

Company Registration No. 945702

GREENERY UK LIMITED

Report and Financial Statements

Year ended 31 December 2016



(- 29/09/2017)

GREENERY UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

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GREENERY UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Greenery Produce Holding B.V. (appointed 31 March 2017)
The Greenery BV (resigned 31 March 2017)
W van de Wiel

SECRETARY

D A Tarry (resigned 24 May 2016)

REGISTERED OFFICE

118 Thorpe Park Business Park
1200 Century Way
Colton
Leeds
England
LS15 8ZB

SOLICITORS

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

BANKERS

Barclays Bank Plc
1 Market Hill
Huntingdon
Cambridgeshire
PE18 6AE

AUDITOR

Deloitte LLP
Statutory Auditor
Cambridge
United Kingdom

GREENERY UK LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITY

The company's principal activity during the period continued to be the wholesaling of fruit and vegetables.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The directors of the Group decided in 2015 to move several functions within the business to the parent company, The Greenery B.V. with effect from February 2016. All profits and costs are recorded by The Greenery B.V. and a management fee is paid to Greenery UK for its services provided, including the sales team who remain in the entity and maintain the client relationships with the UK customers. The expectation going forward is profitability, although in 2016 there is a small loss, mainly related to the restructuring activities which are not expected in 2017.

GOING CONCERN

The company conducts its business with other group companies and is reliant on this support to continue to operate as a going concern. The parent has signed a service agreement, confirming they will reimburse the company its fixed costs at a cost plus mark-up. However, the agreement may not cover any unexpected costs the entity incurs and may be cancelled at three months' notice; these conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, as discussed in note 1, the directors are confident that the required support from the parent company will be forthcoming and that the company will continue in operational existence for the foreseeable future. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

KEY PERFORMANCE INDICATORS ("KPIs")

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, profit margins and staff costs.

The company measures its financial performance using the following measures:

- Staff costs are monitored by the parent company. In 2016 a further optimization of these costs have been realized (from £853,000 in 2015 to £651,000 in 2016).
- Other operating costs are also closely monitored and rationalized.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to a number of financial risks including credit risk, liquidity risk and price risk.

The company's credit risk is primarily attributable to its trade debtors, but this is limited as the company's main customers are the major UK Supermarkets and full credit insurance cover is in place.

The company has a degree of exposure to commodity price risk, but this is mitigated by the use of a growing product range and a varied supplier base.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term finance such as bank overdraft facilities.

The uncertain economic climate continues to be challenging; refer note 1 to the financial statements which describes the directors' considerations regarding the appropriateness of the preparation of the financial statements on a going concern basis. With these risks and uncertainties in mind, the directors are aware of any plans for the future development of the business may be subject to unforeseen events outside our control. However the directors will continue to show flexibility and respond to market conditions and opportunities as they arise.

Approved by the Board of Directors and signed on behalf of the Board

Wim van de Wiel

Date: 29 September 2017

GREENERY UK LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

DIVIDENDS

The directors do not recommend the payment of a dividend (2016 - £nil).

DIRECTORS

The directors who served throughout the year and to the date of signing the financial statements, were as follows:

Greenery Produce Holding B.V. (appointed 31 March 2017)

The Greenery BV (resigned 31 March 2017)

W van de Wiel

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the 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.

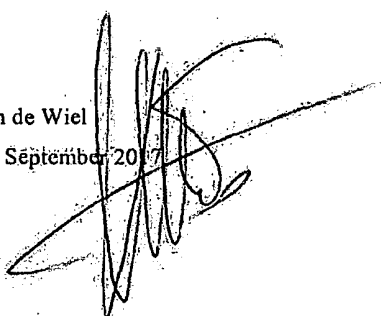
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Wim van de Wiel

Date: 29 September 2017

A large, stylized handwritten signature in black ink, appearing to be 'Wim van de Wiel', is written over the printed name and date.

GREENERY UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENERY UK LIMITED

We have audited the financial statements of Greenery UK Limited for the year ended 31 December 2016 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on support from its ultimate parent The Greenery BV. There is a signed service agreement in place whereby the fixed costs of the entity are reimbursed by the parent company on a cost-plus basis. However, this may not cover any unexpected costs the entity incurs and the agreement can be cancelled on three months' notice. These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENERY UK
LIMITED (continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

Matthew Hall

Matthew Hall FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cambridge, United Kingdom

29th September 2017

GREENERY UK LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2016**

		Year ended 31 December 2016 £'000	29 December 2014 to 31 December 2015 £'000
	Note		
TURNOVER		<u>988</u>	<u>36,903</u>
Raw materials and consumables		-	(35,848)
Staff costs	3	(651)	(853)
Depreciation	4	(3)	(39)
Other operating charges		(243)	(198)
Provision against intercompany receivables		(16)	(2,178)
Restructuring costs		(59)	(740)
		<u>(972)</u>	<u>(39,856)</u>
OPERATING PROFIT (LOSS)	4	<u>16</u>	<u>(2,953)</u>
Interest payable and similar charges	5	<u>(101)</u>	<u>(172)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(85)</u>	<u>(3,125)</u>
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(85)</u>	<u>(3,125)</u>

All activities derive from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME **Year ended 31 December 2016**

	Year ended 31 December 2016 £'000	29 December 2014 to 31 December 2015 £'000
Loss for the financial year	(85)	(3,125)
Actuarial loss recognised in the pension scheme (note 14)	(2,268)	(163)
Deferred taxation (note 12)	427	(16)
Total comprehensive income relating to the year	<u>(1,926)</u>	<u>(3,304)</u>

GREENERY UK LIMITED

BALANCE SHEET **31 December 2016**

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	8	2	47
Investments	9	-	-
		<u>2</u>	<u>47</u>
CURRENT ASSETS			
Debtors	10	1,092	4,379
Cash at bank and in hand		<u>2,200</u>	<u>1,855</u>
		3,292	6,234
CREDITORS: amounts falling due within one year	11	<u>(167)</u>	<u>(3,646)</u>
NET CURRENT ASSETS		<u>3,125</u>	<u>2,588</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,127	2,635
PROVISIONS FOR LIABILITIES	12	<u>(164)</u>	<u>(164)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		2,964	2,471
PENSION LIABILITY	15	<u>(4,894)</u>	<u>(2,758)</u>
NET LIABILITIES INCLUDING PENSION LIABILITY		<u>(1,931)</u>	<u>(287)</u>
CAPITAL AND RESERVES			
Called up share capital	14	2,000	2,000
Capital contribution	14	18,950	18,950
Profit and loss account	14	<u>(22,881)</u>	<u>(21,237)</u>
SHAREHOLDERS' DEFICIT		<u>(1,931)</u>	<u>(287)</u>

The financial statements of Greenery UK Limited, registered number 945702, were approved by the Board of Directors and authorised for issue on 29 September 2017.

Wim van de Vlier
Director

GREENERY UK LIMITED

STATEMENT OF CHANGES IN EQUITY **31 December 2016**

	Called up share capital £'000	Capital contribu- tions £'000	Profit and loss account £'000	Total 31 December 2016 £'000
At 29 December 2015	2,000	18,950	(18,213)	2,737
Loss for the period			(3,125)	(3,125)
Pension scheme movements (note 15):				
Actuarial loss			(163)	(163)
Deferred taxation movement			(16)	(16)
Contributions paid by parent company			280	280
At 31 December 2015	2,000	18,950	(21,237)	(287)
Loss for the year			(85)	(85)
Pension scheme movements (note 15):				
Actuarial loss			(2,268)	(2,268)
Deferred taxation movement			427	427
Contributions paid by parent company			282	282
At 31 December 2016	2,000	18,950	(22,881)	(1,931)

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. They have been applied consistently throughout the year and preceding period. The particular accounting policies adopted are described below.

General information and basis of accounting

Greenery UK Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

There were no material adjustments in the prior period on adoption of FRS 102 in the current year.

The functional currency of Greenery UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Greenery UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The company conducts its business with other group companies and is reliant on this support to continue to operate as a going concern. The current economic conditions create uncertainty over the extent of future cash flows given that the company's activities consists of the management of a concentration of large clients on behalf of the group. However, there is no evidence to suggest that these commercial relationships will cease in the foreseeable future. It should be noted that these clients are prominent and there is no current evidence of default in payments.

The parent has signed a service agreement, confirming they will reimburse the company its fixed costs at a cost plus mark-up. However, the agreement may not cover any unexpected costs the entity incurs and may be cancelled at three months' notice; these conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The company markets 'economic needs'; namely fresh fruit and vegetables to major supermarket chains in the UK and together with its parent company is the largest entity of its kind in Europe. Given the company's market position, the products it sells and the customers it sells to, there is negligible insolvency risk to this long established entity.

Based on the above, the directors are confident that the required support from the parent company will be forthcoming and that the company will continue in operational existence for the foreseeable future. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Consolidation

Group accounts have not been prepared as the company is exempt under S400 Companies Act 2006 from the requirement to prepare group accounts.

Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts. Revenue is recognised in relations to costs incurred, on a cost plus basis.

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life as follows:

Motor vehicles	4 years
Plant and equipment	4-7 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments are included at cost less provision for impairment.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account as incurred.

Pensions

The company operates a defined benefit pension scheme and a defined contribution scheme.

Defined benefit scheme

The amounts charged to operating profit in respect of the defined benefit scheme are the current service cost and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

Defined contribution scheme

The cost of contribution are charged to the profit and loss account as they are incurred.

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover and profit on ordinary activities before taxation are attributable to one activity, the wholesaling of fruit and vegetables in the United Kingdom.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and financial liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Pension obligation

The net position of a defined pension arrangement is determined based on actuarial valuations. An actuarial valuation assumes the estimation of discount rates, estimated returns on assets, future salary increases, mortality figures and future pension increases. Because of the long term nature of these pension plans, the valuation of these is subject to important uncertainties. The directors appoint an actuary in order to estimate the value of future obligations and a fund manager to measure the value of the scheme assets. These valuations are then reviewed by management before inclusion in the financial statements. See note 15 for additional disclosures.

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2016 £'000	29 December 2014 to 31 December 2015 £'000
Directors' emoluments (being the highest paid director)		
Emoluments		
Company contributions paid to defined contribution pension scheme		
	No	No
Number of directors who are members of a defined contribution pension scheme		
	6	15
Average number of persons employed		
Sales and administration		
	651	853
Staff costs during the year (including directors)		
Wages and salaries	423	669
Social security costs	50	76
Pension and other related costs	178	108
	651	853

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

4. OPERATING PROFIT (LOSS)

	29
Year ended	December
31	2014 to 31
December	December
2016	2015
£'000	£'000
Operating profit (loss) is after charging (crediting):	
Auditor's remuneration	
Audit services	35
Tax compliance services	12
Operating lease rentals	
Land and buildings	41
Other	-
Depreciation of owned fixed assets	3
Profit on sale of assets	(1)
Restructuring costs:	
Severance costs	241
Provision for onerous leases	163
Other restructuring costs including professional services	59
	<u>121</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	29
Year ended	December
31	2014 to 31
December	December
2016	2015
£'000	£'000
Interest payable to parent company	162
Other finance costs (note 15)	10
	<u>101</u>
	<u>172</u>

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	29
Year ended 31 December 2016 £'000	December 2014 to 31 December 2015 £'000
Current tax	
UK corporation tax	
Deferred tax	
Origination and reversal of timing differences	
Tax on loss on ordinary activities	

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2015 - 20.25%). The actual tax charge for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	29
Year ended 31 December 2016 £'000	December 2014 to 31 December 2015 £'000
Loss on ordinary activities before tax	(85) (3,125)
Tax on loss on ordinary activities at standard rate	(17) (633)
Factors affecting charge for the year:	
Effect of change in tax rate:	
Non deductible expenses	474
Capital allowances in (excess) deficit of depreciation	(3)
Creation of tax losses	17 154
Other timing difference	8
Total current tax	

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

7. TANGIBLE FIXED ASSETS

	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2016	332	139	471
Disposals	(318)	(139)	(457)
At 31 December 2016	14		14
Depreciation			
At 1 January 2016	291	133	424
Charge for the year	3		3
On disposals	(282)	(133)	(415)
At 31 December 2016	12		12
Net book value			
At 31 December 2016	2		2
At 31 December 2015	41	6	47

8. INVESTMENTS HELD AS FIXED ASSETS

Shares in subsidiary undertakings:

	£'000
Cost	
At 1 January 2016 and 31 December 2016	6,332
Impairment provision and amounts written off	
At 1 January 2016 and 31 December 2016	6,332
Net book value	
At 31 December 2016	
At 31 December 2015	

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

8. INVESTMENTS HELD AS FIXED ASSETS (continued)

Shares in subsidiary undertakings (continued):

At 31 December 2016 the following undertakings were immediate subsidiary undertakings of Greenery UK Limited. All of the companies are registered in England and Wales, with the exception of Greenery (Northern) Limited which is registered in Scotland. Greenery UK Limited owns 100% of the share capital in these companies.

Name	Nature of business	Class	Share capital amount issued	Reserves £'000
North Bank Growers Limited	Market gardeners	Ordinary	4,192	(17,810,053)

The registered address of the subsidiary is: 118 Thorpe Park Business Park 1200 Century Way, Colton, Leeds, LS15 8ZB

9. DEBTORS

	2016 £'000	2015 £'000
Due within one year:		
Trade debtors	72	1,701
Amounts owed by parent undertaking	-	73
Amounts owed by subsidiary undertakings	-	2,000
Other debtors	14	36
Deferred tax (note 13)	979	552
Prepayments and accrued income	27	17
	<u>1,092</u>	<u>4,379</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	9	1,027
Amounts owed to parent undertaking	-	1,847
Amounts owed to other group undertakings	15	87
Other taxes and social security costs	18	129
Other creditors	44	130
Accruals and deferred income	81	426
	<u>167</u>	<u>3,646</u>

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

11. PROVISIONS FOR LIABILITIES

£'000

Onerous lease provision at 31 December 2015 and 31 December 2016

164

In the prior year, the board of directors confirmed that the company would be surrendering the lease of Vantage Park in Huntingdon. The provision includes the expected costs to surrender the lease and dilapidations, which finalised after the year end on 23 March 2017.

12. DEFERRED TAX ASSET

	Recognised		Not recognised	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Capital losses	-	-	(93)	(76)
Capital allowances in advance of depreciation	-	-	(8)	(8)
Other short term timing differences	-	-	(348)	(348)
Pension	979	552	-	-
	<u>979</u>	<u>552</u>	<u>(449)</u>	<u>(432)</u>

Deferred tax assets have not been recognised on losses, accelerated capital allowances and other timing difference as there is insufficient evidence as to its recoverability. These assets will be recovered if and when the company has suitable profits in future years to reverse deferred tax assets. The deferred tax asset on the pension has been recognised on the basis that any future increases in the value of the scheme assets will be recognised against which the deferred tax asset may be recovered.

13. CALLED UP SHARE CAPITAL AND RESERVES

**2016
£'000**

**2015
£'000**

Called up, allotted and fully paid
2,000,000 ordinary shares of £1 each

2,000

2,000

The company's other reserves are as follows:

The capital contribution reserve represents capitalised debt from parent company.

The profit and loss reserve represents cumulative profits or losses and other comprehensive income, net of dividends paid and other adjustments.

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

14. EMPLOYEE BENEFITS

Defined benefit scheme

The company operated a defined benefit pension scheme for qualifying employees. The scheme is now closed to new members.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 December 2016 by Mr Martin West, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	Valuation at	
	2016	2015
Key assumptions used:		
Discount rate	2.7%	3.8%
Expected return on assets	2.7%	3.8%
RPI inflation	3.5%	3.3%
Rate of increase in salaries	n/a	1.0%
Rate of increase to pensions in payments:		
LPI (max 5%) on RPI	3.3%	3.2%
LPI (max 2.5%) on RPI	2.2%	2.2%

Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2016	2015
	years	years
Retiring today:		
Males	22.3	22.3
Females	24.4	24.1
Retiring in 20 years:		
Males	24.0	23.9
Females	26.2	25.6

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	2016	2015
	£'000	£'000
Current service cost	49	60
Loss on curtailment	-	116
Net interest cost	101	10
	150	186
Recognised in other comprehensive income	2,268	(163)
Total cost relating to defined benefit scheme	2,418	23

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2016**

14. EMPLOYEE BENEFITS (continued)

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit scheme is as follows:

	2016 £'000	2015 £'000
Present value of defined benefit obligations	(15,902)	(13,072)
Fair value of scheme assets	11,008	10,314
Net liability recognised in the balance sheet	(4,894)	(2,758)
Deferred tax on pension liability	979	552
	<u>(3,915)</u>	<u>(2,026)</u>

Movements in the present value of defined benefit obligations were as follows:

	2016 £'000	2015 £'000
At 1 January	13,072	13,145
Service cost	49	60
Interest cost	487	463
Contributions from scheme participants	-	9
Benefits paid	(553)	(572)
Loss on curtailments	-	116
Remeasurement gains and losses experience	(350)	(36)
Assumption changes	3,197	(113)
At 31 December	<u>15,902</u>	<u>13,072</u>

Movements in the fair value of scheme assets were as follows:

	2016 £'000	2015 £'000
At 1 January	10,314	10,442
Interest income	386	453
Return on plan assets (excluding amounts included in net interest cost)	579	(312)
Contributions:		
by company	-	14
by parent company	282	280
by scheme participants	-	9
Benefits paid	(553)	(572)
At 31 December	<u>11,008</u>	<u>10,314</u>

GREENERY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

14. EMPLOYEE BENEFITS (continued)

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2016	2015
	%	%
Equity instruments	23.7	24.9
Debt instruments	28.7	26.5
Cash	2.5	1.9
Insured annuities	31.5	32.9
Alternatives	13.7	13.8

15. CONTROLLING PARTY

The immediate parent undertaking of this company and the ultimate controlling party is The Greenery BV, which is incorporated in The Netherlands. Coöperatie Coforta U.A. has included Greenery UK Limited in its group accounts which may be obtained from Spoorwegemplacement 1, 2991 VT, Barendrecht, Netherlands. The Greenery BV is also the company's immediate controlling party.

16. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of The Greenery BV, the company is exempt from the requirement Section 33 of FRS 102 to disclose transactions with other members of the group.

17. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 was therefore 29 December 2014. As a consequence of adopting FRS 102, there are no material adjustments to accounting policies to comply with that standard.