

SYNGENTA LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2014

Registered number: 2710846

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ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

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SYNGENTA LIMITED
Company registration number: 2710846

COMPANY SUMMARY INFORMATION

Directors

Mr J Ramsay (resigned 14 January 2014)
Mr A D Johnson
Mr M Peacock (resigned 21 March 2014)
Mr A Conn
Mr D Snell (resigned 21 March 2014)
Mr J Halliwell (appointed 14 January 2014)
Mr P Botham (appointed 21 March 2014)
Mr T Gray (appointed 21 March 2014)

Secretary

Mr M D Bayliss

Registered Office

European Regional Centre
Priestley Road
Surrey Research Park
Guildford
Surrey
GU2 7YH

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

STRATEGIC REPORT for the year ended 31 December 2014

Review of business and future developments

Business review and results

The result for the period is set out on page 9. The company made an operating profit of £64m (2013: £112m).

Principal activities

The principal activities of the company during 2014 continued to be the research, development and manufacturing of agrochemicals and provision of administrative and support services to other Syngenta Group companies.

Trading and key performance indicators

On an ongoing basis, the company's main income sources are royalty and tolling income, with a secondary income source from sales of certain agrochemical products within Europe, Africa and the Middle East. Toll manufacturing is carried out at the company's Huddersfield and Grangemouth sites on behalf of SSAG for which reward is earned on a cost plus basis. Royalty income is paid to Syngenta Limited by SSAG in respect of sales of products in which the company owns the intellectual property rights. The royalty is based on relevant third party sales made globally by all of Syngenta AG's subsidiaries.

	2014	2013
	£'m	£'m
Turnover	422	457
Gross profit	267	278
Administrative expenses	(139)	(131)
Other operating expense	(64)	(35)
Operating profit	64	112

Turnover decreased by 8% in 2014 which was mainly due to reduced product sales, and gross profit reduced by 4% which was mainly due to the strength of sterling.

Administrative expenses increased by £8m which was largely due to a £7m impairment of intangible assets.

Other operating expenses increased by £29m, mainly due to increased pension costs and research and development cost sharing charges.

Research and development

Syngenta Limited is actively involved in research and development in all aspects of agrochemicals and seeds. The company is continuously improving the research process, building on well-established platforms in chemistry, biology and biotechnology. Novel tools, methods and information services allow the company to evaluate a wide variety of diverse chemicals quickly and efficiently. The use of multidisciplinary research teams to refresh the existing product range is also key to the company's continued success in the face of competition. Many projects are carried out in collaboration with universities and other third parties.

The company's R&D activities take place at the international R&D centre at Jealott's Hill which concentrates on herbicide discovery, but also has expertise in bioscience and chemistry which is applied to the discovery and development of fungicides, insecticides and new seed varieties. In addition, the centre has expertise in formulation science and process studies and also houses a Product Safety group who are responsible for ensuring the human and environmental safety of Syngenta's products.

STRATEGIC REPORT for the year ended 31 December 2014

Health safety and environment (HSE)

Syngenta policy is to ensure the responsible management of all its activities from product invention to use and beyond. Excellence in HSE performance is essential to this policy and Syngenta will:

- Be a responsible corporate member of society committed to continuous improvement in HSE
- Provide a safe and healthy work environment for all employees
- Minimise environmental impact and optimise the use of natural resources
- Meet or exceed regulations, legal requirements and international agreements
- Ensure HSE considerations are integrated into all activities
- Develop a culture which encourages employees to take personal responsibility for HSE
- Openly communicate HSE performance and enter into dialogue with interested parties
- Aim to eliminate all incidents and injuries

The company's environmental impact is in line with its principal activities, namely the research, development and manufacturing of agrochemicals. In all cases, the company aims to minimise any negative impact through a system of stringent checks and controls.

Principal risks and uncertainties

The company's major risks relating to royalties include increased competition on expiry of patent protection, changes in the regulatory framework in key territories and political changes with respect to policy on agricultural matters.

The main risk in research and development is that activities will not yield new products that achieve commercial success. This activity is expensive, prolonged and subject to considerable uncertainty. The process of developing a novel crop protection product takes between six and ten years from discovery, through testing and registration to initial product launch. Current products under development may neither survive the development process nor ultimately receive the requisite regulatory approvals needed to market the products.

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by hedging committed material foreign currency exposure.

Credit risk is relatively low since most of the company's trade is with other Syngenta group companies.

The company is in the process of renegotiating the terms of its license and toll manufacturing agreements with SSAG.

By order of the board



M D Bayliss

Secretary

Date: 21st September 2015

DIRECTORS' REPORT for the year ended 31 December 2014

The Directors of Syngenta Limited submit their report, together with the audited financial statements of the company for the year ended 31 December 2014.

Employment

The company maintains an open management style and involves employees in both daily decisions and longer-term matters. Syngenta Limited's policy is that there should be no discrimination against any person for any reason that is not relevant to the effective performance of their job. All judgements about people for the purposes of recruitment, development and promotion are made solely on the basis of their ability and potential in relation to the needs of the job. It is the company's policy that disabled people should have the same consideration as others for job vacancies. Depending on their skills and abilities they enjoy the same career prospects as other employees and the same scope for realising their potential.

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.

Dividends

A dividend of £35 million (2013: £25 million), representing a dividend of approximately £0.41 per share (2013: £0.29), was declared and paid in the year.

Directors

The directors whose names appear in the Company Summary Information on page 2 were directors of the company throughout the year and remain so at the date of the report (unless stated otherwise).

Directors' indemnity arrangements

A qualifying third party indemnity provision has been in place for the benefit of one or more directors of the company throughout 2014 and remains in place.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that the director might reasonably be expected to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent Auditor

Ernst & Young LLP resigned as auditor during the year and the directors appointed KPMG LLP to fill the casual vacancy arising.

By Order of the Board



M D BAYLISS
Secretary
21st September 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT TO THE STRATEGIC REPORT, DIRECTORS' REPORT AND 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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; 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 proper 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 AUDITOR'S REPORT TO THE MEMBERS OF SYNGENTA LIMITED

We have audited the financial statements of Syngenta Limited for the year ended 31 December 2014 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's *Ethical Standards for Auditors*.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNGENTA LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Karen McCulloch (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

21 September 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	Note	2014 £'m	2013 £'m
Turnover	2	422	457
Cost of sales		(155)	(179)
Gross profit		267	278
Integration, synergy and impairments		(10)	(1)
Other administrative expenses		(129)	(130)
Administrative expenses		(139)	(131)
Other operating expenses		(64)	(35)
Operating profit	3	64	112
Gain on disposal of investment	9	-	3
Net interest receivable and similar income	6	2	-
Profit on ordinary activities before taxation		66	115
Tax charge on profit on ordinary activities	7	(18)	(2)
Profit on ordinary activities after taxation	15	48	113

All results shown above relate to continuing operations.

The company has no recognised gains and losses other than those included in the profit and loss account.

BALANCE SHEET
 as at 31 December 2014

	Note	2014 £'m	2013 £'m
Fixed assets			
Intangible assets	8	47	60
Tangible assets	8	287	286
Investments	9	28	46
		362	392
Current assets			
Stocks	10	8	7
Debtors	11	305	234
Cash		1	1
		314	242
Creditors: amounts falling due within one year	12	(99)	(70)
Net current assets		215	172
Total assets less current liabilities		577	564
Provisions for liabilities and charges	13	(44)	(44)
Net assets		533	520
Capital and reserves			
Called up share capital	14	85	85
Profit and loss account	15	448	435
Shareholders' funds	16	533	520

The financial statements on pages 9 to 24 were approved by the board of directors and were signed on its behalf on 21 September 2015 by:



Mr A D Johnson
Director

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company is exempt from preparing group financial statements by virtue of s401 of the Companies Act 2006. As such these financial statements present information about the company as an individual undertaking and not as a group.

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.

Cash flow statement

Under FRS 1 'Cash Flow Statements' (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking Syngenta AG includes the company in its own published consolidated financial statements. The consolidated financial statements of Syngenta AG are available from the address given in note 21.

Turnover

Turnover, which excludes value added tax, includes tolling income and royalty income, mainly from Syngenta Supply AG, and sales of certain agrochemical products. Royalty income is paid to Syngenta Limited by SSAG in respect of sales of products in which the company owns the intellectual property rights. The royalty is recognized based on relevant third party sales made globally by all of Syngenta AG's subsidiaries as reported in Syngenta AG's consolidated financial statements. Tolling income is mainly recognised on a cost plus basis when the costs are recognised.

Fixed assets

Tangible fixed assets and purchased intangible fixed assets are capitalised at cost.

The carrying values of tangible fixed assets and intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In addition, the carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition.

Depreciation and amortisation

Syngenta's policy is to write off the book value of each tangible fixed asset evenly over its estimated remaining life. Reviews are made periodically of the estimated remaining lives of individual productive assets, taking account of commercial and technological obsolescence as well as normal wear and tear. Under this policy, depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal lives used for this purpose are:

	Years
Buildings	10 - 40
Plant and equipment	2 - 39

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

1. Principal accounting policies (continued)

Depreciation and amortisation (continued)

No depreciation is provided on freehold land.

All intangible assets are capitalised and amortised over their useful lives up to a maximum of 20 years. If related products fail, the remaining unamortised amounts are immediately written off to the profit and loss account. Internally developed intangible assets are not capitalised.

Investments

Investments in subsidiary undertakings are recorded at cost. The carrying values of investments are reviewed for impairments when events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual or average exchange rates where these approximate the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are retranslated at the exchange rate prevailing at that date or if appropriate the related forward contract rate. Any gain or loss arising is included as an exchange gain or loss in the profit and loss account.

Leases

Rentals under operating leases are charged to the profit and loss account as incurred.

Pensions

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

The company is unable to identify its share of the underlying assets of the (SUKPF), for reasons including the transfer of a number of employees between Syngenta group companies where different pension scheme arrangements may be in place and the fact that there is no guidance or agreement within the scheme rules as to the allocation of assets between employing companies. Accordingly, in line with the requirement of FRS17, the defined benefit scheme has been accounted for as if it were a defined contribution scheme. Therefore contributions are charged to the profit and loss account as they become payable, except those in relation to special contributions arising due to restructurings which are charged to profit on recognition of the related restructuring provision.

Since September 2013 the company has placed all new employees in a new defined contribution scheme, the Syngenta Group Personal Pension plan (GPP).

Research and development

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

Stocks

Finished goods are stated at the lower of cost or net realisable value and raw materials and other stocks at the lower of cost or replacement price. The first in first out, standard cost or an average method of valuation is used. Net realisable value is determined as estimated selling price less costs of disposal.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)**1. Principal accounting policies (continued)****Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Segment information

Syngenta AG, worldwide, is involved in agribusiness and splits its operations between the integrated crop protection and seeds business, and the Lawn and Garden business. The majority of the revenue in Syngenta Limited is derived from crop protection.

The company's turnover is split between the following geographical markets:

	2014	2013
	£'m	£'m
Product Sales		
Europe, Africa, Middle East	25	55
Tolling Income		
Europe	141	136
Royalty Income		
Europe	256	266
Total Turnover	422	457

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)**3. Operating profit**

	2014	2013
	£'m	£'m
Operating profit is stated after charging / (crediting)		
Depreciation and amortisation (Note 8)	32	30
Integration and synergy costs	3	-
Impairment of intangible fixed assets	7	-
Impairment of investment in subsidiaries	-	1
Ernst & Young - audit fees	-	0.1
KPMG – audit fees	0.1	-
Research and development costs	119	119
Rentals under operating leases - land and buildings	1	1

Impairment charges and exceptional costs are included within administrative expenses.

4. Emoluments of directors

The total emoluments paid to directors of the company in the year for qualifying services, net of pension contributions, were £336,038 (2013: £290,744). Company contributions to money purchase pension schemes were £1,762 (2013: £10,358).

The emoluments, net of pension contributions, of the highest paid director were £130,391 (2013: £105,850). The accrued retirement benefit of the highest paid director at 31 December 2014 was £nil (2013: £41,038). The highest paid director received shares under the group's long term incentive scheme.

	2014	2013
Number of directors who received shares in respect of qualifying service	4	4
Number of directors who exercised share options in respect of qualifying service	0	2
Number of directors accruing benefits under defined benefit scheme	2	3

5. Employee numbers and costs

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

	2014	2013
Global Supply	845	785
General and Administration	129	125
Research and Technology and Plant Science	492	477
	1,466	1,387

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)**5. Employee numbers and costs (continued)**

The aggregate payroll costs of the persons employed by the company were as follows:

	2014	2013
	£'m	£'m
Salaries	71	66
Social security costs	6	6
Pension costs (Note 18)	39	29
Other employment costs	2	2
	118	103

Other employment costs include FRS20 share-based payment arrangements (Note 19).

6. Net interest receivable and similar income

	2014	2013
	£'m	£'m
Interest receivable and similar income		
Receivable from Group companies	1	1
Exchange gains	1	
	2	1
Interest payable and similar charges		
Payable to Group companies	-	1
Net interest receivable and similar income	2	-

7. Taxation**a) Tax on profit on ordinary activities**

	2014	2013
	£'m	£'m
UK Corporation tax		
Current year charge	9	13
Adjustment in respect of previous years	8	(1)
Total current tax	17	12
Deferred tax		
Current year charge	1	6
Impact of change in tax rate	-	(5)
Adjustment in respect of prior years	-	(11)
Tax charge on profit on ordinary activities	18	2

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

7. Taxation (continued)

b) Factors affecting the tax charge for the current year

The current tax charge is higher (2013: lower) than the standard rate of corporation tax in the UK of 21.5%, (2013: 23.25%) charged on the company's profit on ordinary activities. The differences are explained below:

	2014 £'m	2013 £'m
Profit on ordinary activities before tax	66	115
Notional charge at UK Corporation Tax rate of 21.5% (2013: 23.25%)	14	27
Effects of:		
Permanent differences	(1)	(4)
Accelerated capital allowances and other timing differences	(1)	(2)
Timing difference on special pension contributions	-	(5)
Group relief claimed	(3)	(3)
Adjustments to tax charge in respect of previous years	8	(1)
Total current tax charge	17	12

c) Deferred taxation provision

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

	2014 £'m	2013 £'m
Difference between accumulated depreciation and capital allowances	35	33
Timing difference on special pension contributions	-	-
Other timing differences	(3)	(2)
Total deferred tax provision	32	31

Recent UK Budgets announced that the UK rate of corporation tax will reduce to 20% from 1 April 2015. This reduction was enacted at the balance sheet date so the closing deferred tax liability is based on this reduced rate.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

8. Intangible and tangible fixed assets

	Land and buildings £'m	Plant and equipment £'m	Capital expenditure and assets in course of construction £'m	Total tangible assets £'m	Intangible assets* £'m
Cost					
Opening balance	121	588	31	740	140
Additions	-	1	27	28	-
Disposals	-	(5)	-	(5)	-
Transfer between categories	3	36	(39)	-	-
At 31 December 2014	124	620	19	763	140
Depreciation / Amortisation					
Opening balance	(79)	(375)	-	(454)	(80)
Charge for year	(3)	(23)	-	(26)	(6)
Disposals	-	4	-	4	-
Impairments	-	-	-	-	(7)
At 31 December 2014	(82)	(394)	-	(476)	(93)
Net book value					
At 31 December 2014	42	226	19	287	47
At 31 December 2013	42	213	31	286	60

The land and buildings are all freehold. All tangible fixed assets are included at cost.

*Intangible assets include concessions, patents, licences, trademarks, goodwill and similar assets. The net book value of £47m at 31 December 2014 is made up of £43m product rights and £4m purchased goodwill.

During the year, management conducted an impairment review of Lawn and Garden product rights because registration of one recently acquired product right has not yet been received, reducing sales forecasts.

The review indicated that the Lawn and Garden product rights' carrying amount exceeded its recoverable amount by £7m and consequently has been written down by this amount. The impairment loss has been recognised in integration, synergy and impairments costs in the profit and loss account.

The recoverable amount of Lawn and Garden product rights has been calculated with reference to its value in use. The key assumptions used to perform this calculation were management's best estimate of annual cashflows projected over an 8 year period and a discount rate of 12%.

9. Fixed asset investments

The subsidiary undertakings of the company are as follows:

Subsidiaries	Country of registration	Percentage of shares held	Class of share	Principal activity
Syngenta (China) Investment Co. Ltd	China	100%	Ordinary	Holding /Trading

The company previously held 100% equity investments in Syngenta (AT) Holdings Limited and Syngenta (AT) Limited. Both of these companies were dissolved on 25 December 2014.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)**9. Fixed asset investments (continued)**

In the Directors' opinion, the investment in and amounts due from the company's subsidiaries are worth at least the amounts at which they are stated in the balance sheet.

	Shares in subsidiaries £'m
Cost	
Opening balance	47
Disposals	(19)
Additions	-
At 31 December 2014	28
Provisions	
Opening balance	1
Disposals	(1)
Impairments	-
At 31 December 2014	-
Net book value	
At 31 December 2014	28
At 31 December 2013	46

10. Stocks

	2014	2013
	£'m	£'m
Raw materials and consumables	8	7
	8	7

The difference between purchase price or production costs of stocks and their replacement cost is not material.

11. Debtors

	2014	2013
	£'m	£'m
Amounts falling due within one year		
Amounts owed by Group companies	284	209
Other debtors	16	11
Corporation tax recoverable	1	9
Prepayments and accrued income	4	5
	305	234

Included in other debtors above are amounts falling due after more than one year of £1m (2013: £1m).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

12. Creditors

	2014	2013
	£'m	£'m
Amounts falling due within one year		
Trade creditors	68	55
Amounts owed to group companies	16	5
Other creditors, including taxes and social security	7	5
Accruals and deferred income	8	5
	99	70

13. Provisions for liabilities and charges

	Employee costs £'m	Environmental £'m	Other £'m	Deferred Tax £'m	Total £'m
Opening balance	5	4	4	31	44
Utilised during the year	(2)	-	(2)	-	(4)
Additional amounts provided in the year	2	-	1	1	4
At 31 December 2014	5	4	3	32	44

Employee costs provided for include severance and related costs, pensions and post-retirement healthcare costs. Employee costs relating to severance and related costs will be incurred over several years. Environmental provisions mainly relate to the expected environmental costs at the company's manufacturing and associated sites. See note 7 for deferred tax. Other provisions mainly relate to non redundancy restructuring costs and onerous lease costs.

14. Called up share capital

	2014	2013
	£'m	£'m
Allotted, called up and fully paid:		
85,000,000 ordinary shares of £1 each	85	85

15. Reserves

	Profit and loss account £'m
Reserves at 31 December 2013	435
Dividends paid	(35)
Profit for the financial year	48
Reserves as at 31 December 2014	448

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

16. Reconciliation of movements in shareholders' funds

	2014	2013
	£'m	£'m
Profit for the financial year	48	113
Dividends declared and paid	(35)	(25)
Opening shareholders' funds	520	432
Shareholders' funds at end of year	533	520

17. Commitments and contingent liabilities

	2014	2013
	£'m	£'m
Contracts placed for future capital expenditure not provided for in these accounts	2	1

Guarantees to HMRC held by the company relating to import duties, for which security has been given with a bank guarantee, amount to £0.4m at 31 December 2014 (2013: £0.4m).

Syngenta Limited has provided a letter of financial support to Syngenta (China) Investment Co. Limited (a directly owned subsidiary) for a period of no less than 12 months from the date of signing their 2014 financial statements. The book net asset position of this company and its two major subsidiary undertakings at 31 December 2014 was £116m (2013: £90m), including net current liabilities of £35m (2013: £9m).

Syngenta has provided a £20m loan facility to the Syngenta Pensions Trustee Limited since November 2006. No funds are currently loaned under this arrangement.

HMRC have opened enquiries into Syngenta Holdings Ltd, the parent of the company, for the years 2011 and 2012 (as noted in the Syngenta Holdings Ltd 2014 accounts). As Syngenta Ltd claimed group relief losses from Syngenta Holdings Ltd in 2011 and 2012, if the outcome of the enquiry impacts the losses available for surrender, additional tax will be payable by Syngenta Ltd.

Contingent pension payment

The company may be liable for certain contingent pension contributions as detailed in note 18.

Operating leases

There were the following annual commitments at 31 December 2014:

	2014		2013	
	Other £'m	Land and Buildings £'m	Other £'m	Land and Buildings £'m
Operating leases which expire:				
Between one and two years	-	1	-	-
Between two year and five years	-	-	-	1
After five years	-	-	-	-
Total	-	1	-	1

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)**18. Pensions**

The total pension charge for the company was £39m (2013: £29m).

Syngenta UK Pension Fund defined benefit disclosures

In recent years, in line with most other pension funds, the Syngenta UK Pension Fund (SUKPF) has been affected by the impact of low interest rates, the price of annuities increased life expectancy and turmoil in the financial markets. Following the 31 March 2012 valuation, a ten year funding plan was agreed whereby Syngenta UK group companies that participate in the SUKPF agreed to pay higher normal contributions and also additional contributions (mainly to cover the past service shortfall) of £22m for the 8 months to 31 December 2012 and £26m per annum for 2013-19. This replaced the previous 10 year plan which had agreed additional contributions of £21m per annum for 2011-19. The Syngenta UK group companies that participate in the SUKPF made a prepayment of the additional contributions agreed in the funding plan to the SUKPF of £64m in December 2010 (the company's share being £62m) such that only £17m of additional contributions were paid in 2013 compared to £26m in 2014. The returns on the fund's investments will also contribute to meeting the past service shortfall. If these returns fall below a pre-defined level, further contributions will be triggered up to a maximum of £15m per annum.

The following disclosures are required under FRS17 'Retirement Benefits' for the defined benefits section of SUKPF. The amounts detailed below for the main scheme, the SUKPF, have been calculated by an independent qualified actuary based on the most recent full actuarial valuation of the plan, updated to 31 December 2014 and refer to the SUKPF as a whole since the company is unable to identify its share of the underlying assets and liabilities.

The defined benefit section of the SUKPF has been closed to new entrants since 5 April 2002 and therefore the service cost is expected to increase when expressed as a percentage of the remaining members' pensionable salaries. The total overall cost will reduce over time as membership of the defined benefit section reduces. From September to November 2014, Syngenta consulted with its UK employees and their representatives on proposals to freeze pensionable pay for defined benefit members of the UK Fund. Following this consultation, the company amended the benefits so that pensionable pay will be frozen at January 1, 2016 levels. The defined benefit fund remains open to existing members, and pay increases after January 1, 2016 which is not part of defined benefit pensionable pay will be pensionable under the Syngenta Group Personal Pension plan (GPP), a separate defined contribution plan, for those who choose to join. Employees who choose to leave the defined benefit section of the UK Fund will also be able to join the GPP. As a result of this amendment to the defined benefit in the UK Fund, pension liabilities reduced by £93 million.

The key assumptions used for determining the past service financial position at 31 December 2014 under FRS17 were long-term UK price inflation of 3.05% (2013: 3.4%), a discount rate of 3.61% (2013: 4.4%), salary increases of 3.2% (2013: 3.9%) and future increases in pensions of 3.05% (2013: 3.4%).

For accounting purposes, using the prescribed assumptions of accounting standard FRS17, it was estimated that at 31 December 2014 the present value of liabilities was £1,942m (2013: £1,865m) and the market value of assets was £1,860m (2013: £1,748m), resulting in a net pension deficit of £82m (2013: £117m).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

18. Pensions (continued)

Syngenta UK Pension Fund defined benefit disclosures (continued)

The movements in the defined benefit obligation for all Syngenta UK companies during the year, had the fund been accounted for as a defined benefit scheme, are:

	£'m 2014	£'m 2013
Obligation at start of the year	1,865	1,629
Current Service Cost	21	19
Interest Cost	81	72
Plan amendments	(93)	-
Actuarial losses / (gains)	132	206
Benefits paid	(64)	(61)
Obligation at end of the year	1,942	1,865

The movements in scheme assets for all Syngenta UK companies during the year, had the fund been accounted for as a defined benefit scheme, are:

	£'m 2014	£'m 2013
At start of the year	1,748	1,636
Expected return on scheme assets	76	72
Actuarial gains / (losses)	58	73
Contributions by employer	39	26
Contributions by scheme participants	2	2
Benefits paid	(63)	(61)
At end of the year	1,860	1,748

For accounting purposes, using the prescribed assumptions of accounting standard FRS17, it was estimated that at 31st December the present value of liabilities, market value of assets and resulting deficit was:

	£'m 2014	£'m 2013
Deficit at end of year	82	117

The amounts that would have been charged / (credited) to the profit and loss for all Syngenta UK companies, had the fund been accounted for as a defined benefit scheme, are:

	£'m 2014	£'m 2013
Service cost	18	17
Plan amendments	(93)	-
Amount (debited) / charged to operating profit	(75)	17
Expected return on scheme assets	(76)	(72)
Interest on pension scheme liabilities	81	72
Amount credited to other finance costs	5	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

18. Pensions

Syngenta UK Pension Fund defined benefit disclosures (continued)

The amounts that would have been recognised in the statement of total recognised gains and losses for all Syngenta UK companies, had the fund been accounted for as a defined benefit scheme, are:

	£'m 2014	£'m 2013
Actual return less expected return on scheme assets	58	73
Experience gains / (losses) on the scheme liabilities	17	(12)
Changes in financial assumptions underlying the present value of scheme liabilities	(149)	(194)
Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)	(74)	(133)

The major category of scheme assets that would have comprised the end of year scheme assets and their expected rates of return, had the fund been accounted for as a defined benefit scheme, are:

	2014 £'m	2014 % of total scheme assets	2013 £'m	2013 % of total scheme assets
Equity instruments	647	35%	622	35%
Debt instruments	656	35%	658	38%
Other assets	557	30%	468	27%
Total scheme assets	1,860		1,748	

The expected return on scheme assets for the year 2014 was 3.6% (2013: 4.4%). This assumption was made at the beginning of the accounting period.

19. Employee share participation plans

Details of the Syngenta group employee share participation plans are given in the financial statements of the ultimate parent, Syngenta AG. The resulting FRS20 charge and related disclosures are not considered to be material to the company's financial statements at 31 December 2014, so no further information on these has been provided in these financial statements.

20. Related party transactions

Under FRS8 'Related Party Disclosures', the company is exempt from the requirement to disclose related party transactions with Syngenta AG and its wholly owned affiliates on the grounds that it is a wholly owned subsidiary undertaking of Syngenta AG. There are no other related party transactions.

21. Immediate and ultimate parent undertaking and controlling party

The company is the immediate subsidiary undertaking of Syngenta Holdings Limited whose address is Priestley Road, Surrey Research Park, Guildford, Surrey GU2 7YH.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014 (continued)

21. Immediate and ultimate parent undertaking and controlling party (continued)

The directors regard Syngenta AG, a company incorporated in Switzerland, as the group's ultimate parent undertaking and controlling party. Syngenta AG is also the parent of the largest and smallest group for which consolidated financial statements that include the results of Syngenta Limited are prepared. Copies of the group consolidated financial statements can be obtained from Syngenta AG, Werk Rosental, Schwarzwaldallee 215, CH-4058 Basel, Switzerland.