

**Reckitt Benckiser Healthcare  
International Limited**

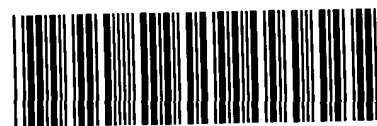
Report and Financial Statements

Year ended

31 December 2015

Company Number 2741587

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**Reckitt Benckiser Healthcare International Limited**  
**Company Information**

<b>Company Secretary</b>	Christine Anne-Marie Logan
<b>Registered Number</b>	2741587
<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 Healthcare International Limited**

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**Reckitt Benckiser Healthcare International Limited**  
**Strategic Report**  
**For the year ended 31 December 2015**

The Directors of Reckitt Benckiser Healthcare International Limited (the "Company") present their Strategic Report for the year ended 31 December 2015.

**Principal activities**

Reckitt Benckiser Healthcare International Limited is engaged in the development and manufacture of consumer healthcare products, concentrating on three categories: analgesics, cough and cold, and skincare in the UK.

**Review of business**

In the view of the Directors, the Company's future development will continue to centre on the main categories of pharmaceutical and healthcare products in which it operates.

The principal risks and uncertainties of the Company are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Reckitt Benckiser Group plc, which include those of the Company, are discussed in the group's financial statements which do not form part of this report.

**Key performance indicators ("KPIs")**

The Directors of Reckitt Benckiser Group plc manage the Group's operations on a geographical and category basis. For this reason the Directors believe analysis using key performance indicators for the Company is not necessary, or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Health and Personal Care category of Reckitt Benckiser Group plc, that includes the Company, is discussed in the Group's Financial Statements which does not form part of this report.

**Financial risk management**

The Reckitt Benckiser Group of companies' financing and financial risk management activities are centralised into the Group Treasury Centre. Details of the Group's risk management activities are disclosed in the Reckitt Benckiser Group plc Annual Report.

**Liquidity and interest rate risk**

The Company's arrangements with the Reckitt Benckiser Group of companies, as described above, ensure it can access the funds needed to meet its liquidity requirements as cash can be obtained through Group funding. Interest receivable/payable on loans with other Group companies is calculated at non-interest bearing and floating rates of interest. The group liquidity requirements and interest rate risks are managed at a group level.

**Currency risk**

The Company's functional currency is Sterling and its Financial Statements are also presented in Sterling. Some transactions undertaken by the Company are denominated in currencies other than Sterling. In general, the Company does not purchase derivatives to manage its exposure to currency risk on such transactions. Instead, the Reckitt Benckiser Group of companies' currency risks are managed at Group level.

# **Reckitt Benckiser Healthcare International Limited**

**Strategic report (continued)**  
**For the year ended 31 December 2015**

## **Credit risk**

The Company has no significant concentrations of credit risk. Financial Institution counterparties are subject to approval under the Reckitt Benckiser Group of companies' counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. The amount of exposure to any individual counterparty is subject to a limit defined within the counterparty risk policy, which is reassessed annually by the Board of Reckitt Benckiser Group plc. Amounts owing from companies in the Reckitt Benckiser Group of companies are usually remitted within the Company's standard credit terms. The credit history of counterparties and trade debtors is also monitored regularly.

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

The Financial Statements for the year ended 31 December 2015 show a profit for the financial year of £18,882,000 (2014 - £6,941,000) which has been added to reserves. The Directors do not recommend payment of a dividend (2014 - £nil).

This report was approved by the board on

30/9/16

and signed by order of the board



**David Norman Walters**  
Director

# **Reckitt Benckiser Healthcare International Limited**

## **Directors' Report**

**For the year ended 31 December 2015**

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

### **Directors' responsibilities statement**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising 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.

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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:

David Norman Walters  
Richard Mark Greensmith (appointed 21 April 2016)  
Stephen Philip Troote  
William Richard Mordan (resigned 1 October 2015)  
Patrick Norris Clements (resigned 30 April 2015)  
Huma Allana Blunt (appointed 1 September 2015)

### **Employment of disabled persons**

The Company recognises its responsibilities to disabled persons and endeavours to assist them to make their full contribution at work. Where employees become disabled, every practical effort is made to allow them to continue in their jobs or to provide retraining in suitable alternative work.

# **Reckitt Benckiser Healthcare International Limited**

## **Directors' Report (continued) For the year ended 31 December 2015**

### **Employee involvement**

During 2015, the Company employed an average of 664 (2014: 690) people. The Company is committed to the principle of equal opportunity in employment; no applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, religion or disability.

It is essential to the continued improvement in efficiency and productivity that each employee understands the Company's strategies, policies and procedures.

Open and regular communication with employees at all levels is an essential part of the management process. A continuing programme of training and development reinforces the Company's commitment to employee involvement.

Regular departmental meetings are held where opinions of employees are sought on a variety of issues. The Company operates multi-dimensional internal communication programmes which include the provision of an intranet and the publication of regular Company newsletters.

Company incentive schemes reinforce financial and economic factors affecting the performance of the business. All employees have 3-5 performance objectives which are directly linked to their job and their role in the overall performance of the Company.

Employees are encouraged to become shareholders and to participate in the Reckitt Benckiser group employee share ownership schemes.

### **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. This was in force during the financial year and at the date of approval of the Financial Statements.

### **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.

### **Charitable and political donations**

Charitable donations in the UK amounted to £431 (2014: £1,967). No political donations were made (2014: £nil).

### **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.

## **Reckitt Benckiser Healthcare International Limited**

**Directors' Report (continued)**  
**For the year ended 31 December 2015**

### **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.

### **Disclosure of information to Auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- as 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 information needed by the Company's Auditors in connection with preparing their report and to establish that the Company's Auditors are aware of that information.

This report was approved by the board on

30/9/16

and signed on its behalf.



**David Norman Walters**  
Director



**Reckitt Benckiser Healthcare International Limited**  
**Independent Auditors' report to the members of Reckitt Benckiser Healthcare International Limited**

**Report on the Financial Statements**

**Our opinion**

In our opinion, Reckitt Benckiser Healthcare International 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 Strategic Report and 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 Healthcare International Limited**  
**Independent Auditors' report to the members of Reckitt Benckiser Healthcare International Limited**

**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 3, 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.

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  
United Kingdom

30/9/16

**Reckitt Benckiser Healthcare International Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2015**

	note	2015 £000	2014 £000
<b>Turnover</b>	3	135,210	136,464
Cost of sales		(118,432)	(124,783)
<b>Gross profit</b>		<b>16,778</b>	<b>11,681</b>
Distribution costs		(1,518)	(2,236)
Administrative expenses		(1,319)	(1,558)
<b>Operating profit</b>	4	<b>13,941</b>	<b>7,887</b>
Interest receivable and similar income	8	1,161	893
Interest payable and similar charges	9	(2)	(14)
Other finance expense	9	(8)	-
<b>Profit on ordinary activities before tax</b>		<b>15,092</b>	<b>8,766</b>
Taxation	7	3,790	(1,825)
<b>Profit for the financial year</b>		<b>18,882</b>	<b>6,941</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>18,882</b>	<b>6,941</b>

The notes on pages 11 to 21 form part of these Financial Statements.

# Reckitt Benckiser Healthcare International Limited

## Balance Sheet As at 31 December 2015

	note	2015 £000	2014 £000
<b>Fixed Assets</b>			
Intangible assets	10	-	-
Tangible assets	11	40,292	43,388
		<u>40,292</u>	<u>43,388</u>
<b>Current Assets</b>			
Stocks	12	9,672	13,702
Debtors	13	320,953	269,185
Cash and cash equivalents		654	160
		<u>331,789</u>	<u>283,047</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(130,590)	(104,787)
<b>Total assets less current liabilities</b>		<u>240,981</u>	<u>221,648</u>
<b>Net Assets</b>		<u>240,981</u>	<u>221,648</u>
<b>Equity</b>			
Called up share capital	18	70,000	70,000
Share premium account		18,556	18,556
Other reserves		436	(15)
Retained earnings		151,989	133,107
<b>Total Equity</b>		<u>240,981</u>	<u>221,648</u>

The notes on pages 11 to 21 form part of these Financial Statements.

The Financial Statements on pages 8 to 21 were approved and authorised for issue by the board and were signed on its behalf on 30/9/16



**David Norman Walters**  
Director

# Reckitt Benckiser Healthcare International Limited

## Statement of Changes in Equity For the year ended 31 December 2015

	Called up share capital £000	Share premium account £000	Retained earnings £000	Other reserves £000	Total equity £000
Balance as at 1 January 2015	70,000	18,556	133,107	(15)	221,648
Profit for the financial year	-	-	18,882	-	18,882
<b>Total comprehensive income</b>	-	-	18,882	-	18,882
Movement on other reserves	-	-	-	451	451
<b>Total transactions with owners</b>	-	-	-	451	451
<b>At 31 December 2015</b>	<b>70,000</b>	<b>18,556</b>	<b>151,989</b>	<b>436</b>	<b>240,981</b>

## Statement of Changes in Equity For the year ended 31 December 2014

	Called up share capital £000	Share premium account £000	Retained earnings £000	Other reserves £000	Total equity £000
Balance as at 1 January 2014	70,000	18,556	126,166	-	214,722
Profit for the financial year	-	-	6,941	-	6,941
<b>Total comprehensive income</b>	-	-	133,107	-	221,663
Movement on other reserves	-	-	-	(15)	(15)
<b>Total transactions with owners</b>	-	-	-	(15)	-
<b>At 31 December 2014</b>	<b>70,000</b>	<b>18,556</b>	<b>133,107</b>	<b>(15)</b>	<b>221,648</b>

The notes on pages 11 to 21 form part of these Financial Statements.

# Reckitt Benckiser Healthcare International Limited

## Notes to the Financial Statements For the year ended 31 December 2015

### 1. Accounting Policies

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

#### General Information

Reckitt Benckiser Healthcare International Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on company information page. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 2.

#### Statement of Compliance

The Financial Statements have been prepared on a going concern basis, under the historical cost 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.

#### 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 23.

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).

#### 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.

#### Foreign Currency Balances

The company's functional and presentational currency is Sterling.

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs. Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate ruling on the balance sheet date. Gains and losses on transaction are taken to the profit and loss account in the year in which they arise.

#### Turnover

Turnover is defined as the amount invoiced to customers during the year. That is gross sales net of trade discounts and customer allowances and exclusive of Value Added Tax and other sales-related taxes. Turnover is recognised at the point at which the risks and rewards of the goods have passed to the customer.

# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 1. Accounting Policies (continued)

### Operating leases

Operating lease rentals are charged against profit on a straight line basis over the period of the lease.

### Research and development

This expenditure is written off in the year in which it is incurred, except for expenditure on related fixed assets which is written off over the expected useful life of those assets.

### Interest

Interest payable is charged to the profit and loss account as incurred and interest receivable is credited as it falls due.

### Royalties

Royalties are paid/received on the Reckitt Benckiser group's worldwide sales of certain products. Royalties are recognised in the profit and loss account in the same period as the related sales.

### Taxation

Tax is based on the result for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax 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.

### Intangible assets

Payments made in respect of product rights are capitalised where the rights are supported by a registered trademark, the brand is established in the marketplace, brand earnings are separately identifiable, and the brand could be sold separately from the rest of the business and where the brand achieves earnings in excess of those achieved by unbranded products. Such rights are amortised over their expected useful life.

Product rights are amortised over periods not exceeding 10 years in line with the Directors' view of their useful economic lives. The Directors, to determine whether there should be a reduction to reflect any impairment, review their carrying value annually.

### Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Except for freehold land, the cost of properties, plant and equipment is written off on a straight line basis over the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

Freehold buildings	not more than fifty years
Plant and equipment	not more than fifteen years

In general, production plant and equipment and office equipment are written off over ten years, motor vehicles and computer equipment over three to five years.

Assets under construction – relate to items under construction that are not depreciated until completed. Once complete they are allocated to the appropriate fixed asset category.

# **Reckitt Benckiser Healthcare International Limited**

## **Notes to the Financial Statements For the year ended 31 December 2015**

### **1. Accounting Policies (continued)**

#### **Stocks**

Stock is valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and an appropriate portion of overhead expenses and is arrived at by the 'first in – first out' method. Net realisable value is the estimated selling price less applicable selling expenses.

#### **Financial Instruments**

The Company only enters into basic financial instrument 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.

##### **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

##### **Financial Liabilities**

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

#### **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

#### **Pension commitments**

The Company is a member of the Reckitt Benckiser UK Pension Fund. This scheme has a defined benefit and a defined contribution section providing benefits to certain employees within the Reckitt Benckiser group of companies. In respect of the defined benefit pension scheme it is not possible to identify the Company's share of the underlying assets and liabilities on a consistent and reliable basis. Therefore, payments made to the defined benefit pension scheme are treated as though they were payments to a defined contribution scheme and charged to the profit and loss account in the year that they are incurred.



# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 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 causing 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. Turnover

An analysis of turnover by geographical location is as follows:

	2015 £000	2014 £000
United Kingdom	20,989	30,952
Rest of Europe	91,031	57,947
Rest of World	23,190	47,565
	<u>135,210</u>	<u>136,464</u>

All the above turnover derives from business conducted from within the United Kingdom.

## 4. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:	10,422	10,097
Royalties payable	1,422	2,638
Fees payable to the company's auditor for the audit of the company	49	40
Foreign exchange gains	(31)	(13)
Stock expensed through income statement	68,989	68,401

Auditors remuneration of £48,500 (2014: £40,000) for the audit of the Company was borne by another group company for the year ended 31 December 2015 (2014: same).

# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 5. Staff costs

	2015 £000	2014 £000
The staff costs were as follows:-		
Wages and salaries	22,335	22,838
Social security costs	2,428	2,508
Other pension costs	2,535	2,602
	<u>27,298</u>	<u>27,948</u>

The average monthly number of persons employed by the company at the year-end, analysed by category was as follows:-

	2015 number	2014 number
Production	664	699

## 6. Directors' remuneration

No director received, or waived any remuneration for their services as director to the Company (2014: £nil).

No Directors received payments for compensation for loss of office during the year.

# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 7. Taxation

	2015 £000	2014 £000
<b>Corporation tax</b>		
UK corporation tax charge on profit for the year	3,193	1,879
Adjustments in respect of prior periods	(6,949)	(790)
Double taxation relief	-	(7)
Foreign tax	-	7
<b>Total current tax</b>	<b>(3,756)</b>	<b>1,089</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(157)	220
Adjustments in respect of prior years	-	531
Effect of change in tax rate	123	(15)
<b>Total deferred tax</b>	<b>(34)</b>	<b>736</b>
<b>Taxation on profit on ordinary activities</b>	<b>(3,790)</b>	<b>1,825</b>
<b>Reconciliation of tax charge</b>		
The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:		
Profit on ordinary activities before tax	15,092	8,766
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	3,056	1,884
<b>Effects of:</b>		
Tax rate changes	123	(15)
Expenses not deductible for tax purposes	107	367
Adjustments in respect of prior years	(6,949)	(259)
Share options	(127)	(152)
<b>Total tax charge for the year</b>	<b>(3,790)</b>	<b>1,825</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%. Future profits will be taxed at the appropriate rate.

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.

# Reckitt Benckiser Healthcare International Limited

## Notes to the Financial Statements For the year ended 31 December 2015

### 8. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from Group undertakings	1,161	893
	<u>1,161</u>	<u>893</u>

### 9. Interest payable and similar charges

	2015 £000	2014 £000
Other finance expenses	8	-
Other interest payable	2	14
	<u>10</u>	<u>14</u>

### 10. Intangible assets

	Product rights £000	Total £000
<b>Cost</b>		
At 1 January 2015	6,293	6,293
At 31 December 2015	<u>6,293</u>	<u>6,293</u>
<b>Accumulated amortisation</b>		
At 1 January 2015	6,293	6,293
Charge for the year	-	-
At 31 December 2015	<u>6,293</u>	<u>6,293</u>
<b>Net book value</b>		
At 31 December 2015	<u>-</u>	<u>-</u>
At 31 December 2014	<u>-</u>	<u>-</u>

# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 11. Tangible assets

	Leasehold land and buildings £000	Plant and Equipment £000	Assets under construction £000	Total £000
<b>Cost</b>				
At 1 January 2015	18,869	98,980	3,978	121,827
Additions	531	6,795	-	7,326
Transfers	-	651	(651)	-
At 31 December 2015	<b>19,400</b>	<b>106,426</b>	<b>3,327</b>	<b>129,153</b>
<b>Amortisation</b>				
At 1 January 2015	9,510	68,929	-	78,439
Charge for the year	1,418	9,004	-	10,422
At 31 December 2015	<b>10,928</b>	<b>77,933</b>	<b>-</b>	<b>88,861</b>
<b>Net book value</b>				
At 31 December 2015	<b>8,472</b>	<b>28,493</b>	<b>3,327</b>	<b>40,292</b>
At 31 December 2014	<b>9,359</b>	<b>30,051</b>	<b>3,978</b>	<b>43,388</b>

## 12. Stocks

	2015 £000	2014 £000
Finished goods and goods for resale	3,577	3,201
Raw materials and consumables	3,197	7,688
Work in progress	2,898	2,813
	<b>9,672</b>	<b>13,702</b>

Inventories are stated after provisions for impairment of £nil (2014: £nil).

# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 13. Debtors

	2015 £000	2014 £000
<b>Due within one year</b>		
Amounts owed by Group undertakings	316,565	264,908
Trade debtors	2,385	1,625
Deferred tax asset	1,081	1,048
Prepayments and accrued income	476	1,245
Other debtors	446	359
	<b>320,953</b>	<b>269,185</b>

Included in the amounts owed by group undertakings is an amount of £268,925,701 (2014: £198,431,000) which is interest bearing at LIBOR minus 0.125% and is repayable on demand (2014 interest bearing at LIBOR minus 0.125%).

The remaining amounts owed by Group undertakings are unsecured, non-interest bearing and repayable on demand (2014 – non-interest bearing).

Trade debtors are stated after provisions for impairment of £nil (2014: £nil).

## 14. Creditors: amounts falling within one year

	2015 £000	2014 £000
<b>Creditors within one year</b>		
Trade creditors	17,795	20,217
Amounts owed to Group undertakings	100,322	72,687
Accruals and deferred income	12,473	11,883
	<b>130,590</b>	<b>104,787</b>

The amounts owed to Group undertakings are unsecured, non-interest bearing and repayable on demand (2014: non-interest bearing and repayable on demand).

## 15. Deferred taxation

	2015 £000	2014 £000
At 1 January 2015	1,048	1,784
Credited to profit and loss account	33	(736)
At 31 December 2015	<b>1,081</b>	<b>1,048</b>
 The provision for deferred taxation is made up as follows:		
Accelerated capital allowances	1,004	976
Other timing differences	77	72
	<b>1,081</b>	<b>1,048</b>

# Reckitt Benckiser Healthcare International Limited

Notes to the Financial Statements  
For the year ended 31 December 2015

## 16. Capital and other commitments

	2015 £000	2014 £000
Future capital expenditure contracted for, but not provided, in the financial statements is	951	3,963

The Group had no future minimum lease payments under non-cancellable operating leases in 2015 (2014: nil).

## 17. Financial Instruments

	2015 £000	2014 £000
<b>Financial Assets</b>		
Cash and cash equivalents	654	160
Amounts owed by Group undertakings	316,565	264,908
Financial assets measured at amortised cost	2,831	1,984
	<u>320,050</u>	<u>267,052</u>
<b>Financial Liabilities</b>		
Amounts owed to Group undertakings	100,322	72,687
Financial liabilities measured at amortised cost	30,268	32,100
	<u>130,590</u>	<u>104,787</u>

## 18. Called up share capital

	2015 £000	2014 £000
<b>Issued and fully paid</b>		
70,000,002 – (2014: 70,000,002) ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>

This is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

# **Reckitt Benckiser Healthcare International Limited**

## **Notes to the Financial Statements For the year ended 31 December 2015**

### **19. Pension scheme**

Pension costs for the year of £2,498,000 (2014: £2,568,000) represent contributions to the defined contribution scheme. There were no contributions (2014: £nil) payable to the fund at the year-end included within creditors due within one year.

Pension costs for the year of £37,000 (2014: £33,000) represent contributions in respect of the defined benefit scheme. There were no outstanding contributions (2014: £nil) at the year-end. Of this £nil (2014: £nil) represents a payment to the group scheme for the pension deficit.

The Company participated in the Reckitt Benckiser UK Pension Fund, a Reckitt Benckiser group funded defined benefit scheme for UK employees. Under FRS102, where more than one employer participates in a defined benefit scheme the individual participating employers should account for the scheme as if it were a defined contribution scheme if they are unable to identify their individual shares of the underlying assets and liabilities in the scheme. The Company only participates in multi-employer schemes and the Company is unable to identify its share of the underlying assets and liabilities of the schemes. Therefore, under FRS102 the Company does not recognise any share of any surplus or deficit in respect of the joint pension schemes.

The last actuarial valuation of the Reckitt Benckiser UK Pension Fund has been updated to 31 December 2015 by a qualified independent actuary and a surplus of £33.3 million (2014: deficit of £60.9 million) was identified. The main assumptions used were that salaries will increase by 3.3% per annum (2014: 3.3%), a general inflation rate of 3.3% will apply per annum (2014: 3.3%) and that the discount rate is 3.8% (2014: 3.5%). A suitable funding plan has been prepared by the scheme actuaries and agreed by the trustees and the Group.

### **20. Related party transactions**

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

### **21. Ultimate Parent Undertaking and Controlling Party**

The immediate parent company is RB Holdings (Nottingham) Limited, a company incorporated in England.

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>.

### **22. 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.

### **23. 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.