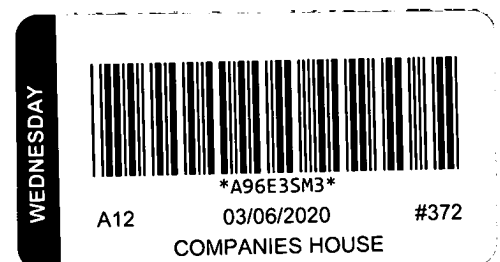


Registered number: 462438

NESTLÉ HOLDINGS (U.K.) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



NESTLÉ HOLDINGS (U.K.) PLC

COMPANY INFORMATION

Directors	D. Hix S. Agostini D. McDaniel (resigned 1 March 2020) M. Weber (appointed 1 March 2020)
Company secretary	Mark Maurice-Jones
Registered number	462438
Registered office	1 City Place Gatwick RH6 0PA
Independent auditor	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square London E14 5GL

NESTLÉ HOLDINGS (U.K.) PLC

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NESTLÉ HOLDINGS (U.K.) PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their Strategic Report for the year ended 31 December 2019.

Business review

The performance achieved during the year is set out in the Profit and Loss account on page 7.

The results of Nestlé Holdings (U.K.) PLC "the Company" show a pre-tax profit of £59,796,000 (2018 - £443,565,000).

The Company has total net assets of £796,590,000 (2018 - £733,815,000).

Principal risks and uncertainties

The Company is a holding company and its results are dependent upon interest and similar income receivable from, or payable to, other group companies.

During this unprecedented time, our purpose of enhancing quality of life and contributing to a healthier future is now more important than ever. From our supply chain, to our factories, and right through to your homes, we're working around the clock to ensure that we continue to meet the nutritional needs of your families and pets during this difficult time.

Stakeholder review

Under section 172 of the UK Companies Act 2006 ("Section 172") directors must act in the way that they consider, in good faith, would be most likely to promote the success of their Company. In doing so, our directors must have regard to stakeholders and the other matters set out in Section 172. The following section is our Section 172 statement, which describes how the directors of this Company have had regard to these matters when performing their duty.

Nestlé stands for Good food, Good life. Quality of food and quality of life go together. What and how we eat and drink is fundamental to our health and wellness, today and for the future. Our Nutrition, Health and Wellness journey is guided by our Creating Shared Value approach to business. We live by our purpose and responsibilities to our shareholders, the communities in which we operate and the planet on which we live. We aim to be trusted and dependable. That means responsibly manufacturing our products and managing our supply chain, bringing meaningful innovations to market, and building brands that delight and do good. We do this in a way that is true to the values that our company has been built on for more than 150 years. Because Good food and Good life are good business. Creating Shared Value is fundamental to how we do business at Nestlé. We believe that our company can only be successful in the long term by creating value both for our shareholders and for society. Our activities and products should make a positive difference to society while contributing to Nestlé's ongoing success.

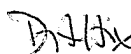
The 2019 Nestlé SA Annual Review gives further details of how the Nestlé Group of companies enhances the quality of life and contributes to a healthier future in the following areas:

- for individuals and families - enabling healthier and happier lives
- for our communities - helping develop thriving, resilient communities
- for the planet - stewarding resources and the environment

Further information can be found on the Nestle SA website.

<https://www.nestle.com/>

This report was approved by the board on 15 May 2020 and signed on its behalf.


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D. Hix
Director

NESTLÉ HOLDINGS (U.K.) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

During the year the Company acted as a holding company for some of the United Kingdom interests of Nestlé S.A. The Company and its subsidiaries are engaged in the manufacture and sale of food, drinks, nutrition products, bottled water, pet food products and associated activities. They are also involved in the distribution of coffee capsules, machines and other related products.

The Company is the holding company of Nestlé businesses operating in the United Kingdom. The principal operating company is Nestlé UK Limited.

Results and dividends

The profit for the year, after taxation, amounted to £62,775,000 (2018 - £444,598,000).

The directors have not recommended the payment of a final dividend (2018 - £Nil).

An interim dividend of £Nil (2018 - £1,450,493,000) was paid during the year.

The directors approved the payment of a dividend of £85,490,000 out of distributable reserves as at 31 December 2018 on 8 January 2020. The dividend was paid on 22 January 2020.

Impact of Brexit

In 2019 the main focus in respect of Brexit of Nestlé's management team in the UK was on preparing for a potential "no deal" exit scenario. This included putting plans in place to build import and export stocks in subsidiary trading companies for a period around the expected exit dates (initially 29 March 2019 and then 12 April 2019, 31 October 2019 and finally 31 January 2020), as well as preparations for using alternative supply routes into the UK to avoid anticipated congestion at the port of Dover. This work has been coordinated by Nestlé's management team in the UK, headed by the CEO and involving all of the key functions and business units.

The UK having left the EU with a deal on 31 January 2020, the focus of the steering group's work has now shifted to preparations for the end of the transition period on 31 December 2020. Again, uncertainty remains about the scenario the country and subsidiary companies will face at that point, so mitigation plans remain ready for activation should they be needed if the transition period ends without a free trade agreement with the EU in place.

Impact of COVID-19

The COVID-19 (Coronavirus) public health emergency continues to evolve. Nestlé UK & Ireland has a COVID-19 Committee in place to co-ordinate local actions to safeguard employee health and initiate Business Continuity Plans (see note 13).

Directors

The directors who served during the period to the signing of the financial statements were:

D. Hix
S. Agostini
D. McDaniel (resigned 1 March 2020)
M. Weber (appointed 1 March 2020)

Future developments

The external environment is expected to remain competitive and challenging in 2020.

NESTLÉ HOLDINGS (U.K.) PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Matters covered in the strategic report

The business review, principal risks and certainties for the Company, a Strategic Management report and a S172 statement are included in the Strategic Report.

Disclosure of information to auditor


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

As a result of a tender exercise completed in 2019 by the parent company, Nestlé S.A., KPMG LLP will resign after issuing the 2019 independent auditor's report and will be replaced by EY LLP, who will fill the vacancy.

This report was approved by the board on 15 May 2020 and signed on its behalf.

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David Hix
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D. Hix
Director

NESTLÉ HOLDINGS (U.K.) PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE 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 financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgments and accounting 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;
- assess the Company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NESTLÉ HOLDINGS (U.K.) PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NESTLÉ HOLDINGS (U.K.) PLC

Opinion

We have audited the financial statements of Nestlé Holdings (U.K.) PLC ("the Company") for the year ended 31 December 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other information

The directors are responsible for the other information, which comprises the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

NESTLÉ HOLDINGS (U.K.) PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NESTLÉ HOLDINGS (U.K.) PLC

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

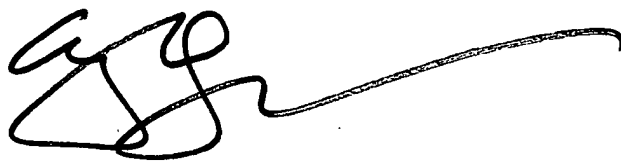
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Hugh Green (Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
15 May 2020



15 May 2020

NESTLÉ HOLDINGS (U.K.) PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Administrative expenses		(1)	(1)
Operating loss		(1)	(1)
Income from shares in group undertakings		85,490	455,000
Interest receivable and similar income	4	8,500	7,155
Interest payable and similar expenses	5	(34,193)	(18,589)
Profit before tax		59,796	443,565
Tax on profit	6	2,979	1,033
Profit for the financial year		62,775	444,598

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 10 to 18 form part of these financial statements.


NESTLÉ HOLDINGS (U.K.) PLC
REGISTERED NUMBER: 462438

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	8	2,558,458	2,974,932
		2,558,458	2,974,932
Current assets			
Debtors: amounts falling due within one year	9	92,259	29,909
		92,259	29,909
Creditors: amounts falling due within one year	10	(54,127)	(1,271,026)
		38,132	(1,241,117)
Net current assets/(liabilities)		38,132	(1,241,117)
Total assets less current liabilities		2,596,590	1,733,815
Creditors: amounts falling due after more than one year	11	(1,800,000)	(1,000,000)
		796,590	733,815
Net assets excluding pension asset		796,590	733,815
Net assets		796,590	733,815
Capital and reserves			
Called up share capital	12	77,940	77,940
Share premium account		322,060	322,060
Other reserves		250,000	250,000
Profit and loss account		146,590	83,815
		796,590	733,815

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 May 2020.

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by David Hix
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D. Hix
Director

The notes on pages 10 to 18 form part of these financial statements.

NESTLÉ HOLDINGS (U.K.) PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £000	Share premium account £000	Capital contribution £000	Profit and loss account £000	Total equity £000
At 1 January 2018	77,940	322,060	250,000	1,089,710	1,739,710
Comprehensive income for the year					
Profit for the year	-	-	-	444,598	444,598
Other comprehensive income for the year					
Other comprehensive income for the year	-	-	-	-	-
Dividends: Equity capital	-	-	-	(1,450,493)	(1,450,493)
Total transactions with owners	-	-	-	(1,450,493)	(1,450,493)
At 1 January 2019	77,940	322,060	250,000	83,815	733,815
Comprehensive income for the year					
Profit for the year	-	-	-	62,775	62,775
Other comprehensive income for the year					
Other comprehensive income for the year	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
At 31 December 2019	77,940	322,060	250,000	146,590	796,590

The notes on pages 10 to 18 form part of these financial statements.

NESTLÉ HOLDINGS (U.K.) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

Nestlé Holdings (U.K.) PLC. (the "Company") is a company incorporated and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS's"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company's ultimate parent undertaking, Nestlé S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Nestlé S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Nestlé Headquarters, CH1800, Vevey, Switzerland.

The company is exempt from the obligation to prepare and deliver group accounts.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

NESTLÉ HOLDINGS (U.K.) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.3 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1 and future developments section of the Directors' Report on pages 2 and 3.

The Company has net current assets of £38,132,000 at 31 December 2019 which include loans received from other group undertakings of £49,987,000. Refer to note 10 for further details.

Net assets of £796,590,000 at 31 December 2019 also include loans received from other group undertakings of £1,800,000,000 which are repayable in 2021. The Company has provided undertakings to various subsidiary companies that for at least twelve months from the date of the approval of these financial statements, it will continue to provide financial and other support to enable those subsidiaries to continue in operational existence for the foreseeable future and that the repayment of loans will not be sought if it would impede the subsidiary's ability to meet its obligations to third parties and operate as a going concern.

The loans with Nestlé S.A. group undertakings are reviewed monthly with the lender with automatic renewal for further periods of three years. Historically such loans have always been renewed when requested. From discussions in 2019 and 2020 with Nestlé S.A there has been no indication that current loans will be recalled and not renewed.

1.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss account.

1.5 Interest income

Interest income is recognised in the Profit and Loss account using the effective interest method.

NESTLÉ HOLDINGS (U.K.) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.6 Taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Creditors

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

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. There will be a disclosure in the notes to the financial statements of dividends proposed or declared, which were not recognised in the financial statements, if this happens prior to the financial statements being authorised for issue.

NESTLÉ HOLDINGS (U.K.) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.11 Leases: the Company as a lessee

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognises a right-of-use (ROU) asset and lease liability at the lease commencement date, except for short term leases of 12 months or less which are expensed in the Profit and Loss account on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

At inception, the ROU asset comprises the initial lease liability, initial indirect costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

ROU assets are included in the heading "Long term leasehold property" and the lease liability is included in the headings "Current financial debt" and "Non-current financial debt".

2. Auditor's remuneration

The audit fee for 2019 is £20,000 (2018 - £20,000). This has been borne by Nestlé UK Limited.

3. Directors' remuneration

The emoluments of the directors of Nestlé Holdings (U.K.) PLC are borne by Nestlé UK Limited.

None of the directors had any interests recorded in the Shareholders' Statutory Register at 31 December 2019.

4. Interest receivable

	2019	2018
	£000	£000
Interest receivable on loans to group companies (see below)	8,418	7,121
On group cash pooling arrangement	82	34
	8,500	7,155

NESTLÉ HOLDINGS (U.K.) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Interest receivable from group companies comprises:

	2019 £000	2018 £000
On loans to subsidiary undertakings	3,676	3,439
On loan to other group undertakings	4,742	3,682
	<u>8,418</u>	<u>7,121</u>

5. Interest payable and similar expenses

	2019 £000	2018 £000
On borrowings from group undertakings	34,193	18,077
On group cash pooling arrangement	-	512
	<u>34,193</u>	<u>18,589</u>

6. Taxation

	2019 £000	2018 £000
Corporation tax		
UK corporation tax credit for the year	(2,989)	(1,033)
Adjustments in respect of previous periods	10	-
	<u>(2,979)</u>	<u>(1,033)</u>
Total current tax	<u>(2,979)</u>	<u>(1,033)</u>

NESTLÉ HOLDINGS (U.K.) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019	2018
	£000	£000
Profit before tax	59,796	443,565
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	11,361	84,277
Effects of:		
Expenses not deductible for tax purposes	1,893	1,140
Adjustments to tax charge in respect of prior periods	10	-
Income not taxable	(16,243)	(86,450)
Total tax credit for the year	(2,979)	(1,033)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Dividends

	2019	2018
	£000	£000
Paid to parent undertaking	-	1,450,493
	-	1,450,493

NESTLÉ HOLDINGS (U.K.) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Fixed asset investments

	Investments in subsidiary companies £000	Loans to parent and subsidiary companies £000	Total £000
Cost or valuation			
At 1 January 2019	2,399,573	616,474	3,016,047
Repayment	-	(416,474)	(416,474)
At 31 December 2019	<u>2,399,573</u>	<u>200,000</u>	<u>2,599,573</u>
Impairment			
At 1 January 2019	41,115	-	41,115
At 31 December 2019	<u>41,115</u>	<u>-</u>	<u>41,115</u>
Net book value			
At 31 December 2019	<u>2,358,458</u>	<u>200,000</u>	<u>2,558,458</u>
At 31 December 2018	<u>2,358,458</u>	<u>616,474</u>	<u>2,974,932</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Buxton Mineral Water Limited	1 City Place, Gatwick, West Sussex, RH6 0PA	Ordinary	100%
Nestle UK Ltd.	1 City Place, Gatwick, West Sussex, RH6 0PA	Ordinary	100%
Nestle Waters (UK) Holdings Limited	1 City Place, Gatwick, West Sussex, RH6 0PA	Ordinary	100%
Purlaw Company	1 City Place, Gatwick, West Sussex, RH6 0PA	Ordinary	100%
Vitaflo International Holdings Limited	Suite 1.11, South Harrington Building, 182 Sefton Street, Brunswick Business Park, Liverpool, L3 4BQ	Ordinary	100%

NESTLÉ HOLDINGS (U.K.) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Debtors

	2019	2018
	£000	£000
Amounts owed by group undertakings	89,254	28,860
Other debtors	3,005	1,049
	<u>92,259</u>	<u>29,909</u>

Amounts owed by group undertakings include £87,430,000 (2018 - £27,024,000) representing funds transferred to a subsidiary undertaking under the group cash pooling arrangement.

10. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Amounts owed to group undertakings	54,127	1,271,026
	<u>54,127</u>	<u>1,271,026</u>

Amounts owed to group undertakings comprises of loans of £49,987,000 (2018 - £1,266,461,000) and accrued interest of £4,140,000 (2018 - £4,565,000). The loans received from group undertakings are reviewed with the lender with automatic renewal for further periods of three years and with a 10 day notice period for recalling or non-renewal of the loan.

Settlement date	Interest rate	£000
30 November 2020	Interest free	<u>49,987</u>
		<u>49,987</u>

NESTLÉ HOLDINGS (U.K.) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Amounts owed to group undertakings	1,800,000	1,000,000
	<u>1,800,000</u>	<u>1,000,000</u>

Amounts owed to group undertakings comprise the following unsecured loans:

Settlement date	Interest rate	£000
August 2021	3 month LIBOR plus 99 basis points	600,000
September 2021	3 month LIBOR plus 99 basis points	400,000
February 2021	6 month LIBOR plus 31 basis points	600,000
September 2021	3 month LIBOR plus 99 basis points	200,000
		<u>1,800,000</u>

Loans are reviewed monthly with the lender with automatic renewal for further periods of three years and with a 10 day notice period for recalling or non-renewal of the loan.

12. Share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
77,940,000 (2018 - 77,940,000) Ordinary shares of £1.00 each	77,940	77,940
	<u>77,940</u>	<u>77,940</u>

13. Post balance sheet events

On 11 March 2020 the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations of cash flows in the future.

14. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Enterprise Maggi S.A., CH-1800 Vevey, Switzerland which is incorporated in Switzerland. Nestlé S.A. is the Company's ultimate parent, CH-1800 Vevey, Switzerland which is incorporated in Switzerland and from whom copies of their group accounts can be obtained.