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Reckitt Benckiser Healthcare (UK) Limited

Report and Financial Statements

Year ended

31 December 2019

Company Number 00261312

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Reckitt Benckiser Healthcare (UK) Limited
Company Information

Directors	Harinder Viridi Ariadna Granena Aracil Simon Andrew Neville John Dixon
Company Secretary	James Hodges (appointed on 8 th June 2020)
Registered Number	00261312
Registered Office	103-105 Bath Road Slough Berkshire SL1 3UH
Independent Auditor's	KPMG LLP 15 Canada Square, Canary Wharf London E14 5GL

Reckitt Benckiser Healthcare (UK) Limited

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Reckitt Benckiser Healthcare (UK) Limited

Strategic Report

For the year ended 31 December 2019

The Directors of Reckitt Benckiser Healthcare (UK) Limited (the "Company") present their Strategic Report for the year ended 31 December 2019.

Principal activities

The principal activity of the Company, which is a member of the Reckitt Benckiser group of companies (the "Group") is the manufacture and sale of branded consumer products for sale to other Group companies and to act as a holding and financing company for other Group companies.

Review of business and key performance indicators ("KPIs")

In the view of the Directors, the Company's future development will continue to centre on the manufacture of branded consumer products. The Company's KPI is considered to be total assets.

The Financial Statements for the year ended 31 December 2019 show a loss for the financial year of £27,204k (2018 - loss of £56,800k). Total assets increased from £3,969,704k to £4,202,862k during the year as a result of an additional investment of £651,000k in RB Holdings (Nottingham) Limited. During the year the Directors paid a dividend of 337,184k (2018 - £Nil). Net assets at the year-end are £1,392,805k (2018: £1,107,852k)

Principle Risks

The principal risks and uncertainties of the Company are integrated with the principal risks of the Group however, the directors are responsible to manage the risks of the company. Accordingly, the principal risks and uncertainties of Reckitt Benckiser Group plc (the Group plc), which include those of the Company, are discussed in the Group's financial statements which do not form part of this report.

Statement under section 172 of the Companies Act 2006

This statement, which forms part of the Strategic Report, is intended to show how the Directors have approached and met their responsibilities under section 172 of the Companies Act 2006 during 2019. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by section 172 of the Companies Act 2006, a Director of a Company must act in a way s/he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. As a Board our aim is always to uphold the highest standards of governance and conduct, taking decisions in the interests of the long-term sustainable success of the Company, generating value for our shareholders and contributing to wider society. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making. Those factors, for example, include the interests and views of the Company's workforce, customers, consumers, suppliers, regulators, other members of our Group and the local communities in which the Company operates. By considering the Company's purpose and values, together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances. In particular:

- The strategy of the Group applies to the Company, as a member of the Group, and shapes the Company's business operations and activities. Details of the Group's long-term strategy can be found on pages 6 to 15 of the Group 2019 Annual Report, which is available at www.rb.com.

Reckitt Benckiser Healthcare (UK) Limited

Strategic report (continued)

For the year ended 31 December 2019

Statement under section 172 of the Companies Act 2006 (continued)

- We understand the importance of engaging with, and understanding the perspectives of, our workforce. We also recognise the benefits of personal interaction and informal discussions in learning more about the day-to-day operations; the development and execution of strategy and gathering direct insight into our culture and workforce engagement. For further details on how the Company has engaged with employees, please see page 3-5 of the Directors' Report.
- The Company is committed to responsible and ethical corporate behaviour. This includes high standards of business conduct in our relationships. The Company operates under documented policies approved by the Group, including the Group's Code of Business Conduct, Global Anti-Bribery Policy, Data Privacy Policies and Global Anti-Money Laundering Policy and processes are in place to ensure compliance therewith.

As is normal for large companies, we delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. We, in conjunction with our executive management team, regularly review quality including health and safety matters, financial and operational performance and legal and regulatory compliance. We also review other areas over the course of the financial year including the Company's business strategy, key risks, stakeholder-related matters, diversity and inclusivity, corporate responsibility and governance, compliance and legal matters. Board meetings are held periodically where the Directors consider the Company's activities and make decisions. As a part of those meetings the Directors receive information on section 172 matters when making relevant decisions. The directors then consider a range of factors. These include the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business and the expectations of the Group.

Financial risk management

The Group's 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 plc, 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, fixed and floating rates of interest. The Company 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. The Company's policy is to actively manage its exposure to currency risk and to minimise this risk. The Group's currency risks are managed at Group level.

This report was approved by the Board and signed on its behalf on 18 June 2020.



Harminder Viridi
Director

Reckitt Benckiser Healthcare (UK) Limited

Directors' Report

For the year ended 31 December 2019

The Directors present their report and the audited Financial Statements for the year ended 31 December 2019.

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:

Ariadna Granena Aracil
Simon Andrew Neville
John Dixon
Harminder Viridi (appointed on 1 January 2019)

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 liabilities incurred and suffered by them. This was in force during the financial year and at the date of approval of the Financial Statements.

Employment of disabled persons

The Company recognises its responsibilities to disabled persons and aims to assist them to in fully contributing to their 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.

Employee involvement

During 2019, the Company employed an average of 620 (2018: 618) 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.

Financial performance, dividends and S.172

Details of financial performance and dividends are included in the Strategic report on pages 1-2. The directors have had regard to the need to foster the company's business relationships with suppliers, customers and others during the financial year, details of this are included in the Strategic report on pages 1-2

Reckitt Benckiser Healthcare (UK) Limited

**Directors' Report (continued)
For the year ended 31 December 2019**

Future developments

The significant consideration for the future relates to COVID-19:

COVID-19

The spread of Coronavirus disease 2019 (COVID-19) represents one of the most serious global health emergencies in the last 100 years. As a leader in both hygiene and health, the Group is uniquely positioned to provide tangible assistance to consumers, governments and healthcare authorities. Demand for certain Group products has increased substantially in Q1 2020, and the Group is currently working to increase the level of available supply. At present, the Group's supply chains and distribution channels are proving both resilient and flexible, though there has been some unavoidable disruption in some parts of the world. At the same time, as the situation develops, it is likely that the Group will experience increased levels of disruption, particularly in those countries and regions that are hardest hit. Longer term, the economic consequences associated with COVID-19 are difficult to predict, however they may lead to weakened demand for some RB products.

As set out on page 77 of its 2019 Annual Report and Financial Statements, the Group assessed the impact of COVID-19 on its going concern and viability statement. This assessment concluded that, even with COVID-19 and the occurrence of other unexpected scenarios, the Group would still have sufficient funds to trade, settle its liabilities as they fall due and remain compliant with financial covenants.

Based on this assessment updated to the date of signing these financial statements, and given the nature of the Company's operations, the Directors remain satisfied that the Company can continue its business as usual.

Financial risk management and dividends

Financial risk management and dividends are set out within the Strategic Report on pages 1-2.

Charitable and political donations

Charitable donations in the UK amounted to £nil (2018: £nil). No political donations were made (2018: £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.

The Directors have received assurance from Reckitt Benckiser Group plc that it will ensure that the Company has sufficient funds to enable it to continue as a going concern without significant curtailment of its operations for the foreseeable future and at least the next 12 months from the date of this report.

The Directors, having assessed the responses of the directors of the Company's parent Reckitt Benckiser Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cause significant doubt about the ability of Reckitt Benckiser Group plc to continue as a going concern or its ability to continue with the current banking arrangements.

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 (UK) Limited

Directors' Report (continued)
For the year ended 31 December 2019

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to Auditor's

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 auditor 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 Auditor's in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This report was approved by the board and signed on its behalf on 18 June 2020.

A handwritten signature in black ink, appearing to read 'Harminder Viridi', written over a dotted line.

Harminder Viridi
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of Reckitt Benckiser Healthcare (UK) Limited

Opinion

We have audited the financial statements of Reckitt Benckiser Healthcare (UK) Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's report to the members of Reckitt Benckiser Healthcare (UK) Limited (Continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 3-6 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

19 June 2020

Reckitt Benckiser Healthcare (UK) Limited
Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	2019 £000	2018 £000
Turnover	3	179,567	168,009
Cost of sales		<u>(169,877)</u>	<u>(159,729)</u>
Gross profit		9,690	8,280
Administrative expenses		(19,005)	(21,934)
Operating (loss)	4	<u>(9,315)</u>	<u>(13,654)</u>
(Loss) before interest and taxation		<u>(9,315)</u>	<u>(13,654)</u>
Interest receivable and similar income	7	74,524	99,633
Interest payable and similar expenses	8	(98,306)	(158,025)
(Loss) before taxation		<u>(33,097)</u>	<u>(72,046)</u>
Tax on loss from ordinary activities	9	5,893	15,246
(Loss) for the financial year		<u>(27,204)</u>	<u>(56,800)</u>
Other comprehensive (loss)/ income*		(1,658)	680
Total comprehensive (loss)		<u><u>(28,862)</u></u>	<u><u>(56,120)</u></u>

* Items that are or may be reclassified subsequently profit or loss

The notes on pages 12 to 24 form part of these Financial Statements.



Harminder Viridi
Director

Reckitt Benckiser Healthcare (UK) Limited

Registered number 261312

Balance Sheet

As at 31 December 2019

	Note	2019 £000	2018 £000
Fixed Assets			
Intangible assets	10	12,686	15,858
Tangible assets	11	77,680	73,545
Investments	12	<u>1,959,085</u>	<u>1,308,085</u>
		2,049,451	1,397,488
Current Assets			
Stocks	13	29,506	32,409
Debtors: amounts falling due within one year	14	55,319	2,318,503
Cash and cash equivalents		<u>124</u>	<u>75</u>
		84,949	2,350,987
Non-Current Assets			
Debtors: amounts falling due after more than one year	14	2,068,462	221,229
Creditors: amounts falling due within one year	15	<u>(2,809,883)</u>	<u>(2,861,634)</u>
Net Current Liabilities		(2,724,934)	(510,647)
Total Assets less Current Liabilities		<u>1,392,979</u>	<u>1,108,070</u>
Non-Current Liabilities			
Deferred taxation	16	<u>(174)</u>	<u>(218)</u>
Net Assets		<u>1,392,805</u>	<u>1,107,852</u>
Equity			
Called up share capital	18	257,003	257,000
Share premium account		686,423	35,426
Share based payment reserves		481	481
Other reserves	19	(1,258)	400
Retained earnings		450,156	814,545
Total Equity		<u>1,392,805</u>	<u>1,107,852</u>

The notes on pages 12 to 24 form part of these Financial Statements.

The Financial Statements on pages 9 to 24 were approved and authorised for issue by the board and were signed on its behalf on 18 June 2020.



 Harminder Viridi
 Director

Reckitt Benckiser Healthcare (UK) Limited

Statement of Changes in Equity For the year ended 31 December 2019

	Called up share capital	Share premium account	Retained earnings	Share based payment reserves	Other reserves	Total equity
	£000	£000	£000	£000	£000	£000
Balance as at 1 January 2019	257,000	35,426	814,545	481	400	1,107,852
Loss for the financial year	-	-	(27,204)	-	-	(27,204)
Other comprehensive income	-	-	-	-	(1,658)	(1,658)
Total comprehensive loss	-	-	(27,204)	-	(1,658)	(28,862)
Shares issued during the year	3	650,997	-	-	-	651,000
Dividends paid	-	-	(337,184)	-	-	(337,184)
Total transactions with owners	3	650,997	(337,184)	-	-	313,816
At 31 December 2019	257,003	686,423	450,157	481	(1,258)	1,392,806

	Called up share capital	Share premium account	Retained earnings	Share based payment reserves	Other reserves	Total equity
	£000	£000	£000	£000	£000	£000
Balance as at 1 January 2018	257,000	35,426	871,244	368	(280)	1,163,758
Loss for the financial year	-	-	(56,800)	-	-	(56,800)
Transfers	-	-	101	(101)	-	-
Other comprehensive income	-	-	-	-	680	680
Total comprehensive expense	-	-	(56,699)	(101)	680	(56,120)
Share based Payment	-	-	-	214	-	214
Total transactions with owners	-	-	-	214	-	214
At 31 December 2018	257,000	35,426	814,545	481	400	1,107,852

The notes on pages 12 to 24 form part of these Financial Statements.

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements For the year ended 31 December 2019

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 (UK) Limited is a private company limited by shares incorporated in the United Kingdom and registered in England under the Companies Act 2006. The address of the registered office is given on the 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.

Going concern

Notwithstanding net current liabilities of £2,724,934k as at 31 December 2019 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate company, Reckitt Benckiser Group plc and its subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 December 2019 amounted to £2,740,341k. Reckitt Benckiser Group plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

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's ultimate parent undertaking, Reckitt Benckiser Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Reckitt Benckiser Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 103-105 Bath Road, Slough, SL1 3UH or at www.rb.com. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Consolidated financial statements of Reckitt Benckiser Group plc include disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

1. Accounting Policies (continued)

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 transactions are taken to the statement of comprehensive income in the year in which they arise.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, RB does not retain managerial involvement or effective control over the goods, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to RB; and any costs incurred/to be incurred in respect of the transaction can be measured reliably.

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 income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

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.

Dividends

Dividends are accounted for in the period in which they are paid or are approved by the shareholders.

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, 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.

Distribution 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 asset and 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 Land	This is not depreciated
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 (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

1. Accounting Policies (continued)

Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

A review for the potential impairment of an investment is carried out by the Directors if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Based on the review, if impairment indicators are no longer relevant based on which an impairment had been carried out then it is subsequently reversed.

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 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 transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at amortised at the present value of the future receipt discounted at a market rate of interest 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 recorded at fair value at the date a derivative contract is entered into and are subsequently re-measured to its fair value. Changes in the fair value of derivatives are recognised in profit or loss, except where the derivative is designated as a cash flow hedge of a highly probable forecast transaction. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised in other comprehensive income. Any ineffectiveness in the hedging relationship is recognised in the income statement.

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 Group. 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.

Share based payments

Incentives in the form of shares in the ultimate parent company, Reckitt Benckiser Group plc, are provided to employees under the share option and restricted share schemes. Any shortfall between the cost to the employee and the fair market value of the awards at the date of grant is charged to the profit and loss account over the period to which the performance criteria relate, with the credit taken directly to the share-based payment reserve.

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these Financial Statements the Directors have had to make the following judgement:

- Assessing the carrying value of investments requires estimation such as consideration of the future profitability of subsidiary undertakings over a number of years.

The Company's Directors are of the opinion that there are no further judgements and no key sources of estimation uncertainty 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.

3. Turnover

An analysis of turnover by geographical location is as follows:

	2019 £000	2018 £000
United Kingdom	65,760	3,306
Rest of Europe	93,432	142,797
Rest of World	20,375	21,906
	179,567	168,009

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

4. Operating loss

The operating loss is stated after charging:

	2019 £000	2018 £000
Amortisation of intangible fixed assets	3,171	3,171
Depreciation of tangible fixed assets	10,868	9,984
Operating lease charges - Plant and machinery	332	349
Fees payable to the company's auditor for the audit of the company	45	40

5. Staff costs

	2019 £000	2018 £000
The staff costs were as follows:		
Wages and salaries	23,967	23,950
Social security costs	2,516	2,728
Other pension costs	16,559	19,355
Share based payments	-	(140)
	43,042	45,893

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

	2019 Number	2018 Number
Administration	9	10
Production	611	608
	620	618

Reckitt Benckiser Healthcare (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

6. Directors' remuneration

During the year the Company had 4 Directors (2018: 3 Directors), 3 of whom were resident in the UK and one in Spain.

No Directors received emoluments (2018: £nil) during the year in respect of services to the Company. No pension contributions were made during the year (2018: £nil).

One of the Directors of the Company is employed by Lancaster Square Holdings SL, two are Directors or employees of another Group company, Reckitt Benckiser Corporate Services Limited. Their emoluments are dealt with in the financial statements of those companies. The Directors consider that the element of their remuneration which could be deemed to relate to their role as Directors of the Company is £nil (2018: £nil).

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

7. Interest receivable and similar expenses

	2019 £000	2018 £000
Derivatives Financial Instruments - intergroup	-	86,681
Foreign exchange on loan from Group undertakings	58,611	-
Interest receivable from Group undertakings	15,913	12,952
	74,524	99,633

8. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable to Group undertakings	77,399	72,231
Derivatives - intergroup	20,907	-
Foreign exchange on loan from Group undertakings	-	85,794
	98,306	158,025

Reckitt Benckiser Healthcare (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

9. Tax on loss

	2019	2018
	£000	£000
Corporation tax		
Current tax on losses for the financial year	(6,455)	(14,623)
Adjustments in respect of prior years	267	(489)
Total current tax	<u>(6,188)</u>	<u>(15,112)</u>
Deferred tax		
Origination and reversal of timing differences	553	877
Adjustments in respect of prior years	(199)	(919)
Effect of changes in tax rates	(58)	(92)
Total deferred tax	<u>296</u>	<u>(134)</u>
Taxation on loss on ordinary activities	<u>(5,892)</u>	<u>(15,246)</u>
Equity items		
Deferred tax	<u>(339)</u>	<u>(82)</u>
Reconciliation of tax		
The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 – 19%). The differences are explained below:		
Loss before taxation	<u>(33,097)</u>	<u>(72,046)</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018 – 19%)	(6,288)	(13,688)
Effects of:		
Expenses not deductible for tax purposes	150	-
Transfer pricing adjustments	(2)	(3)
Depreciation on ineligible assets	468	420
Adjustments in respect of prior years	67	(1,408)
Share Options	(229)	(475)
Tax rate changes	(58)	(92)
Total tax credit for the year	<u>(5,892)</u>	<u>(15,246)</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate. In the 11 March 2020 Budget, it was announced that the UK tax rate would remain at 19% and not reduce to 17% from 1 April 2020. The effect of this change on the company's deferred tax balance is not material.

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

10. Intangible assets

	Distribution Rights £000	Total £000
Cost		
At 1 January 2019	31,715	31,715
At 31 December 2019	<u>31,715</u>	<u>31,715</u>
Accumulated amortisation		
At 1 January 2019	15,858	15,858
Charge for the year	3,171	3,171
At 31 December 2019	<u>19,029</u>	<u>19,029</u>
Net book value		
At 31 December 2019	<u>12,686</u>	<u>12,686</u>
At 31 December 2018	<u>15,858</u>	<u>15,858</u>

	Distribution Rights £000	Total £000
Cost		
At 1 January 2018	31,715	31,715
At 31 December 2018	<u>31,715</u>	<u>31,715</u>
Accumulated amortisation		
At 1 January 2018	12,686	12,686
Charge for the year	3,171	3,171
At 31 December 2018	<u>15,857</u>	<u>15,857</u>
Net book value		
At 31 December 2018	<u>15,858</u>	<u>15,858</u>
At 31 December 2017	<u>19,029</u>	<u>19,029</u>

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

11. Tangible assets

	Freehold land £000	Freehold buildings £000	Plant and Equipment £000	Assets under construction £000	Total £000
Cost					
At 1 January 2019	2,028	50,892	118,381	26,089	197,390
Additions	-	-	-	16,869	16,869
Disposals	-	(23)	(1,917)	-	(1,940)
Transfers between classes	13	8,127	21,529	(29,669)	-
At 31 December 2019	2,041	58,996	137,993	13,289	212,319
Accumulated depreciation					
At 1 January 2019	-	29,982	93,863	-	123,845
Charge for the year	-	2,467	8,401	-	10,868
Disposals	-	-	(74)	-	(74)
At 31 December 2019	-	32,449	102,190	-	134,639
Net book value					
At 31 December 2019	2,041	26,547	35,803	13,289	77,680
At 31 December 2018	2,028	20,910	24,518	26,089	73,545

	Freehold land £000	Freehold buildings £000	Plant and Equipment £000	Assets under construction £000	Total £000
Cost					
At 1 January 2018	404	48,907	111,221	7,724	168,256
Additions	-	-	-	29,134	29,134
Disposals	-	-	-	-	-
Transfer between classes	1,624	1,985	7,160	(10,769)	-
At 31 December 2018	2,028	50,892	118,381	26,089	197,390
Accumulated depreciation					
At 1 January 2018	-	27,772	86,089	-	113,861
Charge for the year	-	2,210	7,774	-	9,984
Disposals	-	-	-	-	-
At 31 December 2018	-	29,982	93,863	-	123,845
Net book value					
At 31 December 2018	2,028	20,910	24,518	26,089	73,545
At 31 December 2017	404	21,135	25,132	7,724	54,395

Reckitt Benckiser Healthcare (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

12. Investments

	Shares in group undertakings £000	Total £000
Cost		
At 1 Jan 2019	1,558,085	1,558,085
Additions	651,000	651,000
	<hr/>	<hr/>
At 31 Dec 2019	2,209,085	2,209,085
	<hr/>	<hr/>
Provisions		
At 1 Jan 2019	250,000	250,000
Provided in year	-	-
	<hr/>	<hr/>
At 31 Dec 2019	250,000	250,000
	<hr/>	<hr/>
Net book value		
At 31 December 2019	1,959,085	1,959,085
	<hr/>	<hr/>
At 31 December 2018	1,308,085	1,308,085

	Shares in group undertakings £000	Total £000
Cost		
At 1 Jan 2018	1,558,085	1,558,085
Additions	-	-
	<hr/>	<hr/>
At 31 Dec 2018	1,558,085	1,558,085
	<hr/>	<hr/>
Provisions		
At 1 Jan 2018	250,000	250,000
Provided in year	-	-
	<hr/>	<hr/>
At 31 Dec 2018	250,000	250,000
	<hr/>	<hr/>
Net book value		
At 31 December 2018	1,308,085	1,308,085
	<hr/>	<hr/>
At 31 December 2017	1,308,085	1,308,085

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

The subsidiary undertakings of Reckitt Benckiser Healthcare (UK) Limited are detailed below:

Name	Holding	Registered office	
<i>Direct investments</i>			
RB Holdings (Nottingham) Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
Reckitt & Colman Trustee Service Limited	50%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
<i>Indirect investments:</i>			
RB Healthcare Pte Limited – Branch	100%	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia	
Reckitt Benckiser Healthcare International Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
Crookes Healthcare Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
Optrex limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
Reckitt Benckiser Healthcare MEMA Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
Reckitt Benckiser Healthcare (CIS) Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
Reckitt Benckiser Healthcare (Italia) SpA	100%	Via Spadolini 7, 20141, Milano, Italy	
Nurofen Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom	
RB Healthcare Pte Ltd	100%	1 Fifth Avenue, #04-06 Guthrie House, Singapore 268802	
Reckitt Benckiser Healthcare SA	100%	Carrer de Mataró, 28, 08403 Granollers, Barcelona, Spain	
Reckitt Benckiser Healthcare LLC	90%	Shlyuzovaya emb., 4, 115114, Moscow, Russia	
Name	Principal activity	Country of incorporation	
RB Holdings (Nottingham) Limited	Holdings	England & Wales	
RB Healthcare Pte Limited – Branch	Distribution	Malaysia	
Reckitt Benckiser Healthcare International Limited	Manufacturing	England & Wales	
Crookes Healthcare Limited	Non trading	England & Wales	
Optrex limited	Non trading	England & Wales	
Reckitt Benckiser Healthcare (MEMA) Limited	Non trading	England & Wales	
Nurofen Limited	Dormant	England & Wales	
RB Healthcare Pte Limited	Distribution	Singapore	
Reckitt Benckiser Healthcare SA	Distribution	Spain	
Reckitt Benckiser Healthcare (Russia) LLC	Distribution	Russia	

Their directors believe that the carrying value of the investments is supported by their net assets.

During the year the Company made an investment of £651,000k in RB Holdings (Nottingham) in exchange of 3,000 shares. This was part of the overall legal entity restructuring process being conducted by RB Group.

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

13. Stocks

	2019 £000	2018 £000
Raw materials and consumables	23,990	23,902
Finished goods	4,174	2,383
Work in progress	1,342	6,124
	<u>29,506</u>	<u>32,409</u>

Inventories are stated after provisions for impairment of £1,275k (2018: £743k).

14. Debtors

	2019 £000	2018 £000
Amounts falling due within one year		
Trade debtors	2,817	2,725
Amounts owed by Group undertakings	28,599	2,310,417
Prepayments and accrued income	3,092	5,361
Corporation Tax Relief	20,811	-
	<u>55,319</u>	<u>2,318,503</u>
Debtors: amounts falling due after one year		
Derivatives – intergroup	200,322	221,229
Amounts owed by Group undertakings	1,868,140	-
	<u>2,068,462</u>	<u>221,229</u>

Included in the amounts owed by Group undertakings is an amount of £77,226k (2018: £76,293k) which is unsecured, interest bearing at LIBOR plus 0.4% and is repayable on demand (2018: unsecured, interest bearing at LIBOR plus 0.4%). Also included is an amount of £1,790,914k (2018: £2,186,831k) which is unsecured, interest bearing at LIBOR minus 0.125% and is repayable on demand (2018: unsecured, interest bearing at LIBOR minus 0.125%). During the year the directors have changed their intention for both balances, and they do not intend for both balances to be recalled within 12 months.

The remaining amounts owed by Group undertakings are unsecured, non-interest bearing and repayable on demand (2018 – unsecured, non-interest bearing and repayable on demand).

Trade debtors are stated after provisions for impairment of £nil (2018: £nil).

The intergroup derivative represents an intergroup forward contract which is valued at fair value through the profit and loss account.

15. Creditors: amounts falling due within one year

	£000	£000
Amounts falling due within one year		
Bank loans and overdrafts	-	130
Trade creditors	44,178	46,560
Amounts owed to Group undertakings	2,740,341	2,784,927
Accruals and deferred income	25,364	30,017
	<u>2,809,883</u>	<u>2,861,634</u>

Included in amounts owed to Group undertakings is £1,323,855k (2018: £1,314,704k) which is interest bearing at LIBOR minus 0.125% (2018: interest bearing at LIBOR minus 0.125%), all of which are unsecured and repayable on demand or as specified in the loan agreements.

Also, owed to Group undertakings is an amount of £1,405,819k (2018: £1,461,262k) this is US Dollar denominated, interest bearing at 4.6%, unsecured and repayable on demand or as specified in the loan agreement (2018: interest bearing at LIBOR plus 4.6%).

The remaining amounts owed to Group undertakings are unsecured, non-interest bearing and repayable on demand (2018: non-interest bearing and repayable on demand).

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

16. Deferred taxation

	2019 £000	2018 £000
At 1 January 2019	218	271
Charged to Income statement	495	785
Adjustment in respect of prior years	(199)	(919)
Charged to OCI	(339)	81
Rounding	(1)	-
At 31 December 2019	<u>174</u>	<u>218</u>

The provision for deferred taxation is made up as follows:

Fixed asset timing differences	514	218
Short term timing differences - trading	(82)	(82)
Short term timing differences – non trading	(258)	82
	<u>174</u>	<u>218</u>

17. Financial Instruments

	2019 £000	2018 £000
Financial Assets		
Cash and cash equivalents	124	75
Financial assets measured at amortised cost	1,899,556	2,293,586
Derivatives	200,322	221,229
	<u>2,100,002</u>	<u>2,514,890</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	2,809,883	2,861,504
Bank loans and overdraft	-	130
	<u>2,809,883</u>	<u>2,861,634</u>

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates.

18. Called up share capital

	2019 £000	2018 £000
Issued and fully paid		
257,003,000 – (2018: 257,000,000) ordinary shares of £1 each	<u>257,003</u>	<u>257,000</u>

This is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. On the 24 October 2019, 3,000 shares were issued for the value of £651,000k. The shares were issued for a nominal value of £1 each and therefore this resulted in an increase in share capital by 3,000 shares and the share premium was increased by £650,997k.

Reckitt Benckiser Healthcare (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

19. Other reserves

	2019 £000	2018 £000
Hedging reserve	1,258	400

20. Dividends

	2019 £000	2018 £000
Ordinary shares:		
Dividend paid	337,184	-

The Company paid a dividend of £337,184k to its immediate parent company Lancaster Square Holdings SL, a company incorporated in Spain. This was approved by the board on 11 December 2019 and paid on 31 December 2019.

21. Pension scheme

Pension costs for the year of £2,659k (2018: £2,679k) represent contributions to the defined contribution scheme. There were no contributions (2018: £nil) payable to the fund at the year-end included within creditors due within one year.

Pension costs for the year of £13,900k (2018: £16,676k) represent contributions in respect of the defined benefit scheme. There were no outstanding contributions (2018: £nil) at the year-end. Of this £13,895k (2018: £16,674k) represents a payment to the group scheme for the pension deficit.

The Company participated in the Reckitt Benckiser UK Pension Fund, a Group plc 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 FRS 102 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 2019 by a qualified independent actuary and a surplus of £235 million (2018: deficit of £156 million) was identified. The main assumptions used were that salaries will increase by 5.2% per annum (2018: 5.4%), a general inflation rate of 3.2% will apply per annum (2018: 3.4%) and that the discount rate is 1.9% (2018: 2.7%). A suitable funding plan has been prepared by the scheme actuaries and agreed by the trustees and the Group.

22. 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.

23. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Lancaster Square Holdings SL, a company incorporated in Spain. 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 Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH or at www.rb.com. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.