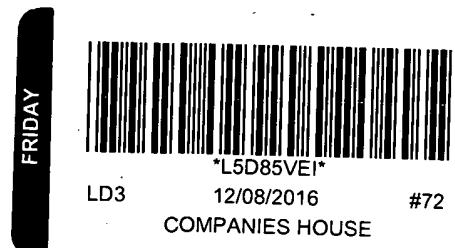


**AGRIVER (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



**Slaven Jeffcote LLP**

Chartered Certified Accountants & Statutory Auditor  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

# AGRIVER (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P Halevy S Shpak
<b>Secretary</b>	Mr A Trager-Lewis
<b>Company number</b>	06407287
<b>Registered office</b>	c/o CH Hausmann & Co 5 de Walden Court 85 New Cavendish Street London W1W 6XD
<b>Auditor</b>	Slaven Jeffcote LLP 1 Lumley Street Mayfair London W1K 6TT

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# **AGRIVER (UK) LIMITED**

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# **AGRIVER (UK) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report for the year ended 31 December 2015.

### **BUSINESS REVIEW**

The financial statements are denominated in Israeli shekel (ILS). During the year, the company has seen an increase in turnover by 3.83% from 98,284,945 ILS to 102,058,808 ILS. The cost of sales has also increased from 95,601,275 ILS to 99,397,135 ILS in the year under review. However, the gross profit margin has decreased marginally to 2.60% compared to 2.73% last year.

Overheads have decreased leading to the company making pre-tax profit of 255,665 ILS compared to 293,539 ILS in the prior year.

Shareholders' funds at the balance sheet date have decreased from 3,390,440 ILS to 2,415,815 ILS.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company finances its operations with cash and working capital items such as trade debtors and trade creditors that arise directly from its operations.

The main financial risks arising are liquidity risk, credit risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Liquidity risk**

The company manages its cash and borrowing requirements in order to maximise interest income, interest expense, whilst ensuring the company has sufficient liquid resources to meet operating business.

#### **Foreign currency risk**

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in shekels. This hedging activity involves the use of foreign exchange forward contracts.

#### **Credit risk**

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

By order of the board



Mr A Trager-Lewis

Secretary

5th August 2016

# **AGRIVER (UK) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and financial statements for the year ended 31 December 2015.

#### **Principal activities**

The principal activity of the company continued to be that of selling and buying of flowers and other agricultural products.

#### **Directors**

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

P Halevy  
S Shpak

#### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Auditor**

The auditor, Slaven Jeffcote LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

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). 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;
- 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Going Concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.


# AGRIVER (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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By order of the board

  
.....  
Mr A Trager-Lewis  
Secretary  
5<sup>th</sup> August 2016

# **AGRIVER (UK) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AGRIVER (UK) LIMITED**

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We have audited the financial statements of Agriver (UK) Limited for the year ended 31 December 2015 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. 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 2015 and of its profit 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.

#### **Opinion on other matters 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.

# AGRIVER (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AGRIVER (UK) LIMITED

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#### 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.



Nicholas John Paling FCCA (Senior Statutory Auditor)  
for and on behalf of Slaven Jeffcote LLP

5<sup>th</sup> August 2016

Chartered Certified Accountants  
Statutory Auditor

1 Lumley Street  
Mayfair  
London  
W1K 6TT



# AGRIVER (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Notes	2015 ILS	2014 ILS
Turnover	3	102,058,808	98,284,945
Cost of sales		(99,397,135)	(95,601,274)
<b>Gross profit</b>		2,661,673	2,683,671
Administrative expenses		(1,974,473)	(1,992,710)
<b>Operating profit</b>	4	687,200	690,961
Interest payable and similar charges	5	(431,535)	(397,422)
<b>Profit before taxation</b>		255,665	293,539
Taxation	6	(51,133)	(58,708)
<b>Profit for the financial year</b>		204,532	234,831

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **AGRIVER (UK) LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	<b>2015</b>	<b>2014</b>
	<b>ILS</b>	<b>ILS</b>
<b>Profit for the year</b>	<b>204,532</b>	<b>234,831</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>204,532</b>	<b>234,831</b>

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# AGRIVER (UK) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		ILS	ILS	ILS	ILS
<b>Current assets</b>					
Debtors	7	22,866,955		25,478,471	
Cash at bank and in hand		233,345		297,598	
		<u>23,100,300</u>		<u>25,776,069</u>	
<b>Creditors: amounts falling due within one year</b>	8	(20,684,485)		(22,385,629)	
<b>Net current assets</b>			<u>2,415,815</u>		<u>3,390,440</u>
<b>Capital and reserves</b>					
Share capital	9		6		6
Other reserves			1,244,449		2,423,606
Profit and loss reserves			<u>1,171,360</u>		<u>966,828</u>
<b>Total equity</b>			<u>2,415,815</u>		<u>3,390,440</u>

The financial statements were approved by the board of directors and authorised for issue on 5th August 2016 and are signed on its behalf by:

  
P Halevy  
Director

Company Registration No. 06407287

# AGRIVER (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital ILS	Other reserves ILS	Profit and loss reserves ILS	Total ILS
<b>Balance at 1 January 2014</b>		6	2,423,606	731,997	3,155,609
<b>Year ended 31 December 2014:</b>					
Profit and total comprehensive income for the year		-	-	234,831	234,831
<b>Balance at 31 December 2014</b>		6	2,423,606	966,828	3,390,440
<b>Year ended 31 December 2015:</b>					
Profit and total comprehensive income for the year		-	-	204,532	204,532
Other		-	(1,179,157)	-	(1,179,157)
<b>Balance at 31 December 2015</b>		6	1,244,449	1,171,360	2,415,815

# **AGRIVER (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

##### **Company information**

Agriver (UK) Limited is a company limited by shares incorporated in England and Wales. The registered office is c/o CH Hausmann & Co, 5 de Walden Court, 85 New Cavendish Street, London, W1W 6XD.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in shekels, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest ILS.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Agriver (UK) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **1.4 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# AGRIVER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

##### 1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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.

# AGRIVER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# AGRIVER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1 Accounting policies

##### 1.8 Foreign exchange

Transactions in currencies other than Israeli Shekels are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 ILS	2014 ILS
Turnover	102,058,808	98,284,945

##### Turnover analysed by geographical market

	2015 ILS	2014 ILS
United Kingdom	26,876,663	21,116,133
Overseas	75,182,145	77,168,812
	102,058,808	98,284,945

#### 4 Operating profit

	2015 ILS	2014 ILS
Operating profit for the year is stated after charging/(crediting):		
Exchange (losses)/gains	269,962	(171,593)
Fees payable to the company's auditor for the audit of the company's financial statements	28,898	29,446



# AGRIVER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 5 Interest payable and similar charges

	2015 ILS	2014 ILS
Interest on bank overdrafts and loans	431,535	397,422

#### 6 Taxation

	2015 ILS	2014 ILS
<b>Current tax</b>		
UK corporation tax on profits for the current period	51,133	58,708

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 ILS	2014 ILS
Profit before taxation	255,665	293,539
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	51,133	58,708
Tax expense for the year	51,133	58,708

#### 7 Debtors

	2015 ILS	2014 ILS
<b>Amounts falling due within one year:</b>		
Trade debtors	12,805,619	16,213,745
Amounts due from subsidiary undertakings	-	1,283,118
Other debtors	9,438,625	7,843,805
Prepayments and accrued income	622,711	137,803
	22,866,955	25,478,471

# AGRIVER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 8 Creditors: amounts falling due within one year

	2015 ILS	2014 ILS
Trade creditors	4,473,048	3,124,218
Amounts due to group undertakings	4,806,798	7,250,503
Corporation tax	14,318	16,050
Other taxation and social security	974,611	1,047,629
Other creditors	10,028,202	10,090,442
Accruals and deferred income	387,508	856,787
	<u>20,684,485</u>	<u>22,385,629</u>

#### 9 Share capital

	2015 ILS	2014 ILS
Ordinary share capital Issued and fully paid		
1 Ordinary shares of £1 each (£1 equivalent of ILS6.0335)	<u>6</u>	<u>6</u>

#### 10 Related party transactions

No guarantees have been given or received.

The following amounts were outstanding at the reporting end date:

1) The company owed 4,806,798 ILS to Flowers Direct Limited, a company who owns 18% of issued share capital in Agriver Agriculture Limited, parent to Agriver (UK) Limited. (2014: 7,250,503 ILS)

2) The company owed nil from Vered Flowers International Limited, an ultimate parent company. (2014: 1,283,118 ILS)

#### 11 Controlling party

The company's ultimate parent undertaking at the balance sheet date is Vered Flowers International Limited, a company registered in the British Virgin Island. Mr P Halevy, a director of Vered Flowers International Limited, owns 100% of the issued share capital of Vered Flowers International Limited and therefore is the ultimate controlling party.