

**Reckitt Benckiser Jersey (No. 5)
Limited**

Unaudited Report and Financial Statements

Year Ended

31 December 2019

Company Number FC030433



Reckitt Benckiser Jersey (No. 5) Limited

Company Information

Directors	Richard Mark Greensmith Alasdair James Peach
Company Secretary	Sanne Secretaries Limited
Registered Number	FC030433
Registered Office	IFC 5 St Helier Jersey JE1 1ST

Reckitt Benckiser Jersey (No. 5) Limited

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Reckitt Benckiser Jersey (No. 5) Limited

Directors' Report to the members of Reckitt Benckiser Jersey (No. 5) Limited For the Year Ended 31 December 2019

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

Principal activities

The principal activity of the Company is primarily to act as a holding and financing company for other Group companies. The Company, which is a member of the Reckitt Benckiser Group of companies (the "Group"), carried out the strategy intended by the Company Directors.

Business review

Review of the business

Given the straight forward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

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 8 June 2020)

Directors' interests

According to the Company's register, no Director of the Company, or any members of his or her family as defined by the Companies (Jersey) Law 1991 had any interest in the shares of the Company.

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.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 64 to 76 of the Reckitt Benckiser Group plc 2019 Annual Report which does not form part of this report.

Financial risk management

The Company is a subsidiary undertaking within the Group. Cash funds of the Company are managed at Group level. Interest is received by the Company on certain loans with other Group Companies.

Liquidity and interest rate risk

The Company's arrangement with the Group, as described above, ensures it can access the funds needed to meet its liquidity requirement as cash can be obtained through Group funding. Interest receivable on loans with other Group companies is calculated at floating rates of interest. The Company's liquidity requirements and interest rate risks are managed at Group level.

Reckitt Benckiser Jersey (No. 5) Limited

Directors' Report to the members of Reckitt Benckiser Jersey (No. 5) Limited (continued) For the Year Ended 31 December 2019

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and generally accepted accounting principles.

Company law requires the Directors to prepare Company Financial Statements for each financial year which 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 those 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 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 proper accounting records that 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 (Jersey) Law 1991. 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.

Results for the year and movement on reserves

The Financial Statements for the year ended 31 December 2019 shows a profit of £157,109,000 (2018 - profit of £1,000) which has been added to reserves (2018 - added to reserves).

During the year the Company paid dividends of an amount of £5,058,329k to Reckitt Benckiser Holdings (Channel Islands) Limited.

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

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.

Reckitt Benckiser Jersey (No. 5) Limited

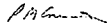
Directors' Report to the members of Reckitt Benckiser Jersey (No. 5) Limited (continued) For the Year Ended 31 December 2019

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.

This report was approved by the Board on 26 November 2020 and signed on its behalf.

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Richard Mark Greensmith
Director

Reckitt Benckiser Jersey (No. 5) Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Net income from shares in Group undertakings	3	157,110	-
Administrative expenses	3	(15)	(10)
Operating profit/(loss)	3	157,095	(10)
Interest receivable and similar income	4	14	11
Profit before tax		157,109	1
Tax on profit	5	-	-
Profit for the financial year		157,109	1
Other comprehensive income			
Total comprehensive income		157,109	1

The notes on pages 7 to 13 form part of these Financial Statements.

Reckitt Benckiser Jersey (No. 5) Limited
Registered number:FC030433

Balance Sheet
As at 31 December 2019

	Note	2019 £000	2018 £000
Fixed Assets			
Investments	7	194,813	5,096,032
Current Assets			
Debtors due within one year	8	2,076	2,080
Creditors due within one year	9	(2)	(5)
Net Current Assets		2,074	2,075
Net Assets		<u>196,887</u>	<u>5,098,107</u>
Equity			
Share capital	10	510	510
Retained earnings		196,377	5,097,597
Total Equity		<u>196,887</u>	<u>5,098,107</u>

The notes on pages 7 to 13 form part of these Financial Statements.

The Financial Statements on pages 4 to 13 were approved and authorised for issue by the Board and were signed on its behalf on 26 November 2020.

DocuSigned by:



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Richard Mark Greensmith
Director

Reckitt Benckiser Jersey (No. 5) 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	510	5,097,597	5,098,107
Comprehensive income			
Profit for the financial year	-	157,109	157,109
Other comprehensive income	-	-	-
Total comprehensive income	-	157,109	157,109
Transactions with owners			
Dividends paid	-	(5,058,329)	(5,058,329)
Total transactions with owners	-	(5,058,329)	(5,058,329)
Balance at 31 December 2019	510	196,377	196,887

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	5,096,035	2,071	5,098,106
Comprehensive income			
Profit for the financial year	-	1	1
Other comprehensive income	-	-	-
Total comprehensive income	-	1	1
Transactions with owners			
Capital reduction in share premium	(5,095,525)	-	(5,095,525)
Capital reduction impact on retained earnings	-	5,095,525	5,095,525
Total transactions with owners	(5,095,525)	5,095,525	-
Balance at 31 December 2018	510	5,097,597	5,098,107

The notes on pages 7 to 13 form part of these Financial Statements.

Reckitt Benckiser Jersey (No. 5) 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

Reckitt Benckiser Jersey (No. 5) Limited is a company incorporated in Jersey. 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 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 (Jersey) Law 1991.

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 at <https://www.rb.com>.

Reckitt Benckiser Jersey (No. 5) Limited

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

1. Accounting Policies (continued)

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.

1.6 Consolidation

The Financial Statements contain information about Reckitt Benckiser Jersey (No. 5) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has not prepared 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 Interest

Interest receivable is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest receivable is credited to the Statement of Comprehensive Income on recognition. Interest payable is recognised when it is probable that the economic benefits will flow from the Company and the amount of expense can be measured reliably. Interest payable is debited to the Statement of Comprehensive Income on recognition.

1.8 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.

1.9 Fixed Asset Investments

Fixed asset 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'.

Reckitt Benckiser Jersey (No. 5) Limited

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

1. Accounting Policies (continued)

1.10 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.

1.11 Dividend Income

Income from shares in Group undertakings represents dividends in the form of cash, intercompany receivables or shares in other Group undertakings, received from subsidiaries. These dividends are recorded in the Statement of Comprehensive Income. The impairment charge if applicable, relating to these dividends is also recorded directly in the Statement of Comprehensive Income and netted off against the dividend income.

1.12 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.

Reckitt Benckiser Jersey (No. 5) 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 judgement:

- Determine whether there are indicators of impairment of the Company's fixed asset investments. Factors taken into account are net assets for holding companies.

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. Operating profit/(loss)

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

	2019 £000	2018 £000
Net income from shares in Group undertakings	157,110	-
Administrative expense	(15)	(10)
	<u>157,095</u>	<u>(10)</u>

On 16 October 2019 the Company received distributions in specie totalling £4,998,013k from Green, Young & Company Limited. On 24 October 2019, the Company received a dividend from Green, Young & Company Limited of an amount of £60,316k. As a consequence of the distributions the Company impaired its investment in Green, Young & Company Limited by £4,901,219k.

4. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from Group undertakings	<u>14</u>	<u>11</u>

Reckitt Benckiser Jersey (No. 5) Limited

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

5. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profit for the financial year	-	-
Total current tax	<u>-</u>	<u>-</u>

Reconciliation of tax charge

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

	2019 £000	2018 £000
Profit before tax	157,109	1
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	29,851	-
Effects of:		
Income not taxable	(961,083)	-
Expenses not deductible	931,232	-
Total tax charge for the year	<u>-</u>	<u>-</u>

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.

6. Dividend

	2019 £000	2018 £000
Interim dividend of £0.99 (2018 - £nil) per share	5,058,329	-

Reckitt Benckiser Jersey (No. 5) Limited

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

7. Fixed asset investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2019	5,096,032
At 31 December 2019	<u>5,096,032</u>
Impairment	
At 1 January 2019	-
Charge for the year	4,901,219
At 31 December 2019	<u>4,901,219</u>
Net book value	
At 31 December 2019	<u>194,813</u>
At 31 December 2018	<u>5,096,032</u>

On 16 October 2019 the Company received distributions in specie totalling £4,998,013k from Green, Young & Company Limited. On 24 October 2019, the Company received a dividend from Green, Young & Company Limited of an amount of £60,316k. As a consequence of the distributions the Company impaired its investment in Green, Young & Company Limited by £4,901,219k.

Subsidiaries

The following is a direct subsidiary of the Company:

Name	Class of shares	Holding	Registered office
Green, Young & Company Limited	Ordinary	100%	103-105 Bath Road, Slough, SL1 3UH, United Kingdom

The Directors believe that the carrying value of its investments are supported by their net assets.

Reckitt Benckiser Jersey (No. 5) 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	2,076	2,080

The amount owed by Group undertakings is an amount of £2,076k (2018 - £2,079k) which is unsecured, repayable on demand and interest bearing at 3M LIBOR minus a margin of 0.125% (2018 - same).

All other amounts owed by Group undertakings due within one year in the previous year were unsecured, non-interest bearing and repayable on demand.

9. Creditors due within one year

	2019 £000	2018 £000
Accruals	2	5

10. Share Capital

	2019 £000	2018 £000
Issued and fully paid		
5,096,035,000 (2018 - 5,096,035,000) Ordinary shares of £0.0001 each	510	510

11. Directors and Employees

During the year the Company had 2 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. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Reckitt Benckiser Holdings (Channel Islands) Limited, a company incorporated in Guernsey.

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>.