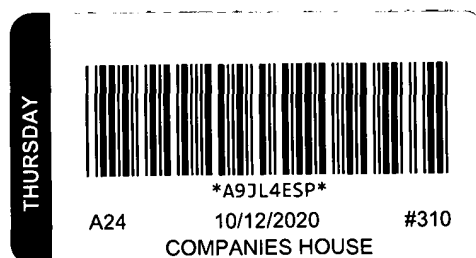


SYNGENTA HOLDINGS LIMITED

Annual Report and Financial Statements

for the year ended 31 December 2019

Registered Number: 3971335



ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2019

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COMPANY SUMMARY

Directors

Mr A D Johnson
Ms K Elce
Mr A Conn

Secretary

Mr M D Bayliss

Registered office

Jealott's Hill International Research Centre
Bracknell
Berkshire
RG42 6EY

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

STRATEGIC REPORT for the year ended 31 December 2019

Principal activities

The principal activity of Syngenta Holdings Limited is to act as a holding company for Syngenta operating companies based in the United Kingdom.

Review of the business and future developments

The results for the period are set out on page 8. The company made a loss before tax of \$6,832k (2018: loss of \$22,157k) which mainly consists of dividend income from subsidiaries less interest on borrowings.

The company functions as a holding company and the directors expect this business activity to continue in the future. The functional and presentational currency of the company is US dollars.

The directors have considered the possible effect of Brexit on the company. As a holding company the main impact of Brexit would be through the impact on its subsidiaries. Taking into account the circumstances of the subsidiaries and the company, the board of directors does not expect Brexit to have a significant impact on the company.

Principal risks and uncertainties

The company's major risks relate to:-

- Interest rate fluctuations. The company has a \$862m (2018: \$862m) loan from Syngenta Treasury NV which is subject to an interest rate calculated annually based on USD LIBOR plus a fixed margin and this can fluctuate each year.
- Exchange rate fluctuations. The company receives dividends from its UK subsidiaries which are subject to exchange rate variations due to the dividends being paid in sterling. It uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by hedging committed material foreign currency transactions.
- The performance and net assets of the subsidiary companies. Falls in the underlying value of subsidiaries could result in the company not being able to meet its loan obligations and/or lead to impairments in the cost of investment in its subsidiaries.

The directors have considered the effect of Brexit and COVID19 on the Company's operations particularly in relation to adopting the going concern basis in preparing the financial statements. As a holding company with minimal outgoings and no trading income, the board of directors does not expect Brexit or COVID19 to significantly impact on the Company's ability to continue in operational existence for the foreseeable future. The Company's principal subsidiaries and Syngenta AG Group operates in the agricultural industry and in most countries around the world including the UK, the agriculture industry is designated as essential, allowing businesses such as Syngenta to continue to operate almost as usual.

By order of the board



A D Johnson
Director
2 December 2020

DIRECTORS' REPORT for the year ended 31 December 2019

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

Going concern

After making an assessment of the Company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This assessment took into consideration that the Company has a USD862m loan payable to an affiliate which matures in January 2021. It is the intention that this loan be replaced by another loan from the affiliate and in the meantime a letter of support has been provided by the affiliate. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Dividends

No dividend (2018: \$nil) was declared and or paid in the year.

Directors

The directors whose names appear in the Company Summary were directors of the company during the year and remain so at the date of the report (unless stated otherwise).

Disclosure of information to the auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that the director might reasonably be expected to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor re-appointment

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By Order of the Board



A D Johnson
Director
2 December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT TO THE STRATEGIC REPORT, DIRECTORS' REPORT AND 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 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 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 related 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNGENTA HOLDINGS LIMITED

Opinion

We have audited the financial statements of Syngenta Holdings Ltd ("the company") for the year ended 31 December 2019 which comprise the statement of Profit and loss and other comprehensive income, Balance sheet and 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 group or the company or to cease their operations, and as they have concluded that the group and 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 their 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, including the impact of Brexit, 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 group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNGENTA HOLDINGS LIMITED (continued)

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.; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 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.



Jennifer Perdoch (Senior Statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

3 December 2020

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2019

		2019	2018
	Note	US \$'000	US \$'000
Dividend income		42,547	27,404
Operating profit		42,547	27,404
Impairment of subsidiary	6	-	(7,040)
Net interest payable	3	(49,379)	(42,521)
Loss before tax	4	(6,832)	(22,157)
Tax charge on loss	5	(56)	(56)
Loss and total comprehensive expense for the year		(6,888)	(22,213)

There was no recognised gains or losses other than those in the profit and loss account.

BALANCE SHEET
as at 31 December 2019

	Note	2019 US \$'000	2018 US \$'000
Fixed assets			
Investments	6	2,245,910	2,245,910
		2,245,910	2,245,910
Current assets			
Debtors: receivable within one year	7	54,453	53,980
Creditors: amounts falling due within one year	8	(50,503)	(43,142)
Net current assets		3,950	10,838
Creditors: amounts falling due after more than one year	9	(862,000)	(862,000)
Net assets		1,387,860	1,394,748
Capital and reserves			
Called up share capital	10	3	3
Share premium		1,258,217	1,258,217
Other reserve		40,555	40,555
Profit and loss account		89,085	95,973
Shareholders' funds		1,387,860	1,394,748

The financial statements on pages 8 to 17 were approved by the board of directors and were signed on its behalf on 2 December 2020 by:



A D Johnson
Director

STATEMENT OF CHANGES IN EQUITY

	Called –up share capital US \$'000	share premium US \$'000	Other reserve US \$'000	Retained earnings US \$'000	Total US\$'000
Balance as at 1 January 2018	3	1,258,217	40,555	118,186	1,416,961
Loss for the year	-	-	-	(22,213)	(22,213)
Other comprehensive (expense) for the year	-	-	-	-	-
Total comprehensive (expense) for the year	-	-	-	(22,213)	(22,213)
Total transactions with owners, recognised directly in equity					
Balance as at 31 December 2018	3	1,258,217	40,555	95,973	1,394,748
Balance as at 1 January 2019	3	1,258,217	40,555	95,973	1,394,748
Loss for the year	-	-	-	(6,888)	(6,888)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive (expense) for the year	-	-	-	(6,888)	(6,888)
Total transactions with owners, recognised directly in equity	-	-	-	-	-
Balance as at 31 December 2019	3	1,258,217	40,555	89,085	1,387,860

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

1. Principal accounting policies

Syngenta Holdings Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK. Its registered number is 3971335 and registered address is Jealott's Hill, International Research Centre, Bracknell, Berkshire RG42 6EY.

These financial statements were prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is US dollars. All amounts in the financial statements have been rounded to the nearest \$1,000.

Exemption to not prepare group accounts

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Exemptions for qualifying entities under FRS 102

Syngenta AG, an intermediate parent undertaking includes the Company in its consolidated financial statements. The consolidated financial statements of Syngenta AG are prepared in accordance with International Financial Reporting Standards and are available to the public from the address provided in note 11. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of Syngenta AG include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements are discussed in note 13.

The company has taken advantage of the exemption available to wholly owned subsidiaries under FRS 102 33.1A not to disclose transactions with other wholly owned group companies.

Measurement convention

The financial statements are prepared on the historical cost basis.

Fixed asset investments

Investments in subsidiary undertakings are carried in the balance sheet at cost less any accumulated impairment losses. Investments acquired by means of dividends in specie are included in the balance sheet at the fair value of the businesses acquired.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (continued)

Fixed asset investments (continued)

Investments in subsidiaries are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an investment exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Dividends

Dividends are recognised as a liability when they are declared. Dividend income from a subsidiary is recognised when the dividend is declared by the controlled entity and the company's right to receive the dividend is established.

Foreign currencies

Transactions denominated in foreign currencies are translated into US dollars at the foreign currency rate ruling at the date of transaction. Monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Exchange differences on foreign currency borrowings and deposits are presented within net interest payable.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax or to receive more tax.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Going Concern

After making an assessment of the company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. An affiliate has provided a letter of support covering the period for the next 12 months from the date on which the financial statements of the Company for the year ended 31 December 2019 were approved by its Board of Directors. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (continued)

2. Directors' emoluments

A Johnson, A Conn and K Elce performed negligible qualifying services for the company and therefore did not receive any remuneration in respect of these services from the company.

3. Net interest payable

	2019	2018
	\$'000	\$'000
Interest receivable and similar income		
On loans to group undertakings	385	666
	385	666
Interest payable and similar charges		
On loans from group undertakings	(50,802)	(43,136)
Exchange gains / (losses)	1,038	(51)
	(49,764)	(43,187)
Net interest payable	(49,379)	(42,521)

4. Expenses and auditor's remuneration

Auditor's remuneration of \$6k (2018: \$6k) was borne by an affiliated company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (continued)

5. Taxation

(a) Analysis of tax charge in the year

	2019	2018
	\$'000	\$'000
UK corporation tax		
Current year charge	-	-
Adjustment in respect of previous years	56	56
Total current tax	56	56
Deferred tax	-	-
Tax on loss	56	56

(b) Factors affecting the tax credit for the current year

The current tax charge for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%). The differences are explained below:

	2019	2018
	\$'000	\$'000
Loss before tax	(6,832)	(22,157)
Notional charge at UK corporation tax rate of 19.0% (2018: 19.0%)	(1,298)	(4,210)
Effects of:		
Dividends not taxable	(8,084)	(5,207)
Group relief surrendered for \$nil consideration	2,011	590
Interest restriction	-	4,255
Losses not utilised	7,371	3,234
Provision in respect of uncertain tax position	56	56
Impairment non-(taxable) / deductible	-	1,338
Total current tax charge	56	56

Where losses are incurred in the current and prior year they are used by other UK Group companies to reduce taxable profits. Losses are surrendered for \$nil consideration.

The company has no deferred tax assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (continued)

6. Investments in subsidiaries

	2019	2018
	\$'000	\$'000
Shares in group undertakings		
Cost		
Opening balance	2,278,966	2,278,966
Disposal	-	-
At 31 December	2,278,966	2,278,996
Provision for impairment		
Opening balance	(33,086)	(26,046)
Provided during the year	-	(7,040)
At 31 December	(33,086)	(33,086)
Net book value at 31 December	2,245,910	2,245,910

The impairment of \$7,040k made in 2018 was recognised in respect of the company's investment in Syngenta Seeds Limited following a reduction in this company's net assets after the payment of a dividend.

The company has the following investments in subsidiaries:

Name of undertaking	Aggregate capital and reserves £'000	Profit or (loss) for the year £'000	Description of shares held	Ownership 2019 and 2018
Syngenta Seeds Limited	3,452	118	50 pence ordinary	100%
Syngenta UK Limited	14,155	3,202	£1 ordinary	100%
Syngenta Grimsby Limited	1,311	(1,692)	£1 ordinary	100%
Syngenta Limited	451,000	110,000	£1 ordinary	100%

The registered addresses for the subsidiaries are as follows:

Syngenta Seeds, Jealott's Hill International Research Centre, Bracknell, Berkshire RG42 6EY

Syngenta UK Limited, CPC 4, Capital Park, Fulbourn, Cambridge CB21 5XE

Syngenta Grimsby Limited, Jealott's Hill International Research Centre, Bracknell, Berkshire RG42 6EY

Syngenta Limited, Jealott's Hill International Research Centre, Bracknell, Berkshire RG42 6EY.

7. Debtors

	2019	2018
	\$'000	\$'000
Amounts falling due within one year		
Amounts owed by group undertakings	54,453	53,980
	54,453	53,980

The amount above relates to a deposit with Syngenta Treasury N.V. The deposit has no fixed amount or repayment date and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (continued)

8. Creditors

	2019	2018
	\$'000	\$'000
Amounts falling within one year		
Corporation tax	2,789	2,733
Amounts owed to group undertakings	47,714	40,409
	50,503	43,142

HMRC have opened enquiries into Syngenta Holdings Limited for the years from 2011 to 2017 and it is anticipated that enquiries will be opened into 2018 and 2019. As Syngenta Bioline Limited and Syngenta Bioline Production Limited claimed group relief from Syngenta Holdings Limited, if the outcome of the enquiry impacts the losses available for surrender, additional tax could be payable by Syngenta Bioline Limited and Syngenta Bioline Production Limited. Any tax in respect of these liabilities will be Syngenta Holdings Limited's responsibility under the terms of the sale and purchase agreement.

At 31 December 2019 the Company's balance sheet includes a liability of \$2.8m (2018: \$2.7m) in respect of this uncertain tax position.

In the directors' opinion based on their current knowledge, Syngenta's tax provisions are adequate to cover Syngenta's potential tax cost.

The amounts owed to group undertakings are for interest on the balance explained in note 9.

9. Creditors

	2019	2018
	\$'000	\$'000
Amounts falling due after more than one year		
Amounts owed to group undertakings	862,000	862,000
	862,000	862,000

The above comprises a loan note of \$862,000k (2018: \$862,000k) which is repayable on 26 January 2021. Interest is payable annually based on the 12 months USD LIBOR rate plus 2.87%.

10. Called up share capital

	2019	2018
	\$'000	\$'000
Allotted and called up but not paid:		
100 ordinary shares of £1 each	-	-
35 'A' ordinary shares of £1 each	-	-
2,751 'B' ordinary shares of \$1 each	3	3
	3	3

All the share categories rank pari passu in all respects.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (continued)

11. Intermediate and ultimate holding company

The company is a subsidiary undertaking of Syngenta Alpha BV incorporated in the Netherlands and whose address is Houtzaagmolen 101-102, PO Box 4202, 2980 GE Ridderkerk, Netherlands.

The ultimate parent company at 31 December 2019 was China National Chemical Corporation (ChemChina) whose address is 62 Beisihuan Xilu, Haidian District, Beijing 100080, People's Republic of China.

Syngenta AG, a company incorporated in Switzerland is the parent of the smallest group for which consolidated financial statements including the results of Syngenta Holdings Limited were prepared. Copies of the group consolidated financial statements can be obtained from Syngenta AG, Rosentalstrasse 67, 4058 Basel, Switzerland.

12. Commitments and contingent liabilities

The company provided a letter of financial support in November 2020 to Syngenta Grimsby Limited (a directly owned subsidiary) for a period of no less than 12 months from the date of signing their 2019 financial statements.

13. Accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may be different by definition to the related actual results.

The accounting estimates which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

- a) the timing and amount of cash outflows in relation to an uncertain corporation tax provision. See note 8.
- b) the valuation of the investment in one subsidiary, Syngenta Limited ("SL"). The main uncertainties in relation to the valuation of Syngenta Ltd are the futures sales of the Syngenta AG group which will determine SL's future royalty income. The key assumptions used that could result in a material adjustment to the carrying amounts of the investment within the next financial year are revised group sales forecasts for those products which result in royalty income for the company.