

**Reckitt Benckiser USA Finance (No.  
2) Limited**

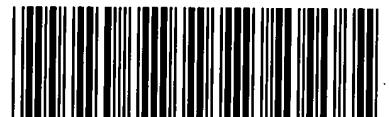
**Report and Financial Statements**

**Year Ended**

**31 December 2015**

**Company Number 04902747**

WEDNESDAY



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**Reckitt Benckiser USA Finance (No. 2) Limited**

**Company Information**

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<b>Directors</b>	Candida Jane Davies Richard Greensmith
<b>Company Secretary</b>	Christine Anne-Marie Logan
<b>Registered Number</b>	04902747
<b>Registered Office</b>	103-105 Bath Road Slough Berkshire SL1 3UH
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

## **Reckitt Benckiser USA Finance (No. 2) Limited**

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## **Reckitt Benckiser USA Finance (No. 2) Limited**

### **Directors' Report to the members of Reckitt Benckiser USA Finance (No. 2) Limited For the Year Ended 31 December 2015**

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The Directors present their report and the Financial Statements for the year ended 31 December 2015.

This report has been prepared in accordance with special provisions related to small companies within Part 15 of the Companies Act 2006.

#### **Principal activities**

The principal activity of the Company is to act as a finance company for other Group companies. The Company, which is a member of the Reckitt Benckiser Group of companies (the "Group"), carries out the strategy intended by the Company Directors.

#### **Directors**

The Directors of the Company who held office during the year and up to the date of signing of the Financial Statements, unless otherwise stated, were as follows:

William Richard Mordan (resigned 1 October 2015)  
Candida Jane Davies  
Patrick Norris Clements (resigned on 30 April 2016)  
Richard Greensmith (appointed on 21 April 2016)

#### **Directors' indemnity**

On 28 July 2009, Reckitt Benckiser Group plc executed a deed poll of indemnity for the benefit of each individual who is, at any time on, or after 28 July 2009, an officer of Reckitt Benckiser Group plc and/or any company within the Group in respect of costs of defending claims against them and third party liabilities.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing 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 prepared the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102).

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 Statement of Comprehensive Income 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

## **Reckitt Benckiser USA Finance (No. 2) Limited**

### **Directors' Report to the members of Reckitt Benckiser USA Finance (No. 2) Limited For the Year Ended 31 December 2015**

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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.

#### **Results for the year and movement on reserves**

The Financial Statements for the year ended 31 December 2015 show a profit of £1,997,000 (2014 - profit of £1,883,000) which has been added to reserves (2014 - added to reserves).

The Directors do not recommend the payment of a dividend (2014 - £nil).

#### **Future developments**

No significant change in the business of the Company has taken place during the year or is expected in the immediately foreseeable future.

#### **Going concern**

The Company participates in the Group's centralised treasury arrangements and so shares the banking arrangements with its parent and fellow subsidiaries.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Reckitt Benckiser Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

#### **Independent Auditors**

The Company has adopted Articles which are compliant with provisions of the Companies Act 2006 and is therefore not required to hold annual general meetings to lay Financial Statements before the shareholders and to reappoint the Auditors annually.

**Reckitt Benckiser USA Finance (No. 2) Limited**

**Directors' Report to the members of Reckitt Benckiser USA Finance (No. 2) Limited  
For the Year Ended 31 December 2015**

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**Disclosure of information to Auditor**

Each of the persons who are Directors at the time when this Directors' Report to the members of Reckitt Benckiser USA Finance (No. 2) Limited is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by order of the board on 13 May 2016 and signed on its behalf.



**Christine Anne-Marie Logan**  
Company Secretary

# **Reckitt Benckiser USA Finance (No. 2) Limited**

## **Independent Auditors' report to the members of Reckitt Benckiser USA Finance (No. 2) Limited**

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### **Report on the Financial Statements**

#### ***Our Opinion***

In our opinion, Reckitt Benckiser USA Finance (No. 2) Limited's Financial Statements (the "Financial Statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.

#### ***What we have audited***

The Financial Statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

#### **Other matters on which we are required to report by exception**

##### ***Adequacy of accounting records and information and explanations received***

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, 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.

We have no exceptions to report arising from this responsibility.

##### ***Directors' remuneration***

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# Reckitt Benckiser USA Finance (No. 2) Limited

## Independent Auditors' report to the members of Reckitt Benckiser USA Finance (No. 2) Limited

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the Financial Statements and the audit**

#### ***Our responsibilities and those of the Directors***

As explained more fully in the Directors' responsibilities statement set out on page 1, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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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.

#### ***What an audit of Financial Statements involves***

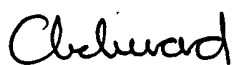
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the Financial Statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



**Christopher Richmond** (Senior statutory auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
13 May 2016



**Reckitt Benckiser USA Finance (No. 2) Limited**

**Statement of Comprehensive Income  
For the Year Ended 31 December 2015**

	<b>Note</b>	<b>2015 £000</b>	<b>2014 £000</b>
Interest receivable and similar income	3	<u>1,997</u>	<u>1,883</u>
<b>Profit on ordinary activities before tax</b>		<b>1,997</b>	<b>1,883</b>
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<b><u>1,997</u></b>	<b><u>1,883</u></b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income</b>		<b><u>1,997</u></b>	<b><u>1,883</u></b>

The notes on pages 9 to 13 form part of these Financial Statements.

**Reckitt Benckiser USA Finance (No. 2) Limited**  
**Registered number:04902747**

**Balance Sheet**  
**As at 31 December 2015**

		2015 £000	Represented 2014 £000
	Note		
<b>Current Assets</b>			
Debtors due within one year	5	327,372	326,109
		<u>327,372</u>	<u>326,109</u>
Creditors due within one year	6	-	(734)
		<u>-</u>	<u>(734)</u>
<b>Net Current Assets</b>		<u>327,372</u>	<u>325,375</u>
<b>Total Assets less Current Liabilities</b>		<u>327,372</u>	<u>325,375</u>
<b>Net Assets</b>		<u><u>327,372</u></u>	<u><u>325,375</u></u>
<b>Equity</b>			
Share capital	8	255,452	255,452
Retained earnings		71,920	69,923
		<u>71,920</u>	<u>69,923</u>
<b>Total Equity</b>		<u><u>327,372</u></u>	<u><u>325,375</u></u>

The Financial Statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The notes on pages 9 to 13 form part of these Financial Statements.

The Financial Statements on pages 6 to 13 were approved and authorised for issue by the board and were signed on its behalf on 13 May 2016.



**Richard Greensmith**  
Director

**Reckitt Benckiser USA Finance (No. 2) Limited**

**Statement of Changes in Equity  
For the Year Ended 31 December 2015**

	Share capital £000	Retained earnings £000	Total Equity £000
At 1 January 2015	255,452	69,923	325,375
<b>Comprehensive income</b>			
Profit for the financial year	-	1,997	1,997
<b>Other comprehensive income</b>	-	-	-
<b>Total comprehensive income</b>	-	1,997	1,997
<b>Total transactions with owners</b>	-	-	-
<b>Balance at 31 December 2015</b>	<b>255,452</b>	<b>71,920</b>	<b>327,372</b>

**Statement of Changes in Equity  
For the Year Ended 31 December 2014**

	Share capital £000	Retained earnings £000	Total Equity £000
At 1 January 2014	255,452	68,040	323,492
<b>Comprehensive income</b>			
Profit for the financial year	-	1,883	1,883
<b>Other comprehensive income</b>	-	-	-
<b>Total comprehensive income</b>	-	1,883	1,883
<b>Total transactions with owners</b>	-	-	-
<b>Balance at 31 December 2014</b>	<b>255,452</b>	<b>69,923</b>	<b>325,375</b>

The notes on pages 9 to 13 form part of these Financial Statements.

## **Reckitt Benckiser USA Finance (No. 2) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2015**

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#### **1. Accounting Policies**

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

##### **1.1 General Information**

Reckitt Benckiser USA Finance (No. 2) Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 13. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 to 3.

##### **1.2 Statement of Compliance**

The Financial Statements have been prepared on a going concern basis, under the historical costs convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

##### **1.3 Basis of Preparation**

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. Details of the transition to FRS 102 are disclosed in note 12.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

##### **1.4 Financial Reporting Standard 102 – Reduced Disclosure Exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS 102 for qualifying entities:

- the requirements of section 3 Financial Statement Presentation paragraph 3.17(d) and section 7 Statement of Cash Flows not to prepare a statement of cash flows;
- the requirements of section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the numbers of shares outstanding at the beginning and end of the year;
- the requirements of section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

The Company's shareholders have been notified in writing about, and do not object to the use of, the above disclosure exemptions. The Company's results are included in the publically available consolidated Financial Statements of Reckitt Benckiser Group plc and these Financial Statements may be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH.

## Reckitt Benckiser USA Finance (No. 2) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2015

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#### 1. Accounting Policies (continued)

##### 1.5 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to and from related parties. These transactions are initially recorded at cost and subsequently recognised at amortised cost.

###### (a) Financial Assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in comprehensive income or expense.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### (b) Financial Liabilities

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### 1.6 Interest

Interest payable is charged to comprehensive income or expense as incurred and interest receivable is credited as it falls due.

##### 1.7 Taxation

Tax is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are provided for in full and deferred tax assets are recognised to the extent that they are considered recoverable.

#### 2. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The Directors make estimates and assumptions concerning the future of the Company. The resulting accounting estimates will, by definition, seldom equate to actual results. The Company's Directors are of the opinion that there are no estimates and assumptions that have a significant risk of casting material adjustment to the carrying value of assets and liabilities for the Company within the next financial year due to the nature of the business.

#### 3. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from Group undertakings	1,997	1,883

**Reckitt Benckiser USA Finance (No. 2) Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2015**

**4. Taxation**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation Tax</b>		
Current tax on profits for the financial year	-	-
<b>Total current tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

**Reconciliation of tax charge**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)%. The differences are explained below:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<b>1,997</b>	<b>1,883</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.5%)	<b>404</b>	<b>405</b>
<b>Effects of:</b>		
Non-taxable worldwide debt cap income	<b>(404)</b>	<b>(405)</b>
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits and losses for this accounting year are taxed at an effective rate of 20.25%.

Reductions to the tax rate, reducing it to 19% from 1 April 2017 and 18% from 1 April 2020 have been substantively enacted. A further reduction to 17% from 1 April 2020 has been announced but not substantively enacted. Future profits will be taxed at the appropriate rate.

**Worldwide debt cap**

Worldwide debt cap legislation provides for the exemption of certain financing income of UK group companies where there has been a disallowance of interest expense in relevant UK group companies.

**Reckitt Benckiser USA Finance (No. 2) Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2015**

**5. Debtors**

	<b>2015</b>	Represented
	<b>£000</b>	2014
		£000
<b>Due within one year</b>		
Amounts owed by Group undertakings	<b>327,372</b>	326,109

Included in the amounts owed by Group undertakings due within one year is an amount of £225,000k (2014 - £224,728k) which is unsecured and interest bearing at 3M LIBOR minus 0.125% (2014 - 3M LIBOR minus 0.125%), and an amount of £102,372k (2014 - £101,381k) which is unsecured and interest bearing at 3M LIBOR plus 0.4% (2014 - 3M LIBOR plus 0.4%).

In prior year £101,381k was presented as a long term loan, this has been represented as a short term loan because it is repayable on demand. This is a presentational change only.

**6. Creditors due within one year**

	<b>2015</b>	2014
	<b>£000</b>	£000
Amounts owed to Group undertakings	-	734

In 2014 the amounts owed to Group undertakings were unsecured, repayable on demand and non interest bearing.

**7. Financial instruments**

	<b>2015</b>	2014
	<b>£000</b>	£000
<b>Financial Assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>327,372</b>	326,109
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	-	(734)

The Company has entered into the following loan agreements with a Group undertakings:

A loan for £102,372k (2014 - £101,381k) has been made at 3M LIBOR plus 0.40%, this loan expires in July 2016 and is repayable on demand.

A loan for £225,000k (2014 - £224,728k) has been made at 3M LIBOR - 0.125%, this loan expires in April 2016 and is repayable on demand.

**Reckitt Benckiser USA Finance (No. 2) Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2015**

**8. Share Capital**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>Issued and fully paid</b>		
451,000,002 (2014 - 451,000,002) Ordinary shares of \$1 each	<b>255,452</b>	255,452

The issued share capital was translated using the exchange rate on 27 September 2005 of \$1 = £0.566412.

**9. Directors and Employees**

During the year the Company had 3 Directors resident in the UK, none of whom received any emoluments in respect of services to the Company (2014 - 3 Directors, no emoluments).

The Company had no employees during the current or prior year and consequently did not incur any expenditure in respect of wages and salaries, social security costs or other pension costs.

**10. Ultimate Parent Undertaking and Controlling Party**

The immediate parent company is Reckitt Benckiser (Cayman Islands) Limited, a company incorporated in the Cayman Islands.

The ultimate parent company and controlling party is Reckitt Benckiser Group plc, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest Group to consolidate these Financial Statements. Copies of the Group Financial Statements of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH or at <http://www.rb.com>.

**11. Auditors' Remuneration**

The Auditors' remuneration is met by the ultimate parent company, Reckitt Benckiser Group plc and is disclosed in total in the Group Financial Statements. No recharge is made to its subsidiaries as it is not practical to make an allocation of the audit fee to each subsidiary entity individually.

**12. First Time Adoption of FRS 102**

This is the first year that the Company has presented its results under FRS 102. The last Financial Statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. The policies applied under the Company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.