

SYNGENTA SEEDS LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2019

Registered No: 345486



SYNGENTA SEEDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2019

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SYNGENTA SEEDS LIMITED

COMPANY SUMMARY

Directors

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

Secretary

M D Bayliss

Registered office

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

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

STRATEGIC REPORT for the year ended 31 December 2019

Principal activities and review of the business

On 1 March 2013, as part of a group reorganisation, Syngenta Seeds Limited (the "Company") transferred its trade to another group company, Syngenta UK Limited, and hence, the trading operations of the Company ceased in 2013.

After this date the Company holds mainly cash and inter-group deposits with other group entities. The Company also rents a property which it in turn leases to Syngenta UK Ltd and hence the Company does not have any major risks or uncertainties. However, the lease arrangements are not totally risk free because the breakpoints in the lease expense agreement are less frequent than the tenant breakpoints in the lease income agreement.

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

	2019 £'000	2018 £'000
Operating profit	122	101
Shareholders' funds	3,452	3,334

Turnover is nil following the transfer of trade on 1 March 2013.

The directors have considered the effect of Brexit on the Company's operations. The Company's operations are located in the UK and its main source of revenue is rental income on a UK property. Taking into account the circumstances of the Company, the board of directors does not expect Brexit to have a significant impact on the Company.

The directors have considered the effect of COVID19 on the Company's operations particularly in relation to adopting the going concern basis in preparing the financial statements. The Company has substantial cash deposits with Syngenta affiliates which are far in excess of its annual income. Syngenta Group operates in the agricultural industry and in most countries around the world, the agriculture industry is designated as essential, allowing businesses such as Syngenta to continue to operate almost as usual. Taking into account the circumstances of the Company and the wider Syngenta Group, the board of directors does not expect COVID19 to have a significant impact on the Company.

By Order of the Board



A D Johnson
Director
Date: 16 September 2020

DIRECTORS' REPORT for the year ended 31 December 2019

The directors of Syngenta Seeds Limited submit their report for the year ended 31 December 2019.

Results and dividends

The Company's retained profit for the financial year is £118k (2018: £129k).

No dividend was declared and settled during the year (2018: £6m).

Employees

There were no employees of the Company and no payroll costs in 2019 (2018: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018: £nil)

Going concern

After making an assessment of the Company's financial position, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

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

Disclosure of information to the auditors


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

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

Auditor re-appointment

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

By Order of the Board


A D Johnson
Director
16 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Syngenta Seeds Limited ("the company") for the year ended 31 December 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the Principal accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gemma Buschor (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom
17 September 2020

SYNGENTA SEEDS LIMITED

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

	Notes	2019 £'000	2018 £'000
Other income	2	248	226
Administrative expenses		(126)	(125)
Operating profit		122	101
Interest receivable	4	33	66
Profit before taxation	5	155	167
Tax on profit	6	(37)	(38)
Profit and total comprehensive income for the year		118	129

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

SYNGENTA SEEDS LIMITED

BALANCE SHEET
as at 31 December 2019

	Notes	2019 £'000	2018 £'000
Current assets			
Debtors	7	3,859	3,716
		3,859	3,716
Creditors: amounts falling due within one year	8	(407)	(382)
Net current assets		3,452	3,334
Total assets less current liabilities		3,452	3,334
Net assets		3,452	3,334
Capital and reserves			
Called up share capital	9	1,761	1,761
Profit and loss account		1,691	1,573
Shareholders' funds		3,452	3,334

The financial statements on pages 8 to 15 were approved by the board of directors and were signed on their behalf on 16 September 2020 by:



A D Johnson
Director

Company Registered No: 345486

SYNGENTA SEEDS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Called –up share capital £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2018	1,761	7,444	9,205
Profit for the year	-	129	129
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	129	129
Dividends	-	(6000)	(6000)
Total transactions with owners, recognised directly in equity	-	(6000)	(6000)
Balance as at 1 January 2019	1,761	1,573	3,334
Profit for the year	-	118	118
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	118	118
Dividends	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 December 2019	1,761	1,691	3,452

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

1. Principal accounting policies

Syngenta Seeds Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK. Its registered number is 345486 and registered address is Jealott's Hill, International Research Centre, Bracknell, Berkshire RG42 6EY.

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

Exemptions for qualifying entities under FRS 102

Syngenta AG, an intermediate parent undertaking, includes the Company in its consolidated financial statements. The consolidated financial statements of Syngenta AG are prepared in accordance with International Financial Reporting Standards and are available to the public from the address provided in note 12. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

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

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

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

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis.

Going Concern

After making an assessment of the Company's financial position, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The directors have considered the effect of COVID19 on the Company. The Company has substantial cash deposits with Syngenta affiliates which are far in excess of its annual income. Syngenta Group operates in the agricultural industry and in most countries around the world, the agriculture industry is designated as essential, allowing businesses such as Syngenta to continue to operate almost as usual. Taking into account the circumstances of the Company and the wider Syngenta Group, the board of directors does not expect COVID19 to have a significant impact on the Company.

Operating leases

Payments in respect of operating leases are recognised in the profit and loss account on a straight line basis over the lease term.

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

1. Principle accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against future taxable profits.

2. Other income

	2019 £'000	2018 £'000
Rental income	248	226
Other income	248	226

3. Directors' emoluments and employee information

Gary Mills-Thomas, A Johnson and AAbbott performed negligible qualifying services to the Company in 2019 and therefore did not receive any remuneration or accrue retirement benefits in respect of these services provided to the Company (2018: £nil).

There were no employees of the Company and no payroll costs in 2019 (2018: £nil).

4. Interest receivable

	2019 £'000	2018 £'000
Interest receivable and similar income		
On amounts due from group undertakings on short term deposits	33	66
Interest receivable	33	66

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

5. Expenses and auditor's remuneration

	2019 £'000	2018 £'000
Profit before taxation is stated after charging:		
Operating lease rentals – land and buildings	97	89
Auditor's remuneration	5	5

6. Taxation

(a) Analysis of charge in the year

	2019 £'000	2018 £'000
Current year charge	-	-
Adjustment in respect of uncertain tax position	37	38
Total current tax (note 6(b))	37	38
Deferred tax	-	-
Tax on profit	37	38

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

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

	2019 £'000	2018 £'000
Profit before tax	155	167
Notional charge at UK corporation tax rate of 19% (2018: 19%)	29	32
Effects of:		
Group relief claimed for £nil consideration	(29)	(32)
Adjustment in respect of uncertain tax position (see note 8)	37	38
Total current tax charge/(credit)	37	38

The Company has no deferred tax assets or liabilities.

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

7. Debtors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts owed by group undertakings	3,859	3,716

A deposit agreement is in place with Syngenta Treasury N.V. The facility has no fixed amount or repayment date and is repayable on demand. As at 31 December 2019 there was a receivable of £3,707k (2018: £3,581k). Interest income for year was £33k (2018: £66k).

8. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts owed to group undertakings	23	35
Corporate tax	384	347
	407	382

HMRC have opened enquiries into Syngenta Holdings Limited for the years from 2011 to 2017 and it is anticipated that enquiries will be opened into 2018 and 2019. As Syngenta Seeds Limited claimed group relief from Syngenta Holdings Limited, if the outcome of the enquiry impacts the losses available for surrender, additional tax could be payable by Syngenta Seeds Limited. The main uncertainty surrounding the enquiry is the timing and the amount of the outflows where there is a wide range of possible outcomes. These will be determined based on the outcome of discussions surrounding the enquiry.

The Company's balance sheet includes a liability of £0.4m (2018: £0.3m) in respect of this uncertain tax position.

The key assumption made in calculating the £0.4m is that since tax could be payable in respect of the enquiry (2011 – 2019) and given the uncertainty surrounding the outcome a prudent provision has been made accordingly.

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

9. Called up share capital

	2019	2018
	£'000	£'000
Allotted, called up and fully paid		
3,521,869 ordinary shares of 50p each	1,761	1,761

10. Dividends

No dividend was declared and settled during the year (2018: £6,000k).

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

11. Commitments and contingent liabilities**Capital commitments**

The Company had no capital commitments at 31 December 2019 (2018: £nil).

Operating lease commitments

At 31 December the Company had the following future minimum lease payments under non-cancellable operating lease for the following period:

	2019 £000	2018 £000
Less than one year	100	100
Between two and five years	219	319
More than five years	-	-

During the year £97k was recognised as an expense in the profit and loss account in respect of operating leases (2018: £89k).

Leases as lessor

Following the transfer of the trade and net assets on 1 March 2013, payments due on the remaining property lease are recharged in full to Syngenta UK Limited, which occupies the site.

The future minimum lease payments receivable under non-cancellable leases are as follows:

	2019 £000	2018 £000
Less than one year	253	248
Between two and five years	42	42
More than five years	-	-

12. Intermediate and ultimate holding company

The immediate parent company is Syngenta Holdings Limited, incorporated in the UK. The ultimate parent company is China National Chemical Corporation (ChemChina). Their address is 62 Beisihuan Xilu, Haidian District, Beijing 100080, People's Republic of China.

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

13. Accounting estimates and judgements

Judgement is required to estimate the timing and amount of cash outflows in relation to corporation tax. See note 8.