

## **SSL International plc**

Directors' report and financial statements  
for the 9 months ended 31 December 2010  
Registered number 388828

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## **Directors' report**

The directors present their annual report and the audited financial statements for the 9 months ended 31 December 2010. The accounting reference date has been changed from 31 March to 31 December to align with that of the new ultimate parent company, Reckitt Benckiser Group plc. Reckitt Benckiser Group plc acquired the entire issued share capital of the Company on 29 October 2010, at which point the 20 business days' notice period for the cancellation of listing of the Company's shares on the UK Listing Authority's Official List and the cancellation of admission to trading of the Company's shares on the London Stock Exchange's main market for listed securities commenced. The cancellation of listing and trading took effect on 29 November 2010.

### **Principal activities**

The Company's principal activity during the period continued to be that of a holding company.

### **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 is available from the address in note 17.

### **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 period are presented on page 6. The March 2010 final dividend of 8.0 pence per share, £17.1 million in total, was paid during the period. The directors do not recommend the payment of a final dividend for the period.

### **Directors and directors' interests**

The directors who held office during the period and thereafter were as follows:

R Adam	resigned 29 October 2010
I Adamson	resigned 29 October 2010
G Corbett	resigned 29 October 2010
P Johnson	resigned 29 October 2010
M Moran	resigned 29 October 2010
P Read	resigned 29 October 2010
G Watts	resigned 29 October 2010
W R Mordan	appointed 29 October 2010
M S Keeley	appointed 29 October 2010
M Dawar	appointed 29 October 2010
S J Edwards	appointed 29 October 2010
M E Doherty	appointed 8 February 2011

The directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Directors' report (*continued*)**

### **Auditors**

Following the acquisition of the Company by Reckitt Benckiser Group plc on 29 October 2010, the Reckitt Benckiser Group plc auditors, PricewaterhouseCoopers LLP, will be appointed to replace KPMG Audit Plc for the year ending 31 December 2011

By order of the board



**E. A. Richardson**  
*Company Secretary*

24 June 2011

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 period. 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)

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 judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.



## KPMG Audit Plc

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditor's report to the members of SSL International plc**

We have audited the financial statements of SSL International plc for the period ended 31 December 2010 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2010 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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

**Independent auditor's report to the members of SSL International plc**  
*(continued)*

**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

*Nick Plumb*

*24 June 2011*

**Nick Plumb (senior statutory auditor)**

*for and on behalf of KPMG Audit Plc, Statutory Auditor*

Chartered Accountants

St James' Square

Manchester

M2 6DS

**Profit and loss account**  
*for the 9 months ended 31 December 2010*

	<i>Note</i>	<b>9 months ended 31 December 2010 £m</b>	<b>Year ended 31 March 2010 £m</b>
Administrative expenses	2	(53.6)	(5 3)
<b>Operating loss</b>		<b>(53.6)</b>	<b>(5 3)</b>
Costs of fundamental restructuring	2	(32.7)	-
<b>Loss on ordinary activities before finance charges</b>		<b>(86.3)</b>	<b>(5 3)</b>
Finance charges (net)	3	(9.2)	(6 0)
<b>Loss on ordinary activities before taxation</b>		<b>(95.5)</b>	<b>(11 3)</b>
Tax (charge)/credit on loss on ordinary activities	5	(2.1)	1 0
<b>Loss for the financial period</b>		<b>(97.6)</b>	<b>(10 3)</b>

All results derive from continuing operations

**Balance sheet**  
*at 31 December 2010*

	<i>Note</i>	<b>31 December 2010 £m</b>	<b>31 March 2010 £m</b>
<b>Fixed assets</b>			
Intangible assets	6	7.0	7.5
Tangible assets	7	-	-
Investments	8	664.1	680.4
		<u>671.1</u>	<u>687.9</u>
<b>Current assets</b>			
Debtors	9	354.9	218.7
Cash		1.1	19.9
		<u>356.0</u>	<u>238.6</u>
<b>Creditors: amounts falling due within one year</b>	10	<b>(858.2)</b>	<b>(560.4)</b>
<b>Net current liabilities</b>		<b>(502.2)</b>	<b>(321.8)</b>
<b>Total assets less current liabilities</b>		<b>168.9</b>	<b>366.1</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<b>-</b>	<b>(104.4)</b>
<b>Provisions for liabilities</b>	12	<b>(4.5)</b>	<b>(0.4)</b>
<b>Net assets</b>		<b>164.4</b>	<b>261.3</b>
<b>Capital and reserves</b>			
Called up share capital	13	21.7	21.3
Share premium account	14	48.1	47.3
Other reserves	14	135.9	132.1
Cash flow hedge reserve	14	-	(2.1)
Profit and loss account	14	(41.3)	62.7
<b>Shareholders' funds</b>	15	<b>164.4</b>	<b>261.3</b>

These financial statements were approved by the board of directors on 24<sup>th</sup> June 2011 and were signed on its behalf by



**S. J. Edwards**  
*Director*

**Statement of total recognised gains and losses**  
*for the 9 months ended 31 December 2010*

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
Loss for the financial period	(97.6)	(10.3)
Taxation on gains and losses taken directly to reserves	1.9	1.8
<b>Total recognised gains and losses since last annual report</b>	<b>(95.7)</b>	<b>(8.5)</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements of the Company are presented as required by the Companies Act 2006 and have been prepared in accordance with UK Generally Accepted Accounting Practices. The accounting policies under UK GAAP are presented below

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments as described below

As disclosed in note 18 the directors have received confirmation from the ultimate parent company that it will make available, for at least a period of 12 months from the date of signing of these financial statements, the necessary funds required in order to enable the company to meet its liabilities as they fall due

The Company is a wholly owned subsidiary of Reckitt Benckiser Group plc, a Company incorporated in England and Wales, which has prepared publicly available consolidated accounts which include the Company and its subsidiary undertakings. Under FRS 1 (revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Reckitt Benckiser Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Reckitt Benckiser Group plc, within which this Company is included, can be obtained from the address given in note 17

#### *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, 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

#### *Intangible assets*

Software developments and licenses capitalised are stated at cost less accumulated amortisation and are amortised on a straight line basis over their estimated useful economic lives as follows

Software development      5 - 10 years

Software licenses          over the length of the license

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment

Depreciation is provided to write down to a residual value over their estimated useful economic lives over the following periods

Plant and other equipment      4 to 15 years straight line

#### *Investments*

Fixed asset investments are shown at cost less provision for impairment

## Notes (continued)

### 1 Accounting policies (continued)

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

In accordance with FRS 19, deferred tax is provided where a taxation liability will arise as a result of transactions or events which have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Provision is made at the rates expected to be applicable when the liabilities or assets are likely to crystallise.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction unless sale proceeds are the subject of a forward sale for a predetermined sum in sterling. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on transactions are included in the profit and loss account to the extent that they are not matched by binding forward trading contracts.

#### *Derivative financial instruments*

In accordance with exemptions under FRS 29 'Financial Instruments: Disclosures', the Company has not presented the financial instruments disclosures required by the standard, as disclosures which comply with the standard are included in the consolidated financial statements.

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

With the exception of derivative financial instruments, and those hedged items forming part of a fair value hedge, financial instruments are held at amortised cost.

#### *Hedge accounting*

The accounting for the Company's various hedging activities is detailed below.

#### *Transaction exposure hedging*

Forward currency contracts hedging transaction exposures are fair valued through the profit and loss account.

#### *Fair value hedges*

Derivative financial instruments are classified as fair value hedges when they hedge the Company's exposure to changes in the fair value of a recognised asset or liability. Any gain or loss from remeasuring the hedging instrument is recognised immediately in the profit and loss account. Any change in the fair value of the hedged item, attributable to the hedged risk, is adjusted against the carrying value of the hedged item and recognised immediately in the profit and loss account.

#### *Cash flow hedges*

Changes in the fair value of the derivative hedging instruments designated as a cashflow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

Derivative financial instruments qualifying for fair value hedge accounting are principally foreign currency and interest rate swaps.

#### *Discontinuance of hedge accounting*

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

## Notes (continued)

### 1 Accounting policies (continued)

#### Share-based payments

The Company operates a number of employee share schemes. The cost to the Company of making awards in the form of shares or rights to shares under these schemes is charged to the profit and loss account as an employee expense over the period to which the employee's performance relates. The Company issues equity settled share-based payments to certain employees of the Company and its subsidiary undertakings. Equity settled share-based payments are measured at fair value at the grant date using an appropriate valuation model, taking into account the terms and conditions precedent at the time of grant. The impact of any non-market vesting conditions is excluded.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instruments granted and the number of equity instruments which eventually vest. At each balance sheet date, the Company revises its estimate of the number of instruments that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining period. When awards are made to employees of subsidiary undertakings and the fair value of the award is not recharged to the subsidiary, the award is treated as a capital contribution to the subsidiary, with a corresponding increase in the cost of investment.

#### Dividend income

Dividend income from subsidiary undertakings is recognised within other income at the point the dividend has been declared. Dividends declared after the balance sheet date are not recognised in the profit and loss account.

#### Pensions

The SSL International plc scheme is a defined contribution scheme. Contributions are charged to the profit and loss account as incurred. There were no prepayments or accruals in respect of the scheme at either period-end.

### 2 Loss on ordinary activities before taxation

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Cost of fundamental restructuring (see below)	32.7	-
Amortisation of intangible fixed assets (note 6)	1.7	2.0
Impairment of investment (note 8)	20.1	-
Auditors' remuneration - audit of these financial statements	0.1	0.1

Following the acquisition of the Company by Reckitt Benckiser Group plc ('RB') on 29 October 2010, RB commenced a review of the operations of the SSL International plc group, with the aim of integrating these operations into the existing RB operations. Exceptional integration costs of £28.5 million were incurred during the period as a result of the acquisition by RB, £17.7 million transaction costs, £7.0 million in accelerated share based payment costs, and £3.8 million write off of prepaid loan facility arrangement fees. A provision for £4.2 million was created in relation to the termination of directors' contracts on change of control.

## Notes (continued)

### 3 Finance charges (net)

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
<b>Finance income:</b>		
Bank deposits	0.1	0.1
Intercompany loans	0.2	1.0
	<u>0.3</u>	<u>1.1</u>
<b>Finance charges:</b>		
Bank loans and overdrafts	(9.0)	(6.6)
Intercompany loans	(0.5)	(0.5)
	<u>(9.5)</u>	<u>(7.1)</u>
<b>Finance charges (net)</b>	<u>(9.2)</u>	<u>(6.0)</u>

### 4 Information regarding Directors

The Company had no employees during the current period and prior year

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
Directors' emoluments and fees	3.0	3.1
Company contributions to money purchase pension schemes	0.1	0.1
Compensation for loss of office	0.2	-
	<u>3.3</u>	<u>3.2</u>

The emoluments of the highest paid director were £1.4 million (year ended 31 March 2010 £1.5 million)

During the period, the highest paid director exercised no share options, but received shares in the Company under a long term incentive scheme

	Number of directors	
	9 months ended 31 December 2010	Year ended 31 March 2010
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	2	2
Defined benefit schemes	1	1
	<u>2</u>	<u>3</u>
The number of directors who exercised share options was	2	3
	<u>2</u>	<u>3</u>
The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was	3	3
	<u>3</u>	<u>3</u>

## Notes (continued)

### 4 Information regarding Directors (continued)

Directors' rights to subscribe for shares of the Company are indicated below

	Number of options		Exercise price £
	At 1 April 2010	At 31 December 2010	
I Adamson SAYE scheme	2,091	-	£2 37
I Adamson Sharesave plan 2009	2,425	-	£6 37
M Moran SAYE scheme	6,972	-	£2 37
M Moran Sharesave plan 2009	2,425	-	£6 37

Directors' interests in the shares of the Company are indicated below

	Number of shares	
	At 1 April 2010	At 31 December 2010
G Watts	227,548	-
I Adamson	168,144	-
M Moran	137,255	-
R Adam	1,553	-
G Corbett	32,500	-
P Read	5,185	-
P Johnson	10,000	-
W R Mordan	-	-
M S Keeley	-	-
M Dawar	-	-
S J Edwards	-	-

### 5 Taxation

#### a) Analysis of tax charge/(credit) for the period/year

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
<b>Current tax</b>		
UK corporation tax on loss for the period/year	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Capital allowances in excess of depreciation	0.1	0.4
Origination and reversal of timing differences	0.9	(1.1)
Adjustment in respect of prior years	1.7	(0.3)
Losses	(0.9)	-
Impact of change in tax rate	0.3	-
<b>Total deferred tax</b>	2.1	(1.0)
<b>Tax charge/(credit) on loss on ordinary activities</b>	2.1	(1.0)

## Notes (continued)

### 5 Taxation (continued)

#### b) Factors affecting the current tax charge for the period/year:

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
Loss on ordinary activities before taxation	(95.5)	(11.3)
Current tax at 28% (year ended 31 March 2010 28%)	(26.7)	(3.2)
Effects of		
Expenses not deductible for tax purposes	11.9	-
Capital allowances for period lower than/(in excess of) depreciation	-	(0.3)
Origination and reversal of timing differences	0.2	0.4
Group relief surrendered for nil consideration	20.7	3.9
Tax deductions on vesting of employee share plans	(8.1)	(0.2)
Losses carried forward	2.0	-
Income/allowable expenses not recognised in the financial statements*	-	(0.6)
Current tax charge for the period/year	-	-

\*For UK corporation tax purposes, it is necessary to impute interest income on non-interest bearing intra-group balances. To the extent that interest income is imputed in the lending company, it is possible to claim a corresponding adjustment in the borrowing company.

#### Factors affecting the future tax charge

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and the effect of the rate would create an additional reduction in the deferred tax asset which is not expected to be material. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

The Chancellor also proposed changes to further reduce the main rate of UK corporation tax by one per cent per annum to 23 per cent by 1 April 2014. These changes have not yet been substantively enacted and therefore are not included in the figures above.

## Notes (continued)

### 6 Intangible fixed assets

	Software development and licenses £m
<i>Cost</i>	
At beginning of period	13.1
Additions	1.2
	<hr/>
<b>At end of period</b>	<b>14.3</b>
	<hr/>
<i>Amortisation</i>	
At beginning of period	5.6
Charged in period	1.7
	<hr/>
<b>At end of period</b>	<b>7.3</b>
	<hr/>
<i>Net book value</i>	
<b>At 31 December 2010</b>	<b>7.0</b>
	<hr/>
At 31 March 2010	7.5
	<hr/>

### 7 Tangible fixed assets

	Plant, equipment and motor vehicles £m
<i>Cost</i>	
At beginning and end of period	1.0
	<hr/>
<i>Depreciation</i>	
At beginning and end of period	1.0
	<hr/>
<i>Net book value</i>	
<b>At 31 December 2010</b>	<b>-</b>
	<hr/>
At 31 March 2010	-
	<hr/>

## Notes (continued)

### 8 Investments

	Loans and capital contributions £m	Shares in subsidiary undertakings £m	Total £m
<i>Cost</i>			
At beginning of period	5.1	675.3	680.4
Additions	3.8	-	3.8
<b>At end of period</b>	<b>8.9</b>	<b>675.3</b>	<b>684.2</b>
<i>Provision for impairment</i>			
At beginning of period	-	-	-
Impairment charge	-	20.1	20.1
<b>At end of period</b>	<b>-</b>	<b>20.1</b>	<b>20.1</b>
<i>Net book value</i>			
<b>At 31 December 2010</b>	<b>8.9</b>	<b>655.2</b>	<b>664.1</b>
At 31 March 2010	5.1	675.3	680.4

At 31 December 2010, the Company held investments in the ordinary shares of the following subsidiary undertakings

Subsidiary undertaking	Country of incorporation	Percentage equity shareholding	Principal activity
Sonet Investments Limited	England and Wales	100	Holding company
Sonet Prebbles Limited	England and Wales	100	Holding company
SSL Capital Limited	Jersey	100	Dormant

The addition of £3.8 million relates to a capital contribution to a subsidiary company LRC Products Limited, in relation to the fair value of share-based payments awarded to employees of the subsidiary undertaking. A corresponding credit is recorded in non-distributable reserves. The impairment charge of £20.1 million relates to a write down of the carrying value of the investment in Sonet Investments Limited to its expected recoverable amount.

The directors consider that the net book value of investments at 31 December 2010 represents at least their recoverable amount.

### 9 Debtors

	31 December 2010 £m	31 March 2010 £m
<b>Amounts falling due within one year:</b>		
Amounts owed by subsidiary undertakings	346.0	209.9
Prepayments and accrued income	0.2	0.7
Other debtors	1.4	0.6
	<b>347.6</b>	<b>211.2</b>
<b>Amounts falling due after more than one year:</b>		
Deferred tax	7.3	7.5
<b>Total debtors</b>	<b>354.9</b>	<b>218.7</b>

## Notes (continued)

### 9 Debtors (continued)

		Deferred tax asset £m
At beginning of period		7.5
Charged to the profit and loss account		(2.1)
Credited directly to reserves		1.9
		<hr/>
<b>At end of period</b>		<b>7.3</b>
		<hr/>
<b>Analysis of deferred tax asset:</b>	<b>31 December 2010 £m</b>	<b>31 March 2010 £m</b>
Accelerated capital allowances	0.9	1.0
Short term timing differences	0.7	1.1
Losses	5.5	-
Share based payments	0.2	5.4
	<hr/>	<hr/>
	<b>7.3</b>	<b>7.5</b>
	<hr/>	<hr/>

### 10 Creditors: amounts falling due within one year

	<b>31 December 2010 £m</b>	<b>31 March 2010 £m</b>
Bank overdrafts	0.2	-
Derivative financial liabilities	-	2.1
Amounts owed to subsidiary undertakings	578.2	553.3
Amounts owed to immediate parent undertaking	276.6	-
Other creditors and accruals	3.2	5.0
	<hr/>	<hr/>
	<b>858.2</b>	<b>560.4</b>
	<hr/>	<hr/>

### 11 Creditors: amounts falling due after more than one year

	<b>31 December 2010 £m</b>	<b>31 March 2010 £m</b>
Bank borrowings	-	108.9
Unamortised facility arrangement fees	-	(4.5)
	<hr/>	<hr/>
	<b>-</b>	<b>104.4</b>
	<hr/>	<hr/>

## Notes (continued)

### 12 Provisions for liabilities

	£m
At beginning of period	0.4
Created during the period	4.2
Utilised during the period	(0.1)
<b>At end of period</b>	<b>4.5</b>
Current	4.3
Non-current	0.2
	<b>4.5</b>

The provision of £4.2 million created during the year relates to the termination of directors' contracts on change of control, and is anticipated to be paid out within the next financial year. The remaining provision of £0.3m relates to existing surplus property obligations, of which £0.1 million is expected to be utilised within the next financial year, with the remainder expected to be utilised within five years from the balance sheet date.

### 13 Called up share capital

	31 December 2010 £m	31 March 2010 £m
<b>Authorised</b>		
400,000,000 (31 March 2010: 400,000,000) ordinary shares of £0.10 each	40.0	40.0
<b>Allotted, called up and fully paid</b>		
216,849,770 (31 March 2010: 212,953,893) ordinary shares of £0.10 each	21.7	21.3

3,895,877 shares were issued during the period to satisfy employee share options exercised, and the vesting of the Performance Share Plans following the change of control of the company on 29 October 2010.

### 14 Share capital and reserves

	Share capital £m	Share premium account £m	Non- distributable reserve £m	Cash flow hedge reserve £m	Profit and loss account £m	Total equity £m
At beginning of period	21.3	47.3	132.1	(2.1)	62.7	261.3
Shares issued during the period	0.4	0.8	-	-	-	1.2
Dividends	-	-	-	-	(17.1)	(17.1)
Loss for the period	-	-	-	-	(97.6)	(97.6)
Equity-settled share based payments	-	-	3.8	-	12.7	16.5
Repurchase of shares	-	-	-	-	(3.9)	(3.9)
Fair values arising from cash flow hedge taken to reserves	-	-	-	2.1	-	2.1
Taxation taken to reserves in respect of share based payments	-	-	-	-	2.5	2.5
Tax on fair value movements on cash flow hedges	-	-	-	-	(0.6)	(0.6)
<b>At end of period</b>	<b>21.7</b>	<b>48.1</b>	<b>135.9</b>	<b>-</b>	<b>(41.3)</b>	<b>164.4</b>

## Notes (continued)

### 14 Share capital and reserves (continued)

Of the reserves of the company, £nil (31 March 2010 £62.7 million) are regarded as distributable. The £3.8 million increase in the non-distributable reserve during the period relates to the share based payments awarded to employees of the subsidiary undertaking LRC Products Limited, which has been treated as a capital contribution to the subsidiary undertaking.

### 15 Reconciliation of movements in shareholders' funds

	9 months ended 31 December 2010 £m	Year ended 31 March 2010 £m
Shares issued during the period	1.2	2.3
Dividends	(17.1)	(20.2)
Loss for the period	(97.6)	(10.3)
Equity-settled share based payments	16.5	6.8
Repurchase of shares	(3.9)	(2.2)
Fair values arising from cash flow hedge taken to reserves	2.1	1.9
Taxation taken to reserves in respect of share based payments	2.5	1.8
Tax on fair value movements on cash flow hedges	(0.6)	(0.5)
Net decrease in shareholders' funds	(96.9)	(20.4)
Opening shareholders' funds	261.3	281.7
Closing shareholders' funds	164.4	261.3

### 16 Commitments and contingent liabilities

The Company has no contracts for future expenditure that have not been provided for (31 March 2010: none).

#### Guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of subsidiaries, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. At the balance sheet date, there were no contingent liabilities arising as a result of these guarantees (31 March 2010: none).

### 17 Ultimate controlling party

The Company is a subsidiary undertaking of Reckitt Benckiser plc. On 29 October 2010, Reckitt Benckiser Group plc became the ultimate parent company. The directors regard Reckitt Benckiser Group plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

Reckitt Benckiser Group plc is the parent company of the largest and smallest group of which the Company is a member and for which group accounts are drawn up. Copies of the accounts are available from Reckitt Benckiser Group plc, 103-105 Bath Road, Slough, Berkshire, SL1 3UH.

**Notes** *(continued)*

**18 Net current liabilities**

Under section 123 of the Insolvency Act 1986, a creditor of the Company could petition for it to be wound up on the grounds that it had net current liabilities of £502.2 million as at 31 December 2010. However, in the opinion of the directors, no adjustments are required to the accounts, which have been drawn up on the going concern basis, because the ultimate parent company, Reckitt Benckiser Group plc, has undertaken to provide such financial support as is necessary to enable SSL International plc to meet its liabilities as they fall due.