

Sonet Investments Limited

Directors' Report and Unaudited Financial Statements

Year Ended

31 December 2022

Company Number 03012223



Sonet Investments Limited

Company Information

Directors	Richard Mark Greensmith James Edward Hodges Timothy John Martel
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Company Secretary	James Edward Hodges
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Registered Number	03012223
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Registered Office	103-105 Bath Road Slough Berkshire SL1 3UH
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Sonet Investments Limited

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Sonet Investments Limited

Directors' Report to the members of Sonet Investments Limited For the Year Ended 31 December 2022

The Directors present their report and the unaudited Financial Statements for the year ended 31 December 2022.

Principal activities

The Company did not trade during the current year. The Company has not received any income or incurred any expense or recognised any other recognised gains or losses during the year.

In 2019 the Group commenced a project to simplify its group structure by the elimination of a number of dormant or redundant companies. As part of this project, a solvent liquidation is being considered. Accordingly, the Directors have not prepared the Financial Statements on a going concern basis. The effect of this is explained in Note 1 to the Financial Statements.

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
James Edward Hodges
Timothy John Martel

Dividends

The Directors paid £Nil dividends during the year (2021 - Interim dividend of £38,946,000).

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Post balance sheet events

On 25 January 2023, the Company sold its shareholding of 48 shares in LRC North America Inc. to London International Group Limited for a cash consideration of £17.

This report was approved by the Board on 26 April 2023 and signed on its behalf.

DocuSigned by:
Richard Greensmith
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Richard Mark Greensmith
Director

Sonet Investments Limited

Statement of Comprehensive Income For the Year Ended 31 December 2022

	Note	2022 £000	2021 (audited) £000
Gain on disposal and redemption of investments	2	-	495
Result/profit before tax	2	-	495
Tax on result/profit	3	-	-
Result/profit for the financial year		-	495
Other comprehensive income for the year			
Gain on disposal of investments		-	499
Total comprehensive income for the year		-	994

The notes on pages 5 to 10 form part of these Financial Statements.

Sonet Investments Limited

Registered number:03012223

**Balance Sheet
As at 31 December 2022**

		2022	2021
	Note	£000	(audited) £000
Current Assets			
Debtors due within one year	5	-	-
Investments	6	-	-
		<hr/>	<hr/>
Net Current Assets		-	-
		<hr/>	<hr/>
Net Assets		-	-
		<hr/>	<hr/>
Equity			
Share capital	7	-	-
Retained earnings		-	-
		<hr/>	<hr/>
Total Equity		-	-
		<hr/>	<hr/>

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 (the "Act") relating to dormant companies.

The members have not required the Company to obtain an audit of its Financial Statements for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of Financial Statements.

The Company's Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 5 to 10 form part of these Financial Statements.

The Financial Statements on pages 2 to 10 were approved and authorised for issue by the Board and were signed on its behalf on 26 April 2023.

DocuSigned by:

 Richard Greensmith
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Richard Mark Greensmith
 Director

Sonet Investments Limited

Statement of Changes in Equity For the Year Ended 31 December 2022

	Share capital £000	Total equity £000
At 1 January 2022	-	-
Comprehensive income		
Result for the financial year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Total transactions with owners	-	-
Balance at 31 December 2022	-	-

Statement of Changes in Equity For the Year Ended 31 December 2021

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2021 (audited)	-	37,952	37,952
Comprehensive income			
Profit for the financial year	-	495	495
Other comprehensive income for the year	-	499	499
Total comprehensive income for the year	-	994	994
Transactions with owners			
Capitalisation of retained earnings by way of bonus share issue	-	(38,946)	(38,946)
Capitalisation of retained earnings by way of bonus share issue	38,946	-	38,946
Capital reduction of bonus shares	(38,946)	-	(38,946)
Capital reduction of bonus shares impact on retained earnings	-	38,946	38,946
Dividends paid	-	(38,946)	(38,946)
Total transactions with owners	-	(38,946)	(38,946)
Balance at 31 December 2021 (audited)	-	-	-

The notes on pages 5 to 10 form part of these Financial Statements.

Sonet Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

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

Sonet Investments 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 Financial Statements. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

The Company did not trade during the year.

1.2 Statement of Compliance

The Financial Statements have been prepared 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

As discussed in the principal activities section of the Directors' Report, in 2019 the Group commenced a project to simplify its group structure by the elimination of a number of dormant or redundant companies. As part of this project, the Company is being considered for solvent liquidation. Accordingly, the Directors have not prepared the Financial Statements on a going concern basis. Consequently, assets have been measured and presented at their realisable values and liabilities are measured and presented at their expected settlement values.

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;
- the requirements of section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total; and
- the requirements of section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the numbers of shares outstanding at the beginning and end of the year.

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.reckitt.com>.

Sonet Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies (continued)

1.5 Consolidation

The Financial Statements contain information about Sonet Investments 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.

1.6 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.

1.7 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'.

Disposal

On disposal or redemption of an investment, the cost and accumulated impairment is derecognised. Any difference between the consideration received and the net book value is recognised as a gain or loss on disposal or redemption. Losses on disposal and redemption are recognised through the Statement of Comprehensive Income. Gains on disposal and redemption are recognised either in the Statement of Comprehensive Income or the Statement of Other Comprehensive Income.

In determining where to recognise a gain on disposal or redemption, the Company applies the guidance under FRS 102 and the Companies Act 2006. This guidance considers whether the consideration received meets the definition of qualifying consideration, which takes into account the commercial effect of the transaction, to be able to recognise the consideration in the Statement of Comprehensive Income.

Where the consideration received for an investment does not meet the criteria of qualifying consideration, such a gain is recognised in the Statement of Other Comprehensive Income.

Similarly, where the consideration received meets the definition of qualifying consideration, any such gain is recognised in the Statement of Comprehensive Income.

Sonet Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies (continued)

1.8 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.

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.

1.9 Dividend paid

Dividend distributions to equity shareholders are recognised as a liability in the period in which the dividends are approved by the Company's Directors. These amounts are recognised in the Statement of Changes in Equity. Dividends declared after the Balance Sheet date are not recognised as there is no present obligation at the Balance Sheet date.

2. Result/profit before tax

The result/profit before tax is stated after crediting:

	2022	2021
	£000	(audited) £000
Gain on disposal and redemption of investments	-	495

During the prior year, the Company sold its entire shareholding in Pharmalab Limited to its immediate parent, Reckitt Benckiser Limited, ("RB Ltd"), at fair market value of £8,412,334 resulting in a gain on disposal of investment of £498,920, which has been recognised in Other Comprehensive Income.

During the prior year, the Company sold its entire shareholding in Cupal, Limited to its immediate parent, RB Ltd, at fair market value of £235,390.20. On the same day, Cupal, Limited redeemed 1,976,400 8% B redeemable preference shares of £1.00 each held by the Company for cash consideration of £1,976,400. Additionally, Cupal, Limited reduced the value and subsequently cancelled its 5% cumulative preference shares of £1.00 each, resulting in a further cash consideration of £1,540 accruing to the Company. As a result of these transactions, the Company recorded a gain on disposal and redemption of investments of £494,513.

Sonet Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

3. Taxation

	2022 £000	2021 (audited) £000
Corporation tax		
Current tax on result/profit for the financial year	-	-
Total current tax	-	-
Taxation on result/profit	-	-

Reconciliation of tax charges

The tax assessed for the year is the same as (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 (audited) £000
Result/profit before tax	-	495
Result/profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	-	94
Effects of:		
Income not taxable	-	(94)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The standard rate of UK corporation tax for the year ended 31 December 2022 is 19%. The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. Accordingly, this may have an impact on the tax charge of future years. There is no impact of the change in the current period as there is no deferred tax recognised in the Company.

4. Dividend paid

	2022 £000	2021 (audited) £000
Interim dividend paid of £Nil (2021 - £385,600.57) per share	-	38,946

Sonet Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

5. Debtors due within one year

	2022	2021 (audited)
	£000	£000
Amounts owed by Group undertakings	-	-

The amount owed by Group undertakings due within one year is an amount of £1.01 (2021 - £1.01) which is unsecured, non-interest bearing and repayable on demand (2021 - same).

6. Current assets investments

	Investments in subsidiary undertakings £000
At 1 January 2022	-
At 31 December 2022	-
Impairment	
At 1 January 2022	-
At 31 December 2022	-
Net book value	
At 31 December 2022	-
At 31 December 2021	-

Direct Subsidiary Undertakings and Other Participating Interests

The following was an other participating interest of the Company:

Name	Class of Shares	Holding	Registered Office
LRC North America Inc.	Common	0.00003%	251 Little Falls Drive, Wilmington DE 19808, USA

Sonet Investments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

7. Share Capital

	2022	2021 (audited)
	£000	£000
Issued and fully paid		
100 (2021 - 100) Ordinary shares of £0.01 each (2021 - £0.01 each)	-	-
1 (2021 -1) Bonus share of £0.01 (2021 - £0.01)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

8. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Reckitt Benckiser Limited, a company incorporated in England and Wales.

Reckitt Benckiser Group plc is the parent company of the largest and the smallest group of which the Company is a member and for which group accounts are drawn up. Copies of the Group Financial Statements of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH or at <https://www.reckitt.com>.

9. Post Balance Sheet Events

On 25 January 2023, the Company sold its shareholding of 48 shares in LRC North America Inc. to London International Group Limited for a cash consideration of £17.