

Reckitt Benckiser (UK) Limited

Report and Financial Statements

Year ended

31 December 2022

Company Number 03982446



Reckitt Benckiser (UK) Limited
Company Information

Directors	Stephanie Lilley Thomas Edward Gibson Karine Guillermand
Company Secretary	James Edward Hodges
Registered Number	03982446
Registered Office	103-105 Bath Road Slough Berkshire SL1 3UH
Independent Auditor	KPMG LLP 15 Canada Square London E14 5GL

Reckitt Benckiser (UK) Limited

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Reckitt Benckiser (UK) Limited

Strategic Report

For the year ended 31 December 2022

The Directors of Reckitt Benckiser (UK) Limited (the "Company") present their Strategic Report for the year ended 31 December 2022.

Principal activities

The principal activity of the Company, which is a member of the Reckitt Benckiser Group plc 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. The Company manufactures household cleaning and surface care products to sell to other Group companies. In the view of the Directors, the Company's future development will continue to centre on the main categories of household cleaning, surface care and fabric care products in which it operates.

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

The Financial Statements for the year ended 31 December 2022 show a profit for the financial year of £28,386k (2021: £22,415k) increase in profitability due to increase in prices as well as interest income owing to higher base rates in the year. The Company has net assets of £1,945,363k (2021: £1,915,997k). During the year, the Directors do not recommend the payment of final dividend (2021: nil).

The Directors of Reckitt Benckiser Group plc manage the Group's operations on a geographical and category basis. Total assets is the KPI for the Company. The development, performance and position of the Hygiene and Personal Care category of Reckitt Benckiser Group plc, that includes the Company, is discussed in the Group's Financial Statements which does not form part of this report.

Statement under section 172 of the Companies Act 2006

This statement, which forms part of the Strategic Report, describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 during 2022. 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 Act, 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. We recognise that our business can only grow and prosper over the long term by understanding the views and need of our stakeholders. 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 12 to 28 of the Group 2022 Annual Report, which does not form part of this report but is available at www.reckitt.com.

Reckitt Benckiser (UK) Limited
Strategic report (continued)
For the year ended 31 December 2022

- We understand the importance of engaging with, and understanding the perspectives of, our workforce. Amidst the ongoing cost of living pressures, ensuring continued wellbeing for employees, both physical and mental, has been a high priority. 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 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 and Sourcing for Sustainable Growth Policy, and processes are in place to ensure compliance therewith. All employees of the Company engage in regular training on ethics and compliance matters and are encouraged to report any ethics concerns through a confidential "Speak Up" helpline.
- In conjunction with our executive management team, there is a regular review of 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. Most decisions made by the Board during the year are deemed to be routine in nature and taken on a regular basis. 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.

Principal Risks

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

Future developments

No significant change in the business of the Company has taken place during the year or is expected in the immediately foreseeable future.

A fundamental reform of major interest rate benchmarks was undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company has exposure to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. As announced by the Financial Conduct Authority (FCA) in early 2022, the panel bank submissions for US dollar LIBOR will cease in mid-2023. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR).

Financial risk management

The Company'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 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 and floating rates of interest. The Company's liquidity requirements and interest rate risks are managed at a Group level.

Reckitt Benckiser (UK) Limited
Strategic report (continued)
For the year ended 31 December 2022

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 Group purchases derivatives to manage its exposure to currency risk on such transactions.

Credit risk

The Company has no significant concentrations of credit risk. Financial Institution counterparties are subject to approval under the Group's counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. The amount of exposure to any individual counterparty is subject to a limit defined within the counterparty risk policy, which is reassessed annually by the Board of Reckitt Benckiser Group plc. Amounts owing from companies in the Group are usually remitted within the Company's standard credit terms. The credit history of counterparties and external trade debtors is also monitored regularly.

This report was approved by the board and signed on its behalf on 23 June 2023.

Karine Guillermand Electronically signed by: Karine
Guillermand
Reason: I approve this document.
Date: Jun 23, 2023 14:50 GMT+1

Karine Guillermand
Director
103-105 Bath Road
Slough
Berkshire
SL1 3UH

Reckitt Benckiser (UK) Limited
Directors' Report
For the year ended 31 December 2022

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

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:

John Dixon (Resigned 6 June 2022)
Stephanie Lilley (Appointed 6 July 2022)
Robert Ian Barratt (Resigned 15 November 2022)
Luis Zafra (Resigned 1 February 2023)
Thomas Edward Gibson (Appointed 15 November 2022)
Karine Guillermand (Appointed 1 February 2023)

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 third party liabilities. This was in force during the financial period and at the date of approval of the financial statements.

Employment of disabled persons

The Company recognises its responsibilities to disabled persons and endeavours to assist them to make a full contribution at 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 2022, the Company employed an average of 326 (2021: 344) 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 Group's employee share ownership schemes.

Financial performance, dividends and section 172 statement

Details of financial performance, dividends and section 172 are included in the Strategic report on pages 1-3. 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 1-3.

Reckitt Benckiser (UK) Limited
Directors' Report (continued)
For the year ended 31 December 2022

Financial risk management

Financial risk management is set out within the Strategic report on pages 1-3.

Future developments

Future developments have been set out in Strategic report on pages 1-3.

Charitable and political donations

Charitable donations in the UK amounted £2,213 were made (2021: £nil). No political donations were made (2021: £nil).

Going concern

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

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.

Company's projections, taking into account reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current funding.

Based on assessment of the Company's financial position the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these accounts.

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.

Reckitt Benckiser (UK) Limited
Directors' Report (continued)
For the year ended 31 December 2022

Disclosure of information to Auditor

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 is 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 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 on 23 June 2023 and signed on its behalf.

Karine Guillermand Electronically signed by: Karine
Guillermand
Reason: I approve this document.
Date: Jun 23, 2023 14:50 GMT+1

Karine Guillermand
Director
103-105 Bath Road
Slough
Berkshire
SL1 3UH

Reckitt Benckiser (UK) Limited

Statement of directors' responsibilities in respect of the strategic, directors' report and the financial statements

For the year ended 31 December 2022

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 (UK) Limited

Opinion

We have audited the financial statements of Reckitt Benckiser (UK) Limited ("the company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, 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").

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.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of Directors, reading Board of Directors meeting minutes and inspection of policy documentation as to the Reckitt Benckiser Group plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the Directors have knowledge of any actual, suspected or alleged fraud.
- Considering remuneration incentive schemes and performance targets for management and Directors
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls. In particular the risk that Company management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on high risk criterias and comparing the identified entries to supporting documentation. These included those posted by senior finance management.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management, the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indication of non-compliance throughout the audit. The potential effect of these laws and regulations on the Financial Statements varies considerably.

The Company is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statement items.

Whilst the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

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.

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.
- the Directors were not entitled to 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 7, 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.

Independent Auditor report to the members of Reckitt Benckiser (UK) 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.



Jeremy Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

23 June 2023

Reckitt Benckiser (UK) Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	3	145,730	126,312
Cost of sales		(137,525)	(121,456)
Gross profit		8,205	4,856
Income from shares in Group undertakings		-	19,793
Administrative expenses		(1,438)	(320)
Impairment of investment	11	-	(3,128)
Operating profit	4	6,767	21,201
Interest receivable and similar income	7	28,379	2,236
Profit before taxation		35,146	23,437
Tax on profit	8	(6,760)	(1,022)
Profit for the financial year		28,386	22,415
Other comprehensive income			
Movement in hedging reserve (net of tax)		980	(401)
Total comprehensive income		29,366	22,014

The notes on pages 15 to 28 form part of these Financial Statements.

Karine Guillermand Electronically signed by: Karine Guillermand
Reason: I approve this document.
Date: Jun 23, 2023 14:50 GMT+1

Karine Guillermand
Director

Reckitt Benckiser (UK) Limited

Balance Sheet

As at 31 December 2022

Registered number: 3982446

	Note	2022 £000	2021 £000
Fixed Assets			
Intangible assets	9	384	671
Tangible assets	10	13,579	12,312
Debtors: amounts falling due after more than one year	13	1,961,204	1,930,103
		<u>1,975,167</u>	<u>1,943,086</u>
Current Assets			
Stocks	12	5,299	8,151
Debtors	13	25,136	13,776
Deferred Tax Asset	15	621	1,302
Cash and cash equivalents		8	-
		<u>31,064</u>	<u>23,229</u>
Creditors: amount falling due within one year	14	(60,689)	(50,314)
Net Current Assets		<u>(29,625)</u>	<u>(27,085)</u>
Creditors: amount falling due after one year	14	(179)	(4)
Net Assets		<u>1,945,363</u>	<u>1,915,997</u>
Equity			
Called up share capital	18	-	-
Share premium account		376,125	376,125
Other reserves		538	(442)
Retained earnings		1,568,700	1,540,314
Total Equity		<u>1,945,363</u>	<u>1,915,997</u>

The notes on pages 15 to 28 form part of these Financial Statements.

The Financial Statements and supplementary notes on pages 15 to 28 were approved and authorised for issue by the board and were signed on its behalf on 23 June 2023.

Karine Guillermand Electronically signed by: Karine Guillermand
Reason: I approve this document.
Date: Jun 23, 2023 14:50 GMT+1

Karine Guillermand
Director

Reckitt Benckiser (UK) Limited

Statement of Changes in Equity For the year ended 31 December 2022

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance as at 1 January 2022	-	376,125	(442)	1,540,314	1,915,997
Profit for the financial year	-	-	-	28,386	28,386
Movement in hedging reserve (net of tax)	-	-	980	-	980
Total comprehensive income	-	-	980	28,386	29,366
Dividends paid	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
As at 31 December 2022	-	376,125	538	1,568,700	1,945,363

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance as at 1 January 2021	-	376,125	(41)	1,517,899	1,893,983
Profit for the financial year	-	-	-	22,415	22,415
Movement in hedging reserve (net of tax)	-	-	(401)	-	(401)
Total comprehensive income	-	-	(401)	22,415	22,014
Dividends paid	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
As at 31 December 2021	-	376,125	(442)	1,540,314	1,915,997

The notes on pages 15 to 28 form part of these Financial Statements.

Reckitt Benckiser (UK) 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.

General Information

Reckitt Benckiser (UK) 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 Strategic Report on pages 1-3.

Statement of Compliance

The Financial Statements have been prepared 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

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 parent company, Reckitt Benckiser Group plc and its subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £256k. 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).

Basis of preparation

The financial statements of Reckitt Benckiser (UK) Limited were authorised for issue by the Board of Directors on 23 June 2023. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

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).

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting Policies (continued)

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, Berkshire, SL1 3UH or at www.reckitt.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.

As the consolidated financial statements of Reckitt Benckiser Group plc include the 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.

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 transaction are taken to the profit and loss account in the year in which they arise.

Turnover

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.

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 members in a general meeting.

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting Policies (continued)

Intangible assets

Direct costs of software and services (cost of licences and consultants time in developing, testing and installing software and consultants travel) consumed in developing or obtaining internal use computer software are capitalised within intangible assets once technological feasibility, probable future benefits, intent and ability to use or sell the software, resources to complete the software, and ability to measure cost can be demonstrated. Capitalized software is amortized over 7 years.

Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the 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 buildings	not more than twenty years
Plant and Machinery	not more than eight years
Fixtures and Fittings	not more than five years

In general, production plant and equipment and office equipment are written off over four 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.

Investments

Investment 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.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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 basic 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.

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting Policies (continued)

Financial Instruments (continued)

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

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. 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.

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.

Reckitt Benckiser (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2022

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 judgements:

- 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:

	2022 £000	2021 £000
United Kingdom	25,589	22,568
Rest of Europe	110,564	92,234
Rest of World	9,577	11,510
	<u>145,730</u>	<u>126,312</u>

All the above turnover derives from business conducted from within the United Kingdom and represents a single category of revenue.

4. Operating profit

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

	2022 £000	2021 £000
Depreciation of tangible fixed assets	1,716	1,548
Amortisation of intangible assets	286	286
Operating lease charges - Plant and machinery	305	303
Foreign exchange loss/(gain)	1,454	274

Total fees payable to the Company's auditor in respect of the audit of the financial statements amounted to £39k (2021: £31k). The Auditor was not engaged in any non-audit services.

Reckitt Benckiser (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2022

5. Staff costs

	2022	2021
	£000	£000
The staff costs were as follows:		
Wages and salaries	11,889	11,897
Social security costs	1,451	1,351
Other pension costs	1,330	1,356
	<u>14,670</u>	<u>14,604</u>

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

	2022	2021
	Number	Number
Manufacturing	326	344
	<u>326</u>	<u>344</u>

6. Directors' remuneration

During the financial period the Company had five Directors, all were resident in the UK.

Two directors received remuneration for their services as Director to the Company for the amount of £136k (2021: £234k). The director with the highest remuneration in the year received £122k (2021: £234k). At the end of the year there were no retirement benefits accruing to this Director under a defined benefit scheme. The accrued pension at the end of the year was therefore £nil (2021: £nil).

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

7. Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable from Group undertakings	28,379	2,236
	<u>28,379</u>	<u>2,236</u>

Reckitt Benckiser (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2022

8. Tax on profit

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the financial year	6,402	994
Adjustments in respect of prior periods	4	5
Total current tax	6,406	999
Deferred tax		
Origination and reversal of timing differences	264	318
Adjustments in respect of prior periods	7	(18)
Impact in change in UK Corporation tax rate	83	(277)
Total deferred tax	354	23
Tax on profit	6,760	1,022
Reconciliation of tax charge		
Tax rate for the year is 19% (2021: 19%):		
Profit before taxation	35,146	23,437
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	6,677	4,453
Effects of:		
Expenses not deductible for tax purposes	17	629
Tax rate changes	83	(277)
Adjustments in respect of prior periods	12	(13)
Share options	(29)	(9)
Income not Taxable	0	(3,761)
Total tax charge for the year	6,760	1,022

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. Finance Act 2021 was enacted on 10 June 2021 and therefore these rates are applicable in the measurement of the deferred tax assets and liabilities at 31 December 2022.

Reckitt Benckiser (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2022

9. Intangible assets

Year Ending 31 December 2022	Software £000
Cost	
At 1 January 2022	1,903
Prior year adjustment	-
Additions	-
Transfers	-
At 31 December 2022	<u>1,903</u>
Accumulated amortisation	
At 1 January 2022	1,232
Charge for the year	287
At 31 December 2022	<u>1,519</u>
Net book value	
At 31 December 2022	<u><u>384</u></u>

Year Ending 31 December 2021	Software £000
Cost	
At 1 January 2021	1,903
Prior year adjustment	-
Additions	-
Transfers	-
At 31 December 2021	<u>1,903</u>
Accumulated amortisation	
At 1 January 2021	946
Charge for the year	286
At 31 December 2021	<u>1,232</u>
Net book value	
At 31 December 2021	<u><u>671</u></u>

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements For the year ended 31 December 2022

10. Tangible assets

Year Ending 31 December 2022	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2022	7,990	64,225	336	1,416	73,967
Transfers	-	2,311	-	(2,311)	-
Additions	-	-	-	3,008	3,008
Disposals	(248)	(161)	-	(25)	(434)
At 31 December 2022	7,742	66,375	336	2,088	76,541
Accumulated depreciation					
At 1 January 2022	4,665	56,656	334	-	61,655
Charge for the year	183	1,531	2	-	1,716
Disposals	(248)	(161)	-	-	(409)
At 31 December 2022	4,600	58,026	336	-	62,962
Net book value					
At 31 December 2022	3,142	8,349	-	2,088	13,579

No depreciation has been charged on land with a book value of £55k.

Year Ending 31 December 2021	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2021	8,738	62,748	370	3,940	75,796
Transfers	-	3,211	-	(3,211)	-
Additions	-	1,103	-	687	1,700
Disposals	(748)	(2,747)	(34)	-	(3,539)
At 31 December 2021	7,990	64,225	336	1,416	73,967
Accumulated depreciation					
At 1 January 2021	5,107	58,051	345	-	63,503
Charge for the year	210	1,314	23	-	1,547
Disposals	(652)	(2,709)	(34)	-	(3,405)
At 31 December 2021	4,665	56,656	334	-	61,655
Net book value					
At 31 December 2021	3,325	7,569	2	1,416	12,312

No depreciation had been charged on land with a book value of £55k.

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements
For the year ended 31 December 2022

11. Investments

Year Ending 31 December 2022	Shares in Group undertakings and participating interests 2022 £000
Cost	
At 01 January 2022	6,672
Additions during the year	-
At 31 December 2022	6,672
Impairment	
At 01 January 2022	6,672
Charge for the year	-
At 31 December 2022	6,672
Net book value	

In the prior year, the Company fully impaired its investments in Helpcentral Limited and Benckiser (Unlimited Company) owing to planned liquidation of these entities as part of wider group restructuring. This led to a reduction in the value of the Company's investments by £3,128k.

The subsidiary undertakings of the Company are detailed below:

Name	Holding	Registered office
<i>Direct investments</i>		
Helpcentral Limited	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom
Benckiser (Unlimited Company)	100%	4th Floor, 115 George Street, Edinburgh, EH2 4JN, Scotland

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements
For the year ended 31 December 2022

11. Investments (continued)

Name	Principal activity	Country of incorporation
Helpcentral Limited	Non-trading	England & Wales
Benckiser (Unlimited Company)	Non-trading	Scotland

12. Stocks

	2022 £000	2021 £000
Raw materials and consumables	4,640	6,927
Finished goods and goods for resale	512	1,080
Work in progress	147	144
	<u>5,299</u>	<u>8,151</u>

Stocks are stated after provisions for impairment of £754k (2021: £612k).

13. Debtors

	2022 £000	2021 £000
Amounts falling due within one year		
Amounts owed by Group undertakings	22,168	10,993
Prepayments and accrued income	2,968	2,783
	<u>25,136</u>	<u>13,776</u>

Debtors: amounts falling due after more than one year

Amounts owed by Group undertakings	1,961,204	1,930,103
	<u>1,961,204</u>	<u>1,930,103</u>

Included in the amounts owed by group undertakings is an amount of £486,459k (2021: £477,464k) which is unsecured, interest bearing at official ISDA fallback rate plus 0.40% and is repayable on demand (2021: unsecured, interest bearing at LIBOR plus 0.40% and repayable on demand).

Also included is an amount of £1,474,872k (2021: £1,452,913k) which is unsecured, interest bearing at official ISDA fall back rate minus 0.25% and is repayable on demand (2021: unsecured, interest bearing at LIBOR minus 0.25% and repayable on demand). During the year the Directors have reconsidered their intention for both balances, and they do not intend for either balance to be recalled within 12 months.

The remaining amounts owed by Group undertakings are unsecured, non-interest bearing and repayable on demand (2021: unsecured, non-interest bearing and repayable on demand).

Reckitt Benckiser (UK) Limited

Notes to the Financial Statements For the year ended 31 December 2022

14. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Creditors within one year		
Trade creditors	45,238	40,161
Amounts owed to Group undertakings	256	278
Taxation	7,400	3,092
Accruals and deferred income	7,795	6,783
	60,689	50,314

	2022 £000	2021 £000
Creditors: amount falling due more than one year		
	179	4
	179	4

The amounts owed to Group undertakings are unsecured, non-interest bearing and repayable on demand (2021: non-interest bearing and repayable on demand).

15. Deferred taxation

	2022 £000	2021 £000
At 1 January	1,302	1,187
Charged to profit and loss account	(347)	(41)
Adjustments in respect of prior periods	(7)	18
Other Comprehensive Income	(327)	138
At 31 December	621	1,302

The provision for deferred taxation is made up as follows:

Accelerated capital allowances	800	1,155
Other timing differences	(179)	147
	621	1,302

16. Capital and other commitments

	2022 £000	2021 £000
Future capital expenditure contracted for, but not provided, in the financial statements is	2,078	548

Reckitt Benckiser (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2022

16. Capital and other commitments (continued)

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Within 1 year	218	17
Between 2 and 5 years	700	4
	<u>918</u>	<u>21</u>

Note this commitment primarily relates to Fleet related commitments.

17. Financial Instruments

	2022 £000	2021 £000
Financial Assets		
Cash and cash equivalents	8	-
Financial assets at amortised cost	1,983,372	1,941,096
	<u>1,983,380</u>	<u>1,941,096</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	45,494	40,443
Accruals and deferred income	7,795	6,783
	<u>53,289</u>	<u>47,226</u>

The company has made loans to group undertakings at ISDA fallback rate plus 0.40% and at ISDA fallback rate minus 0.25%, both of these loans are repayable on demand. The amounts outstanding as at 31 December 2022 is £486,459k (2021: £477,464k) and £1,474,872k (2021: £1,452,913k).

18. Called up share capital

	2022 £000	2021 £000
Issued and fully paid		
40,118 – (2021: 40,118) ordinary shares of £0.000129 each and 1 ordinary share of £1 (2021: £1)	<u>-</u>	<u>-</u>

19. Pension scheme

Pension costs for the year of £1,330k (2021: £1,356k) represent contributions to the defined contribution scheme. There were no contributions (2021: £nil) payable to the fund at the year-end included within creditors due within one year.

Pension costs for the year of nil (2021: £nil) represent contributions in respect of the defined benefit scheme. There were no outstanding contributions (2021: £nil) at the year-end.

Reckitt Benckiser (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2022

20. Related party transactions

All related party relationships and transactions reflect arrangements entered into between two or more members of a group. In accordance with section 33.1A of FRS 102, exemption from disclosing such transactions is available and has been taken on the basis that such subsidiaries are party to the transaction and are wholly owned by such a member.

21. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Maddison Square Holding B.V., a company registered in the Netherlands.

The ultimate parent company and controlling party is Reckitt Benckiser Group plc a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest Group to consolidate these Financial Statements. 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. 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 www.reckitt.com.