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DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Annual report and
financial statements

Year ended 31 December 2019

Registered number: 03823108

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Annual report and financial statements

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DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Director and other information

Director	S. Reeve (UK) *(appointed 15 August 2019)* D. Spence (UK) *(appointed 15 August 2019)* J. Decleene (USA) *(resigned 15 August 2019)*
Secretary	L. McSorley
Registered office	85 Fleet Street London EC4Y 1AE
Auditor	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Albert Quay Cork Ireland T12 X8N6
Bankers	Bank Of America London Branch 2, King Edward St. London EC1A 1HQ
Solicitors	RadcliffesLeBrasseur 85 Fleet Street London EC4Y 1AE
Registered number	03823108

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Strategic report

Principal activity and review of the business

The principal activities of the Company comprise the processing of alginate and other hydrocolloid based products. The Company acts as a tolling manufacturer for DuPont Nutrition Norge AS (formerly called FMC Biopolymer AS Norway), a fellow subsidiary undertaking. Turnover represents the invoice value of services provided plus a mark-up and excluding value added tax.

The profit for the year before taxation amounted to £313,000 (2018: Loss before taxation of £147,000). This performance is in line with the director's expectations.

Events after the balance sheet date

On 15 December 2019, IFF (NYSE: IFF) (Euronext Paris: IFF) (TASE: IFF) and DuPont (NYSE: DD) announced that they entered into a definitive agreement for the merger of IFF and DuPont's Nutrition & Biosciences (N&B) business in a Reverse Morris Trust transaction. The deal values the combined company at $45.4 billion on an enterprise value basis, reflecting a value of $26.2 billion for the N&B business based on IFF's share price as of 13 December 2019. Under the terms of the agreement, which has been unanimously approved by both Boards of Directors, DuPont shareholders will own 55.4% of the shares of the new company and existing IFF shareholders will own 44.6%. Upon completion of the transaction, DuPont will receive a one-time $7.3 billion special cash payment, subject to certain adjustments. DuPont Nutrition Manufacturing UK Limited forms part of DuPont's N&B business and is expected to be part of the merger, and this would give rise to a change in the company's ultimate parent undertaking. The parties expect to close the deal by the end of the first quarter 2021.

Subsequent to year-end, the COVID-19 coronavirus pandemic has spread across the globe. It is causing significant financial market, economic and social disturbance globally and in Ireland, including significant disruption to business and economic activity. This is a non-adjusting post balance sheet event for the company. Given the nature of the event, the ultimate extent of the effect on the company of the measures taken in Ireland and globally to contain the spread of COVID-19 cannot be determined or quantified at present. However, the directors have determined the company will be able to continue operating in this environment, albeit the scale of its operations could be impacted by these external factors. The directors will continue to monitor any significant adverse changes to cash flows, any adverse indicators in respect of the carrying value of assets and additional liabilities as a result of this pandemic, and take appropriate measures to address these matters, as required.

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The company has budgetary and financial reporting procedures, supported by key performance indicators, to manage credit, liquidity and other financial risk.

Cash flow risk
The global group has different hedging strategies to cover risk against exchange and currency rate fluctuations in all currencies in which assets and liabilities are held. This strategy works combining spot and forward foreign exchange deals in order to hedge the currency exposure from a consolidated level perspective. There is no specific hedging at an individual company level.

Credit risk
The company's principal financial assets are bank balances, trade and other receivables.

The credit risk is limited as the company has no outside customers as the company only provides services to other group companies.

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Strategic report - continued

Financial risk management - continued

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance from within the global group, as required.

Principal risks and uncertainties
The principal risks and uncertainties faced by the company are as follows:

- COVID-19 pandemic: The COVID-19 coronavirus pandemic is very likely to have lasting effects on the UK and global economies. The company continues to manage the impact of this crisis, however, the duration and final impact is still uncertain.
- Brexit – we continue to monitor the impact of the departure of the United Kingdom from the European Union on our business.
- Information security – we are investing in our IT systems to minimise the threat from cyber-attacks.
- Product safety – the safety of our products is of paramount importance and we monitor and invest in our operations to safeguard this.
- Credit risk – these risks are subject to credit control policies.
- Customer loss – we are focused on maintaining an ongoing successful commercial relationship with its key customers.
- Talent management – succession planning and talent management initiatives are implemented in respect of all senior management positions across the company.
- Operational disruption – the company has taken facility protection measures and has contingency plans in place working closely with our insurance providers, in the event of operational disruption.
- Laws and regulations: The company

Going concern

At the year end the company has maintained a net current asset position (current assets exceed current liabilities). The company meets its day-to-day working capital requirements through cash inflows from operating activities and intercompany financing, as required. The current economic conditions (caused by the COVID-19 coronavirus pandemic, which has emerged since the end of the financial year (as outlined below)), have created some uncertainty over the level of demand for the company's products. However, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current arrangements.

The directors, after making enquiries, have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

On behalf of the board

S. Reeve

S. Reeve
Director

3 June 2020

Financial risk management - continued

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance from within the global group, as required.

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On behalf of the board

S. Reen

S. Reeve
Director

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Directors' report

The director presents their report and financial statements for the year ended 31 December 2019.

Proposed dividend

The director does not recommend the payment of a dividend *(2018: £nil).*

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Research and development

The Company is not involved in research and development.

Directors and other information

The directors who held office during the year is disclosed on page 1.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on page 2.

UK 2015 Modern Slavery Act

In 2015 the UK Government published the Modern Slavery Act (MSA) which places a duty on companies to make a public statement on the steps to minimise the possibility that slavery or human trafficking is happening in their own business or in their supply chain. This statement can be found on the Company's website http://www.dupont.co.uk . The statement is accessed through a link at the bottom of the home page "DuPont in the UK adheres to Modern Slavery Act".

Independent auditor

PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, will continue as auditors in accordance with Section 487 of the Companies Act 2006.

On behalf of the board

S. Reeve

S. Reeve
Director

85 Fleet Street
London

3 June 2020

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

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On behalf of the board

S. Reeve

S. Reeve
Director

85 Fleet Street
London

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The director is responsible for preparing the strategic report, the directors' report of the Company and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the director 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 year. In preparing these financial statements, the director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

On behalf of the board

S. Ree

S. Reeve
Director

3 June 2020

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On behalf of the board

S. Reeve
Director

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Independent auditors' report to the members of DuPont Nutrition Manufacturing UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, DuPont Nutrition Manufacturing UK Limited's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the profit and loss account and other comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Declan Maunsell

Declan Maunsell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Cork, Ireland
3 June 2020

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Profit and loss account and other comprehensive income
for the year ended 31 December 2019

	Note	**2019** **£'000**	2018 £'000
Turnover	*2*	**4,743**	4,686
Cost of sales		**(3,493)**	(3,419)
Gross profit		**1,250**	1,267
Distribution costs		**(211)**	(211)
Administrative expenses	*3*	**(702)**	(1,300)
Other operating (expenses)/income	*4*	**(20)**	102
Operating gain/(loss)		**317**	(142)
Interest receivable and similar income	*5*	**-**	-
Interest payable and similar charges	*6*	**(4)**	(4)
Profit/(loss) before taxation		**313**	(146)
Tax on profit/(loss)	*9*	**(56)**	(83)
Profit/(loss) for the financial year		**257**	(229)

The Company had no gains or losses during the year other than those shown in the profit and loss account above.

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Balance sheet
as at 31 December 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	*10*		**5,790**		5,921
Total Non-current assets			**5,790**		5,921
Current assets					
Stocks	*11*	**159**		103	
Debtors	*12*	**723**		1,243	
Cash at bank and in hand		**712**		457	
		1,594		1,803	
Creditors: amounts falling due within one year	*13*	**(1,028)**		(1,604)	
Net current assets			**566**		199
Total assets less current liabilities			**6,356**		6,120
Creditors: amounts falling due after more than one year	*14*		**(158)**		(185)
Provisions for liabilities					
Deferred tax liabilities	*16*		**(116)**		(110)
Net assets			**6,082**		5,825
Capital and reserves					
Called up share capital	*17*		**15,136**		15,136
Share premium	*17,18*		**1,364**		1,364
Profit and loss account	*18*		**(10,418)**		(10,675)
Total equity			**6,082**		5,825

The accompanying notes on pages 12 to 25 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 3 June 2020 and were signed on its behalf by:

On behalf of the board

S. Reeve

S. Reeve
Director

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Balance sheet
as at 31 December 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	10		**5,790**		5,921
Total Non-current assets			**5,790**		5,921
Current assets					
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		1,594		1,803	
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Creditors: amounts falling due after more than one year	14		**(158)**		(185)
Provisions for liabilities					
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Net assets			**6,082**		5,825
Capital and reserves					
Called up share capital	17		**15,136**		15,136
Share premium	17,18		**1,364**		1,364
Profit and loss account	18		**(10,418)**		(10,675)
Total equity			**6,082**		5,825

The accompanying notes on pages 12 to 25 form an integral part of the financial statements.

These financial statements were approved by the board of directors on ______________ and were signed on its behalf by:

On behalf of the board

S. Reeve

S. Reeve
Director

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited)

Statement of changes in equity
for the year ended 31 December 2019

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2018	15,136	1,364	(10,446)	6,054
Loss for the financial year	-	-	(229)	(229)
Total comprehensive expense for the year	-	-	**(229)**	**(229)**
Balance at 31 December 2018	**15,136**	**1,364**	**(10,675)**	**5,825**

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2019	15,136	1,364	(10,675)	5,825
Profit for the financial year	-	-	257	257
Total comprehensive income for the year	-	-	**257**	**257**
Balance at 31 December 2019	**15,136**	**1,364**	**(10,418)**	**6,082**

1 Accounting policies

DuPont Nutrition Manufacturing UK Limited (formerly FMC BioPolymer UK Limited) is a private company incorporated, domiciled and registered in the UK. The registered number is 03823108 and the registered address is 85 Fleet Street, London.

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"). The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

At 31 December 2019, the ultimate parent undertaking and controlling party is DuPont de Nemours Inc. and is headquartered in Wilmington, Delaware, USA., which is the smallest and largest Company to consolidate these financial statements. In these statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has therefore taken the exemptions available under FRS 102 in respect of the following disclosure;

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Related party transactions;
- Cash flow statement and related notes; and
- Key management personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

In these financial statements the Company has not changed its accounting recognition and measurement policies.

1.1 Measurement conversion

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and liquidity and cash flow risk are described in the directors' report on page 2.

At the year end the company has maintained a net current asset position (current assets exceed current liabilities). The company meets its day-to-day working capital requirements through cash inflows from operating activities and intercompany financing, as required. The current economic conditions (caused by the COVID-19 coronavirus pandemic, which has emerged since the end of the financial year (as outlined below)), have created some uncertainty over the level of demand for the company's products. However, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current arrangements.

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 annual report and accounts.

1 Accounting policies *(continued)*

1.3 Foreign currency

The DuPont de Nemours group has different hedging strategies to cover risk against exchange and currency rate fluctuations in all currencies in which there are assets and liabilities. This strategy works combining spot and forward foreign exchange deals in order to hedge the currency exposure from a consolidated level perspective. There is no specific hedging at an individual company level.

The functional and presentation currency of these financial statements is pounds sterling. Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors/creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1 Accounting policies *(continued)*

1.5 Basic financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

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

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	-	5-25 years
Plant and machinery	-	3-15 years
Vehicles	-	4 years
Fixtures and fittings	-	3-15 years
Computer hardware	-	3 years

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

Expenditure on fixed assets which are in the course of construction is capitalised as the expenditure is incurred. The assets are depreciated from the date that they are available for use, irrespective of whether they are brought into use on that date. Assets no longer in use are fully impaired as appropriate.

1.7 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1 Accounting policies *(continued)*

1.9 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed 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. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits
Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1 Accounting policies *(continued)*

1.11 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.12 Turnover

The Company acts as a tolling manufacturer for DuPont Nutrition Norge AS (formerly called FMC Biopolymer AS Norway), a fellow subsidiary undertaking. Turnover represents the invoice value of services provided plus a mark-up and excluding value added tax. Invoices are raised monthly.

1.13 Expenses

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable
Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest payable and similar charges include interest payable on financial liabilities using the effective interest method and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.14 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, in which case it is 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.

1 Accounting policies *(continued)*

1.14 Taxation *(continued)*

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries. To the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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 is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.15 Corresponding amounts
Certain corresponding amounts have been adjusted so they are directly comparable with the amounts shown in respect of the current financial year.

2 Turnover

The geographical analysis of turnover by destination is as follows:

	2019	2018
	£'000	£'000
Europe	**4,743**	4,686

The analysis of turnover by activity is as follows:

	2019	2018
	£'000	£'000
Tolling fees	**4,743**	4,686

Notes *(continued)*
forming part of the financial statements

3 Administration expenses

	2019	2018
	£'000	£'000
Included in administrative expenses are the following:		
Operating lease charges (note 21)	**64**	69
Loss on disposal of assets	**113**	313
Auditors' remuneration:		
Audit of these financial statements	**18**	25

4 Other operating (expense)/income

	2019	2018
	£'000	£'000
Government grant income (note 15)	**28**	28
Foreign exchange (loss)/gain	**(48)**	74
	(20)	102

5 Interest receivable and similar income

	2019	2018
	£'000	£'000
Interest receivable from group undertakings	**-**	-

6 Interest payable and similar charges

	2019	2018
	£'000	£'000
Interest payable to group undertakings	**4**	4

Notes *(continued)*
forming part of the financial statements

7 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Production	**28**	26
Distribution	**4**	5
Administration	**34**	33
	66	64

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	**2,577**	2,651
Social security costs	**275**	265
Other pension costs (note 21)	**239**	140
	3,091	3,056

8 Remuneration of directors

In 2019, no remuneration was paid out to the directors and their services to the Company were incidental. (2018 £Nil).

The gain on exercise of share options was £Nil (2018 £Nil).

9 Tax on profit/(loss)

Total tax expense recognised in the profit and loss account

	2019	2018
	£'000	£'000
Current tax		
UK corporation tax on profits for the periods	**50**	-
Total current tax charge	**50**	-
Deferred tax (see note 16)		
Origination and reversal of timing differences	**18**	26
Adjustments in respect of prior periods	**(10)**	60
Change in tax rate	**(2)**	(3)
Total deferred tax charge	**6**	83
Total tax charge on profit/(loss)	**56**	83

9 Tax on profit/(loss) before tax

The company is liable to corporation tax on trading profits at the standard rate in the UK. With effect from 1 April 2017, the standard rate of corporation tax is 19 per cent.

The differences between the current tax charge for the year and the current charge that would result from applying the standard rate of corporation tax to the profit on ordinary activities are explained as follows:

Reconciliation of effective tax rate

	2019	2018
	£'000	£'000
Profit/(loss) for the year	**257**	(229)
Total tax charge	**56**	83
Profit/(loss) excluding taxation	**313**	(146)
Profit/(loss) multiplied by 19% (2018: 19%)	**59**	(28)
Expenses not deductible for tax purposes	**10**	43
Losses not recognised for tax purposes	**-**	11
Reduction in tax rate on deferred tax balances	**(2)**	(3)
Under-provision for deferred tax in prior years	**(10)**	60
Deferred tax not provided	**(1)**	-
Total tax expense included in profit or loss	**56**	83

Circumstances affecting current and future tax charges
Changes to the UK corporation tax rates were substantively enacted as part Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

In November 2019, the UK Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. This announcement did not constitute substantive enactment and, therefore, deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%. After the balance sheet date, in UK Budget 2020, the UK government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 will remain at 19%.

10 Tangible fixed assets

	Freehold land and buildings £'000	Fixtures and fittings £'000	Computers £'000	Vehicles £'000	Plant and Machinery £'000	Assets in course of construction £'000	Total £'000
Cost or valuation							
At beginning of year	2,817	465	441	245	6,681	725	11,374
Reclassification	204	31	8	-	205	(448)	-
Additions	-	-	-	-	-	537	537
Disposals	-	-	(72)	-	(281)	-	(353)
At end of year	**3,021**	**496**	**377**	**245**	**6,605**	**814**	**11,558**
Depreciation							
At beginning of year	820	337	351	201	3,744	-	5,453
Charge for year	185	37	27	23	277	-	549
Disposal	-	-	(50)	-	(184)	-	(234)
At end of year	**1,005**	**374**	**328**	**224**	**3,837**	**-**	**5,768**
Net book value							
At 31 December 2019	**2,016**	**122**	**54**	**21**	**2,764**	**814**	**5,790**
At 31 December 2018	1,997	128	90	44	2,937	725	5,921

Freehold land amounting to £12,000 *(2018: £12,000)* has not been depreciated.

11 Stocks

	2019 £'000	2018 £'000
Consumable stocks	**159**	103

12 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	**381**	693
Prepayments and accrued income	**201**	335
UK Value Added Tax	**36**	61
Corporation taxation	**105**	154
	723	1,243

Amounts owed by group undertakings due within one year are interest free, unsecured and repayable on demand.

13 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	**358**	1,060
Amounts owed to group undertakings	**202**	-
Accruals and deferred income	**440**	516
Government grant (note 15)	**28**	28
	1,028	1,604

Amounts owed by group undertakings due within one year are interest free, unsecured and repayable on demand.

14 Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Government grant (note 15)	**158**	185
	158	185

15 Grants

Movement of government grant

	2019	2018
	£'000	£'000
Government grants		
At beginning of year	**213**	241
Amortised in year (note 4)	**(28)**	(28)
At end of year	**185**	213
Disclosed as:		
Creditors: amounts falling due within one year (note 13)	**28**	28
Creditors: amounts falling due after more than one year	**158**	185
At end of year	**186**	213

On July 2009, the Company entered into an agreement with Scottish Enterprise (SE), pursuant to which SE agreed to provide financial assistance in the amount of £466,000 to support restructured blending operations. The grant is amortised over 15 years.

16 Provisions for liabilities

	2019	2018
	£'000	£'000
Deferred tax liabilities		
At beginning of year	**110**	27
Charge to the profit and loss account (note 9)	**6**	83
At end of year	**116**	110

	2019	2018
	£'000	£'000
Attributable to:		
Short term timing differences	**(33)**	(37)
Capital allowances in excess of depreciation	**149**	147
	116	110

In addition to the deferred tax asset above, the Company has additional unrecognised gross tax losses of £6,092,432 (*2018: £6,096,790*).

17 Called up share capital

	2019	2018
	£'000	£'000
Allotted and fully paid		
15,136,259 (2018: 15,136,259) ordinary shares of £1 each	**15,136**	15,136

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital, subject to the availability of distributable reserves. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

18 Reserves

Share premium

Share premium relates to the share premium arising on share issues. The share premium account records the amount above the nominal value received for shares sold, less transaction costs. In 2017, two shares (£1) were issued for consideration of £1,364,389 which resulted in a share premium of £1,364,387.

Profit and loss

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

19 Operating leases

Non-cancellable operating lease rentals are as follows:

	2019	2018
	£'000	£'000
Other operating leases which expire:		
Less than one year	**50**	50
Between one and five years	**50**	100
More than five years		-
	100	150

During the year £64,000 was recognised as expenses in the profit and loss account in respect of operating leases *(2018: £69,000)*.

20 Contingencies and commitments

Foreign currency transactions are hedged on behalf of the Company by its ultimate parent company DuPont de Nemours. US dollar and sterling currency transactions were hedged on a monthly basis during the year.

21 Pension scheme

The Company operates a defined contribution pension scheme for which the pension cost charge for the year amounted to £238,939 *(2018: £239,000)*. At the balance sheet date outstanding contributions were £nil *(2018: £nil)*.

The DuPont companies in the UK have embarked on a benefit harmonisation programme. This initiative aimed to ensure that all UK employees experience the same level of benefits. DuPont Nutrition Manufacturing UK Limited joined the DuPont (U.K.) pension scheme effective 1 April 2019. The scheme operates with several contribution options. The default option is 4% employee matched by 10% employer. The other options are 5% employer matched by 11% employer, 6% employee matched by 12% employer and finally employee contributions above 6% still matched by 12% employer.

22 Events after the balance sheet date

On 15 December 2019, IFF (NYSE: IFF) (Euronext Paris: IFF) (TASE: IFF) and DuPont (NYSE: DD) announced that they entered into a definitive agreement for the merger of IFF and DuPont's Nutrition & Biosciences (N&B) business in a Reverse Morris Trust transaction. The deal values the combined company at $45.4 billion on an enterprise value basis, reflecting a value of $26.2 billion for the N&B business based on IFF's share price as of 13 December 2019. Under the terms of the agreement, which has been unanimously approved by both Boards of Directors, DuPont shareholders will own 55.4% of the shares of the new company and existing IFF shareholders will own 44.6%. Upon completion of the transaction, DuPont will receive a one-time $7.3 billion special cash payment, subject to certain adjustments. DuPont Nutrition Manufacturing UK Limited forms part of DuPont's N&B business and is expected to be part of the merger, and this would give rise to a change in the company's ultimate parent undertaking. The parties expect to close the deal by the end of the first quarter 2021.

Subsequent to year-end, the COVID-19 coronavirus pandemic has spread across the globe. It is causing significant financial market, economic and social disturbance globally and in Ireland, including significant disruption to business and economic activity. This is a non-adjusting post balance sheet event for the company. Given the nature of the event, the ultimate extent of the effect on the company of the measures taken in Ireland and globally to contain the spread of COVID-19 cannot be determined or quantified at present. However, the directors have determined the company will be able to continue operating in this environment, albeit the scale of its operations could be impacted by these external factors. The directors will continue to monitor any significant adverse changes to cash flows, any adverse indicators in respect of the carrying value of assets and additional liabilities as a result of this pandemic, and take appropriate measures to address these matters, as required.

23 Ultimate parent undertaking

The Company is a subsidiary of DuPont de Nemours Inc., incorporated in the United States of America.

DuPont de Nemours Inc. is the smallest and largest Company to consolidate these financial statements. Copies of these Company financial statements can be obtained from 974 Centre Road, Wilmington, Delaware 19805, USA.

24 Approval of financial statements

The board of directors approved these financial statements on 3 June 2020.