

Registration number: 03823108

DuPont Nutrition Manufacturing UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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DuPont Nutrition Manufacturing UK Limited

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DuPont Nutrition Manufacturing UK Limited

Company Information

Directors	Kevin Raymond Lee Linda Young Plunkett Duncan Roger Etheridge
Company secretary	Broughton Secretaries Limited
Registered office	Duddery Hill Haverhill Suffolk CB9 8LG
Auditors	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

DuPont Nutrition Manufacturing UK Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Review of the business

The profit before tax for the financial year is £1,683,000 (2020: £724,000). Services provided to Dupont Nutrition Norge AS during 2021 were higher in both price and quantity than in 2020, being the main impact on the profit and loss account.

The directors consider the profit satisfactory and in line with expectations.

Principal risks and uncertainties

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

- Brexit - we continue to monitor the impact of the departure of the United Kingdom from the European Union on our business.
- 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 our 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.
- War in Ukraine - we are closely monitoring the war between Russia and Ukraine (refer to note 21)
- Laws and regulations - the company has complied with all the laws and regulations that applies.
- Information security - we have IT systems in place to minimise the threat from cyber-attacks.

Financial Risk Management Policy

In the ordinary course of business, the company is exposed to a variety of financial risks that include price risk, credit risk and exchange rate risk. Business management and the global treasury organisation monitor these risks regularly and make every effort to minimise negative influences on the company's financial results.

Price risk

The business management monitors the market prices and takes action to adjust prices where there are movements in commodity prices. Material and services purchases are leveraged by the European sourcing team to maximise cost saving opportunities.

Credit risk

The credit risk for sales debtors from trading is limited by the market spread of customers. This risk is reduced by regular checks of creditworthiness and withdrawing credit for slow payers.

Exchange rate risk

The wider group has different hedging strategies to cover our risk against exchange and currency rate fluctuations in all currencies where we have assets and liabilities involved. 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.

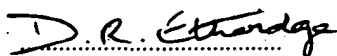
DuPont Nutrition Manufacturing UK Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Key performance indicators

The company Key Performance Indicator is management of costs for the financial year. The directors consider the performance satisfactory and in line with expectations.

Approved by the Board on ^{31st March 2023} and signed on its behalf by:



Duncan Roger Etheridge
Director

DuPont Nutrition Manufacturing UK Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activity

The principal activity 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, a fellow subsidiary undertaking. Turnover represents the invoice value of services provided plus a mark-up and excluding value added tax.

Future developments

The directors see that the major priority for 2022 is to maintain the focus on developing the current business.

Dividends

The directors do not recommend the payment of a dividend in 2021 (2020: £450,000).

Political donations and political expenditure

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.

Director of the company

The directors who held office during the year were as follows:

David Spence (ceased 20 January 2021)

Stephen Reeve (ceased 20 January 2021)

Kevin Raymond Lee (appointed 20 January 2021)

Linda Young Plunkett (appointed 20 January 2021)

The following director was appointed after the year end:

Duncan Roger Etheridge (appointed 21 January 2022)

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

DuPont Nutrition Manufacturing UK Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Going concern

The directors' assessment of the company's going concern position is set out in note 2.

Merger of IFF and Dupont's Nutrition & Biosciences business and demerger of N&B business

On 15 December 2019 International Flavours and Fragrances (IFF) and DuPont de Nemours Inc announced that they had 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 valued 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 December 13, 2019. Under the terms of the agreement DuPont de Nemours inc. shareholders own 55.4% of the shares of the new company and existing IFF shareholders own 44.6%.

This deal was completed on 1 February 2021 at which time DuPont Nutrition Manufacturing UK Limited became a wholly owned subsidiary of IFF. There is no expected impact on the activities of the company arising from this matter.

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. The group's latest statement can be found on the parent's website: <https://www.iff.com/sites/iff-corp/files/2021-03/slavery-statement-march-2021-final.pdf>.

DuPont Nutrition Manufacturing UK Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

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

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

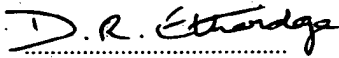
DuPont Nutrition Manufacturing UK Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Independent auditor

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

31st March 2023
Approved by the Board on and signed on its behalf by:



Duncan Roger Etheridge
Director



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 2021 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 ("Annual Report"), which comprise:

- the balance sheet as at 31 December 2021;
 - the profit and loss account for the year then ended;
 - 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override of controls with journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of management to identify any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls through testing journal entries and other adjustments for appropriateness and incorporating an element of unpredictability into our testing strategies; and
- challenging assumptions and judgements made by management associated with accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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
31 March 2023

DuPont Nutrition Manufacturing UK Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	4	7,515	5,532
Cost of sales		<u>(4,290)</u>	<u>(3,744)</u>
Gross profit		3,225	1,788
Distribution costs		(744)	(222)
Administrative expenses		(845)	(942)
Other operating income		<u>47</u>	<u>104</u>
Operating profit	5	1,683	728
Interest payable and similar expenses	6	<u>-</u>	<u>(4)</u>
Profit before taxation		1,683	724
Tax on profit	9	<u>(366)</u>	<u>(195)</u>
Profit for the financial year		<u><u>1,317</u></u>	<u><u>529</u></u>


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

(Registration number: 03823108)
Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	10	5,305	5,522
Current assets			
Stocks	11	381	186
Debtors: amounts falling due within one year	12	<u>3,351</u>	<u>1,764</u>
		3,732	1,950
Creditors: Amounts falling due within one year	13	<u>(1,265)</u>	<u>(1,071)</u>
Net current assets		<u>2,467</u>	<u>879</u>
Total assets less current liabilities		7,772	6,401
Creditors: Amounts falling due after more than one year	13	(102)	(130)
Provisions for liabilities: Deferred tax liabilities	15	<u>(192)</u>	<u>(110)</u>
Net assets		<u>7,478</u>	<u>6,161</u>
Capital and reserves			
Share capital	16	-	-
Profit and loss account	17	<u>7,478</u>	<u>6,161</u>
Total equity		<u>7,478</u>	<u>6,161</u>

The financial statements on pages 11 to 30 were authorised for issue by the Board on 31st March 2023 and signed on its behalf by:


Duncan Roger Etheridge
Director

DuPont Nutrition Manufacturing UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
Balance as at 1 January 2020	15,136	1,364	(10,418)	6,082
Profit for the financial year	-	-	529	529
Total comprehensive income	-	-	529	529
Share capital reduction (note 16/17)	(15,136)	(1,364)	16,500	-
Dividends (note 17)	-	-	(450)	(450)
Balance as at 31 December 2020	-	-	6,161	6,161

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
Balance as at 1 January 2021	-	-	6,161	6,161
Profit for the financial year	-	-	1,317	1,317
Total comprehensive expense	-	-	1,317	1,317
Balance as at 31 December 2021	-	-	7,478	7,478

Share capital as at 31 December 2021 is £1 (2020: £1) as set out in Note 16.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The principal activity 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 a fellow subsidiary undertaking. Turnover represents the invoice value of services provided plus a mark-up and excluding value added tax.

The company is a private company limited by share capital, incorporated, domiciled and registered in England and Wales. The registered number is 03823108 and the registered address is Duddery Hill, Haverhill, Suffolk, CB9 8LG.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Statement of compliance

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.

Basis of preparation

The financial statements are prepared on the historical cost basis.

Going concern

At the year end the company has a net current asset position (current assets exceed current liabilities) and net assets. The company meets its day-to-day working capital requirements through cash inflows from operating activities. The Company acts as a tolling manufacturer for DuPont Nutrition Norge AS, a fellow subsidiary undertaking.

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.

Exemptions for qualifying entities under FRS 102 and consolidation financial statements

At 31 December 2021, the ultimate parent undertaking and controlling party is International Flavors and Fragrances Inc. and is headquartered in New York, 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.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Foreign currency

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.

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.

Debtors

Debtors are recognised initially at transaction price less 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.

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.

Share capital

Ordinary shares are classified as equity.

Tangible assets

Tangible 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.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Depreciation

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
Fixtures, fittings and computers	3-15 years
Vehicles	4 years
Plant and machinery	3-15 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.

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.

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.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

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 probable 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.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

Turnover

The Company acts as a tolling manufacturer for DuPont Nutrition Norge AS, 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.

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.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property, plant and equipment.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 15.

There are no other significant judgements or estimates impacting the financial statements.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Turnover

The geographical analysis of the company's turnover for the year by destination is as follows:

	2021	2020
	£ 000	£ 000
Europe	<u>7,515</u>	<u>5,532</u>

The analysis of the company's turnover for the year by activity is as follows:

	2021	2020
	£ 000	£ 000
Tolling fees	<u>7,515</u>	<u>5,532</u>

5 Operating profit

Included in administrative expenses are the following:

	2021	2020
	£ 000	£ 000
Depreciation of tangible assets	560	596
Inventory recognised as an expense	4,290	3,744
Operating lease charges (note 18)	85	69
Loss on disposal of tangible assets	8	144
Audit of the financial statements	<u>19</u>	<u>18</u>

Included in other operating income:

	2021	2020
	£ 000	£ 000
Government grant income (note 14)	28	28
Foreign exchange gain	<u>19</u>	<u>76</u>

6 Interest payable and similar charges

	2021	2020
	£ 000	£ 000
Interest on bank overdrafts and borrowings	<u>-</u>	<u>4</u>

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

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:

	2021 No.	2020 No.
Production	26	28
Distribution	4	4
Administration	34	34
	<u>64</u>	<u>66</u>

The aggregate payroll costs of these persons were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	2,891	2,573
Social security costs	283	269
Other pension costs (note 19)	281	240
	<u>3,455</u>	<u>3,082</u>

8 Remuneration of directors

The directors' emoluments are paid by related group companies which make no recharge to DuPont Nutrition Manufacturing UK Limited. The directors are also directors of other related group companies and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the other companies. Accordingly, the directors' emoluments are included within the financial statements of the companies they are employed by.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Tax on profit

Total tax expense recognised in the profit and loss account

	2021 £ 000	2020 £ 000
Current tax		
UK corporation tax on profits for the year	302	159
Adjustments in respect of prior years	(18)	42
Total current tax charge	<u>284</u>	<u>201</u>
Deferred tax		
Origination and reversal of timing differences	24	(6)
Adjustments in respect of prior years	18	-
Effect of tax rate change on opening balance	40	-
Total deferred tax charge/(credit)	<u>82</u>	<u>(6)</u>
Total tax charge on profit	<u>366</u>	<u>195</u>

The company is liable to corporation tax on trading profits at the standard rate in the UK.

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

Reconciliation of effective tax rate

	2021 £ 000	2020 £ 000
Profit before tax	<u>1,683</u>	<u>724</u>
Corporation tax at standard rate (19%)	320	138
Expenses not deductible for tax purposes	1	2
Reduction in tax rate on deferred tax balances	40	13
Effect of different tax rates for current and deferred tax on temporary differences	5	-
Adjustments in respect of prior years	-	42
Total tax charge included in profit or loss	<u>366</u>	<u>195</u>

Circumstances affecting current and future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Tangible assets

	Freehold land and buildings £ 000	Fixtures, fittings and computers £ 000	Vehicles £ 000	Plant and machinery £ 000	Assets in course of construction £ 000	Total £ 000
Cost or valuation						
At 1 January 2021	3,084	904	245	6,492	235	10,960
Additions	-	-	-	21	317	338
Disposals	-	-	-	(12)	-	(12)
Transfers	121	57	-	28	(206)	-
At 31 December 2021	3,205	961	245	6,529	346	11,286
Depreciation						
At 1 January 2021	(1,035)	(774)	(238)	(3,391)	-	(5,438)
Charge for the year	(138)	(55)	(7)	(360)	-	(560)
Disposal	5	-	-	12	-	17
Transfers	-	(53)	-	53	-	-
At 31 December 2021	(1,168)	(882)	(245)	(3,686)	-	(5,981)
Carrying amount						
At 31 December 2021	2,037	79	-	2,843	346	5,305
At 31 December 2020	2,049	130	7	3,101	235	5,522

Freehold land amounting to £12,000 (2020: £12,000) has not been depreciated.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

11 Stocks

	2021	2020
	£ 000	£ 000
Consumable stocks	<u>381</u>	<u>186</u>

The replacement cost of stocks at the balance sheet date was not materially different from the foregoing amount. Inventories are stated after provision from impairment of Nil (2020: £Nil)

12 Debtors: amounts falling due within one year

	2021	2020
	£ 000	£ 000
Amounts owed by group undertakings	3,234	1,543
Prepayments and accrued income	117	208
Corporation taxation (note 9)	<u>-</u>	<u>13</u>
	<u>3,351</u>	<u>1,764</u>

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

13 Creditors

	2021	2020
	£ 000	£ 000
Creditors: amounts falling due within one year		
Trade creditors	376	276
Amounts owed to group undertakings	194	275
Accruals and deferred income	481	492
Corporation taxation (note 9)	186	-
Government grant (note 14)	<u>28</u>	<u>28</u>
	<u>1,265</u>	<u>1,071</u>
Creditors: amounts falling due after one year		
Government grant (note 14)	<u>102</u>	<u>130</u>

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

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

14 Grants

Movement of government grant	2021 £'000	2020 £'000
<i>Government grants</i>		
At beginning of year	158	186
Amortised in year	<u>(28)</u>	<u>(28)</u>
At end of year	<u>130</u>	<u>158</u>

	2021 £'000	2020 £'000
<i>Disclosed as:</i>		
Creditors: amounts falling due within one year (note 13)	28	28
Creditors: amounts falling due after more than one year (note 13)	<u>102</u>	<u>130</u>
	<u>130</u>	<u>158</u>

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

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

15 Provisions for liabilities

	2021 £'000
Deferred tax liabilities	
At beginning of year	(110)
Charge to the profit and loss account	(82)
At end of year	<u><u>(192)</u></u>

Attributable to:

2021	Liability £ 000
Short term timing differences	(35)
Capital allowances in excess of depreciation	227
	<u><u>192</u></u>

2020	Liability £ 000
Short term timing differences	(33)
Capital allowances in excess of depreciation	143
	<u><u>110</u></u>

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

16 Called up share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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.

On 8 May 2020, a reduction of share capital was proposed by the company, cancelling and extinguishing 15,136,258 ordinary shares of £1 each. As a result of that reduction, the Company's share capital is £1, made up of 1 ordinary share of £1.

17 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.

On 8 May 2020, a reduction of the share premium account of the Company was proposed by £1,364,389, which represent the entire amount standing to the credit of its share premium account.

Profit and loss

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

Dividends

There were no dividends declared in the year (2020: £450,000).

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

18 Operating leases

Non-cancellable operating lease rentals are as follows:

	2021 £ 000	2020 £ 000
Not later than one year	72	50
Later than one year and not later than five years	41	-
	<u>113</u>	<u>50</u>

During the year, £85,000 was recognised as expenses in the profit and loss account in respect of operating leases (2020 - £69,000).

19 Pension scheme

The company operates a defined contribution pension scheme for which the pension cost charge for the year amounted to £280,847 (2020 - £240,471). At the balance sheet date outstanding contributions were £nil (2020: £nil).

20 Immediate and ultimate parent company and controlling party

The ultimate parent company and controlling entity at the balance sheet date was International Flavors and Fragrances Inc which is incorporated in the United States of America. This is the largest and the smallest group that includes the results of the Company in its consolidated financial statements.

The registered address of this company is:

IFF Global Headquarters
521 West 57th Street
New York, NY 10019, United States

Copies of International Flavors and Fragrances Inc consolidated accounts can be obtained from this address.

The immediate parent company is N&H EMEA Holding 2, BV., a company registered in the Netherlands, whose registered office is Willem Einthovenstraat 4, 2342 BH, Oegstgeest, Zuid-Holland, The Netherlands.

The ultimate parent company and controlling entity was previously Dupont de Nemours Inc, which is incorporated in the United States of America.

On 15 December 2019 IFF (International Flavors and Fragrances) and DuPont de Nemours Inc announced that they had entered into a definitive agreement for the merger of IFF and DuPont's Nutrition & Biosciences (N&B) business. This deal was completed on 1 February 2021 at which time DuPont Nutrition Manufacturing UK Limited became a wholly owned subsidiary of International Flavors and Fragrances Inc.

DuPont Nutrition Manufacturing UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

21 Events after the balance sheet date

Ukraine/Russia war: The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. In addition to the human toll the war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption. There has been no material impact on the company's activities to date of approval of the financial statements and the Board does not expect a material impact in the future.