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Registration number: 4556216

Du Pont (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

Du Pont (UK) Limited

Contents

Du Pont (UK) Limited

Company Information

Directors

S Reeve

D Spence

Registered office

4th Floor Kings Court
London Road
Stevenage
Hertfordshire
SG1 2NG

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Albert Quay
Cork
Ireland
T12 X8N6

Du Pont (UK) Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Fair review of the business

The profit for the financial year is £10,305,000 (2018: £334,000 loss). This is comprised of profit for the financial year from continuing operations is £8,237,000 (2018: £11,622,000 loss) and profit for the financial year from discontinued operations of £2,068,000 (2018: £11,288,000 profit).

The improved performance from continuing operations is a result of (i) income from one-off recharge of £24,886,000 of pension contributions to other group companies (ii) a movement in the past service cost of the defined benefit scheme from a charge of £18,124,000 in 2018 to a credit of £3,856,000 in 2019. Before these matters, the company generated an operating loss of £1,459,000 in 2019 (2018: £6,437,000 profit). The decrease in operating profits was primarily as a result of increased transfer prices from Dupont group-related companies to comply with our transfer pricing policy. Additionally, turnover from continuing operations decreased by 13% during the year as a result of the loss of a major customer in the Electronics & Communication technologies business and downturn in demand for our Safety and Construction offering. These contributed to the decline in profitability also.

Discontinued operations had a profit for the financial year of £2,068,000 (2018: £11,288,000 profit). The result in 2019 relates to the share of profits of joint venture undertaking, DuPont Teijin Films, (which are held for sale) of £2,068,000 after tax. The result in 2018 primarily relates to other income of £7,244,000 (including £6,000,000 dividends received from Dupont Electronic Materials Limited and the gain of £4,044,000 on the sale of the Dupont Electronic Materials Limited, offset by the loss of £2,103,000 on the sale of the agricultural and material science business and losses on other reorganisations of £697,000), the share of operating profits of joint venture undertakings (which are held for sale) of £2,326,000 and the operating profit related to the Agriculture division of £1,730,000 until its disposal in November 2018.

In 2019 the company reached agreement with the Trustee of the Defined Benefit Scheme to conclude the 31 December 2017 triennial valuation process by making a one of payment of £193,967,000 on 28 May 2019, which was to make the scheme fully funded as at the date of the valuation. Refer to note 21. In order to make that payment, the balance sheet was strengthened by issuing £111,000,000 of shares the parent company in return for cash. Additionally, the company received cash for the repayment of an intercompany loan of £43,769,000.

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

	2019 £'000	2018 £'000
Turnover (continuing operations)	73,361	84,304
Operating profit/(loss) (continuing operations)	27,283	(11,444)
Profit/(loss) for the financial year (continuing operations)	8,237	(11,622)
Profit for the financial year from discontinued operations	2,068	11,288
Total equity	179,100	45,459
Average number of employees	90	102

In February 2019 Du Pont (U.K.) Limited sold its 100% interest in Production Agriscience UK Ltd to AG EMEA Cooperatief U.A. for a selling price of £2,396,161. This sale was recorded at book value, with no profit/loss on disposal arising.

The Company expects to complete the sale of DuPont Teijin Films (DTF), a joint venture of Du Pont (U.K.) Limited, during 2021. The investment is classified as an asset held for sale amounting to £24,703,000.

Du Pont (UK) Limited

Strategic Report for the Year Ended 31 December 2019

Brexit comment

On 29 March 2017 Article 50 of the Treaty of Lisbon was invoked by the UK government. The UK exited the EU on 31 January 2020 and is now in a transition phase that will last until 31 December 2020. The company has been preparing for Brexit and the possible impacts. Discussions between the EU and the UK are ongoing.

The Directors have reviewed the various Brexit scenarios and following that review the directors are satisfied that the company will be able to deal with the various potential outcomes of Brexit and continue in business.

Principal risks and uncertainties

As the company's business is managed on a global basis across geographical regions rather than via an individual legal entity, the directors consider that a discussion of the main business risks and analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business. An overview of the business and risk factors is contained in the DuPont de Nemours Inc. Annual Report.

DowDupont Inc has completed all of the steps on the journey to three listed companies on the New York Stock Exchange. On 1 April 2019 Dow was spun on the NYSE as a separate company, and on 1 June 2019 Corteva was spun as a separate company. Today, these three businesses have strong leadership teams and Boards of Directors in place. They are able to allocate capital more effectively, pursue growth opportunities, and maintain efficient cost structures.

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.

Strategy

Du Pont (U.K.) Limited continues to act as a distributor of DuPont products in the electronic and communications technologies, performance materials and safety and protection businesses to customers based in the UK and Western Europe.

Key performance indicators

The wider group Key Performance Indicator is profit/loss for the financial year, that contributes to the Earnings Per Share of the group. The directors consider the performance satisfactory and in line with expectations.

Section 172 (1) statement

From the perspective of the board, the directors are satisfied that the matters which it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent. These include addressing:

• the issues, factors and stakeholders, the directors consider relevant in complying with section 172 (1) (a) to (f) and how they have formed that opinion;

• the main methods the directors have used to engage with stakeholders and understand the issues to which they must have regard; and

• information on the effect of that regard on the Company's decisions and strategies during the financial year.

Section 172 (1) statement - continued
The Company is a wholly owned subsidiary of DPNL B.V., registered in the Netherlands, and this is the company's immediate parent undertaking. DuPont de Nemours Inc, incorporated in the United States of America, is the company's ultimate parent undertaking. These companies are part of the DuPont de Nemours Inc. The Company seeks to maintain a reputation for high standards of business conduct with all stakeholders. The board of directors of Du Pont (U.K.) Limited, together with the boards of its parent companies, are satisfied they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act, 2006) in the decisions taken during the year ended 31 December 2019 as follows:

Employee engagement

The company's employment policies are aimed at informing, training and motivating all its employees.

The company has an effective system of internal communication that ensures employees are kept well informed about the company's business. Additionally, managers keep employees specifically informed and consult them on those aspects of the business and its performance which affect them directly.

The Company uses a variety of methods to enable all of its employees to understand the performance of the company and of their operating site. This is achieved principally through a newsletter, meetings with employee representatives and regular staff briefings using the company's management structure. Further alignment of employee involvement with business performance is achieved through the operation of share-based incentive schemes. Additionally, managers keep employees specifically informed and consult them on those aspects of the business and its performance which affect them directly. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting their Company. Employee surveys are used to gain valuable feedback. A colleague representative group is in place to facilitate regular communication with colleagues on a range of topics. A monthly management meeting and onward team cascade process ensures that regular business information is shared and two-way dialogue is encouraged for all colleagues in all parts of the Company.

These processes are subject to continual review and improvement. Our employment policies are regularly reviewed to ensure they are simple, helpful and trusted to enable an honest and transparent employment culture.

The Company believes that such information, consultation and participation enables employees to maximise their individual contributions towards the common aims of the business and to obtain maximum satisfaction from their employment.

A robust induction procedure ensures communication and understanding of policies from day one and regular updates are communicated as required.

Further alignment of employee involvement with business performance is achieved through the operation of various share-based incentive schemes. The Company believes that such information, consultation and participation enables employees to maximise their individual contributions towards the common aims of the business and to obtain maximum satisfaction from their employment.

It is the Company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of staff who become disabled, and to provide opportunities for their training and career development.

Section 172 (1) statement - continued

Equal opportunities

Du Pont (U.K.) Limited is opposed to all forms of unlawful and unfair discrimination, recognising that the provision of equal opportunities in the workplace is good management practice and good business sense. Equal opportunities means that those who work for us can reach their full potential. The Company is committed to equality of opportunity amongst its employees. Recruitment, pay and conditions, training and career development policies are based solely on ability, without regard to gender, race, age, disablement, marital status or religion.

The company also gives every consideration, whenever practical, to the employment of disabled persons and has made, and will continue to make, every effort to retrain and assist any employee who becomes disabled during his or her employment.

Learning and development

Du Pont (U.K.) Limited are committed to ensuring that all colleagues are provided with the necessary training to enable them to perform their roles safely, to the highest standards and in accordance with relevant Company policy and procedures. We ensure that appropriate documentation and procedures exist to support a regular review of training needs and delivery of appropriate training and development activities. Succession Planning ensures that colleague performance and potential can be realised through targeted development activity. Mandatory development is planned to ensure compliance with relevant statutory obligations.

Health and safety

The health and safety of the company's employees and customers is of primary concern. It is therefore the policy of the company to manage its affairs so as to avoid unnecessary and unacceptable risks to the health and safety of its employees and customers. Company policy requires that all operations fully meet or exceed legal and regulatory requirements and staff are continually assessed to maintain the highest standards for the safe operation of facilities and the protection of the environment, the employees and customers, and the people of the community in which the business is conducted. Du Pont (U.K.) Limited fully recognises and complies with the duties placed upon it under the Health and Safety at Work Act 1974 and all other relevant legislation to ensure a safe and healthy working environment. It also recognises the duty it has not only to staff, but also to customers, visitors and contractors and to any others who may be affected by its activities. The Company uses risk assessment principles to manage Health and Safety risks.

Community involvement

The Company endeavours to be a 'good neighbour' in positively exercising its responsibilities towards the wider community.

Ethical trading

The Company's Code of Ethics and Business Conduct policy is built on its core values and highlights the principles that guide 'how it does business'. The Company's leadership and management team have an obligation to understand and consider this and ensure they both act in a manner that avoids any improper, illegal or unethical actions and also to champion this behaviour within the teams they manage. The Company's code of practice is not limited to the policies and procedures which the company is committed to delivering, but also to ensuring that when its customers buy its products they are buying goods produced without exploitation and in acceptable working conditions and that the Company conducts its business with integrity and respect. Through these relationships, the company aims to provide customer confidence in its products, ensuring they are of a consistent high quality and that everyone in the supply chain is treated with honesty, fairness and respect.

Section 172 (1) statement - continued

Environmental responsibility

The Company recognises that its operations have a direct and indirect impact on both the wider environment and the environments in which it operates. The Company is committed to working continuously, in collaboration with its stakeholders and employees, to contribute positively to environmental sustainability.

The Company recognises the importance of its environmental responsibility and monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Company's activities. The Company's manufacturing site has its own environmental plan to reduce the impact it may have and reduce the effects of the wider group environment. The Company's aim is to reduce its impact on the environment as much as we can by recycling.

Engagement with suppliers, customers and other relationships

Our approach is built on our deep understanding of customer processes and technical requirements, and our ability to assist them in delivering the greatest efficiency from their operations. This approach allows Du Pont (U.K) Limited to gain a deep understanding of our suppliers' operations to ensure sustainability and quality of supply.

Du Pont (U.K) Limited agrees payment terms with its suppliers and seeks to pay in accordance with those terms.

Company employees

It is the Company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of staff who become disabled, and to provide opportunities for their training and career development.

The Company continues to provide its employees with regular information through bulletins, webcasts and other internal communications. Additionally, managers keep employees specifically informed and consult them on those aspects of the business and its performance which affect them directly. Further alignment of employee involvement with business performance is achieved through the operation of share-based incentive schemes.

The Company believes that such information, consultation and participation enables employees to maximise their individual contributions towards the common aims of the business and to obtain maximum satisfaction from their employment.

Respect for human rights

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/content/dam/dupont/corporate/home-pages/documents/letter-UK-website-slavery-act.pdf

Approved by the Board on .... and signed on its behalf by:

S Reeve
....
S Reeve
Director

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

Directors' of the company

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

S Reeve

P Schriber (resigned 8 July 2020)

D Spence (appointed 1 April 2019)

A Gough (resigned 1 April 2019)

Principal activity

The principal activity of the company is a distributor of DuPont products in the electronic and communications technologies, performance materials and safety and protection businesses to customers based in the UK and Western Europe.

Dividends

The directors recommend that no final dividend (2018: no dividend) be made in respect of the financial year ended 31 December 2019.

Financial instruments

Objectives and policies

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 the company's 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.

Labour standards and human rights

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/content/dam/dupont/corporate/home-pages/documents/letter-UK-website-slavery-act.pdf

Environmental matters

Company policy requires that all operations fully meet or exceed legal and regulatory requirements and staff are continually assessed to maintain the highest standards for the safe operation of facilities and the protection of the environment, the employees and customers, and the people of the community in which the business is conducted.

Future developments

The directors see that the major priority for 2020 is to maintain the focus on developing the current business.

Research and development

The research and development activities carried out during the year were focused in the improvement of the existing products, adapting their applications to modifications and new usages.

Post balance sheet events

On 15 December 2019 - IFF (NYSE: IFF) (Euronext Paris: IFF) (TASE: IFF) and DuPont (NYSE: DD) announced that they have 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 December 13, 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. The company is not part of DuPont's N&B business and is expected to remain with DuPont after the merger.

In January 2020 the Company granted two loans to some related group companies, Specialty Electronic Materials UK Limited and INGE GmbH by £1,500,000 and £5,000,000, respectively, for a period of 5 years. Interest on these loans are calculated at a rate of 3/8% (three eights of percent) over the six month EUR LIBOR rate.

Post balance sheet events - continued

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 UK, 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 UK 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 has been impacted by these external factors. COVID-19 has negatively impacted the Performance Materials business which is down by around 25% due to the prolonged closure of the UK automotive plants, but this largely offset by a rise of 29% in the demand for our Safety & Construction products. The forecasted turnover for the company will be approximately 13% lower in 2020 than in 2019 due to the impact of the virus. The turnover in 2021 is expected to revert to the 2019 level as automotive production returns to the previous volumes. 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.

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Independent auditors

The auditors, PricewaterhouseCoopers, Ireland, who were appointed during the year, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board on .... and signed on its behalf by:

S. Reeve

....

S Reeve

Director

Du Pont (UK) Limited

Statement of Directors' Responsibilities

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 FRS 101 has 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.

Independent auditors' report to the members of Du Pont (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Du Pont (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 101 "Reduced Disclosure Framework", 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, which comprise: the statement of financial position as at 31 December 2019; the income statement, the statement of comprehensive income, 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

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.

We have nothing to report in respect of the above matters.

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 10, 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.

pwc

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

22 December 2020

Du Pont (UK) Limited

Income Statement for the Year Ended 31 December 2019

	Note	2019 Continuing operations £ 000	2019 Discontinued operations £ 000	2019 Total £ 000	2018 Continuing operations £ 000	2018 Discontinued operations £ 000	2018 Total £ 000
Continuing operations							
Turnover	4	73,361	-	**73,361**	84,304	15,857	**100,161**
Cost of sales		(62,388)	-	**(62,388)**	(72,761)	(12,597)	**(85,358)**
Gross profit		10,973	-	**10,973**	11,543	3,260	**14,803**
Distribution costs		(191)	-	**(191)**	(233)	(253)	**(486)**
Administrative expense		(8,385)	-	**(8,385)**	(22,997)	(1,277)	**(24,274)**
Share of operating profit of joint ventures	26	-	2,457	**2,457**	-	2,326	**2,326**
Other operating income	6	24,886	-	**24,886**	243	7,244	**7,487**
Operating profit/(loss)	5	27,283	2,457	**29,740**	(11,444)	11,300	**(144)**

	Note	2019 Continuing operations £ 000	2019 Discontinued operations £ 000	2019 Total £ 000	2018 Continuing operations £ 000	2018 Discontinued operations £ 000	2018 Total £ 000
Analysed as:							
Operating profit/(loss) before exceptional items		(1,459)	2,457	**998**	6,437	4,056	**17,737**
Past service credit/(cost)	21	3,856	-	**3,856**	(18,124)	-	**(18,124)**
Other operating income	6	24,886	-	**24,886**	243	7,244	**243**
Operating profit/(loss)		27,283	2,457	**29,740**	(11,444)	11,300	**(144)**

	Note	2019 Continuing operations £ 000	2019 Discontinued operations £ 000	2019 Total £ 000	2018 Continuing operations £ 000	2018 Discontinued operations £ 000	2018 Total £ 000
Interest receivable and similar income	7	1,460	-	**1,460**	1,332	8	**1,340**
Interest payable and similar expenses	8	(5,262)	-	**(5,262)**	(5,110)	-	**(5,110)**
		(3,802)	-	**(3,802)**	(3,778)	8	**(3,770)**
Profit/(loss) before income tax		23,481	2,457	**25,938**	(15,222)	11,308	**(3,914)**
Income tax (charge)/credit	11	(15,244)	(389)	**(15,633)**	3,600	(20)	**3,580**
Profit/(loss) for the financial year		8,237	2,068	**10,305**	(11,622)	11,288	**(334)**

Du Pont (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Profit/(loss) for the year		10,305	(334)
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post employment benefit obligations (net)	21, 11	11,878	28,202
Items that may be reclassified subsequently to profit or loss			
Share of associates and joint ventures other comprehensive income	26	-	3
Total other comprehensive income for the year		11,878	28,205
Total comprehensive income for the year		22,183	27,871

Du Pont (UK) Limited

(Registration number: 4556216)
Statement of Financial Position as at 31 December 2019

	Note	31 December 2019 £ 000	31 December 2018 £ 000
Fixed assets			
Intangible assets	13	6,291	6,291
Property, plant and equipment	12	1,387	265
Right of use assets	18	286	-
Investments in subsidiaries	14	36,000	36,000
		43,964	42,556
Current assets			
Inventories	15	729	640
Net pension surplus	21	21,064	-
Trade and other receivables	16	103,479	167,511
Assets classified as held for sale	26	24,703	24,823
Cash at bank and in hand		29,586	44,101
		179,561	237,075
Trade and other payables: Amounts falling due within one year	20	(32,783)	(31,081)
Net current assets		146,778	205,994
Total assets less current liabilities		190,742	248,550
Creditors: Amounts falling due after more than one year	18	(116)	-
Provisions for liabilities	19	(11,526)	(13,907)
Net assets excluding pension liability		179,100	234,643
Net pension liability	21	-	(189,184)
Net assets		179,100	45,459
Capital and reserves			
Called up share capital	17	221,832	110,832
Share based payment reserve	25	300	282
Retained earnings		(43,032)	(65,655)
Total equity		179,100	45,459

Approved by the Board on .... and signed on its behalf by:

S. Reeve
....
S Reeve

Director

Du Pont (UK) Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Note	Share capital £ 000	Share-based payment reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018		110,832	278	(93,526)	17,584
Loss for the financial year		-	-	(334)	(334)
Other comprehensive income for the financial year		-	-	28,205	28,205
Total comprehensive income for the financial year		-	-	27,871	27,871
Share based payment transactions (note 25)		-	4	-	4
Total transactions with owners, recognised in equity		-	4	-	4
At 31 December 2018		110,832	282	(65,655)	45,459
At 1 January 2019		110,832	282	(65,655)	45,459
Profit for the financial year		-	-	10,305	10,305
Other comprehensive income for the financial year		-	-	11,878	11,878
Total comprehensive income for the financial year		-	-	22,183	22,183
Issue of share capital (note 17)		111,000	-	-	111,000
Other impact recognised in equity		-	-	440	440
Share based payment transactions (note 25)		-	18	-	18
Total transactions with owners, recognised in equity		111,000	18	440	111,458
At 31 December 2019		221,832	300	(43,032)	179,100

The notes on pages 18 to 47 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated and domiciled in UK.

The Company distributes and sells the broad range of Du Pont products in the electronic and communications technologies, performance materials and safety and protection businesses to customers based in the UK and Western Europe.

The address of its registered office is:
4th Floor Kings Court
London Road
Stevenage
Hertfordshire
SG1 2NG
UK

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

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.

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

Summary of disclosure exemptions
- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
• 10 (d) (a statement of cash flows for the period)
•10 (f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies in its financial statements)
• 16 (a statement of compliance with all IFRS)
• 134 - 136 (capital management disclosure)
- IAS 7, 'Statement of cash flows'
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraphs 45(b) and 46 to 52 of IFRS 2 "Share-based Payments"

Basis of consolidation
The Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, DuPont de Nemours Inc. (incorporated in the state of Delaware, USA).

These financial statements are separate financial statements.

2 Accounting policies - continued

Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. 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. 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 cash reserves and borrowings.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Changes in accounting policy

Changes resulting from adoption of IFRS 16

IFRS 16 Leases became mandatorily effective on 1 January 2019. The company has applied this for the first time in this accounting period which resulted in changes to the accounting policies.

On adoption of IFRS 16, the company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.26%.

The company has adopted IFRS 16 Leases from 1 January 2019 but not retrospectively, taking into consideration the contract start date and value. The reclassifications and the adjustments that would have arisen from the new leasing rules have an immaterial effect and are therefore not recognize in the opening balance sheet on 1 January 2019.

The company has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standards.

On adoption of IFRS 16, the company elected to apply the relief provisions available and has not reviewed contracts under the definition of a lease per IFRS 16, which had previously not been classified as leases under the principles of IAS 17. Therefore, only contracts entered into or modified on or after 1 January 2019 have the definition of a lease per IFRS 16 applied.

In addition, the company decided to apply recognition exemptions to leases with a term not exceeding 12 months and leases where the underlying assets are of low value.

For leases classified as operating leases under IAS 17, these lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The company has used the following practical expedients permitted by IFRS 16 when applying this for the first time to leases previously classified as operating leases:

• Applied a single discount rate to a portfolio of leases with similar characteristics
• Applied the exemption not to recognise liabilities for leases with less than 12 months of lease term remaining
• Excluded initial direct costs for the measurement of right-to-use assets at the date of initial application
• Used hindsight in determining the lease term where the contract contains options to extent or terminate the lease.

2 Accounting policies - continued

Changes resulting from adoption of IFRS 16- continued

Right-of-use assets are measured at either:

• Their carrying amount as if IFRS 16 has been applied since commencement, discounted using the lessee's incremental borrowing rate at the date of initial application
• An amount equal to the lease liability, adjusted for any prepaid or accrued lease payments

No adjustments are required on transition to IFRS 16 for leases where the company acts as a lessor, except for a sub-lease. A reassessment of the classification of a sub-lease is required under IFRS 16.

Impact on Statement of Financial Position as at 1 January 2019

The change in accounting policy affected the following items in the statement of financial position on 1 January 2019:

	IFRS 16 adjustments £ 000	As restated 1 January 2019 £ 000
Assets		
Non-current assets		
Right of use assets	499	499
Equity and liabilities		
Liabilities		
Lease liabilities	499	499
Total equity and liabilities	499	499

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the company's financial statements

2 Accounting policies - continued

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company activities.

The company's activities are described below:

The company distributes and sells the broad range of DuPont products in the electronic and communication technologies, performance materials and safety and protection businesses. Sales are recognised when control of the products has transferred to the customer as defined by the incoterms. The company also supplies processing equipment and technical service solutions in the advance printing market.

The identification of performance obligations includes a determination of whether the goods and servicies are distinct. The contracts with customers do not contain multiple elements or deliverables. The transaction price is allocated to each performance obligation based on the relative standalone selling prices of the goods provided.

Revenue is recognised at a point in time for all standard revenue transactions when control of the goods provided is transferred to the customer and the services have been rendered.

The potential variable considerations identified are the following:

a) Discounts
The company may agree with distributors discounts which are recorded as a reduction in revenue.

b) Rebates
Arrangements with customers and distributors sometimes include a provision to provide rebates based on volume, value of product purchased or other activity conducted by the purchaser within a specified period of time.

c) Rights of return
The company does not provide customers a right to return goods within a specific period.

d) Warranty obligations
Although not explicitly stated in the contracts, if a product fails to meet the quality specifications customers can return the product. The implied promise is not considered a distinct condition and therefore is not a performance obligation as customers cannot purchase this type of warranty separately.

Interest income
This includes interest income on trade accounts and interest accrued or received on loans or trade receivables which remain outstanding per the agreed terms. This category also includes income from cash deposits. Interest income related to tax audits and miscellaneous interest items are also included here.

2 Accounting policies - continued

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Research and development expenditure
Research expenditure is charged to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure recognition is deferred and the related asset amortised over the period during which the company is expected to benefit.

Operating leases
Rentals under operating leases are charged to the profit and loss account as they are incurred over the lease term.

Current and deferred tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority in either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies - continued

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	5 - 25 years
Fixtures, fittings and equipment	3 - 10 years

The assets' useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and they are recognised within 'Other operating income' in the income statement.

No depreciation is provided for freehold land or assets in the course of construction.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Investments

Investments in subsidiary undertakings and other investments are stated at cost less accumulated impairment losses. The carrying value of the investment is reviewed at each balance sheet date and any impairment identified is charged to the income statement.

Joint ventures

The investment in 50% joint venture undertakings is stated at the Company's share of the company's net assets taken from the financial statements for the year ended 31 December 2019. The carrying value of the investment is reviewed at each balance sheet date and any impairment identified is charged to the income statement.

2 Accounting policies – continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Assets (or disposal groups) held for sale

Assets (or disposal groups) are classified as assets held for sale where their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently assessed for impairment.

The company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the current state of the economy and the industry in which it provides its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment. Where objective evidence exists that a trade receivable balance may be impaired, provision is made for the difference between its carrying amount and the present value of the estimated cash that will be recovered. Evidence of impairment may include such factors as a change in credit risk profile of the customer, the customer being in default on a contract, or the customer entering bankruptcy or financial reorganisation proceedings. All balances are reviewed individually for evidence of impairment.

Trade receivables are written off when there is no reasonable expectation of recovery.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2 Accounting policies – continued

Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined benefit pension obligation

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset. Contributions in respect of the defined contribution pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Accounting policies – continued

Share-based payments
The company participates in share-based incentive schemes for qualifying employees.

The Du Pont (U.K.) Limited Employee share scheme allows all employees within participating companies to acquire "partnership" shares in the ultimate parent undertaking DuPont de Nemours Inc, via a UK resident employee benefit trust. Shares may be purchased up to 2.5% of basic pay, subject to a maximum of £125 per month. For each "partnership" share acquired within the scheme, the participating company will purchase two "matching" shares which are charged to the profit and loss account on a monthly basis.

Qualifying employees are also entitled to receive options and stock units under the Du Pont Equity and Incentive Plan, whereby the option or stock unit may be exercised for stock or cash upon the satisfaction of certain qualifying conditions regarding the vesting period and share price hurdle. The cost of the options is charged to the profit and loss account in accordance with IFRS 2: Share-based Payments.

3 Critical accounting judgements and key sources of 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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Defined benefit pension scheme
The company has an obligation to pay pension benefits to certain employees and former employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 13 for the disclosures of the defined benefit pension scheme.

The cost of the defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pensions increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pensions increases are based on expected future inflation rates for the respective country. Further details are given in note - Post employment benefits.

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 "Income tax".

3 Critical accounting judgements and key sources of estimation uncertainty - continued

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, economic utilisation and the physical condition of the assets. See note Property, plant and equipment for the carrying amount of the property plant and equipment.

Goodwill impairment assessment

Goodwill is assessed for impairment annually. This is based on an assessment of the future performance of the business to determine whether the carrying value of goodwill is supported. The assessment includes cash flow forecasts, discount rates and long-term growth rates which are inherently judgemental. The goodwill balance is disclosed within note Intangible assets.

Environmental provision

The company accrues for remediation activity costs when it is probable that a liability has been incurred and a reasonable estimate of the liability can be made. It is difficult to develop precise estimates of future site remediation costs. The company's estimates are based on a number of factors, including the complexity of the geology, the nature and extent of contamination, the type of remedy and the outcome of discussions with regulatory agencies. Therefore, considerable uncertainty exists with respect to environmental remediation costs and, under adverse changes in circumstances, the actual future costs may differ to the amount accrued as of 31 December 2019. Further details are given in note Provision for liabilities.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 £ 000	2018 £ 000
Continuing operations: Sale of goods	73,361	84,304
Discontinued operations: Sale of goods	-	15,857
	73,361	100,161

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

	2019 £ 000	2018 £ 000
Electronic and communication technologies	4,837	7,933
Performance materials	52,095	53,330
Safety and protection	16,429	23,041
Crop protection	-	15,857
	73,361	100,161

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

	2019 £ 000	2018 £ 000
UK	65,801	93,964
Europe	7,560	6,197
	73,361	100,161

Trade receivables recognised in note Trade and other receivables are related to contracts with customers.

Du Pont (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	Continuing Operations		Discontinued Operations		Total	
	2019	2018	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Depreciation expense	67	526	-	-	67	526
Inventory recognised as an expense	62,388	72,761	-	12,597	62,388	85,358
Foreign exchange gains/(losses)	869	(1,056)	-	(198)	869	(1,254)
Operating lease charges	-	996	-	-	-	996
Pension past service (income)/expense (note 21)	(3,856)	15,587	-	2,537	(3,856)	18,124
Increase in provisions for liabilities (note 19)	2,382	-	-	-	2,382	-
Gain on sale of investments	-	(244)		(4,044)	-	(4,288)
Loss on sale of investments	-	-	-	2,103	-	2,103
Audit fee payable to the company's auditors for the audit of the entity financial statements	121	72	-	-	121	72

6 Other operating income

	Continuing Operations		Discontinued Operations		Total	
	2019	2018	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Other operating income	24,886	243	-	7,244	24,886	7,487

Other operating income in 2019 relates to pension plan contributions rebilled to other intercompany entities. There was an agreement reached between the company and the Trustee to fully fund the Defined Benefit Pension scheme in 2019. This resulted in a one of payment of £193,967,000 being made by the company on 28 May 2019, as shown in note 21. There was a recharge of £24,886,000 (2018: £243,000) to the other group companies, representing their share of the one-off pension deficit contribution paid during the year.

7 Interest receivable and similar income

	Continuing Operations		Discontinued Operations		Total	
	2019	2018	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Interest income from loans with group undertakings	1,086	1,178	-	-	1,086	1,178
Interest income on bank deposits	374	154	-	8	374	162
	1,460	1,332	-	8	1,460	1,340

8 Interest payable and similar expenses

	2019	2018
	£ 000	£ 000
Interest on bank overdrafts and borrowings	192	4
Interest paid to group undertakings	237	191
Finance costs – Pension plan (note 21)	4,820	4,915
Interest expense on leases – Machinery (note 18)	13	-
	5,262	5,110

Du Pont (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Continuing operations		Discontinued operations		Total	
	2019	2018	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Wages and salaries	6,310	6,765	-	1,101	6,310	7,866
Social security costs	880	866	-	141	880	1,007
Pension costs, defined contribution scheme	798	1, 103	-	179	798	1,282
Pension costs, defined benefit scheme	3,374	21,223	-	3,455	3,374	24,678
Employee share scheme	117	231	-	-	117	231
Share-based payment expenses (note 25)	135	131	-	59	135	190
	11,614	30,319	-	4,935	11,614	35,254

The average monthly number of persons employed by the company (including directors) during the year was:

	2019	2018
	No.	No.
Administration and support	18	17
Distribution	72	85
	90	102

10 Directors' remuneration	2019 £ 000	2018 £ 000
Directors' remuneration for the year	268	319

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019	2018
	No.	No.
Accruing benefits under defined benefit pension scheme	2	2
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2019	2018
	£ 000	£ 000
Total amount of emoluments and amounts receivable under long-term incentive schemes	147	190
Accrued pension at the end of the year	55	68
	202	258

The highest paid director exercised share options and also received or was entitled to receive shares under a long term incentive scheme.

The directors are also directors of a number of other group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the other companies and so no costs are recharged to the other entities.

11 Income tax

Tax charged/(credited) in the income statement:

	Continuing Operations		Discontinued Operations		Total	
	2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Current taxation						
UK corporation tax	3,890	(3,516)	389	20	4,279	(3,496)
UK corporation tax adjustment to prior periods	865	(355)	-	-	865	(355)
	4,755	(3,871)	389	20	5,144	(3,851)
Deferred taxation						
Arising from origination and reversal of temporary differences	10,489	271	-	-	10,489	271
Tax charge/(credit) in the income statement	15,244	(3,600)	389	20	15,633	(3,580)

Tax charged in other comprehensive income:	2019 £ 000	2018 £ 000
Deferred tax on actuarial gains	2,433	4,277

The tax on profit/(loss) before tax for the year is higher than the standard rate of corporation tax in the UK (2018: higher than the standard rate of corporation tax in the UK) of 19% (2018: 19%). The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit/(loss) before tax	25,938	(3,914)
Corporation tax at standard rate	4,928	(744)
Increase/(decrease) in current tax from adjustment for prior periods	865	(355)
Decrease from effect of capital allowances/depreciation	(474)	(372)
Decrease from effect of pension benefit obligations	10,066	-
Decrease from effect of expenses not deductible in determining tax loss taxable profit (tax loss)	(175)	(2,380)
Deferred tax expense from unrecognised temporary difference from a prior period	423	271
Total tax charge/(credit)	15,633	(3,580)

The company is liable to corporation tax on trading profits at the standard rate of corporation tax in United Kingdom. The main UK corporation tax rate reduced from 20% to the current rate of 19% on 1 April 2017. The Finance Act 2016 includes legislation which will reduce the tax rate further to 17% from 1 April 2020. This became law when The Finance Act 2016 received Royal Assent on 15 September 2016. Following the budget resolution on 17 March 2020, the main UK corporation tax rate will remain at 19% from 1 April 2020 (cancelling the enacted cut to 17%). As the cancellation of the reduction in the rate to 17% was not substantively enacted at the balance sheet date, UK deferred tax assets and liabilities continue to be calculated at 17%.

11 Income tax - continued

Deferred tax

Deferred tax assets and liabilities are related to:

2019	Asset £ 000
Accelerated tax depreciation	151
Pension benefit asset	19,662
Short-term timing differences	4,370
	24,183

2018	Asset £ 000
Accelerated tax depreciation	220
Pension benefit obligations	32,161
Short-term timing differences	4,724
	37,105

Deferred tax movement during the year:

	At 1 January 2019 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2019 £ 000
Accelerated tax depreciation	220	(69)	-	151
Pension benefit obligations/asset	32,161	(10,066)	(2,433)	19,662
Short-term timing differences	4,724	(354)	-	4,370
Net tax assets/(liabilities)	37,105	(10,489)	(2,433)	24,183

Deferred tax movement during the prior year:

	At 1 January 2018 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	188	32	-	220
Pension benefit obligations	36,438	-	(4,277)	32,161
Short-term timing differences	5,027	(303)	-	4,724
Net tax assets/(liabilities)	41,653	(271)	(4,277)	37,105

12 Property, plant and equipment

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Properties under construction £ 000	Other property, plant and equipment £ 000	Total £ 000
Cost or valuation					
At 1 January 2019	383	946	127	8	1,464
Additions	-	333	856	-	1,189
Disposals	-	(51)	-	-	(51)
At 31 December 2019	383	1,228	983	8	2,602
Accumulated Depreciation					
At 1 January 2019	327	868	-	4	1,199
Charge for the year	-	66	-	1	67
Disposals	-	(51)	-	-	(51)
At 31 December 2019	327	883	-	5	1,215
Carrying amount					
At 31 December 2019	56	345	983	3	1,387
At 31 December 2018	56	78	127	4	265

Property, plant and equipment is shown at cost, less accumulated depreciation and any provision for impairment. No impairment indicators have been identified during the year.

13 Intangible assets

	Goodwill £ 000	Total £ 000
Cost or valuation		
At 1 January 2019	13,979	13,979
At 31 December 2019	13,979	13,979
Accumulated Amortisation		
At 1 January 2019	7,688	7,688
At 31 December 2019	7,688	7,688
Carrying amount		
At 31 December 2019	6,291	6,291
At 31 December 2018	6,291	6,291

The goodwill arose on the transfer of trading operations and related assets and liabilities from a Company undertaking as a result of a global realignment of its businesses by its ultimate parent undertaking, DuPont de Nemours Inc, and on the acquisition of a subsidiary company during 2003. No impairment indicators have been identified during the year.

The company does not amortise goodwill in accordance with the requirements of IFRS as applied under FRS 101. Instead an annual impairment test is performed and any impairment that is identified is recognised in the income statement. The non-amortisation of goodwill conflicts with paragraph 22 of Schedule 1 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), which requires acquired goodwill to be written off over its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

14 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2019	36,000
At 31 December 2019	36,000
Carrying amount	
At 31 December 2019	36,000

14 Investments - continued

Details of the subsidiaries as at 31 December 2019 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2019	2018
Du Pont (U.K.) Industrial Limited	Toller manufacturer for the production of advanced fibres	King's Court, London Road, Stevenage, Hertfordshire, SG1 2NG, UK	100%	100%
Du Pont de Nemours (Ireland) Limited	Consultancy services to other companies	Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland	100%	100%
Du Pont (U.K.) Trustees Limited	Managing trustee of the Du Pont (U.K.) Limited pension fund	King's Court, London Road, Stevenage, Hertfordshire, SG1 2NG, UK	100%	100%
Production Agriscience UK Ltd	Reseller of crop protection materials	CPC2 Capital Park, Fulbourn, Cambridge, CB21 5XE	0%	100%

In September 2018 Du Pont (U.K.) Limited contributed £2,464,000 and £734,000 to Production Agriscience UK Ltd and DuPont Performance Materials UK Limited respectively.

As at 31 December 2018 the Production Agriscience UK Ltd subsidiary was classified as asset held for sale (note 26). In February 2019 Du Pont (U.K.) Limited sold its 100% holding in Production Agriscience UK Ltd to AG EMEA Cooperatief U.A. for a selling price of €2,763,834 (£2,396,161). This transaction was recorded at net book value, with no profit/loss on disposal arising.

In April 2018 Du Pont (U.K.) Limited sold its 50% interest in Kingston Research Limited to DuPont International (Luxembourg) S.C.A. at net book value (note 25). In December 2018 Du Pont (U.K.) Limited sold its 100% holding in DuPont Performance Materials UK Limited and DuPont Electronic Materials Limited to PM EMEA Coöperatief U.A and DuPont KGA B.V, respectively, and realised a loss of £7,000 and a gain of £4,044,000, respectively, included in the "other operating income" section of the profit on discontinued operation profits (note 25).

Joint ventures

Details of the joint ventures as at 31 December 2019 are as follows:

Name of joint ventures	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2019	2018
DuPont Teijin Films UK Limited	Manufacturer of PTE films	The Wilton Centre, Wilton Site, Redcar, TS10 4RF, UK	50%	50%

At 31 December 2019 and 2018, respectively, the investment is classified as asset held for sale (note 26).

14 Investments - continued

In October 2017 the company announced its intention to sell its 50% share in DuPont Teijin Films (DTF), a joint venture. The original plan was to sell during 2018 but the sale fell through. The company is still actively trying to sell DTF and is working with potential buyers. The company remains committed to its plan to sell the asset.

15 Inventories

	31 December 2019 £ 000	31 December 2018 £ 000
Finished goods and goods for resale	729	640

There is no significant difference between the replacement cost of inventories and the balance sheet values.

16 Trade and other receivables

	31 December 2019 £ 000	31 December 2018 £ 000
Trade receivables	8,628	11,118
Intercompany receivables	2,779	4,795
Intercompany loans	67,085	110,859
Prepayments	64	47
Other receivables	609	460
Other taxation and social security	131	43
Income tax asset	-	3,084
Deferred tax asset (note 11)	24,183	37,105
	103,479	167,511

Amounts owed by group undertakings fall due in less than one year. Amounts are trade related an unsecured and have no related interest.

The loans owed by group undertakings are unsecured and repayable on demand. The loans owed by group undertakings include a loan to Du Pont Luxembourg SCA of £67,000,000 which bears interest at a rate of 3/8% (three eights of percent) over the six month GBP LIBOR rate and a loan to Du Pont de Nemours (Ireland) Limited of £85,030 which bears interests at a rate of 3/8% (three eights of percent) over the six month EUR LIBOR rate.

During the year, the company received repayment of an intercompany loan of £43,769,000 and this was used to partially fund the special pension contribution (note 21).

17 Share capital

Allotted, called up & fully paid shares	31 December 2019		31 December 2018	
	No. 000	£ 000	No. 000	£ 000
Allotted and fully paid ordinary shares of £1 each	221,832	221,832	110,832	110,832

	2019
The movement during the year was as follows:	£ 000
At the beginning of the year	110,832
Issue of share capital	110,000
At the end of the year	221,832

On 23 May 2020, the Directors of the Company were empowered to allot equity securities, as defined in section 560 of the Act. The number of shares allotted were 111,000,000 ordinary shares of £1 each. The company received cash of £110,000,000 in return for these shares.

The number of authorised shares at the end of 2019 is 311,000,000 and at the end of 2018 is 200,000,000 of £1 each.

18 Leases

Right-of-use assets	31 December 2019 £ 000	31 December 2018 £ 000
Machinery	286	-
	286	-

During 2019 financial year, there are no additions to right-of-use assets.

Leases included in creditors	31 December 2019 £ 000	31 December 2018 £ 000
Current portion of long-term lease liabilities	175	-
Long term lease liabilities	116	-
	291	-

Depreciation charge of right-of-use assets	31 December 2019 £ 000	31 December 2018 £ 000
Machinery	213	-
Interest expense (included in finance cost) (note 8)	13	-

18 Leases - continued

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2019 £ 000	31 December 2018 £ 000
Less than one year	175	-
2 years	76	-
3 years	40	-
Total lease liabilities (undiscounted)	291	-

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	31 December 2019 £ 000	31 December 2018 £ 000
Interest	13	-
Other	207	-
Total cash outflow	220	-

19 Provisions for liabilities

	Environmental £ '000	Pensions £ '000	Restructuring £ '000	Others £ '000	Total £ '000
At 1 January 2019	10,835	2,317	6	749	13,907
Utilised/released during the year	(284)	(2,249)	(1,529)	(701)	(4,763)
Provided during the year	841	3	1,538	-	2,382
At 31 December 2019	**11,392**	**71**	**15**	**48**	**11,526**

The environmental provision relates to remediation costs associated with the clearance of waste generated from closed production facilities.

The restructuring provision comprises employee termination payments in respect of a global optimisation programme.

Other provisions include £48,000 relating to employer liability claims.

20 Creditors

Amounts falling due within one year	31 December 2019 £ 000	31 December 2018 £ 000
Current portion of long term lease liabilities (note 18)	175	-
Trade payables	1,636	1,324
Accrued expenses	1,863	2,656
Amounts due intercompany parties	7,785	8,890
Loans owed to group undertakings	18,000	18,000
Social security and other taxes	190	211
Income tax liability	3,134	-
	32,783	31,081

Amounts owed to group undertakings are payable in less than one year. Amounts are trade related and unsecured and have no related interest.

The loans owed to Company undertakings are unsecured, bear interest at a rate of 3/8% (three eighths of percent) over the six month EUR LIBOR rate and are repayable on demand.

Amounts falling due with in one year	31 December 2019 £ 000	31 December 2018 £ 000
Non-current portion of long term lease liabilities	116	-

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme, the assets of which were held separately from those of the company, in an independently fund. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £797,866 (2018: £1,282,386).

Defined benefit pension schemes
Du Pont (U.K.) Limited Pension Fund

The company operates a funded defined benefit pension scheme, the Du Pont (U.K.) Limited Pension Fund, as principal employer and on behalf of qualifying subsidiaries, together with a defined contribution scheme. The assets of the schemes are held separately from those of the company in an independently administered fund.

The key risks to the fund to which the company is exposed include:

- Future investment returns on the fund's assets could be lower than expected.
- Price inflation could be higher than that assumed, resulting in higher liabilities.
- Scheme members could live longer than assumed. This would mean that benefits are paid for longer than expected, increasing the value of the related liabilities.
- Options exercised by members could increase the scheme's liabilities.

A comprehensive actuarial valuation of the pension scheme was carried out at 31 December 2019 by Willis Towers Watson, independent consulting actuaries.

The market value of the assets at 31 December 2019 amounted to £1,032,251,000 and the funding level was 102%.

Contributions paid during the year amounted to £199,311,000 (2018: £15,641,000). The payment in 2019 was a deficit reduction contribution only as the scheme was closed to future service accruals on 1 January 2017.

Expected future benefit payments and contributions for the year ended 31 December 2020 are £49,550,000 and £20,822,000 respectively.

The weighted average duration of the defined benefit obligation is 18.5 years.

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2019 %	2018 %
Rate of increase for deferred pensioners	2.35	2.45
Discount rate	2.00	2.75
Future salary increases	3.70	3.95
Rate of increase of pensions in payment	3.00	3.25
Inflation	3.20	3.45

The discount rate has been based on the yield on the iBoxx AA corporate bond 15+ year index as at 31 December 2019. The life expectancies based on an assumed retirement age of 65 are as follows:

21 Defined benefit pension schemes - continued

Post retirement mortality assumptions

	2019 Years	2018 Years
Current UK pensioners at retirement age - male	22.80	22.70
Current UK pensioners at retirement age - female	24.50	24.40
Future UK pensioners at retirement age - male	24.50	24.40
Future UK pensioners at retirement age - female	26.30	26.20

Fair value of assets and reconciliation to the balance sheet

The major categories of scheme assets are as follows:

	31 December 2019 £ 000	31 December 2018 £ 000
Equity instruments	104,256	401,551
Pooled investment vehicles	776,150	-
Fixed interest and corporate bonds	-	252,188
Others	151,844	139,056
	1,032,250	792,795

	31 December 2019 £ 000	31 December 2018 £ 000
Fair value of scheme assets	1,032,250	792,795
Present value of scheme liabilities	(1,011,186)	(981,979)
Defined benefit pension scheme surplus / (deficit)	21,064	(189,184)
Related deferred tax asset at 17% (2018: 17%)	(3,581)	32,161
Net pension scheme surplus/(deficit)	17,483	(157,023)

21 Defined benefit pension schemes - continued

Amounts recognised in the income statement

	2019 £ 000	2018 £ 000
Amounts recognised in operating profit		
Administrative expenses paid	2,410	1,639
Past service (income)/cost including curtailments	(3,856)	18,124
Recognised in arriving at operating profit	(1,446)	19,763
Amounts recognised in finance income or costs		
Interest income on plan assets	(21,302)	(20,728)
Interest on pension scheme liabilities	26,122	25,643
Recognised in other finance cost	4,820	4,915
Total recognised in the income statement	3,374	24,678

	2019 £ 000	2018 £ 000
Analysis of movements in deficit during the year		
Deficit at 1 January	(189,184)	(214,344)
Contributions paid (including special contribution of £193,967,000)	199,311	15,641
Past service cost/(credit)	3,856	(18,124)
Administration costs incurred during the year	(2,410)	(1,639)
Finance costs	(4,820)	(4,915)
Actuarial gain	14,311	34,197
Surplus/(deficit) at 31 December	21,064	(189,184)

Amounts taken to the Statement of Comprehensive Income

	2019 £ 000	2018 £ 000
Actuarial gains and losses arising from changes in financial assumptions	(96,593)	59,093
Actuarial gains and losses arising from experience adjustments	37,789	20,051
Actuarial gains and losses arising from changes in demographic assumptions	17,352	33,065
Return on plan assets, excluding amounts included in interest income/(expense)	55,763	(78,012)
Amounts recognised in the Statement of Comprehensive Income	14,311	34,197

21 Defined benefit pension schemes - continued

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	31 December 2019 £ 000	31 December 2018 £ 000
Present value at start of year	981,979	1,101,802
Past service (income)/costs	(3,856)	18,124
Actuarial gains and losses arising from changes in demographic assumptions	(17,352)	(33,065)
Actuarial gains and losses arising from changes in financial assumptions	96,593	(59,093)
Actuarial gains and losses arising from experience adjustments	(37,789)	(20,051)
Interest cost	26,122	25,643
Benefits paid	(34,511)	(51,381)
Present value at end of year	1,011,186	981,979

Scheme assets

Changes in the fair value of scheme assets are as follows:

	31 December 2019 £ 000	31 December 2018 £ 000
Fair value at start of year	792,795	887,458
Interest income	21,302	20,728
Return on plan assets, excluding amounts included in interest income/(expense)	55,763	(78,012)
Employer contributions	199,311	15,641
Benefits paid	(34,511)	(51,381)
Administrative expenses paid	(2,410)	(1,639)
Fair value at end of year	1,032,250	792,795

21 Defined benefit pension schemes - continued

Sensitivity analysis

A 0.5 percentage point change in the actuarial assumptions would have the following effects in the defined benefit obligation (£203,700,000):

	Sensitivity analysis %	Approximate effect in defined benefit obligation £'m
Discount rate	0.5% decrease	98
Pension increase	0.5% increase	68
Salary escalation	0.5% increase	10
Deferred revaluation	0.5% increase	11
Life expectancy	0.5 year increase	17

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

22 Contingent liabilities

At 31 December 2019 the Company had provided specific counter indemnities of £1,000,000 (2018: £1,000,000) in respect of insurance bonds given on their behalf to HM Revenue & Customs. The Company has insurance arrangements to mitigate costs which may arise from the HM Revenue & Customs indemnities.

23 Related party transactions

The company has taken advantage of the exemption under International Accounting Standard 24 'Related party disclosures' not to disclose transactions and balances with fellow subsidiary undertakings which are wholly held within the Group, and which are included in the published financial statements of DuPont de Nemours Inc, the ultimate parent undertaking.

Summary of transactions with joint ventures

During the year, the Company provided services to the 50% owned joint venture DuPont Teijin Films UK Limited. The services were for the provision of personnel and administrative support. The value of services provided in the year was £3,437,000 (2018: £4,865,000). The balances outstanding as at 31 December 2019 were £ nil (2018: £282,000).

Notes to the Financial Statements for the Year Ended 31 December 2019

24 Parent and ultimate parent undertaking

The company's immediate parent is DPNL B.V., registered in the Netherlands.

The ultimate parent is DuPont de Nemours Inc. These financial statements are available upon request from DuPont de Nemours Inc. Investors website or from the Company Secretary at 974 Centre Road, Wilmington, Delaware 19805, USA.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is DuPont de Nemours Inc., incorporated in USA.

The address of DuPont de Nemours Inc. is:
974 Centre Road, Wilmington, Delaware 19805, USA.

25 Share based payment

DuPont de Nemours Inc. grant long-term incentive awards in the form of service-based RSUs in order to align critical talent retention programs with the interests of holders of DuPont de Nemours Inc. Class A Common Stock. The majority of RSUs granted are time based (i.e. with a 3 years service condition), with the remainder consisting of performance based RSUs. Certain employees of the company participate in these share based awards.

All service-based RSUs subject to internal financial metrics vest over a three-year period, and have a fair value based on the closing price of DuPont de Nemours Inc.'s Class A Common Stock price as reported on the NYSE on the grant date or the trade day immediately preceding the grant date, if the grant date falls on a non-trading day. Each service-based RSU represents the right to acquire one share of DuPont de Nemours Inc.'s Class A Common Stock upon vesting.

During the financial year ended 31 December 2019 the company recognised a share-based payment expense of £18,000 (2018: £36,000) based on the fair value of the awards granted, and an equivalent credit directly in equity. This is comprised of share based payment expense of £135,000 (2018: £190,000), offset by amounts recharged by the parent undertaking of £117,000 (2018: £154,000).

The carrying value of the liability arising from share-based payments was £300,000 (2018: £282,000).

On exercise of the shares by the employees, the company is charged the intrinsic value of the shares by Dupont de Nemours Inc to the profit and loss account.

26 Assets held for sale and discontinued operations

As at 31 December 2017, the assets and liabilities related to the Agriculture division as well as the joint ventures DuPont Teijin Films UK Limited and Kingston Research Limited had been presented as held for sale following the approval of the company's management and shareholders.

In April 2018 Du Pont (U.K.) Limited sold its 50% interest in Kingston Research Limited to DuPont International (Luxembourg) S.C.A at net book value.

In November 2018 Production Agriscience UK Ltd and DuPont Performance Materials UK Limited purchased the agricultural and materials science businesses from Du Pont (U.K.) Limited respectively, and realised an aggregate loss of £2,103,000. The assets (including goodwill) and liabilities, related to these businesses were transferred.

In December 2018 Du Pont (U.K.) Limited sold its 100% interest in DuPont Performance Materials UK and DuPont Electronic Materials Limited to PM EMEA Coöperatief U.A and DuPont KGA B.V respectively, and realised a loss of £7,000 and a gain of £4,044,000, respectively, included in the "other income" caption of the profit on discontinued operations.

In November 2018 the subsidiary Production Agriscience UK Ltd had been classified as an asset held for sale amounting to £2,396,000. In February 2019 Du Pont (U.K.) Limited sold its interest in Production Agriscience UK Ltd to AG EMEA Cooperatief U.A for a selling price of £2,396,000.

In October 2017 the company announced its intention to sell its 50% share in DuPont Teijin Films (DTF), a joint venture of Du Pont (U.K.) Limited. The transaction was expected to be completed during 2018 but the original buyer pulled out. The company remains committed to its plan to sell the asset but with new buyers.

As at 31 December 2019, DuPont Teijin Films (DTF), is classified as an asset held for sale, amounting to £24,703,000.

a) Assets of disposal group classified as held for sale

	2019 £ '000	2018 £ '000
Investments	24,703	25,031
	24,703	25,031

b) Liabilities of disposal group classified as held for sale

	2019 £ '000	2018 £ '000
Creditors: amounts falling due within one year	-	(205)
Other liabilities	-	(3)
	-	(208)
	24,703	24,823

The assets and liabilities held for sale were assessed for remeasurement at the lower of carrying amount and fair value less costs to sell. No remeasurement has been required.

26 Assets discontinued held for sale and operations - continued

The movement during the year was as follows:

	2019 £ '000
At beginning of year	24,823
Share of profits of joint ventures	2,068
Disposals	(2,396)
Other movements	208
At end of year	24,703

Disposals relates to the sale of Production Agriscience UK Ltd, a subsidiary undertaking, had been classified as an asset held for sale amounting to £2,396,000.

Analysis of the result of discontinued operations and remeasurement of assets of the disposal group is as follows:

	2019 £ '000	2018 £ '000
Turnover	-	15,857
Cost of sales	-	(12,597)
Gross profit	-	3,260
Distribution costs	-	(253)
Administrative expenses	-	(1,277)
Share of operating profit of joint ventures	2,457	2,326
Other income	-	7,244
Operating profit	2,457	11,300
Interest receivable and similar income	-	8
Profit before taxation	-	11,308
Income tax credit/(expense)	(389)	(20)
Profit for the financial year from discontinued operations	2,068	11,288

The 2018 other income caption includes the £6,000,000 dividends received from Dupont Electronic Materials Limited and the gain of £4,044,000 on the sale of the Dupont Electronic Materials Limited, offset by the loss of £2,103,000 on the sale of the agricultural and material science and losses of £697,000 on other reorganisations.

27 Events after the end of the reporting period

On 15 December 2019 - IFF (NYSE: IFF) (Euronext Paris: IFF) (TASE: IFF) and DuPont (NYSE: DD) announced that they have 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 December 13, 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. The company is not part of DuPont's N&B business and is expected to remain with DuPont after the merger.

In January 2020 the Company granted two loans to some related group companies, Specialty Electronic Materials UK Limited and INGE GmbH by £1,500,000 and £5,000,000, respectively, for a period of 5 years. Interests on these loans are calculated at a rate of 3/8% (three eights of percent) over the six month EUR LIBOR rate.

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 UK, 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 UK 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 has been impacted by these external factors. COVID-19 has negatively impacted the Performance Materials business which is down by around 25% due to the prolonged closure of the UK automotive plants, but this largely offset by a rise of 29% in the demand for our Safety & Construction products. The forecasted turnover for the company will be approximately 13% lower in 2020 than in 2019 due to the impact of the virus. The turnover in 2021 is expected to revert to the 2019 level as automotive production returns to the previous volumes. 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.