

Linden Germany B Limited

Company registration number : 2987262

Report and Accounts
for the year ended 31 December 1999



Report of the directors for 1999

Directors:

A.F.Cobb - appointed 30 November 1999
R.E. Holdrup - appointed 27 June 2000
J.H. Jones - appointed 26 June 2000
P. D. Saltmarsh - resigned 26 June 2000
M.F. Turrell - resigned 10 December 1999

Re-appointment of auditors

The auditors PricewaterhouseCoopers have expressed their willingness to continue in office. A resolution will be proposed at the Annual General Meeting to re-appoint them and to authorise the Directors to set their remuneration.

Responsibilities of directors for the preparation of financial statements

The following statement, which should be read in conjunction with the auditors' report set out on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors are also responsible for ensuring that reasonable procedures are being followed for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Principal activity

The principal activity of the Company which is a member of the Reckitt Benckiser group of companies is the holding of shares in an overseas undertaking of the group. The directors do not foresee any change in this activity during 2000.

Results of the year and movement on reserves

The accounts for the 1999 financial year show a profit for the financial year of £1,285,000 (1998 loss - £1,766,000) which has been transferred to reserves.

Report of the directors for 1999 (continued)

Interests of directors

No director had a notifiable interest in the shares of the company, or in the shares of Reckitt Benckiser plc at the beginning or at the end of the financial year, according to the register kept in accordance with s325 of the Companies Act 1985.

As permitted by statutory instrument the register does not include any interest of those directors who are also directors of the Company's holding company.

On behalf of the board

A handwritten signature in black ink, appearing to be 'P.J. Wilson', written in a cursive style.

P.J. Wilson

Secretary

24 October 2000

Report of the auditors to the members of

Linden Germany B Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if in our opinion the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

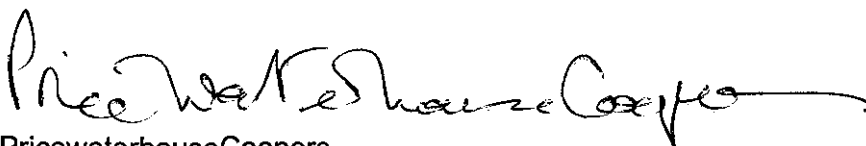
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
London

Chartered Accountants and Registered Auditors
24 October 2000

Linden Germany B Ltd

Profit and loss account

for the year ended 31 December 1999

	Notes	1,999 £000	1998 £000
Interest payable and similar charges	1	(1,211)	(2,675)
Other operating income (exchange differences)		2,961	569
Profit/(loss) on ordinary activities before taxation		<u>1,750</u>	<u>(2,106)</u>
Tax on profit/(loss) on ordinary activities	2	(465)	340
Profit/(loss) on ordinary activities after taxation & retained profit/(loss) for the financial year	3	<u>1,285</u>	<u>(1,766)</u>

Notes

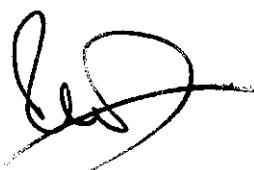
- 1) The Company had no recognised gains or losses other than the profit for the year and therefore a statement of total recognised gains and losses has not been prepared.
- 2) The results for the year derive entirely from continuing operations.

Linden Germany B Ltd

Balance sheet
as at 31 December 1999

	Notes	1999 £000	1998 £000
Fixed Assets			
Investments	4	<u>16,979</u>	<u>16,979</u>
Current assets			
Debtors due within one year	5	1,491	1,106
Current liabilities			
Creditors due within one year	6	(13,479)	(51,414)
Net current liabilities		<u>(11,988)</u>	<u>(50,308)</u>
Total assets less current liabilities		4,991	(33,329)
Creditors due after more than one year	7	<u>(37,035)</u>	<u>-</u>
		<u>(32,044)</u>	<u>(33,329)</u>
Capital and reserves			
Called up share capital	8	5,000	5,000
Profit and loss account	3	(37,044)	(38,329)
Total shareholders' funds (equity interests)		<u>(32,044)</u>	<u>(33,329)</u>

On behalf of the Board



R E Holdrup
Director
24 October 2000

Linden Germany B Ltd

Reconciliation of movements in shareholders' funds

	Share Capital	Profit and Loss Account	Total
	£000	£000	£000
At 3 January 1998	5,000	(36,563)	(31,563)
Loss for the financial year	0	(1,766)	(1,766)
At 2 January 1999	<u>5,000</u>	<u>(38,329)</u>	<u>(33,329)</u>
Profit for the financial year	0	1,285	1,285
At 31 December 1999	<u>5,000</u>	<u>(37,044)</u>	<u>(32,044)</u>

Notes to the accounts

Accounting policies*Financial period:*

The financial year ended on 31 December 1999 (1998 - fifty-two weekn period ending on 2 January 1999).

Accounting convention:

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The ultimate parent company, Reckitt Benckiser Plc, has confirmed its present intention to continue to provide financial support to the Company so as to enable it both to meet its liabilities as they fall due and carry on its business without significant curtailment of operations.

Foreign currency balances:

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs or at the contracted rate if the transaction is covered by a forward exchange contract. Assets and liabilities denominated in a foreign currency are translated at the exchange rate ruling on the balance sheet date or, if appropriate, at a forward contract rate. Exchange differences arising during the year are recorded as part of profit on ordinary activities before taxation.

New Financial Reporting Standards:

The UK Accounting Standards Board has issued a number of new Financial Reporting Standards (FRSs). The following have been adopted in these financial statements for the first time:

- FRS 12 Provisions, Contingent Liabilities and Contingent Assets
- FRS 15 Tangible Fixed Assets

Financial notes

	1,999 £000	1998 £000
1. <u>Interest payable and similar charges</u>		
On loans from parent undertakings	1,211	2,675
	<u>1,211</u>	<u>2,675</u>
2. <u>Tax on loss on ordinary activities</u>		
UK Corporation tax charge (1998 relief)	850	(340)
Prior year adjustment for over provision	(385)	0
	<u>465</u>	<u>(340)</u>
UK Corporation tax has been provided for at the rate of 30.25% (1998 - 31%).		
3. <u>Profit and loss account</u>		
At beginning of year	(38,329)	(36,563)
Added during the financial year:		
Profit/(loss) for the financial year	1,285	(1,766)
At balance sheet date	<u>(37,044)</u>	<u>(38,329)</u>

Notes to the accounts

Financial notes (continued)

	1,999 £000	1998 £000
4. <u>Investments</u>		
Cost :		
At beginning of year	48,017	48,017
Additions during the year	0	0
At balance sheet date	48,017	48,017
Permanent diminution in value :		
At beginning of year	(31,038)	(31,038)
Write downs during the year	0	0
At balance sheet date	(31,038)	(31,038)
Net book amounts :		
At balance sheet date	16,979	16,979
5. <u>Debtors due within one year</u>		
Amounts owed by group undertakings :		
Fellow subsidiary undertakings	1,491	766
Other debtors :		
UK Tax recoverable by way of group relief	0	340
	1,491	1,106
6. <u>Creditors due within one year</u>		
Amounts owed to group undertakings :		
Parent undertaking	11,597	50,382
Other creditors :		
UK Taxation payable	1,882	1,032
	13,479	51,414
7. <u>Creditors due after one year</u>		
Amounts owed to group undertakings :		
Parent undertaking	37,035	-
This amount represents unsecured loan stock of Deutchmarks 116,000,000 issued 17 February 1999, and repayable 31 March 2006. The interest rate applicable to this loan is the German Federal Bank discount rate plus 1%.		
8. <u>Called up share capital</u>	Number of shares	
Allotted, called up and fully paid:		
Equity capital :		
Ordinary shares of £1 each	5,000,000	5,000
Authorised share capital :		
Ordinary shares of £1 each	5,000,000	5,000

Notes to the accounts

Financial notes (continued)

9. Directors and staff

During the period the Company had 3 directors resident in the UK, none of whom received any emoluments in respect of services to the Company (1998 3 directors - none with emoluments).

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

During the year, no directors exercised options over Reckitt Benckiser plc shares (1998 - 2 directors) Details of directors interests, who are also directors of the Company's holding company, are disclosed in the holding company's financial statements.

10. Interest in subsidiary undertakings

The holdings in subsidiary undertakings, which are involved in the manufacture and distribution of household goods, at 31 December 1999 were as follows :

	Country of incorporation	Class of shares	Percentage held
Reckitt Benckiser Sagrotan GmbH & Co. KG	Germany	Ordinary	50

11. Cash flow statement

Reckitt Benckiser plc has included a cash flow statement in its 1998 group financial statements. Therefore, as permitted by Financial Reporting Standard No. 1 'Cash Flow Statements', the Directors have not produced a cash flow statement.

12. Ultimate parent company

On 3rd December 1999, Reckitt & Colman plc merged with Benckiser NV, and as a result the ultimate parent company changed its name to Reckitt Benckiser plc, a company registered in England and Wales into whose group accounts the Company's accounts have been consolidated. Copies of the group accounts of Reckitt Benckiser plc can be obtained from 67 Alma Road, Windsor, Berkshire, SL4 3HD.

13. Auditors remuneration

The auditors remuneration is met by the ultimate parent company Reckitt Benckiser plc.

14. Related party transactions

The company is a wholly owned subsidiary of the Reckitt Benckiser Group. The company has taken advantage of the exemption within Financial Reporting Standard No.8 not to disclose related party transactions with other members of the Reckitt Benckiser Group.