

**SYNGENTA UK LIMITED**

**Annual Report and Financial Statements**

For the year ended 31 December 2019

**Registered number: 849037**



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

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**COMPANY SUMMARY INFORMATION**

**Directors**

J Halstead (appointed 17 January 2020)  
G Hall (appointed 17 January 2020)  
A Johnson  
G Mills-Thomas (resigned 17 January 2020)  
A Abbott (resigned 17 January 2020)

**Secretary**

M D Bayliss

**Registered Office**

CPC 4  
Capital Park  
Fulbourn  
Cambridge  
CB21 5XE

**Auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

## STRATEGIC REPORT for the year ended 31 December 2019

**Principal activities**

The principal activity of the Company is the sale and marketing of crop protection products, seeds and young plants. In addition, the Company performs contract research and development activities on behalf of other Syngenta affiliates.

**Review of business**

The Company's key financial and other performance indicators during the year were as follows:

	2019 £'000	2018 £'000	Change %
Turnover	143,200	134,345	7%
Operating profit	3,877	4,330	(10)%
Shareholders' funds	13,896	14,155	(2)%

Overall Turnover increased by £8,855k in 2019 compared to 2018 which was mainly due to an increase in turnover for cereals seed. Operating profit of £3,877k was £453k less than what was achieved in 2018, which was primarily due to a decline in gross profit margins.

Shareholders' funds decreased by £259k as a result of a dividend being paid of £3,000k which exceeded the profit after tax for the year of £2,741k.

**Principal risks and uncertainties**

The principal risks and uncertainties the business faces revolve around:

- World commodity pricing which impacts local grower profitability and the crop acreage sown and spend on input.
- Local weather patterns which affect crop acreage sown and the levels and mix of pest.
- The UK agribusiness market which is highly competitive and technology driven. The Company constantly strives to bring innovative products to the market place and in doing so complies with an increasingly onerous legislative and registration framework.
- There is the potential for credit risk attached to the business having a large percentage of its turnover earned in the spring. However, the majority of the customer base in value terms is with distributors rather than end users and a high proportion of all sales to distributors are collected by Direct Debit. The Company also participates in a group insurance scheme to protect its risk of debtor collection.
- From the perspective of the Company, the other financial risks are integrated with the financial risks of the group and are not managed separately. Accordingly, the financial risks of Syngenta AG, which include those of the Company, are discussed in the consolidated financial statements of the group which are available from the address given in Note 19.

**STRATEGIC REPORT for the year ended 31 December 2019 (continued)**

**Principal risks and uncertainties (continued)**

The directors have considered the effect of Brexit on the Company's operations particularly in relation to adopting the going concern basis in preparing the financial statements. The Company's operations are located in the UK with sales made almost entirely to the domestic market. Some products are purchased from outside the UK for sale into the UK market and hence there are potential risks for which certain mitigating actions have been taken such as building up stocks. Taking into account the circumstances of the Company, the board of directors does not expect Brexit to significantly impact on the Company's ability to continue in operational existence for the foreseeable future.

The directors have considered the effect of COVID19 on the Company's operations particularly in relation to adopting the going concern basis in preparing the financial statements. Syngenta 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. Taking into account the circumstances of the Company and the wider Syngenta Group, the board of directors does not expect COVID19 to have a significant impact on the Company.

**Section 172 statement**

This section 172 statement which is reported for the first time explains how the directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and others and the effect of that, including on the principal decisions taken by the company during the financial year.

The s172 statement focuses on matters of strategic importance to the Company and the level of information disclosed is consistent with the size and complexity of the business.

*S172a) The likely consequences of any decision in the long term*

Syngenta AG Group's purpose is to bring plant potential to life and it invests and innovates to transform the way crops are grown and protected, bringing about positive, lasting change in agriculture. Through innovative technologies Syngenta helps farmers worldwide manage a complex set of challenges from nature, ensure food security and balance agricultural production against environmental considerations and meet societal demands. The approach is to ensure that everybody wins: that farmers are prosperous, agriculture becomes more sustainable, and consumers have safe, healthy and nutritious food.

The Company supports Syngenta AG Group through its commercial team which provide growers with a wide range of products to help protect their crops from pests, weeds and diseases. In addition, the Company has two seeds breeding sites which provide growers with a range of field and vegetable crops which meet the continuing needs for improvements in yield, agronomic traits and end user acceptance.

Syngenta AG Group's ambition is to provide enough, better food while protecting the environment. The Good Growth Plan was launched in 2013 and set a number of targets in regard to improved performance of crops; better environmental outcomes; and safeguarding safety of customers and employees worldwide. The first iteration of the Good Growth Plan completed in 2020 and was independently audited. Overall, all metrics were met and in a number of instances exceeded.

New Good Growth Plan commitments were launched in June 2020. These new targets focus on reducing climate change and improving biodiversity through actions on farms. Over this new five year plan Syngenta Group aims to play its part in reducing agriculture's carbon footprint and helping farmers deal with the extreme weather patterns caused by climate change. Our new commitments include targets to reduce greenhouse emissions from our own operations.

**Section 172 statement (continued)**

*s172 b) The interests of the Company's employees*

Our employees tell us they are proud to work for a Company with the ambition to provide enough, better food while protecting the environment to enable the food chain to feed the world safely and take care of our planet. We invest in the development of our people and we continue to build a diverse and inclusive culture where people feel they can be the best version of themselves.

Health, Safety and Ethics discussions are encouraged in all forums. We have a range of leadership development and individual development programs at all levels within the business and employees are encouraged to proactively drive their own development. Our culture is one of trust and openness.

The Company, either individually or as part of wider Syngenta AG Group activities, regularly engages with its employees via a number of routes and forums. A comprehensive structure of consultation forums are maintained across the Company, and its associated sites and functions, involving union and employee representatives, with one of the Company's directors attending the UK level forum. In addition to this, there are regular communications with all employees regarding:

- Syngenta AG Group and Company performance (culminating in annual bonus payments to employees through a profit share plan and performance related bonuses); and
- other matters that involve employees where we have an inclusive culture which is continuously being developed to ensure open communication through a number of routes, such as in-house intranet, "town hall" meetings, e-mails and online surveys.

*s172 c) foster the Company's business relationships with suppliers, customers and others.*

The Company fosters relationships with its customers using a mindset of customer experience as its primary compass. We employ a number of core principles including focusing on the long term, demonstrating expertise, and being consultative as the foundation to our customer relationships. We value all types of customers ranging from national distribution companies to small family businesses. For our arable inputs business we offer direct support for growers and independent agronomists via a national sales force.

The Company's customers also included other Syngenta companies, most notably in relation to the provision of R&D services from its seeds breeding sites.

The Company works with many external suppliers primarily in the UK and overseas. Clear policies guide all Syngenta's procurement activities. We share our standards and principles with our suppliers and expect them to live up to them when they are working with us. In addition, our minimum requirements for suppliers focus on fair labour practices with special reference to illegal, forced, bonded and compulsory labour. This document forms an integral and binding part of our contractual relationships with our suppliers.

We take a proactive approach by resourcing directly a number of national industry organisations such as the British Society of Plant Breeders, Crop Protection Association and Association of Independent Crop Consultants.

*s172 d) the impact of the Company's operations on the community and the environment*

As described above in relation to s172a) Syngenta AG Group's ambition is to provide enough, better food while protecting the environment and has made a number of commitments in its Good Growth Plan.

In the UK we undertake a multitude of initiatives which contribute to the group ambition:

- We develop all our crop protection products to the highest performance, safety and environmental standards and adhere to all legislation applicable in the UK governing the safe and effective use of pesticides.

STRATEGIC REPORT for the year ended 31 December 2019 (continued)

Section 172 statement (continued)

- We provide expert application and safety advice to our customers and farmers:
  - We have developed a range of spray drift reducing nozzles.
  - We provide safety and stewardship campaigns direct to growers.
  - We are a driving force for industry collaborations to reduce spray operator exposure to chemicals.
  - We develop digital agronomy tools to help ensure that only the right amount of product, at the right time and in the right place is applied.
- We have invested in environmental initiatives aimed specifically at understanding the impact of farm practices on soil health, biodiversity and carbon footprint.
- We have developed seed mixtures that are specifically designed to aid pollinating.

*s172 e) the desirability of the Company maintaining a reputation like standards of Business Conduct*

The Company's stakeholders must have confidence in the Company for our business to remain successful. We can only maintain their trust if we act – and are seen to act – in accordance with the highest standards of ethics and integrity. Syngenta's Code of Conduct is a key part of our compliance framework. It demonstrates our commitment to build and maintain trust in Syngenta and to integrate our business, social and environmental responsibilities into everything we do. It has been adopted by the Board of Directors and is an integral part of daily business life. Every Syngenta employee receives a copy of the Code of Conduct, receives training and is expected to know, understand and apply it without exception.

In addition, during the year the directors approved a statement on modern slavery and its tax strategy both of which are published on [Syngenta.co.uk](http://Syngenta.co.uk).

*section 172f) the need to act fairly as between members of the Company*

The Company's shares are 100% owned by Syngenta Holdings Limited.

By order of the board



A D Johnson  
Director

Date: 11 December 2020

**DIRECTORS' REPORT for the year ended 31 December 2019**

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

**Results and dividends**

The profit and loss account for the financial year is set out on page 11.

A dividend of £3,000k was declared and settled during the year (2018: £nil).

**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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Directors**

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

**Business Relationships with customers, suppliers and others**

This is described in the Strategic Report.

**Disclosure of information to the Auditor**

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of the auditor's report of which the Company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



A D Johnson  
Director

Date: 11 December 2020



**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 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 UK LIMITED**

**Opinion**

We have audited the financial statements of Syngenta UK Limited ("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 UK 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](http://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

14 December 2020

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

	Note	2019 £'000	2018 £'000
<b>Turnover</b>	2	143,200	134,345
Cost of sales		(110,377)	(101,202)
<b>Gross Profit</b>		32,823	33,143
Net operating expenses	3	(28,946)	(28,813)
<b>Operating Profit</b>		3,877	4,330
Net interest payable	6	(436)	(157)
<b>Profit before taxation</b>	7	3,441	4,173
Tax on profit on ordinary activities	8	(700)	(971)
<b>Profit and total comprehensive income for the year</b>		2,741	3,202

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

**BALANCE SHEET**  
 as at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Intangible fixed assets	9	250	500
Tangible fixed assets	10	5,179	4,281
		<b>5,429</b>	<b>4,781</b>
<b>Current assets</b>			
Stock	11	21,494	12,994
Debtors	12	48,739	57,390
Cash		-	106
		<b>70,233</b>	<b>70,490</b>
<b>Creditors: amounts falling due within one year</b>	13	(61,337)	(60,772)
<b>Net current assets</b>		<b>8,896</b>	<b>9,718</b>
<b>Total assets less current liabilities</b>		<b>14,325</b>	<b>14,499</b>
Provisions for liabilities	15	(429)	(344)
<b>Net assets</b>		<b>13,896</b>	<b>14,155</b>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account		13,895	14,154
<b>Shareholders' funds</b>		<b>13,896</b>	<b>14,155</b>

The financial statements on pages 11 to 27 were approved by the board of directors and were signed on their behalf on 11 December 2020 by:



A D Johnson  
Director

## STATEMENT OF CHANGES IN EQUITY

	Called –up share capital £'000	Retained earnings £'000	Total £'000
<b>Balance as at 1 January 2018</b>	<b>1</b>	<b>10,952</b>	<b>10,953</b>
Profit for the year	-	3,202	3,202
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>3,202</b>	<b>3,202</b>
Dividends			
Total transactions with owners recognised directly in equity	-	-	-
<b>Balance as at 1 January 2019</b>	<b>1</b>	<b>14,154</b>	<b>14,155</b>
Profit for the year	-	2,741	2,741
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,741</b>	<b>2,741</b>
Dividends	-	(3,000)	(3,000)
Total transactions with owners, recognised directly in equity	-	(3,000)	(3,000)
<b>Balance as at 31 December 2019</b>	<b>1</b>	<b>13,895</b>	<b>13,896</b>

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

**1.Principal accounting policies**

Syngenta UK Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK. Its registered number is 849037 and registered address is CPC4, Capital Park, Fulbourn, Cambridge, CB21 5XE

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 sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

**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 19. 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 disclosures:

- 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; and
- Certain disclosures required by FRS 102.26 Share Based Payments.

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 20.

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

**Measurement convention**

The financial statements are prepared on the historical cost basis.

**Foreign currency**

The Company's functional currency is the pound sterling. Transactions denominated in foreign currencies are recorded in the local currency at actual or average exchange rates where these approximate the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the exchange rate prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

**Turnover**

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied, less sales and customer loyalty rebates. Turnover 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 despatch of the goods.

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

1. Principal accounting policies (continued)

**Operating leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

**Research and Development**

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

**Goodwill**

Goodwill is stated at cost less any accumulated amortisation and impairment losses. Goodwill is amortised on a straight line basis over its useful life and has no residual value. The finite useful life of goodwill is estimated to be 20 years based on historical experience.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill may be impaired.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets as follows:

Freehold land and buildings	5 - 40 years
Plant and equipment	3 - 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

**Stock**

Stock is stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials and consumables - standard purchase cost.
- Finished goods and goods for resale - standard purchase cost plus attributable third party costs

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow-moving or defective stocks.



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

**1. Principal accounting policies (continued)**

**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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The directors have considered the effect of COVID19 on the Company. Syngenta Group operates in the agricultural industry and in most countries around the world, the agriculture industry is designated as essential, allowing businesses such as Syngenta to continue to operate almost as usual. Taking into account the circumstances of the Company and the wider Syngenta Group, the board of directors does not expect COVID19 to have a significant impact on the Company.

**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.

**Provisions**

Provisions are made for liabilities of the Company where there is a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**1. Principal accounting policies (continued)****Defined Benefit Pensions**

The Company participates in the Syngenta UK Pension Fund, which has a defined benefit section. Several Syngenta companies participated in the plan. No contractual agreement nor stated policy for charging the net defined benefit cost of the plan between Syngenta companies exists and therefore the net defined benefit liability is recognised in the accounts of Syngenta Limited, the entity legally responsible for the defined benefit plan. The Company recognises a cost equal to its contributions payable for the period.

**Defined contribution plans**

Obligations for contributions to defined contribution schemes are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

**2. Segment information**

Turnover by geographical area, all of which was derived from the principal activity, was as follows:

	2019 £'000	2018 £'000
<b>Crop Protection Products</b>		
- United Kingdom	93,555	89,402
<b>Seeds and Young Plants</b>		
- United Kingdom	49,114	44,207
- Rest of Europe	531	736
	<b>49,645</b>	<b>44,943</b>
<b>Total Turnover</b>	<b>143,200</b>	<b>134,345</b>

**3. Net operating expenses**

	2019 £'000	2018 £'000
Marketing, Sales and Distribution costs	19,900	18,667
Administrative expenses	8,429	9,775
Research and Development expenses	8,196	8,386
Other operating income	(7,579)	(8,015)
	<b>28,946</b>	<b>28,813</b>

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

## 4. Directors' emoluments

The total emoluments paid to directors of the Company in the year for qualifying services, net of pension contributions, were £248k (2018: £266k). Company contributions to money purchase pension scheme were £2k (2018: £3k).

The emoluments, net of pension contributions, of the highest paid director, were £176k (2018: £175k). The accrued retirement benefit of the highest paid director at 31 December 2019 was £70k (2018: £68k).

	2019	2018
	Number	Number
Number of directors who received shares in respect of qualifying service	-	-
Number of directors who exercised share options in respect of qualifying service	-	-
Number of directors accruing benefits under defined benefit scheme	2	2

## 5. Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was as follows.

	2019	2018
	Number	Number
<b>By activity</b>		
Distribution	13	13
Sales and marketing	108	103
Research and Development	64	67
Administration	1	3
	<b>186</b>	<b>186</b>

Employee costs during the year for the above persons amounted to:

	2019	2018
	£'000	£'000
Wages and salaries	11,086	10,402
Social security costs	1,368	1,395
Pension costs (see note 14)	3,532	5,535
Education, training and welfare and other employee costs	689	447
	<b>16,675</b>	<b>17,779</b>

Included with employee costs in 2019 are restructuring related costs of £439k (2018: £173k).

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

## 6. Net interest payable

	2019 £'000	2018 £'000
Interest payable to group companies	133	264
Interest receivable from group companies	(88)	(99)
Exchange losses / (gains) and other charges	391	(8)
	<b>436</b>	<b>157</b>

## 7. Expenses and auditor's remuneration

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation is stated after charging:		
Restructuring costs	439	173
Auditor's remuneration:		
- Audit of these financial statements	65	65
- Other	-	-
Operating lease rentals:		
- Land & buildings	1,177	1,061
- Plant and machinery	5	17
- Motor vehicles	745	750

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

## 8. Taxation

## (a) Analysis of tax charge in the year

	2019 £'000	2018 £'000
<b>Corporation tax</b>		
Current year charge	428	401
Adjustment in respect of uncertain tax position	244	656
Adjustment in respect of previous years	(33)	-
<b>Total corporation tax charge</b>	<b>639</b>	<b>1,057</b>
Current year deferred tax charge	97	58
Adjustment in respect of previous years	(23)	(144)
Impact of change in tax rate	(13)	-
<b>Total deferred tax</b>	<b>61</b>	<b>(86)</b>
<b>Tax charge on profit on ordinary activities</b>	<b>700</b>	<b>971</b>

## (b) Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2018: higher) than the standard rate of corporation tax in the UK 19% (2018:19%). The differences are explained below:

	2019 £'000	2018 £'000
<b>Reconciliation of tax charge</b>		
Profit on ordinary activities before taxation	<b>3,441</b>	<b>4,173</b>
Notional charge at UK corporation tax rate at 19% (2018: 19%)	654	793
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	106	76
Group relief claimed for £nil consideration	(235)	(410)
Adjustment in respect of previous years	(56)	(144)
Change in UK tax rate	(13)	-
Adjustment in respect of uncertain tax position	244	656
<b>Total tax charge (see note 8(a))</b>	<b>700</b>	<b>971</b>

Where losses are incurred they are used by other UK Group companies to reduce profits. Losses are surrendered for £nil consideration.

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

## 8. Taxation (continued)

## (c) Deferred Taxation

The amount of deferred tax provided in the financial statements is analysed as follows:

	2019 £'000	2018 £'000
Difference between accumulated depreciation and capital allowances	(8)	(138)
Other timing differences	(121)	(40)
Timing difference on pension contributions	-	(12)
<b>Deferred tax (asset)</b>	<b>(129)</b>	<b>(190)</b>

A reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. However, the reversal of this reduction was announced in the Budget on 11 March 2020. Therefore, the applicable UK corporation tax rate remains at 19% (effective from 1 April 2020). This was substantially enacted on 17 March 2020. The deferred tax asset at 31 December 2019 has been calculated based on these rates.

## 9. Intangible fixed assets

	Goodwill £'000
<b>Cost</b>	
<b>At 1 January 2019 and 31 December 2019</b>	<b>5,000</b>
<b>Amortisation</b>	
At 1 January 2019	4,500
Charge for the year	250
<b>At 31 December 2019</b>	<b>4,750</b>
<b>Net book value at 31 December 2019</b>	<b>250</b>
Net book value at 31 December 2018	500

The goodwill relates to the acquisition of Zeneca Limited's UK Crop Protection business in January 2001 and is being amortised over 20 years, being the directors' best estimate of its useful economic life.

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

## 10. Tangible fixed assets

	Land and buildings £'000	Property plant and equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2019	3,206	6,071	9,277
Additions	190	1,250	1,440
Disposals	(12)	(39)	(51)
<b>At 31 December 2019</b>	<b>3,384</b>	<b>7,282</b>	<b>10,666</b>
<b>Depreciation</b>			
At 1 January 2019	1,250	3,746	4,996
Charge for the year	134	402	536
Disposals	(12)	(33)	(45)
<b>At 31 December 2019</b>	<b>1,372</b>	<b>4,115</b>	<b>5,487</b>
<b>Net book value at 31 December 2019</b>	<b>2,012</b>	<b>3,167</b>	<b>5,179</b>
Net book value at 31 December 2018	1,956	2,325	4,281

The land included above is freehold. All tangible fixed assets are carried at cost.

## 11. Stock

	2019 £'000	2018 £'000
Raw materials and consumables	-	-
Finished goods and goods for resale	21,494	12,994
	<b>21,494</b>	<b>12,994</b>

Raw materials, consumables and changes in finished goods and goods for resale recognised as cost of sales in the year amounted to £108,426k (2018: £101,202k).

## 12. Debtors – amounts falling due within one year

	2019 £'000	2018 £'000
Trade debtors	17,959	15,515
Amounts owed by group undertakings	23,506	37,942
Other debtors	7,122	3,717
Deferred tax asset (see note 8)	129	190
Prepayments and accrued income	23	26
	<b>48,739</b>	<b>57,390</b>

A deposit agreement is in place with Syngenta Treasury N.V. The facility has no fixed amount or repayment date and is repayable on demand. At 31 December 2019 there was an amount deposited by the Company of £12,941k (2018: £27,042k) on which interest is receivable at a rate linked to LIBOR.

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

**13. Creditors: amounts falling due within one year**

	2019 £'000	2018 £'000
Overdraft	158	12
Trade creditors	4,611	2,437
Amounts owed to group undertakings	28,960	30,216
Corporate Tax	6,604	6,333
Accruals and deferred income	21,004	21,774
	<b>61,337</b>	<b>60,772</b>

Amounts owed to group undertakings above include a loan of £7k (2018: £180k) from Syngenta Treasury N.V. on which interest is payable at a rate linked to 1 month LIBOR and which can be repaid at any time and the lender may terminate at any time with a notice period of 30 days.

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 UK 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 UK Limited. The main uncertainty surrounding the enquiry is the timing and the amount of the outflows where there is a wide range of possible outcomes. These will be determined based on the outcome of discussions surrounding the enquiry.

At 31 December 2019 the Company's balance sheet includes a liability of £6.2m 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.

**14. Pensions**

Syngenta UK Limited participates in two schemes, the Syngenta UK Pension Fund (SUKPF) and the Syngenta Group Personal Pension plan (GPP). The SUKPF is a funded pension scheme which is administered by a separate Trustee and covers the majority of employees in either a defined contribution section (where the level of company contribution is fixed at a percentage of employees' pay) or a defined benefit section (where the benefits are based on employees' years of service and final pensionable pay). The pension contributions are determined with the advice of an independent qualified actuary. The SUKPF Fund covered several Syngenta companies. The GPP is a defined contribution pension scheme which commenced in September 2013 for all new employees.

Several Syngenta companies participated in the SUKPF. No contractual agreement nor stated policy for charging the net defined benefit cost of the plan between Syngenta UK companies exists and therefore the net defined benefit liability is recognised in the accounts of Syngenta Limited, the entity legally responsible for the defined benefit plan.

The total pension cost recognised by the Company was £3,532k (2018: £5,535k), representing the Company's contributions payable for 2019 for both the SUKPF and the GPP.

The following disclosures represent the amounts recorded within Syngenta Limited as the company with legal responsible for scheme and are for the scheme as a whole.



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

## 14. Pensions (continued)

## Syngenta UK pension fund defined benefit disclosures

The following disclosures represent the amounts recorded within Syngenta Limited as the company with legal responsible for scheme and are for the scheme as a whole.

In recent years, in line with most other pension funds, the SUKPF has been affected by the impact of low interest rates, the price of annuities and increased life expectancy and turmoil in the financial markets. A new funding agreement was signed in 2017 which covers the period to 31st March 2024 whereby it was agreed that annual deficit payments of £27m p.a would be paid with additional payments of £46m in January 2018 and £30.7m no later than 31 December 2020.

A UK High Court judgment was issued on 26 October 2018 relating to Guaranteed Minimum Pensions ('GMP'). The ruling requires the equalisation of member benefits earned between 1990 and 1997 to address gender inequality in instances where GMP benefits are currently unequal. A provision has been made for the estimated financial impact of this ruling on the SUKPF and a past service cost of £18m was recognised in the year ended 31 December 2018. Further work will be carried out with the Trustee to determine the exact impact.

The following disclosures are required under FRS 102 for the defined benefits section of SUKPF. The amounts detailed below have been calculated by an independent qualified actuary based on the most recent full actuarial valuation of the plan, updated to 31 December 2019 and refer to the SUKPF as a whole.

The defined benefit section of the SUKPF has been closed to new entrants since 5 April 2002 and therefore the net pension cost is expected to increase when expressed as a percentage of the remaining members' pensionable salaries. The total net pension cost will reduce over time as membership of the defined benefit section reduces. The Company amended the benefits so that pensionable pay was frozen at January 1, 2016 levels. The defined benefit fund remains open to existing members, and pay increases after January 1, 2016 which are not part of defined benefit pensionable pay will be pensionable under the Syngenta AG Group Personal Pension (GPP), a defined contribution plan, for those who choose to join.

The key assumptions used for determining the past service financial position at 31 December 2019 under FRS 102 were long-term UK price inflation of 2.99% (2018: 3.23%), a discount rate of 1.99% (2018: 2.8%), and future increases in pensions of 2.99% (2018: 3.23%) and pensionable salary increases of nil% (2018: nil%).

The movements in the defined benefit obligation for all Syngenta companies which participate in the SUKPF during the year were:

	2019	2018
	£'m	£'m
Obligation at start of the year	1,987	2,207
Current service cost	13	19
Interest cost	56	52
Past service cost	-	18
Actuarial losses / (gains)	151	(153)
Benefits paid	(106)	(156)
<b>Obligation at end of the year</b>	<b>2,101</b>	<b>1,987</b>

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

## 14. Pensions (continued)

The movements in scheme assets for all Syngenta companies which participate in the SUKPF during the year were:

	2019 £'m	2018 £'m
At start of the year	1,985	2,040
Expected return on scheme assets	55	49
Actuarial gains / (losses)	58	(43)
Contributions paid by Syngenta companies	45	93
Contributions by scheme participants	2	2
Benefits paid	(106)	(156)
<b>At end of the year</b>	<b>2,039</b>	<b>1,985</b>

The amounts to be charged / (credited) to the profit and loss of all Syngenta companies which participate in the SUKPF during the year were:

	2019 £'m	2018 £'m
Current service cost net of contributions by scheme participants	11	17
Past service cost	-	18
Net interest on net defined benefit liabilities	1	3
<b>Total pensions expense</b>	<b>12</b>	<b>38</b>

The components of the total net pension liability which are recognised on the balance sheet of the Syngenta Limited, being the entity which is legally responsible for the plan, were as follows:

	2019 £'m	2018 £'m
Defined benefit obligation	(2,101)	(1,987)
Plan assets	2,039	1,985
Asset ceiling limit recognised in other comprehensive income	(21)	(57)
<b>Net pension liability</b>	<b>(83)</b>	<b>(59)</b>

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

## 14. Pensions (continued)

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

	2019 £'m	2019 % of total scheme assets	2018 £'m	2018 % of total scheme assets
Equity instruments	214	10%	398	20%
Debt instruments	733	36%	755	38%
Other assets	1,092	54%	832	42%
<b>Total scheme assets</b>	<b>2,039</b>		<b>1,985</b>	

The expected return on scheme assets for the year 2019 was 2.8% (2018: 2.38%). This assumption was made at the beginning of the accounting period.

## 15. Provisions for liabilities

	Employee incentive plans £'000	Post retirement healthcare costs £'000	Restructuring Costs £'000	Total £'000
<b>At 1 January 2019</b>	<b>117</b>	<b>82</b>	<b>145</b>	<b>344</b>
Additional provisions made in the year	-	-	261	261
Amount released during the year	-	-	(24)	(24)
Utilised in the year	-	(10)	(142)	(152)
<b>At 31 December 2019</b>	<b>117</b>	<b>72</b>	<b>240</b>	<b>429</b>

## 16. Called up share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
500 ordinary shares of £1 each	<b>500</b>	<b>500</b>

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

**17. Commitments and contingent liabilities****(a) Capital commitments**

The Company had capital commitments of £1,803k (2018: £1,786k) at the year-end.

**(b) Financial commitments**

At 31 December the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	£'000	£'000
Within one year	834	966
Between one and five years	2,250	804
<b>Total</b>	<b>3,084</b>	<b>1,770</b>

Guarantees to HMRC have been provided by the Company relating to import duties, for which security has been given with a bank guarantee for an amount up to £3m at 31 December 2019 (2018: £3m).

**18. Dividends**

A dividend of £3m were declared and settled during the year (2018: £nil).

**19. Immediate and ultimate controlling company**

The immediate parent company is Syngenta Holdings Limited, incorporated in the UK. 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 UK Limited were prepared. Copies of the group consolidated financial statements can be obtained from Syngenta AG, Rosentalstrasse 67, 4058 Basel, Switzerland

**20. Accounting estimates and judgements**

No significant estimates and assumptions were made in the preparation of these financial statements other than the estimated timing and amount of cash outflows in relation to corporation tax. See note 13.