

Registered Number 02741587

Reckitt Benckiser Healthcare International
Limited

Annual Report and Financial statements
for the year ended 31 December 2009

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Reckitt Benckiser Healthcare International Limited

Annual Report and Financial statements for the year ended 31 December 2009

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Reckitt Benckiser Healthcare International Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2009

Business review and principal activities

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

The results for the Company show a pre tax profit of £33,214,000 (2008 £26,588,000) for the financial year and turnover of £109,778,000 (2008 £98,886,000)

Future outlook

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

Principal risks and uncertainties

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 annual report which does not form part of this report

Key performance indicators

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 annual report which does not form part of this report

Financial risk management

The Reckitt Benckiser group's financing and financial risk management activities are centralised into the Group Treasury Centre. Details of the risk management activities are disclosed in the financial statements of the Reckitt Benckiser Group Plc

Results and dividends

The results for the year are shown on the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2008 £nil)

Directors

The directors who held office during the year and to the date of signing this report are given below

C R Day

S J Edwards

M R Wilson (resigned 30 January 2009)

M S Keeley (appointed 30 January 2009)

D A Johnson

Policy and practice on payment of creditors

It is the Company's policy to follow the CBI Prompt Payers' Code. This policy requires the Company to agree the terms of payment with its creditors, to ensure that those creditors are aware of those terms and to abide by those terms. Copies of the code are available from CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU. The number of days' purchases outstanding at 31 December 2009 was 48 days (December 2008 70 days)

Reckitt Benckiser Healthcare International Limited

Employees

It is the Company's aim to ensure that successful candidates for appointment and promotion are selected solely on individual ability without regard to differences in nationality, age, gender, religion or disability. The Company endeavours to assist people with disabilities to make their full contribution at work and, 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.

The Company remains committed to the development of outstanding people through empowerment, teamwork, training and competitive reward systems within an environment which is committed to excellence and extraordinary success in the marketplace. Improving communication with employees and their representatives is an essential part of this process.

It is the policy of the Board to continue to provide employees with the opportunity to become shareholders, should they so wish. The Savings-Related Share Option Scheme is another route through which employees may, by means of regular monthly savings, acquire shares in the parent Company.

Statement of directors' responsibilities

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 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 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 have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

In the case of each director in office at the date the directors' report is approved

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

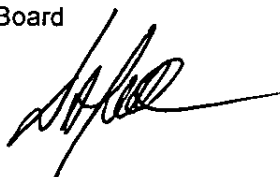
Reckitt Benckiser Healthcare International Limited

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the Board

31.03.2010

A handwritten signature in black ink, appearing to be 'D A Johnson', written over a horizontal line.

D A Johnson
Director

Reckitt Benckiser Healthcare International Limited

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

We have audited the financial statements of Reckitt Benckiser Healthcare International Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Shareholder's funds, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 2 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 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.

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.

Scope of the audit of the financial statements

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.

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 2009 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.

Reckitt Benckiser Healthcare International Limited

Opinion on other matters prescribed by the Companies Act 2006

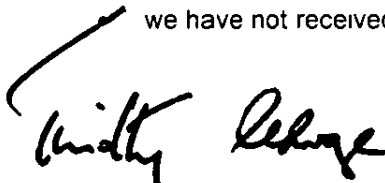
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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



Timothy Charge (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull



2010

Reckitt Benckiser Healthcare International Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	1	109,778	98,886
Cost of sales		(46,244)	(47,966)
Gross profit		63,534	50,920
Administrative expenses		(634)	(784)
Selling and distribution expenses		(57,584)	(47,647)
Other operating income	2	28,866	26,083
Operating profit		34,182	28,572
Net interest payable	6	(968)	(1,984)
Profit on ordinary activities before taxation		33,214	26,588
Tax on profit on ordinary activities	7	(9,359)	(3,529)
Profit for the financial year	15	23,855	23,059

All activities relate to continuing operations

There were no recognised gains and losses other than those reported above therefore a separate statement of recognised gains and losses has not been included in these financial statements

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Reckitt Benckiser Healthcare International Limited

Reconciliation of movement in shareholder's funds

	2009 £'000	2008 £'000
Profit for the financial year	23,855	23,059
Opening shareholder's funds	57,518	34,459
Closing shareholder's funds	81,373	57,518

Reckitt Benckiser Healthcare International Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	41,572	41,299
Investments	10	-	-
		41,572	41,299
Current assets			
Stock	11	4,475	6,297
Debtors falling due within one year	12	133,808	117,177
Debtors falling due after more than one year	12	5,366	8,212
Total debtors	12	139,174	125,389
Cash at bank		2,065	512
		145,714	132,198
Creditors: amounts falling due within one year	13	(105,913)	(115,979)
Net current assets		39,801	16,219
Net assets		81,373	57,518
Capital and reserves			
Called up share capital	14	70,000	70,000
Share premium account	15	18,556	18,556
Profit and loss account	15	(7,183)	(31,038)
Total shareholder's funds		81,373	57,518

The financial statements on pages 6 to 18 were approved by the board of directors on 31 03 2010 and were signed on its behalf by

D A Johnson
Director



Reckitt Benckiser Healthcare International Limited
Registered number 02741587

Reckitt Benckiser Healthcare International Limited

Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

Consolidation

In accordance with section 398 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated financial statements. The results of the Company and its subsidiary undertakings are included in the consolidated financial statements of Reckitt Benckiser Group plc, the Company's ultimate parent undertaking.

Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Reckitt Benckiser Group plc and is included in the consolidated financial statements of Reckitt Benckiser Group plc, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 ("FRS 1"). The Company is also exempt under the terms of Financial Reporting Standard No 8 ("FRS 8") from disclosing related party transactions with entities that are part of Reckitt Benckiser Group Plc.

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. All exchange differences are taken to the profit and loss account.

Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated in the balance sheet at cost less any provision for impairment based on the net assets and profitability of the subsidiary undertakings.

Taxation

The charge for taxation is based on the result for the year. In accordance with Financial Reporting Standard No 19 ("FRS 19"), deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation, or a right to pay less taxation in future. An asset is only recognised to the extent that it is regarded as more likely than not that it will be recovered. Deferred tax assets and liabilities recognised have not been discounted.

Dividends

Dividends are accounted for in the period in which they are paid or are approved by the members in a general meeting.

Tangible fixed assets

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:

Reckitt Benckiser Healthcare International Limited

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

Intangible assets

Payments made in respect of distribution rights are capitalised where the rights are supported by a registered trademark, the brand is established in the marketplace, brand earnings are separately identifiable, 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, and amortised over the expected useful life

Trademarks are amortised over periods not exceeding 20 years in line with the directors' view of their useful economic lives

Pension commitments

The Company is a member of the Reckitt Benckiser Pension Fund This scheme has a defined benefit and a defined contribution section providing benefits to certain employees within the Reckitt Benckiser group In respect of the defined benefit pension scheme it is not possible to identify this 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 period that they are incurred

Post-retirement benefits other than pensions

The costs of providing post-retirement benefits are determined on an actuarial basis and are charged to the profit and loss account over the expected service lives of the relevant employees To the extent that such costs do not equate to the cash contribution a provision or prepayment is included in the balance sheet

Stocks

Stocks are stated at the lower of cost and net realisable value Cost comprises materials, direct labour and an appropriate proportion of overhead expenses and is arrived at by the 'first in - first out' method

Net revenues

Net revenues are defined as the amount invoiced to customers during the year That is gross sales net of trade discounts and customer allowances and exclusive of VAT and other sales-related taxes Net revenues are recognised at the point at which the risks and rewards of the goods have passed to the customer

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets' useful lives Other grants are credited to the profit and loss account when received

Reckitt Benckiser Healthcare International Limited

Notes to the financial statements for the year ended 31 December 2009

1 Turnover

	2009 £'000	2008 £'000
Turnover by geographical destination is as follows:		
UK	37,461	38,488
Rest of Europe	30,274	39,353
Rest of world	42,043	21,045
	109,778	98,886

2 Other operating income

	2009 £'000	2008 £'000
Royalties receivable	28,801	26,083
Profit on disposal of subsidiary (note 10)	65	-
	28,866	26,083

3 Operating profit

	2009 £'000	2008 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned assets	7,853	5,449
Royalties payable	8,862	9,769
Government grants received	(390)	-
Auditors' remuneration - audit fees	50	50
Auditors' remuneration - non-audit fees	-	1

Reckitt Benckiser Healthcare International Limited

4 Staff numbers and costs

	2009 Number	2008 Number
The average number of persons employed by the Company was		
Administration	19	11
Production	622	665
Distribution	3	17
Total	644	693
	£'000	£'000
The aggregated payroll cost was as follows		
Wages and salaries	17,308	17,489
Social security costs	1,698	1,666
Other pension costs	2,008	1,920
	21,014	21,075

5 Directors' remuneration

No director received, or waived any remuneration for their services as director to the Company (2008: £nil)

6 Net interest payable

	2009 £'000	2008 £'000
Interest receivable and similar income:		
Other interest	7	-
Interest payable and similar charges:		
To group companies	(975)	(1,984)
Net interest payable	(968)	(1,984)

Reckitt Benckiser Healthcare International Limited

7 Tax on profit on ordinary activities

	2009 £'000	2008 £'000
Current tax:		
UK Corporation Tax	6,513	4,130
Double taxation relief	(487)	-
Adjustments in respect of previous periods	-	3,944
	6,026	8,074
Foreign tax	487	-
Total current tax	6,513	8,074
Deferred tax:		
Origination and reversal of timing differences	2,846	3,264
Write off of Industrial Buildings Allowances	-	671
Change in tax rate	-	245
Adjustments in respect of previous periods	-	(8,725)
Total deferred tax	2,846	(4,545)
Total tax charge	9,359	3,529

The tax assessed for the period is lower (2008 higher) than the standard effective rate of Corporation Tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%). The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	33,214	26,588
Profit on ordinary activities multiplied by the standard effective rate of Corporation Tax in the UK 28% (2008 28.5%)	9,300	7,577
Accelerated capital allowances and other timing differences	(2,854)	(3,499)
Movement in short term timing differences	8	-
Depreciation in excess of Industrial Buildings Allowances	-	61
Expenses not deductible for tax purposes	77	(9)
Income not taxable	(18)	-
Foreign tax suffered	487	-
Double tax relief	(487)	-
Adjustments in respect of previous periods	-	3,944
Total current tax charge	6,513	8,074

Reckitt Benckiser Healthcare International Limited

8 Intangible assets

	Product rights £'000
Cost	
At 1 January 2009 and at 31 December 2009	6,293
Amortisation	
At 1 January 2009 and at 31 December 2009	(6,293)
Net book value at 31 December 2008 and at 31 December 2009	-

9 Tangible fixed assets

	Leasehold land and buildings £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost				
At 1 January 2009	11,156	62,867	3,891	77,914
Additions	41	7,108	977	8,126
Reclassification	-	1,589	(1,589)	-
At 31 December 2009	11,197	71,564	3,279	86,040
Accumulated depreciation				
At 1 January 2009	607	36,008	-	36,615
Depreciation for year	580	7,273	-	7,853
At 31 December 2009	1,187	43,281	-	44,468
Net book value at 31 December 2009	10,010	28,283	3,279	41,572
Net book value at 31 December 2008	10,549	26,859	3,891	41,299

Reckitt Benckiser Healthcare International Limited

10 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2009	6,900
Disposal	(6,900)
At 31 December 2009	-
Provision	
At 1 January 2009	(6,900)
Disposal	6,900
At 31 December 2009	-
Net book value at 31 December 2008 and at 31 December 2009	-

On 7 December 2009 the Company sold its investment in Reckitt Benckiser Service Bureau Limited for cash consideration of £64,817. This gave rise to a profit on disposal of £64,817.

11 Stock

	2009 £'000	2008 £'000
Raw materials	2,476	3,003
Work in progress	1,407	2,037
Finished goods and goods for resale	592	1,257
	4,475	6,297

Reckitt Benckiser Healthcare International Limited

12 Debtors

	2009 £'000	2008 £'000
Falling due within one year:		
Trade debtors	3,198	2,652
Amounts due from immediate parent undertaking	92,522	79,294
Amounts due from group undertakings	37,790	35,209
Prepayments	298	22
	133,808	117,177
Falling due after more than one year:		
Other debtors		
Deferred tax asset	5,366	8,212
Total debtors	139,174	125,389
Deferred tax asset		
Analysis of deferred tax asset.		
Capital allowances	4,993	7,846
Other timing differences	373	366
	5,366	8,212

Amounts due from the immediate parent undertaking and from group undertakings are unsecured, interest free and repayable on demand

Reckitt Benckiser Healthcare International Limited

13 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	12,659	8,138
Amounts due to group undertakings	83,060	89,498
Other taxes and social security	33	-
Accruals	10,161	18,343
	105,913	115,979

£45,336,000 of amounts due to group undertakings is unsecured, interest bearing at 1.04313% and repayable on demand. The remaining balance is unsecured, interest free and repayable on demand.

14 Called up share capital

	2009 £'000	2008 £'000
Authorised		
500,000,000 ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
70,000,002 ordinary shares of £1 each	70,000	70,000

15 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2009	18,556	(31,038)	(12,482)
Profit for the financial year	-	23,855	23,855
At 31 December 2009	18,556	(7,183)	11,373

Reckitt Benckiser Healthcare International Limited

16 Pension scheme

The Company participates in the Reckitt Benckiser Pension Fund. This scheme has a defined benefit and a defined contribution section providing benefits to certain employees within the Reckitt Benckiser group. The scheme is treated as a defined contribution scheme, as the Company is unable to identify its share of underlying assets and liabilities. The assets are held separately from the group's assets.

The only available information regarding the existence of a surplus or deficit in the scheme is the last full valuation which was prepared in accordance with IAS 19 to meet the requirements of the Reckitt Benckiser Group of Companies. The valuation was carried out at 31 December 2009.

At 31 December 2009 the scheme had a deficit of £136,200,000 (31 December 2008: £20,000,000) with a funding level of 82.2% (31 December 2008: 96.5%). Details of the valuation are contained in the financial statements of Reckitt Benckiser Group plc.

There is no available information prepared in accordance with Financial Reporting Standard No 17 ("FRS 17").

17 Capital commitments

Future capital expenditure contracted for but not provided for in the accounts is £218,303 (2008: £2,093,000).

18 Ultimate holding company

The immediate parent undertaking is RB Holdings (Nottingham) Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party, is Reckitt Benckiser Group plc, a company registered in England and Wales. Copies of the group accounts of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH.