,322

Banking group

	2015 Less than one year £000	2015 Greater than one year £000	2015 Total £000
Lending to financial institutions (see note 14a)	**114,119**	**37,043**	**151,162**
Advances (see note 14b)	**1,727,756**	**1,239,420**	**2,967,176**
Corporation tax debtor	**20,383**	**-**	**20,383**
Other debtors	**228,741**	**-**	**228,741**
	2,090,999	**1,276,463**	**3,367,462**

	2014 Less than one year £000	2014 Greater than one year £000	2014 Total £000
Lending to financial institutions (see note 14a)	95,724	15,280	111,004
Advances (see note 14b)	1,637,598	1,046,631	2,684,229
Deferred tax asset - net	5,870	-	5,870
Other debtors	243,715	2,937	246,652
30 June 2014	1,982,907	1,064,848	3,047,755

Notes
(continued)

14a. Lending to financial institutions

Banking group	2015 £000	2014 £000
Call money lendings	16,677	-
Repurchase agreement lending	5,483	5,852
Other lending to financial institutions	134,344	109,568
Provision against lending to financial institutions	(5,342)	(4,416)
	151,162	111,004

14b. Advances

Banking group	2015 £000	2014 £000
Loans, cash credits and running finances	2,959,336	2,636,796
Bills discounted and purchased	285,626	307,679
Advances - Gross	3,244,962	2,944,475
Provision against advances	(277,786)	(260,246)
Advances - Net	2,967,176	2,684,229

66% (2014: 68%) of the gross advances are lent domestically in Pakistan, with the remaining 34% *(2014: 32%)* being lent overseas. 87% *(2014: 84%)* of UBL's advances are made up of corporate customers; the remaining *(2014: 13%)* of advances are made up of individual consumer balances.

15. Current asset investments

	Trading Group 2015 £000	Banking Group 2015 £000	Total 2015 £000	Trading Group 2014 £000	Banking Group 2014 £000	Total 2014 £000
Listed investments	437	-	437	587	-	587
UBL Insurers Limited investments (see note 15a)	-	5,155	5,155	-	4,330	4,330
Other investments (see note 15a)	-	4,453,184	4,453,184	-	2,876,752	2,876,752
	437	4,458,339	4,458,776	587	2,881,082	2,881,669

Listed investments in current assets are held at fair value. UBL Insurers Limited investments of £5,155,000 *(2014: £4,330,000)* relates to available for sale investments in mutual funds which are measured at fair value.

Notes
(continued)

15a. Current asset investments: Other investments

	2015 Less than one year £000	2015 Greater than one year £000	2015 Total £000	2014 Less than one year £000	2014 Greater than one year £000	2014 Total £000
UBL Insurers Limited investments	5,155	-	5,155	4,330	-	4,330
Other investments (below)	1,543,889	2,909,295	4,453,184	838,326	2,038,426	2,876,752
	1,549,044	2,909,295	4,458,339	842,656	2,038,426	2,881,082

Banking group

	2015 £000	2014 £000
Available for sale securities (see note 15b)	2,688,279	1,880,815
Held for trading securities (see note 15c)	395,285	184,214
Held to maturity securities (see note 15d)	1,382,918	822,835
Associates	9,535	7,782
Provision for diminution in value of investments	(22,833)	(18,894)
	4,453,184	2,876,752

15b. Current asset investments: Available for sale securities

Banking group

	2015 £000	2014 £000
Market Treasury Bills	233,633	353,096
Pakistan Investment Bonds	1,765,909	964,598
Government of Pakistan Sukuk	58,616	59,700
Government of Pakistan Eurobonds	90,502	78,684
Ordinary shares of listed companies	156,556	110,629
Preference shares	2,649	2,524
Ordinary shares of unlisted companies	1,883	1,448
Term Finance Certificates	17,003	20,284
Units of mutual funds:		
Investment in REIT	2,859	-
Foreign bonds	357,368	288,367
Sukuk Bonds	1,301	1,485
	2,688,279	1,880,815

15c. Held for trading securities

Banking group

	2015 £000	2014 £000
Market Treasury Bills	142,194	46,857
Pakistan Investment Bonds	154,249	49,692
Ordinary shares of listed companies	82,989	56,880
Term Finance Certificates	6,490	8,056
Sukuk Bonds	2,868	1,969
Government of Pakistan Sukuk	6,324	20,760
Investment in REIT	171	-
	395,285	184,214

Notes
(continued)

15d. Current asset investments: Held to maturity

Banking group	2015 £000	2014 £000
Market Treasury Bills	365,816	197,726
Pakistan Investment Bonds	908,016	538,884
Government of Pakistan Eurobonds	32,562	35,789
Government of Pakistan Sukuks	1,276	-
Term Finance Certificates	34,807	30,840
Sukuk Bonds	26,944	10,024
Foreign Bonds	11,512	7,714
Recovery Note	1,954	1,814
Other	31	44
	1,382,918	822,835

15e. Current asset investments

Company	2015 £000	2014 £000
Listed investments	437	587

The Company's listed investments are held at fair value, with any change in market value being recognised through the profit and loss account.

16. Creditors: amounts falling due within one year

	Trading Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Bank loans	47,209	48,701	-	32,214
Trade creditors	327,265	188,422	115	13
Amounts due to group undertakings	-	-	-	46,067
Amounts due to related parties (see note 27)	110,856	171	53,293	81,271
Corporation tax	-	5,414	-	238
Other taxation and social security costs	7,466	11,241	-	12
Other creditors	17,126	21,836	44	548
Accruals and deferred income	44,272	28,866	285	5,476
	554,194	304,651	53,737	165,839

The maturity profiles of the trading bank loans are included in note 17.

Banking group	2015 Less than 1 year £000	2015 Greater than 1 year £000	2015 Total £000
Bills payable	93,592	-	93,592
Borrowings (16a)	732,151	31,995	764,146
Deposits and other accounts (16b)	5,944,212	614,194	6,558,406
Payable to investors of UBL Funds	201,891	-	201,891
Other liabilities	288,833	21,469	310,302
	7,260,679	667,658	7,928,337

Notes
(continued)

16. Creditors: amounts falling due within one year *(continued)*

Banking group	2014 Less than 1 year £000	2014 Greater than 1 year £000	2014 Total £000
Bills payable	74,538	-	74,538
Borrowings (16a)	171,474	36,687	208,161
Deposits and other accounts (16b)	5,114,631	340,636	5,455,267
Subordinated loans (16c)	1,981	-	1,981
Obligations under finance leases (16d)	5	-	5
Payable to investors of UBL Funds	179,360	-	179,360
Other liabilities	246,137	37,058	283,195
	5,788,126	414,381	6,202,507

16a. Creditors: amounts falling due within one year – Borrowings

Banking group	**2015 £000**	2014 £000
Secured		
Secured		
Borrowings from the state of Pakistan		
Export refinance scheme	**78,810**	59,381
Refinance facility for modernisation of SME	**161**	201
Long term financing facility	**39,594**	35,642
Long term financing under export oriented projects	**590**	1,617
Repurchase agreement borrowings	**571,900**	57,314
Unsecured		
Call borrowings	**31,417**	19,974
Bank overdraft	**2,300**	316
Other borrowings	**39,374**	33,716
	764,146	208,161

The above Banking Group's loans are made up by the following secured loans:

a) The Banking group has utilised £78,810,000 *(2014: £59,381,000)* of export finance with the State Bank of Pakistan which is repayable by December 2015. The facility has a mark-up interest rate of 5.0%.

b) The Banking group has utilised £39,594,000 *(2014: £35,642,000)* of long term finance with the State Bank of Pakistan which is repayable at different dates ranging from 3 years to 10 years. The facility has a mark-up interest rate ranging from 4.50% to 10.10%.

c) The Banking group has utilised £571,900,000 *(2014: £57,314,000)* of long term financing under export oriented projects with the State Bank of Pakistan which are repayable during the next year. The facility has a mark-up interest rate ranging from 6.4% to 7.0%.

d) The Banking group has utilised £31,417,000 *(2014: £19,974,000)* of call borrowings which are repayable during the next year. The facility has a mark-up interest rate ranging from 0.28% to 1.50%.

e) The Banking group has utilised £39,374,000 *(2014: £33,716,000)* of other borrowings which are repayable during the next two years. The facility has a mark-up interest rate ranging from 0.29% to 34%.

Notes
(continued)

16b. Creditors: amounts falling due within one year - Deposits and other accounts

Banking group	2015 £000	2014 £000
Customers		
Fixed deposits	**1,841,486**	1,551,912
Saving deposits	**2,030,030**	1,675,603
Sundry deposits	**99,664**	104,319
Margin deposits	**32,074**	28,663
Current accounts – remunerative	**47,158**	42,661
Current accounts – non remunerative	**2,344,152**	1,934,458
Financial institutions		
Remunerative deposits	**113,944**	78,672
Non-remunerative deposits	**49,898**	38,979
	6,558,406	5,455,267

16c. Creditors: amounts falling due within one year – Subordinated loans

Banking group	2015 £000	2014 £000
Term Finance Certificates – III	**-**	1,981

The Term Finance Certificates – III were issued in September 2006 for a period of eight years and expired in September 2014. Interest is paid every six months at a rate of KIBOR + 1.70%.

16d. Creditors: amounts falling due within one year – Obligations under finance leases

The maturity of obligations under finance leases and hire purchase contracts is as follows:

Banking group	2015 £000	2014 £000
Within one year	**-**	5

Notes
(continued)

17. Creditors: amounts falling due after more than one year

	Trading Group		Company	
	2015	2014	**2015**	2014
	£000	*£000*	**£000**	£000
Bank loans (see below)	**656,512**	-	**-**	-
Amounts due to related parties	**30,000**	81,271	**-**	-
Other creditors	**514**	550	**-**	-
	687,026	81,821	**-**	-

Notes
(continued)

17. Creditors: amounts falling due after more than one year *(continued)*

Trading Group	2015			2014		
	Bank loans	**Debt issue costs**	**Total**	Bank loans	Debt issue costs	Total
	£000	**£000**	**£000**	£000	£000	£000
Repayment analysis:						
Bank loans						
in one year or less	**55,865**	**(8,656)**	**47,209**	49,485	(784)	48,701
in more than one year but less than two	**59,310**	**(8,656)**	**50,654**	-	-	-
in the third to fifth year	**209,804**	**-**	**209,804**	-	-	-
greater than 5 years	**396,054**	**-**	**396,054**	-	-	-
	721,033	**(17,312)**	**703,721**	49,485	(784)	48,701

The above amortisation profile of the Trading Group's loans are made up by the following secured loans:

a) The Trading Group has utilised £163,624,000 *(2014: £nil)* of a syndicated loan finance facility administered by JPMorgan which is repaid biannually until 06 October 2020 with a current interest rate of LIBOR + 3.75%.

b) The Trading Group has utilised £375,386,000 *(2014: £nil)* of a syndicated loan finance facility administered by JPMorgan which is repayable in full on 06 October 2021 with a current interest rate of LIBOR + 4.75%.

c) The Trading Group has utilised £93,420,000 *(2014: £nil)* of a syndicated loan finance facility administered by Allied Bank Limited. The loan facility is repaid biannually until 31 October 2020 with an interest rate of KIBOR + 0.5%.

d) The Trading Group has utilised £62,280,000 *(2014: £nil)* of a long term musharka finance facility. The loan facility is repaid biannually until 31 October 2020 with an interest rate of KIBOR + 0.5%.

e) The Trading Group has utilised £26,323,000 *(2014: £nil)* of a syndicated loan finance facility administered by MCB Bank Limited, with a current interest rate of KIBOR + 0.4%.

f) The Trading Group and Company loans include bank loans from HSBC Bank Plc of £nil *(2014: £30,500,000)* denominated in US Dollars.

g) The Trading Group loans include bank loans from HSBC Bank Plc of £nil *(2014: £2,500,000)*.

Company	2015			2014		
	Bank loans	**Debt issue costs**	**Total**	Bank loans	Debt issue costs	Total
	£000	**£000**	**£000**	£000	£000	£000
Repayment analysis:						
Bank loans						
in one year or less	**-**	**-**	**-**	32,998	(784)	32,214
	-	**-**	**-**	32,998	(784)	32,214

Notes
(continued)

18. Provisions for liabilities

Trading Group	Deferred taxation £000
At 1 July 2014	29,246
On Acquisition of subsidiary	57,783
Movement in profit and loss account	(8,883)
Movement in other gains and losses	(16)
Adjustment in respect to group relief	5,173
Exchange difference	1,498
At 30 June 2015	**84,801**

Deferred taxation provided in the financial statements is made up as follows:

	2015 £000	2014 £000
Excess of capital allowances over depreciation	**85,119**	29,900
Short term timing differences	**(318)**	(433)
Losses	**-**	(221)
	84,801	29,246

No provision has been made for deferred tax in either the Group or Company on gains recognised on revaluing property to its market value as there is currently no commitment to sell these assets. The total amounts unprovided for by the Group and Company are £15 million *(2014: £15 million)* and £1.8 million *(2014: £1.8 million)*, respectively. At present, it is not envisaged that any tax will become payable in the foreseeable future.

Banking Group	Deferred taxation £000	Insurance contract liabilities £000	Total £000
At 1 July 2014	(5,870)	5,794	(76)
Movement in profit and loss account	6,350	1,542	7,892
Movement in other gains and losses	47,109	-	47,109
Exchange difference	(268)	336	68
At 30 June 2015	**47,321**	**7,672**	**54,993**

In the year ended 30 June 2014 the banking group had a deferred tax asset of £5,870,000, which was included in debtors (note 14).

The deferred tax movement on other gains and losses relates to the revaluation of available for sale assets.

The amounts included above relating to insurance contract liabilities are provisions for outstanding claims and unearned premiums within UBL Insurers Limited

Notes
(continued)

18. Provisions for liabilities *(continued)*

Deferred taxation provided in the financial statements is made up as follows:

	2015 £000	2014 £000
Excess of capital allowances over depreciation	5,408	-
Revaluation of available for sale assets	54,306	-
Short term timing differences	(12,393)	(5,870)
	47,321	(5,870)

Company	Deferred taxation £000
At beginning of year	752
Credit to profit and loss account	57
At 30 June 2015	809

Deferred taxation provided in the financial statements is made up of the following:

	2015 £000	2014 £000
Excess of tax allowances over depreciation	809	752

19. Called up share capital

	2015 £000	2014 £000
Authorised:		
500,000 ordinary shares of £1 each	500	500
Called up issued and fully paid:		
95,940 ordinary shares of £1 each	96	96

Notes
(continued)

20. Reserves

Trading Group and Banking Group

	Share Capital account £000	Share Premium account £000	Revaluation reserve £000	Investment property revaluation reserve £000	Cash flow hedge reserve £000	Capital redemption reserve £000
Initially stated at 1 July 2014	96	3,055	43,519	32,354	42	14
Disaggregation of Reserves	-	-	-	-	-	-
Restated at 1 July 2014	96	3,055	43,519	32,354	42	14
Profit for the year	-	-	-	-	-	-
Exchange difference	-	-	1,671	2,435	-	-
Change in market value of available for sale assets	-	-	28,464	-	-	-
Change in market value of tangible fixed asset	-	-	-	119,490	-	-
Issuance and repurchase unit						
Right Issue of shares by a subsidiary	-	-	-	-	-	-
Other gains in the year						
Dividend received	-	-	-	-	-	-
Acquisition of subsidiary undertakings	-	-	-	-	-	-
Actuarial loss recognised in the pension schemes	-	-	-	-	-	-
Deferred tax arising on the loss in the pension schemes	-	-	-	-	-	-
Excess depreciation on revalued basis	-	-	(917)	-	-	-
Transfer	-	-	(7,783)	-	(42)	-
At 30 June 2015	**96**	**3,055**	**64,954**	**154,279**	**-**	**14**

A reclassification of the bought forward reserves has been done to better reflect the reserves relating to United Bank Limited. The reserve pertaining to UBL funds relates to the consolidated general reserve position on the mutual funds under management of UBL Fund Managers Limited (UBL Funds). The statutory reserves is in relation to the requisition of State Bank of Pakistan's Banking Companies Ordinance, which requires the transfer a certain percentage of profits to a statutory capital reserve to meet capital adequacy requirements.

Notes
(continued)

20. Reserves

Trading Group and Banking Group

	Statutory reserve £000	Reserve pertaining to UBL Funds £000	Profit and loss account £000	Minority Interest £000	Total £000
Initially stated at 1 July 2014	-	-	670,419	382,988	1,132,487
Disaggregation of Reserves	123,617	1,468	(125,085)	-	-
Restated at 1 July 2014	123,617	1,468	545,334	382,988	1,132,487
Profit for the year	-	-	97,247	102,282	199,529
Exchange difference	5,553	-	10,290	18,540	38,489
Change in market value of available for sale assets	-	-	-	57,307	85,771
Change in market value of tangible fixed asset	-	-	-	-	119,490
Issuance and repurchase unit	-	8,137	-	-	8,137
Right Issue of shares by a subsidiary	-	-	-	7,044	7,044
Other gains in the year	-	-	1,242	(3,653)	(2,411)
Dividend received	-	-	-	(52,783)	(52,783)
Acquisition of subsidiary undertakings	-	-	-	12,112	12,112
Actuarial loss recognised in the pension schemes	-	-	(1,059)	-	(1,059)
Deferred tax arising on the loss in the pension schemes	-	-	327	-	327
Excess depreciation on revalued basis	-	-	917	-	-
Transfer	15,190	13	(7,378)	-	-
At 30 June 2015	**144,360**	**9,618**	**646,920**	**523,837**	**1,547,133**

Company

	Share premium account £000	Revaluation reserve £000	Investment property revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 July 2014	3,055	1,401	6,482	14	379,871
Profit for the year	-	-	-	-	57,293
Revaluation of properties	-	-	68,358	-	-
Transfer	-	(1,401)	(74,840)	-	76,241
At 30 June 2015	**3,055**	**-**	**-**	**14**	**513,405**

Notes
(continued)

21. Reconciliation of movement in shareholders' funds

	Trading Group and Banking Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Profit for the financial year	**97,247**	103,036	**57,293**	54,768
Exchange difference	**19,950**	(42,719)	**-**	-
Share of revaluation of assets in joint ventures	**-**	(6,208)	**-**	-
Change in market value of tangible fixed assets	**119,490**	-	**68,358**	-
Change in market value of available for sale assets	**28,464**	4,294	**-**	-
Revaluation of assets on acquisition	**-**	10,527	**-**	-
Actuarial loss recognised in the pension schemes	**(1,059)**	(2,012)	**-**	-
Deferred tax arising on gain in the pension schemes	**327**	308	**-**	-
Cash flow hedge reserve	**-**	42	**-**	-
Issuance and repurchase units	**8,137**	-	**-**	-
Other Gains	**1,241**	-	**-**	-
	273,797	67,268	**125,651**	54,768
Opening shareholders' funds	**749,499**	682,231	**390,919**	336,151
Closing shareholders' funds	**1,023,296**	749,499	**516,570**	390,919

22. Financial instruments and financial risk review

Trading Group

(a) Fair values of financial instruments

Investments
The fair value of current asset investments is determined by reference to their quoted bid price at the balance sheet date.

Trade and other debtors
The fair value of trade and other debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other creditors
The fair value of trade and other creditors is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents
The fair value of cash and cash equivalents is estimated as its carrying amount.

Interest-bearing borrowings
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

Financial instruments by class (excluding related party balances) as shown in the balance sheet are as follows:

Trading Group	Carrying amount 2015 £000	Carrying amount 2014 £000
Current asset investments	437	4,917
Trade and other debtors	169,012	63,981
Cash and cash equivalents	65,012	35,661
Trade and other creditors	(344,905)	(211,959)
Loans and borrowings (including finance leases)	(703,721)	(48,737)
	(814,165)	(156,137)

Company	Carrying amount 2015 £000	Carrying amount 2014 £000
Current asset investments	437	587
Trade and other debtors	6,757	300
Cash and cash equivalents	1,415	2,805
Trade and other creditors	159	(561)
Loans and borrowings (including finance leases)	-	(32,214)
	8,768	(29,083)

The fair values are not significantly different from the carrying amounts set out above.

(b) Credit risk

Financial risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The group manages credit risk principally through the performance of credit checks on new customers and credit control procedures. The trade debtor balances are made up of a large number of individual customer balances, none of which are individually significant. Cash and cash equivalents represent deposits at high quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Trading Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	116,688	32,169	11	300
Amounts owed by group undertakings	-	-	190,914	13,515
Amounts owed by related parties	-	717	-	-
Other debtors	52,324	31,812	6,740	-
Cash at bank and in hand	65,012	35,661	1,415	2,805
	234,024	100,359	199,080	16,620

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

The maximum exposure to credit risk for trade debtors at the balance sheet date by geographic region was:

	Trading Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
UK	**111,315**	28,763	**11**	300
Pakistan	**5,373**	3,406	**-**	-
	116,688	32,169	**11**	300

The maximum exposure to credit risk for trade debtors at the balance sheet date by type of counterparty was:

	Trading Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
UK wholesale customers	**29,066**	28,129	-	-
UK pharmacy customers	**82,238**	-	-	-
Cement customers	**5,373**	3,406	-	-
Other customers	**11**	634	**11**	300
	116,688	32,169	**11**	300

(b) Credit risk – analysis of credit quality

Credit quality of financial assets and impairment losses

The table below sets out information about the credit quality of financial assets and the allowance for impairment/loss held by the Group against those assets.

The aging of trade debtors of the Trading Group at the balance sheet date was:

Trading Group	**Gross 2015 £000**	**Impairment 2015 £000**	Gross 2014 £000	Impairment 2014 £000
Not past due	**104,651**	**-**	24,960	-
Past due 0-30 days	**8,376**	**-**	4,740	-
Past due 31-120 days	**1,063**	**-**	388	-
More than 120 days	**4,281**	**(1,683)**	2,814	(733)
	118,371	**(1,683)**	32,902	(733)

Company	**Gross 2015 £000**	**Impairment 2015** £000	Gross 2014 £000	Impairment 2014 £000
Not past due	**-**	**-**	288	-
Past due 0-30 days	**-**	**-**	-	-
Past due 31-120 days	**-**	**-**	-	-
More than 120 days	**11**	**-**	12	-
	11	**-**	300	**-**

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(b) Credit risk – analysis of credit quality (continued)

The movement in the allowance for impairment in respect of Trading Group trade receivables during the year was as follows:

	Trading Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Balance at 1 July	**(733)**	(1,019)	**-**	-
Impairment loss recognised	**(956)**	-	**-**	-
Impairment loss reversed	**5**	286	**-**	-
Balance at 30 June	**(1,684)**	(733)	**-**	-

The allowance account for trade receivables is used to record impairment losses unless the Trading Group or Company is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

2015

Trading Group	**Carrying amount £000**	**Contractual cash flows £000**	**1 year or less £000**	**1 to <2 years £000**	**2 to <5 years £000**	**5 years and over £000**
Non-derivative financial liabilities						
Bank loans and overdrafts	**703,721**	**721,033**	**55,865**	**59,310**	**209,804**	**396,054**
Trade creditors	**327,265**	**327,265**	**327,265**	**-**	**-**	**-**
	1,030,986	**1,048,298**	**383,130**	**59,310**	**209,804**	**396,054**

2014

	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2 years £000	2 to <5 years £000	5 years and over £000
Non-derivative financial liabilities						
Bank loans and overdrafts	48,701	49,181	49,181	-	-	-
Trade creditors	188,424	188,424	188,424	-	-	-
	237,125	237,605	237,605	-	-	-

(c) Liquidity risk

Liquidity risk – Company

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

2015

Company	**Carrying amount £000**	**Contractual cash flows £000**	**1 year or less £000**	**1 to <2 years £000**	**2 to <5 years £000**	**5 years and over £000**
Non-derivative financial liabilities						
Bank loans and overdrafts	**-**	**-**	**-**	**-**	**-**	**-**

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(c) Liquidity risk (continued)

Company			2014			
	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2 years £000	2 to <5 years £000	5 years and over £000
Non-derivative financial liabilities						
Bank loans and overdrafts	32,214	32,214	32,214	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur earlier or at significantly different amounts.

d) Market risk

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

Market risk - Foreign currency risk

Trading Group

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for assets and liabilities held by the group in US Dollar with a sterling equivalent of:

Trading Group	2015 £000	2014 £000
Assets	**1,088**	1,605
Liabilities	**(50)**	(5,665)
Cash	**248**	417
Balance sheet exposure	**1,286**	(3,643)

The Trading Group has decided not to take out any foreign currency hedges to manage this risk.

Company

The Company's only exposure to foreign currency risk is a US Dollar loan held with HSBC Bank Plc for £nil *(2014: £nil)*.

Sensitivity analysis

Trading Group
A 5% weakening of the following currencies against pound sterling at 30 June 2015 would have increased or decreased equity by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 2014.

	2015 £000	2014 £000
US Dollars	**112**	180

Notes
(continued)

22. Financial instruments and financial risk review
(continued)

d) Market risk (continued)

A 5% strengthening of the above currencies against the pound sterling at 30 June 2015 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk
The Trading Group has exposure to interest rate risk on bank loans of bear interest on a KIBOR plus basis. A 1.0% change in interest rates will increase or decrease equity by £363,000 *(2014: £14,100)*.

The Trading Group have exposure to interest rate risk on bank which bear interest on a Bank of England base rate plus basis. A 1.0% change in interest rates will increase or decrease equity by £5,640,000 *(2014: £35,400)*.

The Trading Group has decided not to take out any interest rate hedges to manage this risk.

Market risk – Equity price risk
The Trading Group's and Company's exposure to equity price risk arises from its investment in equity securities which are classified as available for sale financial assets or designated at fair value through profit or loss and are shown on the balance sheet as current asset investments (see note 15).

Banking Group

This section presents information about the Banking Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments such as credit, market, liquidity, and operational risks.

Risk management

The Banking Group has an integrated risk management structure in place. The Board Risk Management Committee (BMRC) oversees the entire risk management process of the Bank. The Risk and Credit Policy Group is responsible for the development and implementation of all risks policies as approved by the BMRC/Board of Directors. The Group is organised into the functions of Market & Financial Institutions Risk, Credit Policy & Research, Credit Risk Management and Operational Risk & Basel II. Each risk function is headed by a senior manager who reports directly to the Group Head, Risk and Credit Policy. The role of the Risk and Credit Policy Group include:

- Determining guidelines relating to the Banking Group's risk appetite;
- Recommending risk management policies in accordance with the Prudential Regulations, Basel II framework and international best practices;
- Reviewing policies/manuals and ensuring that these are in accordance with BMRC/Board of Directors approved risk management policies;
- Developing systems and resources to review the key risk exposures of the Banking Group;
- Approving credits and granting approval authority to qualified and experienced individuals;
- Reviewing the adequacy of credit training across the Banking Group;
- Organising portfolio reviews focusing on quality assessment, risk profiles, industry concentrations, etc.; and
- Setting systems to identify significant portfolio indicators, problem credits and level of provisioning required.

(e) Fair value of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(e) Fair value of financial instruments (continued)

	2015 Level 1 £000	2015 Level 2 £000	2015 Level 3 £000	2014 Level 1 £000	2014 Level 2 £000	2014 Level 3 £000
Assets						
Investments	**699,624**	**2,364,421**	**19,519**	160,005	1,886,372	9,956
	699,624	**2,364,421**	**19,519**	160,005	1,886,372	9,956

The carrying amounts of financial instruments by class as shown in the statement of financial position are as follows:

Banking Group	**Related party balances 2015 £000**	**Other than related party balances 2015 £000**	**Total 2015 £000**
Cash and balances with treasury banks	-	643,315	643,315
Balances with other banks	-	253,972	253,972
Lendings to financial institutions	8,791	142,370	151,161
Investments	33,203	4,419,982	4,453,185
Advances	44,420	2,922,757	2,967,177
Other assets	525	194,744	195,269
	86,939	8,577,140	8,664,079
Bills payable	-	91,516	91,516
Borrowings	-	764,146	764,146
Deposits and other accounts	51,717	6,506,689	6,558,406
Payable to investors of UBL Funds	-	201,891	201,891
Other liabilities	494	269,529	270,023
	52,211	7,833,771	7,885,982
	34,728	**743,369**	**778,097**

(f) Credit risk

Credit risk is the risk that a customer or counterparty may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer's or counterparty's willingness or ability to meet such an obligation is impaired, resulting in an economic loss to the Banking Group. The credit risk management process is driven by the Bank's Credit Policy, which provides policies and procedures in relation to credit initiation, approval, documentation and disbursement, credit maintenance and remedial management. Individual credit authorities are delegated to credit officers by the Board according to their seasoning/maturity. Approvals for Corporate and Consumer loans are centralised, while approval authorities for Commercial and SME exposures are delegated to a Regional level. All credit policy functions are centrally organised.

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

Concentrations of credit risk exist if clients are engaged in similar activities, or are located in the same geographical region, or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. The Banking Group manages limits and controls concentrations of credit risk to individual counterparties and groups, and to industries, where appropriate. Limits are also applied to portfolios or sectors where the Banking Group considers it appropriate to restrict credit risk concentrations, or to areas of higher risk, or to control the rate of portfolio growth. The table below sets out the carrying amount of financial assets which represents the maximum credit exposure at year end (including geographical segment):

Banking Group	2015 £000	2014 £000
Cash and balances with treasury banks	643,315	467,592
Balances with other banks	253,972	257,667
Lendings to financial institutions	151,162	111,004
Investments (debt securities)	4,203,384	2,707,700
Advances	2,967,176	2,684,229
Other assets	195,269	180,575
	8,414,278	6,408,767

Banking Group	2015 £000	2014 £000
Pakistan operations	6,259,247	4,523,798
Middle East	1,594,481	1,410,970
United States of America	26,875	21,924
Karachi Export Processing Zone	5,670	8,524
Europe	504,858	423,858
Africa	23,147	19,693
	8,414,278	6,408,767

Notes *(continued)*

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

Credit risk – analysis of credit quality

The table below sets out information about the credit quality of financial assets and the allowance for impairment/loss held by the Group against those assets

Banking Group	Lendings to financial institutions 2015 £000	Loans and advances 2015 £000	Investments (debt securities) 2015 £000	Off balance sheet 2015 £000
At amortised cost				
Considered good	148,196	2,735,857	1,358,875	-
Watch list	-	139,091	-	-
Substandard	-	36,791	1,103	-
Doubtful	-	26,980	431	-
Loss	8,308	306,242	22,509	-
Less: Allowance for impairment	(5,342)	(277,786)	(9,065)	-
	151,162	2,967,175	1,373,853	-
Available for sale				
Considered good	-	-	2,507,364	-
Watch list	-	-	-	-
Substandard	-	-	470	-
Doubtful	-	-	-	-
Loss	-	-	16,499	-
Less: Allowance for impairment	-	-	(6,927)	-
	-	-	2,517,406	-
Fair value through profit and loss	-	-	312,125	-
Off balance sheet				
Trade-related contingent liabilities	-	-	-	771,363
Direct credit substitutes	-	-	-	88,606
Transaction-related contingent liabilities	-	-	-	708,647
Forward contracts - purchase	-	-	-	1,311,656
Forward contracts - sale	-	-	-	1,102,512
Derivatives - Interest rate swaps	-	-	-	68,353
Derivatives - Cross currency swaps	-	-	-	3,153
	-	-	-	4,054,290

Included in the above loans and advances are restructured loans, details of which are as follows:

	2015 £000
Gross amount	317,872
Allowance for impairment	(22,563)
Net carrying amount	295,309

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

	Lendings to financial institutions 2014 £000	Loans and advances 2014 £000	Investments (debt securities) 2014 £000	Off balance sheet 2014 £000
At amortised cost				
Considered good	106,237	2,404,562	799,872	-
Watch list	-	152,366	-	-
Substandard	-	68,720	7,117	-
Doubtful	7,985	44,217	12,166	-
Loss	1,198	274,610	3,681	-
Less: Allowance for impairment	(4,416)	(260,247)	(10,198)	-
	111,004	**2,684,228**	**812,638**	**-**
Available for sale				
Considered good	-	-	1,768,258	-
Watch list	-	-	-	-
Substandard	-	-	581	-
Doubtful	-	-	-	-
Loss	-	-	3,247	-
Less: Allowance for impairment	-	-	(3,391)	-
	-	-	**1,768,695**	-
Fair value through profit and loss	**-**	**-**	**126,367**	**-**
Off balance sheet				
Trade-related contingent liabilities	-	-	-	866,437
Direct credit substitutes	-	-	-	69,492
Transaction-related contingent liabilities	-	-	-	733,596
Forward contracts - purchase	-	-	-	1,234,591
Forward contracts - sale	-	-	-	1,042,451
Derivatives - Interest rate swaps	-	-	-	29,815
Derivatives - Cross currency swaps	-	-	-	61,258
	-	-	-	4,037,640

Included in the above loans and advances are restructured loans, details of which are as follows:

Banking Group	2014 £000
Gross amount	290,641
Allowance for impairment	(54,353)
Net carrying amount	236,288

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

The table below shows the breakdown of the Company's on/off-balance sheet credit exposure categorised by the degree of risk of financial loss:

Banking Group	**Lendings to financial institutions 2015 £000**	**Loans and advances 2015 £000**	**Investments (debt securities) 2015 £000**	**Off balance sheet 2015 £000**
Neither past due nor impaired	**148,196**	**2,717,683**	**4,178,364**	**4,054,290**
Past due but not impaired				
1 – 59 days	**-**	**129,313**	**-**	**-**
59 – 89 days	**-**	**27,953**	**-**	**-**
	-	**157,266**	**-**	**-**
Impaired portfolio				
Substandard	**-**	**36,791**	**1,573**	**-**
Doubtful	**-**	**26,980**	**431**	**-**
Loss	**8,308**	**306,242**	**39,008**	**-**
Less: Allowance for impairment	**(5,342)**	**(277,787)**	**(15,992)**	**-**
	151,162	**2,967,175**	**4,203,384**	**4,054,290**

Banking Group	Lendings to financial institutions 2014 £000	Loans and advances 2014 £000	Investments (debt securities) 2014 £000	Off balance sheet 2014 £000
Neither past due nor impaired	106,237	2,387,792	2,694,497	4,037,640
Past due but not impaired				
11 – 59 days	-	61,331	-	-
59 – 89 days	-	5,015	-	-
	-	66,346	-	-
Impaired portfolio				
Power Sector	-	102,790	-	-
Substandard	-	68,720	7,698	
Doubtful	7,985	44,217	12,166	-
Loss	1,198	274,610	6,928	-
Less: Allowance for impairment				
Individually significant	(4,416)	(149,410)	(13,589)	-
Collective	-	(110,837)	-	-
	111,004	2,684,228	2,707,700	4,037,640

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

The table below shows a breakdown of the credit exposure by collateral type:

Banking Group	Lendings to financial institutions 2015 £000	Loans and advances 2015 £000	Investments (debt securities) 2015 £000
Cash	642	167,352	-
Marketable securities	5,483	16,548	-
Property	-	808,172	-
Stock	-	858,918	-
Guarantee	-	421,301	3,898,699
Others	111,564	278,142	135,521
Unsecured	38,815	694,528	185,156
	156,504	3,244,961	4,219,376

Banking Group	Lendings to financial institutions 2014 £000	Loans and advances 2014 £000	Investments (debt securities) 2014 £000
Cash	-	149,261	-
Marketable securities	5,852	16,928	132,645
Property	-	885,734	-
Stock	-	599,213	-
Guarantee	-	569,031	2,204,501
Others	95,531	328,525	325,730
Unsecured	14,037	395,782	58,412
	115,420	2,944,474	2,721,288

The table below sets out the credit quality of trading debt securities:

State bank of Pakistan rating grade	Govt. bonds 2015 £000	Corporate bonds and others 2015 £000
1	74,543	39,627
2	27,542	5,550
3	21,417	59,209
4	13,250	48,592
5	65,315	24,103
6	86,708	11,485
Unrated	3,671,245	70,790
	3,960,020	259,356

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

State bank of Pakistan rating grade	Govt. bonds 2014 £000	Corporate bonds and others 2014 £000
1	-	33,117
2	-	32,733
3	-	55,053
4	-	13,611
5	-	35,408
6	162,710	6,235
Unrated	2,248,410	134,011
	2,411,120	310,168

The table below sets out the credit quality of trading debt securities. The analysis has been based on following ratings by following rating agencies:

Rating grade	Moody's	Fitch	JCR-VIS	S & P	PACRA	ECA scores
1	Aaa	AAA	AAA	AAA	AAA	0
	Aa1	AA+	AA+	AA+	AA+	1
	Aa2	AA	AA	AA	AA	
	Aa3	AA-	AA-	AA-	AA-	
2	A1	A+	A+	A+	A+	2
	A2	A	A	A	A	
	A3	A-	A-	A-	A-	
3	Baa1	BBB+	BBB+	BBB+	BBB+	3
	Baa2	BBB	BBB	BBB	BBB	
	Baa3	BBB-	BBB-	BBB-	BBB-	
4	Ba1	BB+	BB+	BB+	BB+	4
	Ba2	BB	BB	BB	BB	
	Ba3	BB-	BB-	BB-	BB-	
5	B1	B+	B+	B+	B+	5
	B2	B	B	B	B	6
	B3	B-	B-	B-	B-	
6	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

The table below sets out the credit quality of trading debt securities at 30 June 2015:

Banking Group	Lendings to financial institutions 2015 £000	Loans and advances 2015 £000	Investments (debt securities) 2015 £000	Off balance sheet 2015 £000
Chemical and pharmaceuticals	-	45,110	7,584	16,925
Agri business	-	-	-	-
Communication	-	76,426	8	-
Textile	-	323,488	2,113	56,811
Sugar	-	40,077	-	1,404
Shoes and leather garments	-	12,992	-	7,140
Automobile and transportation equipment	-	65,236	-	19,409
Financial	156,504	149,395	215,907	2,803,919
Electronics and electrical appliances	-	48,895	197	1,213
Production and transmission of energy	-	635,682	66,934	337,889
Paper and allied	-	24,233	-	17,868
Wholesale traders	-	118,907	-	22,648
Fertilizer dealers	-	56,115	4,256	15,061
Sports goods	-	343	-	-
Food industries	-	140,959	-	14,656
Construction	-	208,871	5,978	251,147
Engineering	-	13,343	-	12,450
Glass and allied	-	3,405	-	151
Hotels	-	14,189	-	951
Polyester and fibre	-	39,507	-	7,025
Individuals	-	424,693	-	6,636
Others	-	803,095	3,916,399	460,987
	156,504	3,244,961	4,219,376	4,054,290
Pakistan operations	40,504	2,150,765	3,750,773	1,935,208
Middle East	83,568	868,528	270,543	1,946,341
United States of America	9,651	9,244	-	2,084
Karachi Export Processing Zone	-	4,491	-	334
Europe	10,080	85,387	109,256	145,749
Africa	6,750	54,079	44,496	2,020
Rest of the World	5,951	72,467	44,308	22,554
	156,504	3,244,961	4,219,376	4,054,290

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(f) Credit risk (continued)

The table below sets out the credit quality of trading debt securities at 30 June 2014:

Banking Group	**Lendings to financial institutions** 2014 £000	**Loans and advances** 2014 £000	**Investments (debt securities)** 2014 £000	**Off balance sheet** 2014 £000
Chemical and pharmaceuticals	-	56,935	1,791	38,274
Agri business	-	338,702	-	774
Communication	-	73,670	871	19,284
Textile	-	347,175	1,402	12,529
Sugar	-	43,244	110	1,923
Shoes and leather garments	-	10,100	93	1,624
Automobile and transportation equipment	-	93,963	17,975	39,889
Financial	115,420	110,341	86,986	2,551,445
Electronics and electrical appliances	-	11,267	685	4,780
Production and transmission of energy	-	434,740	49,731	591,191
Paper and allied	-	17,261	-	3,522
Wholesale traders	-	117,459	-	11,177
Fertilizer dealers	-	42,412	4,836	6,027
Sports goods	-	30	483	218
Food industries	-	140,477	-	41,906
Construction	-	188,865	1,495	46,553
Engineering	-	32,558	-	2,750
Glass and allied	-	4,672	-	464
Hotels	-	5,932	86	305
Polyester and fibre	-	20,066	-	3,601
Individuals	-	403,192	-	2,648
Others	-	451,414	2,554,745	656,757
	115,420	2,944,475	2,721,289	4,037,641
Pakistan operations	26,443	1,988,762	2,148,514	2,219,498
Middle East	66,903	769,034	396,556	1,366,980
United States of America	12,362	3,236	-	9
Karachi Export Processing Zone	-	1,337	-	478
Europe	7,479	173,539	167,911	450,047
Africa	2,233	8,567	8,308	629
Rest of the World	-	-	-	-
	115,420	2,944,475	2,721,289	4,037,641

(g) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes. Measuring and controlling market risk is usually carried out at a portfolio level. However, certain controls are applied, where necessary, to individual risk types, to particular books and to specific exposures. Controls are also applied to prevent any undue risk concentrations in trading books, taking into account variations in price, volatility, market depth and liquidity. These controls include limits on exposure to individual market risk variables as well as limits on concentrations of tenors and issuers.

Trading activities are centred in the Treasury and Capital Markets which facilitates clients and runs proprietary positions. The Banking Group is active in the derivative markets for equity, interest rate and foreign exchange.

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(g) Market risk (continued)

The Market and Treasury Risk division performs market risk management activities. Within this division, the Market Risk Management unit is responsible for the development and review of market risk policies and processes, and is involved in research, financial modelling and testing / implementation of risk management systems, while Treasury Middle Office is responsible for implementation and monitoring of market risk and other policies, escalation of deviations to senior management, and MIS reporting.

The functions of the Market Risk Management unit are as follows:

- To keep the market risk exposure within the Group's risk appetite as assigned by the Board of Directors and the BRMC;
- To develop, review and upgrade procedures for the effective implementation of market risk management policies approved by the Board of Directors and BRMC;
- To review new product proposals and propose/recommend/approve procedures for the management of their market risk. Various limits are assigned to different businesses on a product/portfolio basis. The products are approved through product programs, where risks are identified and limits and parameters are set. Any transactions/products falling outside these product programs are approved through separate transaction/ product memos; and
- To maintain a comprehensive database for performing risk analysis, stress testing and scenario analysis. Stress testing activities are performed on a quarterly basis on both the Banking and trading books.

The table below sets out the allocation of assets and liabilities subject to market risk between trading and non-trading portfolios:

Banking Group	Carrying amount	Risk measure	
		Trading portfolio	Non-trading portfolio
	2015 £000	2015 £000	2015 £000
Cash and balances with treasury banks	643,315	-	643,315
Balances with other banks	253,972	-	253,972
Lendings to financial institutions	151,162	-	151,162
Investments	4,453,184	395,285	4,057,899
Advances	2,967,176	-	2,967,176
Other assets (including derivative assets)	195,269	-	195,269
	8,664,078	395,285	8,268,793
Liabilities subject to market risk			
Bills payable	91,516	-	91,516
Borrowings	764,146	-	764,146
Deposits and other accounts	6,558,406	-	6,558,406
Subordinated loans	-	-	-
Obligations under finance leases	-	-	-
Payable to investors of UBL Funds	201,891	-	201,891
Other liabilities (including derivative liabilities)	270,024	-	270,024
	7,885,983	**-**	**7,885,983**
Net amount	**778,095**	**395,285**	**382,810**

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(h) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. Exposures are monitored by currency to ensure that they remain within the established limits for each currency. Exposures are also monitored on an overall basis to ensure compliance with the Banking Group's State bank of Pakistan approved Foreign Exchange Exposure Limit.

The Banking Group is an active participant in the cash and derivatives markets for currencies and carries currency risk from these trading activities, conducted primarily by the Treasury and Capital Markets Group (TCM). These trading exposures are monitored through prescribed stress tests and sensitivity analyses.

The Banking Groups local currency is the Pakistan Rupee, but its assets, liabilities, income and expenses are denominated in multiple currencies and converted to British pounds. From time to time, TCM proactively hedges foreign currency exposures resulting from its market making activities, subject to pre-defined limits.

Banking Group	Assets 2015 £000	Liabilities 2015 £000	Off - balance sheet items 2015 £000	Net currency exposure 2015 £000
Pakistan Rupee	6,621,422	5,525,459	(209,102)	886,861
US Dollar	1,228,106	869,692	(358,192)	221
Pound Sterling	188,297	244,396	101,097	44,998
Japanese Yen	1,180	1,123	(114)	(58)
Euro	33,155	74,144	42,376	1,387
UAE Dirham	532,019	836,740	309,210	4,489
Bahraini Dinar	74,567	141,470	66,812	(91)
Qatari Riyal	157,728	175,295	25,430	7,863
Other currencies	105,990	109,224	22,483	19,249
	8,942,464	**7,977,543**	**-**	**964,919**

Sensitivity analysis

The effect of different levels of shocks in the exchange rates would have following impact on the equity of the Banking Group. This analysis assumes that all other variables, in particular interest rates, remain constant.

Magnitude of shock (%)	20%	30%	50%
Net foreign exposure in £000	17,290	17,290	17,290
Loss on exchange rate change in £000	3,458	5,187	8,645
Tax adjusted loss in £000	2,248	3,371	5,619

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(i) Equity position risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate due to changes in the prices of individual stocks or the levels of equity indices. The banking group's equity book comprises of held for trading (HFT) and available for sale (AFS) portfolios. The objective of the HFT portfolio is to make short-term capital gains, whilst the AFS portfolio is maintained with a medium term view of earning both capital gains and dividend income. Product program manuals have been developed to provide guidelines on the objectives and policies, risks and mitigants, limits and controls for the equity portfolios of the Banking Group.

(j) Yield/interest risk

Mismatch of interest rate sensitive assets and liabilities

Interest rate risk is the risk that fair value of a financial instrument will fluctuate as a result of changes in interest rates, including changes in the shape of yield curves. Interest rate risk is inherent in the Banking Group's and arises from mismatches between the contractual maturities or the re-pricing of on balance sheet assets and liabilities.

The interest rate sensitivity profile is prepared on a quarterly basis based on the re-pricing or contractual maturities of assets and liabilities. Interest rate risk is monitored and managed by performing periodic gap analysis, sensitivity analysis and stress testing; taking appropriate actions where required.

The table below discloses the mismatch between contractual maturities and re-pricing of cash flows of on balance sheet assets and liabilities:

On balance sheet financial instruments	Effective yield/ interest rate	Total	Up to 1 year	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Non-interest bearing financial instruments
	%	2015 £000	2015 £000	2015 £000	2015 £000	2015 £000	2015 £000
Assets							
Cash with treasury banks	-	643,315	57,183	-	-	-	586,132
Cash with other banks	-	253,972	200,118	335	-	-	53,519
Lendings to financial institutions	6%	151,161	124,516	11,243	12,936	1,999	467
Investments	10%	4,453,185	1,211,320	713,907	1,199,297	1,085,029	243,632
Advances	9%	2,967,176	2,611,695	70,618	111,748	62,510	110,605
Other assets	-	195,269	-	-	-	-	195,269
		8,664,078	4,204,832	796,103	1,323,981	1,149,538	1,189,624
Liabilities							
Bills payable	-	91,516	-	-	-	-	91,516
Borrowings	6%	764,145	722,850	2,149	18,404	20,585	157
Deposits and other accounts	3%	6,558,407	3,734,157	102,634	199,165	42,885	2,479,566
Payable: UBL fund investors	-	201,891	-	-	-	-	201,891
Other liabilities	-	270,024	-	-	-	-	270,024
		7,885,983	4,457,007	104,783	217,569	63,470	3,043,154
On balance sheet gap		778,095	(252,175)	691,320	1,106,412	1,086,068	(1,853,530)

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(j) Yield/interest risk (continued)

Sensitivity analysis

The effect of different levels of shocks in the interest rate applicable as of the balance sheet date would have following impact on the equity of the Bank. This analysis assumes that all other variables remain constant.

Magnitude of shock	2%	3%	4%
Total Assets - GBP 'Mn	8,942	8,942	8,942
Net fall in MVE - GBP 'Mn	231	346	461
Tax Adjusted Loss - GBP 'Mn	150	225	300

(k) Liquidity risk

Liquidity risk is the risk that the Banking Group may be unable to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses. The Assets and Liability Management Committee (ALCO) of the banking group is responsible for the oversight of liquidity management and meets on a monthly basis or more frequently, if required. The Banking Group's approach to liquidity management is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking sustained damage to business franchises. A centralised approach is adopted, based on an integrated framework incorporating an assessment of all material known and expected cash flows and the availability of collateral which could be used to secure additional funding if required. The framework entails careful monitoring and control of the daily liquidity position, and regular liquidity stress testing under a variety of scenarios. These encompass both normal and stressed market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the banking groups business.

Notes
(continued)

22. Financial instruments and financial risk review *(continued)*

(k) Liquidity risk (continued)

Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Group

The maturity profile presented below has been prepared on the basis of contractual maturities, Except for products that do not have a contractual maturity which are shown in the first bucket.

Banking Group	Total 2015 £000	Up to 1 year 2015 £000	Over 1 year to 2 years 2015 £000	Over 2 years to 5 years 2015 £000	Over 5 years 2015 £000
Assets					
Cash and balances with treasury banks	643,315	643,315	-	-	-
Balances with other banks	253,972	253,637	335	-	-
Lendings to financial institutions	151,162	114,119	15,943	18,103	2,997
Investments	4,453,184	1,543,889	732,594	1,113,089	1,063,612
Advances	2,967,176	1,727,756	146,893	695,335	397,192
Investment property	234,089	31,037	5,767	27,656	169,629
Other assets	239,564	239,564	-	-	-
	8,942,462	**4,553,317**	**901,532**	**1,854,183**	**1,633,430**
Liabilities					
Bills payable	91,516	91,516	-	-	-
Borrowings	764,147	732,151	6,679	16,091	9,226
Deposits and other accounts	6,558,407	5,944,212	151,614	217,336	245,245
Deferred tax liabilities	44,847	44,847	-	-	-
Obligations under finance leases	201,891	201,891	-	-	-
Payable to investors of UBL Funds	316,738	295,270	-	3,454	18,014
	7,977,546	7,309,887	158,293	236,881	272,485
Net assets/(liabilities)	**964,916**	**(2,756,570)**	**743,239**	**1,617,302**	**1,360,945**

23. Cash flows

a) Reconciliation of operating profit to net cash flow from operating activities

	2015 £000	2014 £000
Operating profit	**385,239**	213,645
Depreciation and amortisation	**83,035**	25,221
Loss on sale of tangible and intangible fixed assets	**4,576**	143
Impairment losses on loan book	**6,199**	1,358
Pension payments	**(1,701)**	(2,425)
Changes in:		
Stock	**7,372**	(17,188)
Debtors	**(210,893)**	(97,610)
Creditors	**936,005**	347,135
Provisions	**1,542**	(559)
Investments	**(1,303,010)**	(58,709)
Net cash (outflow) / inflow from operating activities	**(91,636)**	411,011

Notes
(continued)

23. Cash flows *(continued)*

b) Analysis of cash flows for headings netted in the cash flow statement

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	**1,037**	1,166
Interest paid	**(26,362)**	(7,012)
Net cash outflow from returns on investments and servicing of finance	**(25,325)**	(5,846)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(54,606)**	(24,888)
Sale of tangible fixed assets	**789**	2,744
Payments for new intangible assets	**(3,239)**	(874)
Net cash outflow from capital expenditure and financial investment	**(57,056)**	(23,018)
Acquisitions & disposals		
Purchase of subsidiaries	**(589,731)**	(61,682)
Cash acquired with subsidiary undertakings	**30,844**	659,815
Net cash (outflow) / inflow acquisitions & disposals	**(558,887)**	598,133
Financing		
Repayment of borrowings	**(376,882)**	(95,245)
New borrowings from third parties	**1,333,720**	-
Capital element of finance lease rental payments	**-**	(420)
Rights issue made by subsidiary	**7,044**	-
Net cash inflow/(outflow) from returns on investments and servicing of finance	**963,882**	(95,665)

c) Analysis of net debt

	At 1 July 2014 £000	Cash flow £000	Other non-cash changes £000	On acquisition £000	At 30 June 2015 £000
Cash at bank and in hand	863,623	60,997	37,936	-	**962,556**
	863,623	60,997	37,936	-	**962,556**
Debt due within one year	(222,156)	(549,034)	(8,170)	-	**(779,360)**
Debt due after one year	(36,723)	(407,804)	(1,351)	(242,629)	**(688,507)**
	(258,879)	(956,838)	(9,521)	(242,629)	**(1,467,867)**
Total	604,744	(895,841)	28,415	(242,629)	**(505,311)**

The above table excludes loans from related parties as set out in notes 16 and 17.

Notes
(continued)

24. Commitments under operating leases

Banking Group
At 30 June 2015 the Banking Group had no annual commitments under non-cancellable operating leases *(2014: nil)*.

Trading Group
At 30 June the Trading Group had annual commitments under non-cancellable operating leases as follows:

Trading Group	2015 Land and buildings £000	2015 Other £000	2014 Land and buildings £000	2014 Other £000
Operating leases which expire:				
Within one year	**11,383**	**-**	-	-
In the second to fifth years inclusive	**6,751**	**-**	353	-
Over five years	**5,000**	**-**	153	-
	23,134	**-**	506	-

Company
At 30 June 2015 the company had no annual commitments under non-cancellable operating leases *(2014: nil)*.

25. Contingent liabilities – Group and Company

The Company, together with Bestway Northern Limited and other UK trading entities within the Bestway (Holdings) Limited Group, was party to a Composite Accounting and Guarantee Agreement with HSBC Bank plc, whereby the liabilities to HSBC Bank plc of each of the subsidiaries are cross guaranteed by each of the companies. The loans under the guarantee at 30 June 2015 amount to £nil *(2014: £35.35 million)*. The loans related to this guarantee were repaid in full on 29 August 2014.

The UK members of the Trading Group and Bestway Northern Limited (a related party) became party to a Senior Facilities Agreement with JP Morgan Limited on 6 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 30 June 2015 amount to £564.18 million *(2014: £nil million)*.

Bestway Cement Limited and associates had various appeals pending adjudication related to income tax payable. These appeals are filed with either the Commissioner Inland Revenue (appeals) or the Appellant Tribunal Inland Revenue depending on the stage of the appeal. As management are confident of favourable outcomes in these cases no provision has been made at the balance sheet date.

Claims against the Banking Group not acknowledged as debts mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets such as pledged assets kept as security. At 30 June 2015 these amounted to £75,344,000 *(2014: £68,054,000)*. Based on legal advice and the director's internal assessments, management is confident that the matters will be decided in the Banking Group's favour and the possibility of any outcome against the Banking Group is remote and accordingly no provision has been made in these financial statements.

Punjab revenue authority issued show cause notice to the banking group requiring them to pay sales tax under Punjab sales tax on service act 2012 on management fee earned in Punjab from May 22, 2013. The banking group has filed a petition on July 8, 2014 in the High Court of Sind. A favourable outcome of this petition is expected.

Notes
(continued)

26. Transactions with directors

During the year sales transactions were entered into with certain directors or persons connected with the directors. These transactions were entered into during the normal course of business, with one of the Group companies, on an arm's length basis with certain of the directors' retail shops; although no specific payment terms are set.

The total value of the sales to those retail shops was £2.4 million *(2014: £3.8 million)*. Certain of the retail shops have common directors. As required by the Companies Act 2006, the total transaction value, by director, is set out below:

Trading and Banking Group	2015 £000	2014 £000
MA Pervez	**1,497**	2,781
ZM Choudrey	**1,497**	2,781
AK Bhatti	**303**	258
AK Chaudhary	**693**	718
AM Chaudhary	**693**	718
R Pervez	**1,497**	2,781
D Pervez	**110**	659

The outstanding balances due from / (to) directors in respect of these transactions were:

Trading and Banking Group	2015 £000	2014 £000
MA Pervez	**59**	201
ZM Choudrey	**59**	201
AK Bhatti	**45**	-
AK Chaudhary	**-**	9
AM Chaudhary	**-**	9
R Pervez	**59**	201
D Pervez	**(7)**	51

Notes
(continued)

27. Related party disclosures

The Trading and Banking Group's related parties (as defined by Financial Reporting Standard 8), the nature of the relationship and the amount of transactions with them during the year were as follows:

Trading and Banking Group		Sub notes	2015 £000	2014 £000
1.	Sales made to Bestway Northern Limited	1	**28,724**	25,719
2.	Purchases made from Bestway Northern Limited	1	**29,099**	22,366
3.	Management fee charged to Bestway Northern Limited	1	**2,216**	2,000
4.	Year end inter company balance due to Bestway Northern Limited	1	**(140,856)**	(78,861)
5.	Sales to Bestway Stores by Bestway Cash and Carry Limited	1	**1,387**	1,919
6.	Sales to Peppermill Supermarket Limited	1	**110**	606
7.	Year end inter company balance due from Bestway Stores	1	**67**	150
8.	Sales made by to London Food & Wine	1	**303**	258
9.	Year end inter company balance due from London Food & Wine	1	**45**	-
10.	Sales made Food Corner/Russell Supermarket	2	**693**	718
11.	Year end inter company balance due (to)/from Food Corner/Russell Supermarket	2	**-**	9
12.	Year end inter company balance due (to)/from Peppermill Supermarkets Limited	1	**(2)**	51
13.	Purchases from Map Rice Mill (Pvt) Limited	3	**3,008**	3,200
14.	Year end inter company balance due (to) Map Rice Mill (Pvt) limited	3	**(178)**	-
15.	Interest payable to Bestway Northern Limited	1	**3,957**	750
16.	Interest receivable from Bestway Northern Limited	1	**368**	311
17.	Charitable donations paid to Bestway Foundation from Bestway (Holdings) Limited	2	**720**	420
18.	Charitable donations paid to Bestway Foundation from Bestway Cement Limited	2	**556**	285
19.	Year end amounts due to UBL employee benefits schemes	2	**6,131**	889
20.	Year end amounts due to World Bridge Connect	2	**1,342**	-

Sub notes

1. Certain directors of Bestway (Holdings) Limited are also directors of Batleys Limited, Bestway Northern Limited, Bestway Cash and Carry Limited, Bestway Cement Limited, MAP Trading Limited, Euroimpex (U.K.) Limited, Bestway Direct Limited, Bestway Stores, Peppermill Supermarket Limited and Buybest Limited.

2. The trustees of the Bestway Foundation are also directors of Bestway (Holdings) Limited and Bestway Cement Limited.

3. MAP Trading Limited and MAP Rice Mills (Pvt) Limited have common shareholders.

Notes
(continued)

28. Capital commitments

Trading and Banking Group	2015 £000	2014 £000
Capital expenditure contracted for but not provided in the financial statements	**21,990**	10,048

Company	£000	£000
Capital expenditure contracted for but not provided in the financial statements	**-**	-

29. Pension commitments

Trading Group
The Trading Group operates a number of pension plans throughout the world, devised in accordance with local conditions and practices. The majority of the plans are defined benefit plans and are funded by payments to separately administered trusts or insurance companies. The principal plans are in the United Kingdom and Pakistan.

Defined contribution pension schemes

The pension cost charge for the period represents contributions payable by the Trading Group to the schemes and amounted to £1,166,000 *(2014: £1,034,000)*. At the end of the year contributions of £39,000 *(2014: £87,000)* were outstanding.

Defined benefit pension schemes

Present values of scheme liabilities, fair values of assets and deficit:

Trading Group	2015 £000	2014 £000
Present value of scheme liabilities	**(30,635)**	(28,655)
Fair value of assets and deficit	**23,606**	21,853
Deficit	**(7,029)**	(6,802)
Related deferred tax asset	**1,114**	1,130
Net liability	**(5,915)**	(5,672)

Movements in present value of defined benefit obligation:

Trading Group	2015 £000	2014 £000
Defined benefit obligation at beginning of year	**(28,655)**	(26,403)
Interest cost	**(1,535)**	(1,492)
Actuarial losses	**(1,415)**	(1,873)
Benefits paid	**1,025**	1,113
Exchange difference	**(55)**	-
At end of year	**(30,635)**	(28,655)

Notes
(continued)

29. Pension commitments *(continued)*

Trading Group *(continued)*

Movements in fair value of plan assets:

Trading Group	2015 £000	2014 £000
Value of scheme assets at beginning of year	**21,853**	20,159
Expected return on plan assets	**962**	1,216
Contributions by employer	**380**	944
Actuarial gains	**1,281**	564
Benefits paid	**(870)**	(1,030)
At end of year	**23,606**	21,853

Expense recognised in the profit and loss account:

Trading Group	2015 £000	2014 £000
Interest on defined benefit pension plan obligation	**1,535**	1,492
Expected return on defined benefit pension plan assets	**(962)**	(1,216)
Total	**573**	276

The expense is recognised in the following line items in the profit and loss account:

Trading Group	2015 £000	2014 £000
Interest payable and similar charges	**1,535**	1,492
Interest receivable and similar income	**(962)**	(1,216)
	573	276

The cumulative amount of actuarial loss recognised in the statement of total recognised gains and losses since the adoption of FRS17 is £4,078,000.

The fair value of the plan assets and the return on those assets were as follows:

Trading Group	2015 £000	2014 £000
Equities	**11,609**	14,036
Bonds	**7,510**	5,830
Cash	**2,162**	10
Hedge funds	**1,736**	1,977
Property	**589**	-
	23,606	21,853
Actual return on plan assets	**2,243**	1,780

None of the fair values of the assets shown in the above table include any of the Group's own financial instruments or any property occupied by, or other assets used by the Group.

Notes *(continued)*

29. Pension commitments *(continued)*

Trading Group (continued)

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

Trading Group	2015	2014
Discount rate	**3.95%**	4.45%
Future salary increases	**3.50%**	3.60%
Future pension increases	**3.50%**	3.60%

Trading Group	2015	2014
Mortality – current pensioners*		
Actuarial tables used	100% of S1PxA YOB CMI_2013	100% of S1PxA YOB CMI_2013
	improvements with a 1.5% long-term rate	improvements with a 1.5% long-term rate
Male Life expectancy at age 65	**22.6**	22.5
Female Life expectancy at age 65	**24.7**	24.8
Mortality –future pensioners*		
Actuarial tables used	100% of S1PxA YOB CMI_2013	10100% of S1PxA YOB CMI_2013
	improvements with a 1.5% long-term rate	improvements with a 1.5% long-term rate
Male Life expectancy at age 65	**24.8**	24.7
Female Life expectancy at age 65	**27.0**	27.1

*main scheme

The expected rates of return for each asset class, net of investment manager expenses, were:

Trading Group	2015	2014
Equities	**6.85%**	6.85%
Bonds	**3.65%**	3.75%
Cash	**4.15%**	4.50%
Hedge Funds	**6.85%**	6.85%

The long-term expected rate of return on cash is determined by reference to the expected return on bonds at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

History of plans

Trading Group Balance sheet	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of scheme liabilities	**(30,635)**	(28,655)	(25,424)	(25,732)	(23,680)
Fair value of scheme assets	**23,606**	21,853	20,159	17,988	18,916
Scheme deficit	**(7,029)**	(6,802)	(5,265)	(7,744)	(4,764)

Notes
(continued)

29. Pension commitments *(continued)*

Trading Group *(continued)*

Trading Group **Experience adjustments**	**2015 £000**	2014 £000	2013 £000	2012 £000	2011 £000
Experience adjustments on scheme liabilities	**929**	42	10	500	128
Experience adjustments on scheme assets	**(948)**	(564)	(1,287)	(1,570)	2,125

Banking Group

The Banking Group operates a funded pension scheme established in 1986. The Banking Group also operates a funded gratuity scheme for new employees and for those employees who have not opted for the pension scheme.

The Banking Group also maintains an employee compensated absences scheme. The liabilities of the Bank in respect of these schemes are determined based on actuarial valuations carried out using the Projected Unit Credit Method.

Actuarial valuations of the defined benefit schemes are carried out every year and the latest valuation was carried out as at 30 June 2015.

The number of employees covered under the following defined benefit schemes are:

Banking Group	**2015**	2014
Pension fund	**6,897**	7,028
Gratuity fund	**7,085**	6,726
Post-retirement medical benefit scheme	**10,458**	7,927

Principal actuarial assumptions

The actuarial valuations were carried out as at 30 June using the following significant assumptions:

Banking Group	**2015**	2014
Discount rate and expected rate of return on plan assets	**9.75%**	13.25%
Expected rate of future salary increase	**7.75%**	11.25%
Expected rate of increase in pension and medical benefit	**2.00%**	5.50%
Expected rate of increase in pension	**2.00%**	5.50%

Notes
(continued)

29. Pension commitments *(continued)*

Banking Group *(continued)*

Present values of scheme liabilities, fair values of assets and deficit:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Post-retirement medical benefit 2015 £000	Total 2015 £000
Present value of scheme liabilities	(23,502)	(3,603)	(6,463)	(33,568)
Fair value of plan assets	22,696	3,925	-	26,621
(Deficit) / Surplus	(806)	322	(6,463)	(6,947)
Related Deferred Tax Asset / (Liability)	282	(113)	2,262	2,431
Net Liability Assets	(524)	209	(4,201)	(4,516)

Banking Group	Pension fund 2014 £000	Gratuity fund 2014 £000	Post-retirement medical benefit 2014 £000	Total 2014 £000
Present value of scheme liabilities	(23,958)	(3,312)	(5,484)	(32,754)
Fair value of plan assets	23,247	3,723	-	26,970
(Deficit) / Surplus	(711)	411	(5,484)	(5,784)
Related Deferred Tax Asset / (Liability)	249	(144)	1,919	2,024
Net Liability	(462)	267	(3,565)	(3,760)

Movement in present value of defined obligations:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Post-retirement medical benefit 2015 £000
Defined benefit obligation at 1 July 2015	(23,958)	(3,312)	(5,484)
Current service cost	(58)	(514)	(28)
Interest cost	(1,075)	(468)	(767)
Benefits paid	4,513	933	766
Return allocated to other funds	(1,226)	-	-
Actuarial loss on obligations	(873)	(91)	(705)
Exchange difference	(825)	(151)	(245)
At 30 June 2015	**(23,502)**	**(3,603)**	**(6,463)**

Notes
(continued)

29. Pension commitments *(continued)*

Banking Group *(continued)*

Movement in fair value of plan assets:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Post-retirement medical benefit 2015 £000
Value of scheme assets at 1 July 2014	23,247	3,723	-
Expected return on plan assets	2,283	522	-
Contribution by employer	115	643	-
Benefits paid	(4,690)	(1,009)	-
Actuarial gain / (loss) on plan assets	868	(124)	-
Exchange difference	873	170	-
At 30 June 2015	22,696	3,925	-

Expense recognised in profit and loss account:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Post-retirement medical benefit 2015 £000	Pension fund 2014 £000	Gratuity fund 2014 £000	Post-retirement medical benefi 2014 £000
Current service cost	58	514	28	30	241	14
Net interest on defined benefit asset or liability	(1,208)	(54)	766	(920)	56	356
Return allocated to other funds	1,226	-	-	891	-	-
At 30 June 2015	76	460	794	1	297	370

Movement recognised in the statement of total recognised gains and losses:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Post-retirement medical benefit 2015 £000	Pension fund 2014 £000	Gratuity fund 2014 £000	Post-retirement medical benefi 2014 £000
Actuarial gain on obligations						
Demographic assumptions	-	-	-	340	199	42
Financial assumptions	103	24	(23)	(6)	10	(12)
Experience adjustments	(160)	(110)	(682)	172	(483)	(55)
Return on plan assets over interest income	71	(124)	-	(2)	(34)	-
Adjustment for mark up	(19)	(5)	-	16	1	-
(Loss) / Profit recognised in the STRGL	(5)	(215)	(705)	520	(307)	(25)

Notes *(continued)*

29. Pension commitments *(continued)*

Banking Group *(continued)*

The fair value of the plan assets and the return on those assets were as follows:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Pension fund 2014 £000	Gratuity fund 2014 £000
Quoted securities				
Ordinary shares	754	46	711	36
Term finance certificates	6,133	71	2,805	68
Return on plan assets over interest income				
Certificates of investment	212	-	485	-
Pakistan investment bonds	5,683	1,878	10,927	2,273
Special savings certificates	9,914	1,930	4,232	1,345
Total fair value of the plan assets	22,696	3,925	19,160	3,722

Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the various employee benefit schemes. The increase/(decrease) in the present value of defined benefit obligations as a result of a change in each assumption is summarised below:

Banking Group	Pension fund 2015 £000	Gratuity fund 2015 £000	Post-retirement medical benefit 2015 £000	Pension fund 2014 £000	Gratuity fund 2014 £000	Post-retirement medical benefi 2014 £000
Increase in discount rate by 1%	(449)	(269)	(513)	(442)	(229)	(417)
Decrease in discount rate by 1%	500	312	607	501	265	482
Increase in expected future increment in salary by 1%	-	315	-	-	267	-
Decrease in expected future increment in salary by 1%	-	(276)	-	-	(265)	-
Increase in expected future increment in pension by 1%	436	(3,603)	-	454	-	-
Decrease in expected future increment in pension by 1%	(394)	(3,603)	-	(404)	-	-
Increase in expected future increment in medical benefit by 1%	-	-	160	-	-	473
Decrease in expected future increment in medical benefit by 1%	-	-	(141)	-	-	(417)

Although the analysis does not take account of the full distribution of expected cash flows, it does provide an approximation of the sensitivity of the assumptions shown.

Notes
(continued)

29. Pension commitments *(continued)*

Banking Group *(continued)*

Expected contributions to be paid to the funds in the next financial year

The Banking Group contributes to the pension and gratuity funds according to the actuary's advice. Based on actuarial advice, management estimates that the expected contribution and charge be as follows:

Banking Group	Pension fund £000	Gratuity fund £000	Post-retirement medical benefit £000
Expected contribution	68	549	-
Expected charge for the year	68	549	623

Maturity profile	Pension fund	Gratuity fund	Post-retirement medical benefit
Weighted average duration of the obligation (in years)	6	8	9

Funding policy

The Bank endeavours to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date having regards to the various actuarial assumptions such as projected future salary increase, expected future contributions to the fund, projected increase in liability associated with future service and the projected investment income of the Fund.

Company

The Company does not participate in any pension schemes.

Notes
(continued)

30. Minority interest

Trading and Banking Group	Minority interest £000
At 1 July 2014	382,988
Minority interest share of profits for the year	102,282
Minority interest share of other STRGL movements	60,699
Exchange difference	18,539
Dividends received	(52,783)
Acquisition of subsidiary undertakings (see note 12)	12,112
At 30 June 2015	523,837

Notes
(continued)

31. Post balance sheet events

On the 1 September 2015 the Group purchased 100% of the share capital of Ideal Healthcare Ltd for net consideration of £3.2million.

Resulting from the war that broke out in Yemen in March 2015, the Economic condition in Yemen has remained turbulent during the year end 30 June 2015. This war has negatively affected country's economic and business activities. The Banking Group has managed to evacuate its entire expatriate staff from Yemen and is operating from Karachi, Pakistan. Out of the 3 branches in Yemen, The Banking Group is currently operating with 2 branches operating in Sanaa and Hodeida under close supervision of offices in Karachi. The Branch in Aden is temporarily closed due to restricted access to the premises. However, all customers of this branch are being serviced from other 2 branches.

The risk is being managed and monitored carefully and the bank has been able to reduce its clean exposure substantially and plans to continue doing so till the situation normalises. The Banking Group has not suffered any significant loss which is not accounted for in these financial statements as at 30 June 2015. However, considering the uncertainty prevailing due to the on-going war it is highly subjective to assess the impact of any future deterioration which may impact business volumes and operations going forward.

The Banking Group is following a clear short term strategy of reducing risk exposures in Yemen, while maintaining investments in Yemen sovereign securities. This is further supported by the structure of balance sheet of Banking Group's Yemen operations, where entire local currency liquidity and capital is invested in Treasury Bills issued by Central Bank of Yemen. The Yemen operations are operating with a healthy capital adequacy ratio, more than the requirement set by the local banking regulator.

On 14 September 2015, Bestway Cement Limited declared a final cash dividend for the year ended June 2015 at 2.5 Pakistani Rupees per share, of which Bestway (Holdings) Limited received £3,352,000 net of tax.

On 24 July 2015, United Bank Limited declared a final cash dividend for the year ended June 2015 at 3 Pakistani Rupees per share, of which Bestway (Holdings) Limited received £10,287,000 net of tax.

32. Ultimate parent company

There is no parent company which is above Bestway (Holdings) Limited in the corporate group structure.

Depot information

Bestway Cash and Carry depots at 30 June 2015

Location	Sq Ft	Address	General Manager
Acton	58,000	11 Chandos Road, Acton, London NW10 6NF	Mohammad Bashir
Barking	70,000	Gascoigne Wharf, Alfreds Way, Barking, Essex IG11 0AX	Muhammad Asad
Brighton	65,000	6 Crowhurst Road, Hollingbury Trading Estate, Brighton BN1 8AF	Fida Hussain
Bristol	92,000	7-12 Dixon Road, Brislington Trading Estate, Bristol BS4 5QW	Raja Khudadad Banaras
Cardiff	82,000	Brindley Road, Grangetown, Cardiff CF11 8TL	Javed Chaudhry
Croydon	92,000	Croydon Trading Park, Beddington Farm Road, Croydon, Surrey CR9 4QJ	Ateeque Ahmed
Edgware Road	110,000	Geron Way, off Edgware Road, Near Staples Corner, London NW2 6LJ	Nauman Mahmood
Enfield	90,000	Ardra Road, Meridian Way, Enfield, London N9 0BD	Mohammed Ejaz Ali
Exeter	88,000	Unit P, Yeoford Way, Matford Park, Exeter, Devon EX2 8LB	Asif Hussain
Hackney	60,000	260 Cambridge Heath Road, Hackney, London E2 9DA	Malik Akhtar
Leicester	109,000	241 Loughborough Road, Leicester LE4 5PN	Sarbjit Singh Ubhey
Lewisham	100,000	St Mildreds Road, Lewisham, London SE12 0RG	Pervez Choudhary
Luton	106,000	356-366 Dallow Road, Luton, Bedfordshire LU1 1DE	Shafaq Hussain
Northampton	92,000	Lodge Farm Industrial Estate, Hill Close, off Harlestone Road, Northampton, Northamptonshire NN5 7UN	Michael McCann
Park Royal	242,000	2 Abbey Road, Park Royal, London NW10 7BW	Christopher Hodgkins
Peterborough	81,000	Woodstone Industrial Estate, Shrewsbury Avenue, Peterborough PE2 7BY	Mohammed Dar
Plymouth	84,000	Burrington Way, Burrington Way Industrial Estate, Plymouth PL5 3LR	Shamsher Ali Sheikh
Romford	100,000	Spilsby Road, Harold Hill Industrial Estate, Romford, Essex RM3 8SB	Sajid Mahmood
Southall	110,000	International Trading Estate, Brent Road, Southall, Middlesex UB2 5LF	Dilip Joshi
Swansea	90,000	Camffrwd Way, Swansea Enterprise Park, Swansea SA6 8QD	Aizad Durrani
Tottenham	85,000	Block B, Industrial Trading Estate, Brantwood Road, Tottenham, London N17 0DX	Ghufran Ashraf

Central Distribution

Coventry	250,000	Units 1&2, Massey Complex, Broadlane Trading Centre, Banner Lane, Coventry CV4 9WH	Brian Hale


Leicester
Peterborough
Coventry (Central Distribution)
Northampton
Luton
Swansea
Cardiff
Bristol
London (11 depots)
Brighton
Exeter
Plymouth
Greater London
Enfield
Tottenham
Hackney
Romford
Park Royal
Edgware Road
Barking
Acton
Southall
Lewisham
Croydon
Bestway depot
Central distribution

Depot information

Batleys Cash and Carry depots at 30 June 2015

Location	Sq Ft	Address	General Manager
Aberdeen	58,000	Scotstown Road, Bridge of Don, Aberdeen AB23 8HG	Steven Young
Birmingham	124,000	Kenrick Way, Sandwell, West Bromwich, Birmingham, West Midlands B71 4LT	Jonathan Griffin
Bradford	93,000	Euroway Estate, Roydsdale Way, Bradford BD4 6RY	Danny Greenwood
Cardiff	120,000	Longwood Drive, Forest Farm, Coryton, Cardiff CF14 7HY	Marc Rees
Cleveland	107,000	Concorde Way, Preston Farm Industrial Estate, Stockton-on-Tees, Cleveland TS18 3RB	David Bolam
Coventry	108,000	Gielgud Way, Cross Point, Walsgrave, Coventry CV2 2SZ	Mark Wright
Doncaster	80,000	Chappel Drive, Docking Hill, Doncaster DN1 2RG	Tony Hirst
Dundee	53,000	334 Clepington Road, Dundee DD3 8RZ	Mike Bradley
Edinburgh	106,000	M8 Estate, Clifton Hall Road, Newbridge, Edinburgh, Mid Lothian EH28 8TP	Derek Davidson
Edinburgh (Bellevue)	54,000	30 McDonald Place, Edinburgh EH7 4NH	David Howe
Gillingham	95,000	Courteney Road, Gillingham, Kent ME8 0RT	Alan McCarten
Glasgow	124,000	Clydesmill Place, Cambuslang Investment Park, Cambuslang G32 8RF	Pat Collins
Glasgow (Sher Bros)	100,000	29 Kilbirnie Street, Glasgow G5 8JB	Steve Wilkie
Huddersfield	58,000	977 Leeds Road, Deighton, Huddersfield HD2 1UP	Barry Routledge
Leeds	138,000	Skelton Grange Road, Stourton, Leeds LS10 1RZ	Jason Longstaff
Liverpool	107,000	Venture Park Industrial Estate, Windy Arbour Road, Whiston, Liverpool L35 1RZ	Eugene Mulroy
Manchester	106,000	Ohio Avenue, Salford Enterprise Zone, Salford, Manchester M50 2GT	Anthony Hogg
Newcastle	124,000	Drum Industrial Estate, Birtley, Chester-le-Street, Newcastle Co Durham DH2 1SR	Robert Reid
Nottingham	118,000	Firth Way, Blenheim Industrial Estate, Camberley Road, Bulwell, Nottingham NG6 8XF	Steven Lee
Perth	34,000	Inveralmond Industrial Estate, Perth PH1 3EE	David Good
Preston	83,000	Walton Summit Road, Unit 70 Walton Summit Estate, Bamber Bridge, Preston PR5 8AD	Cyril Tomlinson
Sheffield	76,000	Park House Lane, Bawtry Road, Tinsley, Sheffield S9 1XA	Robert Hodgkinson
Southampton	115,000	Talbot Road, Off Stephenson Road, Segensworth South, Fareham PO15 5RY	Anton James
Stirling	25,000	Colquhoun Street, Stirling FK7 7PX	Gary Thomson
Swindon	97,000	Blagrove Industrial Estate, Franklands Road, Blagrove, Swindon SN5 8YG	Alan Redman

Bestpets depots at 30 June 2015

Bristol	14,500	Dixon Road, Brislington Trading Estate, Bristol BS4 5QW	Allen Brown
Exeter	10,330	Unit P, Yeoford Way, Matford Park, Exeter, Devon EX2 8LB	Alan Hippsley
Luton	15,000	356-366 Dallow Road, Luton, Bedfordshire LU1 1DE	Donald Payne

Chilled Distribution

Coventry	15,000	Geilgud Way, Cross Point, Walsgrave, Coventry CV2 2SZ	John Attwater

- Batleys depot
- Bestpets hub
- Chilled distribution depot

Company information

Company registration number	01392861
Registered Office	2 Abbey Road Park Royal London NW10 7BW
Directors	Sir MA Pervez, OBE HPk (Chairman) ZM Choudrey, BA (Hons), FCA (Group Chief Executive) MY Sheikh (Managing Director of Wholesale Businesses) AK Bhatti AK Chaudhary AM Chaudhary, MBA R Pervez, ACA D Pervez, BA (Hons), FRSA MA Oxon, Solicitor
Secretary	D Pervez, BA (Hons), FRSA MA Oxon, Solicitor
Solicitors	Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG
Auditors	KPMG LLP 15 Canada Square London E14 5GL

"We will continue to enhance our market share in UK wholesale and pharmacy sectors and in the Pakistan cement and banking sectors whenever suitable opportunities arise."

BESTWAY