

SSL Products Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 01026788



SSL Products Limited

Company Information

Directors Richard Mark Greensmith
Alasdair James Peach
Timothy John Martel

Company Secretary James Edward Hodges

Registered Number 01026788

Registered Office 103-105 Bath Road
Slough
Berkshire
SL1 3UH

Independent Auditor KPMG LLP
15 Canada Square
London
E14 5GL

SSL Products Limited

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SSL Products Limited

Directors' Report to the members of SSL Products Limited For the Year Ended 31 December 2019

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

This report has been prepared in accordance with special provisions related to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the Company is to act as a holding Company and pay the finance lease rental fee on a premises in Bedford Place, Liverpool ("the Premises").

The Company, which is a member of the Reckitt Benckiser group of companies (the "Group"), carries out the strategy intended by the Company Directors.

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 as follows:

Richard Mark Greensmith
Jonathan Timmis (resigned 8 June 2020)
Alasdair James Peach (appointed 20 August 2019)
Timothy John Martel (appointed 8 June 2020)

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 suffered or incurred by them.

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 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 year. In preparing the 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;
- 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.

SSL Products Limited

Directors' Report to the members of SSL Products Limited (continued) For the Year Ended 31 December 2019

Results for the year and movement on reserves

The Financial Statements for the year ended 31 December 2019 show a loss of £359,000 (2018 - profit of £496,000) which has been deducted from reserves (2018 - added to reserves).

The Directors do not recommend the payment of a dividend (2018 - £Nil).

Post balance sheet event

On 12 March 2020, the Company capitalised its retained earnings of £2,469,495.72 by the issuance of one bonus share with a nominal value of £2,469,495.72.

On 14 April 2020, the Company then reduced the nominal value of the bonus share from £2,469,495.72 to £0.000000001, reducing the share capital by £2,469,495.71999999 with the same amount being credited to retained earnings.

On the same day, the Company reduced the nominal value of 183,778,240 fully paid ordinary shares from £1 to £0.000000001, reducing the share capital by £183,778,239.81622176 with the same amount being credited to retained earnings.

These transactions were carried out to ensure that there are sufficient distributable reserves for future distributions and the share capital reductions were carried out in accordance with Part 17, Chapter 10 of the Companies Act 2006.

Future developments

The Company remains committed to paying the finance lease rental fee on the Premises and reclaiming these costs from the tenant.

The Company also remains engaged in ongoing discussion and consideration of its long-term strategy with respect to the lease.

Going concern

The Company participates in the Group's centralised treasury arrangements and so shares the banking arrangements with its parent and fellow subsidiaries.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Reckitt Benckiser Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

As set out in the basis of preparation in its 2020 condensed consolidated interim Financial Statements for the period ended 30 June 2020, the Group assessed the impact of COVID-19 on its going concern. 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 13 October 2020, and given the nature of the Company's operations, the Directors remain satisfied that Investments in subsidiaries (refer Note 7) and amounts owed by Group undertakings (refer Note 8) are unlikely to be materially impacted by COVID-19, and that the Company will not need to take responsive steps to continue functioning as a going concern.

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Directors' Report to the members of SSL Products Limited (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.

Political contributions

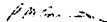
Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report to the members of SSL Products Limited is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 13 October 2020 and signed on its behalf.

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Richard Mark Greensmith
Director

SSL Products Limited

Independent Auditor's Report to the Members of SSL Products Limited

Opinion

We have audited the Financial Statements of SSL Products Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 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.

SSL Products Limited

Independent Auditor's Report to the Members of SSL Products Limited (continued)

Directors' Report

The Directors are responsible for the Directors' Report. Our opinion on the Financial Statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the Financial Statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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; or
- The Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, 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.

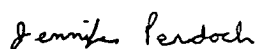
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorresponsibilities.

SSL Products Limited

Independent Auditor's Report to the Members of SSL Products Limited (continued)

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.



JENNIFER PERDOCH (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 13 October 2020

SSL Products Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Administrative expenses		(509)	-
Other operating income		93	620
Operating (loss)/profit	3	(416)	620
Interest receivable and similar income	4	100	81
Interest payable and similar charges	5	(129)	(90)
(Loss)/profit before tax		(445)	611
Tax on (loss)/profit	6	86	(115)
(Loss)/profit for the financial year		(359)	496
Other comprehensive income			
Total comprehensive (loss)/income		(359)	496

The notes on pages 10 to 20 form part of these Financial Statements.

SSL Products Limited
Registered number:01026788

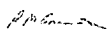
Balance Sheet
As at 31 December 2019

	Note	2019 £000	2018 £000
Fixed Assets			
Investments	7	181,658	181,658
Current Assets			
Debtors due within one year	8	16,419	16,460
Cash and cash equivalents	3	3	3
		<u>16,422</u>	<u>16,463</u>
Creditors due within one year	9	(2,121)	(2,101)
Net Current Assets		<u>14,301</u>	<u>14,362</u>
Total Assets less Current Liabilities		<u>195,959</u>	<u>196,020</u>
Finance lease liability	10	(9,974)	(9,676)
		<u>(9,974)</u>	<u>(9,676)</u>
Net Assets		<u><u>185,985</u></u>	<u><u>186,344</u></u>
Equity			
Share capital	12	183,778	183,778
Retained earnings		2,207	2,566
Total Equity		<u><u>185,985</u></u>	<u><u>186,344</u></u>

The notes on pages 10 to 20 form part of the Financial Statements.

The Financial Statements on pages 7 to 20 were approved and authorised for issue by the Board and were signed on its behalf on 13 October 2020.

DocuSigned by:



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Richard Mark Greensmith
Director

SSL Products Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2019	183,778	2,566	186,344
Comprehensive loss			
Loss for the financial year	-	(359)	(359)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(359)	(359)
Total transactions with owners	-	-	-
Balance at 31 December 2019	183,778	2,207	185,985

Statement of Changes in Equity For the Year Ended 31 December 2018

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2018	183,778	2,070	185,848
Comprehensive income			
Profit for the financial year	-	496	496
Other comprehensive income	-	-	-
Total comprehensive income	-	496	496
Total transactions with owners	-	-	-
Balance at 31 December 2018	183,778	2,566	186,344

The notes on pages 10 to 20 form part of these Financial Statements.

SSL Products 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.

1.1 General Information

SSL Products Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is given on the Company Information page at the beginning of these statutory accounts. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 to 3.

1.2 Statement of Compliance

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

1.3 Basis of Preparation

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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).

1.4 Financial Reporting Standard 102 – Reduced Disclosure Exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS 102 for qualifying entities:

- the requirements of section 3 Financial Statement Presentation paragraph 3.17(d) and section 7 Statement of Cash Flows not to prepare a Statement of Cash Flows; and
- the requirements of section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

The Company's results are included in the publicly available consolidated Financial Statements of Reckitt Benckiser Group plc and these Financial Statements may be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH, United Kingdom or <https://www.rb.com>.

1.5 Going concern

The Company participates in the Group's centralised treasury arrangements and so shares the banking arrangements with its parent and fellow subsidiaries.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Reckitt Benckiser Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. Accounting Policies (continued)

1.6 Consolidation

The Financial Statements contain information about SSL Products Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated Financial Statements as it and its subsidiary undertakings are included in the consolidated Financial Statements of its ultimate parent company, Reckitt Benckiser Group plc, a company registered in England and Wales.

1.7 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event; it is more likely than not that there will be an outflow of resources to settle that obligation and the amount can be reliably estimated. Provisions are valued at the present value of the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date.

1.8 Finance Leases

Finance leases are capitalised at commencement of the lease as assets at the fair value of the lease assets or, if lower, the present value of the minimum lease payments calculated using interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Where assets are leased under a finance lease the present value of the lease payments is recognised as a payable.

Where a leased asset is subsequently sub-leased as a finance asset the leased asset is derecognised and a finance lease receivable in respect of the sub-lease is recognised.

1.9 Taxation

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

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. Accounting Policies (continued)

1.10 Investments

Investments are stated at the lower of cost and their recoverable amount, which is determined as the higher of net realisable value and value in use. A review of 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. Such impairment reviews are performed in accordance with FRS 102 Section 27 'Impairment of assets'.

1.11 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of basic financial assets and liabilities, including trade and other receivables and payables 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 the present value of the future receipt discounted at a market rate of interest, and subsequently recognised at amortised cost.

(a) 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.

(b) Financial Liabilities

Basic financial liabilities, including loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost.

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

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting Estimates and Judgements

In the application of the Company's accounting policies the Directors are required to make a number of estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these Financial Statements, the Directors have had to make the following judgements and estimates:

- Determine whether there are indicators of impairment of the Company's fixed asset investments. Factors taken into account are net assets of the Company's subsidiary.
- Calculation of the finance lease liability. The key estimates applied include the rate applied to discount the provision and the estimation of future rent increases and timing of any incremental payments throughout the lease period.
- Assessment of recognition of finance lease receivable. The key judgement applied is consideration of the recoverability of future rental income from the tenant.

The Company's Directors are of the opinion that there are no further judgements and no further key sources of estimation uncertainty that have a significant risk of casting material adjustment to the carrying value of assets and liabilities for the Company within the next financial year.

3. Operating (loss)/profit

The (loss)/profit on operating activities is stated after crediting/(charging):

	2019 £000	2018 £000
Movement on finance lease liability	(280)	530
Provision for doubtful debts	(206)	-
Other expenses	(23)	-
Rental income	93	90
	<u>(416)</u>	<u>620</u>

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

4. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from Group undertakings	100	81

5. Interest payable and similar charges

	2019 £000	2018 £000
Unwind of discount on finance lease liability	129	90

6. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on (loss)/profit for the year	(86)	115
Total current tax	(86)	115
Tax on (loss)/profit	(86)	115

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Taxation (continued)

Reconciliation of tax (credit)/charge

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
(Loss)/profit before tax	(445)	611
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(85)	116
Effects of:		
Transfer pricing adjustments	(1)	(1)
Total tax (credit)/charge for the year	(86)	115

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. 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. Future profits will be taxed at the appropriate rate.

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2019	181,658
At 31 December 2019	181,658
Impairment	
At 1 January 2019	-
At 31 December 2019	-
Net book value	
At 31 December 2019	181,658
At 31 December 2018	181,658

Direct Subsidiary Undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Class of shares	Holding	Registered office
Tubifoam Limited (in liquidation)	Ordinary	100 %	103 -105 Bath Road, Slough, SL1 3UH, UK

The Directors believe that the carrying value of the investment is supported by its net assets.

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Debtors due within one year

	2019 £000	2018 £000
Amounts owed by Group undertakings	16,419	16,365
Other debtors	-	95
	<u>16,419</u>	<u>16,460</u>

Included in the amounts owed by Group undertakings due within one year is an amount of £15,167k (2018 - £15,113k), which is unsecured, repayable on demand and interest bearing at 3M LIBOR minus 0.125% (2018 - same).

Also included in the amounts owed by Group undertakings due within one year is an amount of £1,252k (2018 - £1,252k) which is unsecured, repayable on demand and non-interest bearing (2018 - same).

9. Creditors due within one year

	2019 £000	2018 £000
Amounts owed to Group undertakings	2,098	2,078
Accruals and deferred income	23	23
	<u>2,121</u>	<u>2,101</u>

Included in the amounts owed to Group undertakings due within one year is an amount of £1,998k (2018 - £1,998k) which is unsecured, repayable on demand and non interest-bearing (2018 - same).

All other amounts owed to Group undertakings due within one year are unsecured, non-interest bearing and repayable on demand (2018 - same).

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Finance lease liability

	2019 £000
At 1 January 2019	(9,676)
Utilised during the year	111
Unwinding of finance cost	(129)
Charged to income statement	(280)
At 31 December 2019	(9,974)

The Company, a former tenant of a certain commercial premises in Bedford Place, Liverpool (the Premises), received notice in September 2015 under s.17 of the Landlord and Tenant (Covenants) Act 1995 requiring payment of certain fixed charges relating to non-payment of rent by the then current tenants of the Premises. The Company, remaining liable at law, discharged the fixed charges and entered into an overriding lease of the Premises in November 2015, which established the Company as both tenant of the freeholder and landlord of the defaulting current tenant, the term of which ends in April 2079 and without a break clause. Both leases are finance leases.

The Company subsequently issued legal proceedings against the current tenant of the Premises in connection with the default in rental payments. In June 2016 the Company was granted summary judgement in its favour by the Court. Subsequently in 2017 the Company entered into a settlement agreement with the current tenant for the payment of the judgement debt and any outstanding 2016 rent arrears due from the current tenant. This judgement debt has now been discharged.

The tenant continues to remain liable for any payments due under the principal lease, and the Company continues to remain liable for rent payable under the overriding lease until the lease expires in April 2079. The lease remains subject to rental reviews that are carried out every 10 years. The Directors do not consider the recoverability of future rent to be probable at this stage and have therefore not adjusted the lease liability with any potential rental income given the uncertainty as to the tenant's ability to continue to sub-let the premises.

The additional liability charged to the income statement during the year arises from a reassessment of the present value of the finance lease liability arising from a change in the 30-year gilt rate.

At 31 December 2019 the Company had future minimum lease payments under non-cancellable finance leases as follows:

	2019 £000	2018 £000
Within one year	111	111
Later than one year and less than five years	444	559
After five years	9,419	9,006
	9,974	9,676
 Carrying amount of liability	 9,974	 9,676

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Finance lease liability (continued)

The lease is a 99 year agreement which commenced in April 1980 and expires in April 2079. The current rent is £92,500 (excluding VAT) per annum but this is subject to a rent review every 10 years until the completion of the lease agreement.

11. Directors and Employees

During the year the Company had 3 Directors resident in the UK, none of whom received any emoluments in respect of services to the Company (2018 - 2 Directors, no emoluments).

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

12. Share Capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
183,778,240 (2018 - 183,778,240) Ordinary shares of £1 each	183,778	183,778

13. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Sonet Investments Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is Reckitt Benckiser Group plc, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest Group to consolidate these Financial Statements. Copies of the Group Financial Statements of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH, United Kingdom or at <https://www.rb.com>.

14. Auditor's Remuneration

The auditor's remuneration is met by the ultimate parent company, Reckitt Benckiser Group plc and is disclosed in total in the Group Financial Statements. Amounts receivable by the Company's auditor in respect of the audit of these Financial Statements is £7k. It was not practical to make an allocation of the audit fee to the Company in 2018.

SSL Products Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

15. Post Balance Sheet Event

On 12 March 2020, the Company capitalised its retained earnings of £2,469,495.72 by the issuance of one bonus share with a nominal value of £2,469,495.72.

On 14 April 2020, the Company then reduced the nominal value of the bonus share from £2,469,495.72 to £0.000000001, reducing the share capital by £2,469,495.71999999 with the same amount being credited to retained earnings.

On the same day, the Company reduced the nominal value of 183,778,240 fully paid ordinary shares from £1 to £0.000000001, reducing the share capital by £183,778,239.81622176 with the same amount being credited to retained earnings.

These transactions were carried out to ensure that there are sufficient distributable reserves for future distributions and the share capital reductions were carried out in accordance with Part 17, Chapter 10 of the Companies Act 2006.