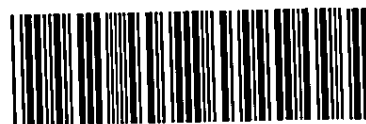


Reckitt Benckiser Corporate Services Limited

Company registration number 4027682

Report and Financial Statements
for the year ended 31 December 2010

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Reckitt Benckiser Corporate Services Limited

Report of the directors for the year ended 31 December 2010

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2010

Directors

The directors of the Company who held office during the year and up to the date of this report (except as noted) were

C R Day (resigned 8 February 2011)
S J Edwards
M S Keeley
S A Nash
M E Doherty (appointed 8 February 2011)

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 Reckitt Benckiser group of companies in respect of costs of defending claims against them and third party liabilities

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities and business review

The principal activity of the Company, which is a member of the Reckitt Benckiser group of companies, is the provision of management services to group companies. The Company carries out the strategy intended by the directors.

Future developments

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

Reckitt Benckiser Corporate Services Limited

Report of the directors for the year ended 31 December 2010 (continued)

Results and dividends

The financial statements for the year ended 31 December 2010 show a loss of £15,060k (2009 – profit of £14,403k) which has been deducted from reserves (2009 - added to reserves)

The directors do not recommend the payment of a dividend (2009 - £nil)

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 Reckitt Benckiser group of companies, which include those of the Company, are discussed on page 6 and 7 of the 2010 Reckitt Benckiser Group plc annual report which does not form part of this report.

Financial risk management

The Company is a subsidiary undertaking within the Reckitt Benckiser group of companies. Cash funds of the group are managed at a group level. Interest is received/paid by the Company on certain loans with other Reckitt Benckiser group companies.

Liquidity and interest rate risk

The Company's arrangements with the Reckitt Benckiser group of companies, 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 floating rates of interest. The Reckitt Benckiser group of companies' liquidity requirements and interest rate risks are managed at a group level.

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. In general, the Company does not purchase derivatives to manage its exposure to currency risk. Instead, the Reckitt Benckiser group of companies' currency risks are managed at a group level.

Credit risk

The Company has no significant concentrations of credit risk. Financial Institution counterparties are subject to approval under the Reckitt Benckiser group of companies' 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 Reckitt Benckiser group of companies are usually remitted within the Company's standard credit terms.

Key performance indicators (KPIs)

Given the straightforward 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.

Reckitt Benckiser Corporate Services Limited

Report of the directors for the year ended 31 December 2010 (continued)

Employees

During 2010, the Company employed an average of 412 (2009 – 383) 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.

The Company recognises its responsibilities to disabled persons and endeavours to assist them to make their 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.

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 its role in the overall performance of the Company.

Employees are encouraged to become shareholders and to participate in the Reckitt Benckiser group employee share ownership schemes.

Charitable and political donations

Charitable donations in the UK amounted to £653,418 (2009 – £539,000), the majority of which was donated to Save the Children. No political donations were made.

Policy and practice on payment of creditors

It is the Company's policy to follow the CBI Prompt Payers' Code. This policy requires the Company to agree the terms of payment with its suppliers, to ensure that those suppliers are aware of those terms and to abide by those terms. Copies of the code are available from CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU. As at 31 December 2010 trade creditors represented 25 days of equivalent annual purchases (2009 – 34 days).

Going concern

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

The directors, having assessed the responses of the directors of the Company's parent Reckitt Benckiser Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cause significant doubt about the ability of Reckitt Benckiser Group plc to continue as a going concern or its ability to continue with the current banking arrangements.

Reckitt Benckiser Corporate Services Limited

Report of the directors for the year ended 31 December 2010 (continued)

Going concern (continued)

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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Disclosure of information to auditors

Each of the persons who are directors at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(2) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(1) to (4) of the Companies Act 2006.

By order of the board



E A Richardson
Company Secretary
30 September 2011

Reckitt Benckiser Corporate Services Limited

Independent auditors' report to the members of Reckitt Benckiser Corporate Services

We have audited the financial statements of Reckitt Benckiser Corporate Services for the year ended 31 December 2010 which comprise the Profit and loss account, the Balance sheet, the Reconciliation of movements in shareholders' funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Reckitt Benckiser Corporate Services Limited
Independent auditors' report to the members of
Reckitt Benckiser Corporate Services (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Graham Parsons (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 September 2011

Reckitt Benckiser Corporate Services Limited

**Profit and loss account
for the year ended 31 December 2010**

	Notes	2010 £000	2009 £000
Turnover		150,318	158,297
Gross profit		<u>150,318</u>	<u>158,297</u>
Administrative expenses		(189,581)	(168,748)
Operating loss	2	<u>(39,263)</u>	<u>(10,451)</u>
Interest receivable and similar income	3	14,763	27,422
Interest payable and similar charges	4	(20)	(34)
(Loss)/profit on ordinary activities before taxation		<u>(24,520)</u>	<u>16,937</u>
Tax credit/(charge) on (loss)/profit on ordinary activities	5	9,460	(2,534)
(Loss)/profit for the financial year		<u>(15,060)</u>	<u>14,403</u>

Notes:

- 1) The results for the current and prior year derive entirely from continuing operations
- 2) There is no material difference between the loss on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents
- 3) There are no recognised gains and losses in the current or prior periods other than the loss reported above. Consequently no separate statement of total recognised gains and losses is presented

Reckitt Benckiser Corporate Services Limited

**Balance sheet
as at 31 December 2010**

	Notes	2010 £000	2009 £000
Fixed assets			
Tangible assets	7	11,934	6,914
Investments	8	121,842	120,752
		<u>133,776</u>	<u>127,666</u>
Current assets			
Debtors due within one year	9	127,286	120,136
Debtors due after more than one year	10	1,509,797	1,498,019
Cash at bank and in hand		2,810	767
		<u>1,639,893</u>	<u>1,618,922</u>
Creditors: amounts falling due within one year	11	(105,526)	(143,662)
Net current assets		<u>1,534,367</u>	<u>1,475,260</u>
Total assets less current liabilities		<u>1,668,143</u>	<u>1,602,926</u>
Creditors amounts falling due after more than one year	12	(6,968)	(7,693)
Provisions for liabilities	13	(4,894)	(4,428)
Net assets		<u>1,656,281</u>	<u>1,590,805</u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account		1,547,796	1,486,826
Profit and loss reserve		108,485	103,979
Total shareholders' funds		<u>1,656,281</u>	<u>1,590,805</u>

The financial statements and related notes on pages 7 to 24 were approved by the board of directors on 30 September 2011 and were signed on its behalf by



S J Edwards
Director

Reckitt Benckiser Corporate Services Limited

Registered number 4027682

Reckitt Benckiser Corporate Services Limited

**Reconciliation of movements in shareholders' funds
for the year ended 31 December 2010**

	Called up share capital £000	Share premium account £000	Profit and loss reserve £000	Total £000
At 1 January 2009	-	1,486,826	72,650	1,559,476
Profit for the financial year	-	-	14,403	14,403
Share based payments	-	-	16,926	16,926
At 31 December 2009	-	1,486,826	103,979	1,590,805
Loss for the financial year	-	-	(15,060)	(15,060)
Shares issued	-	60,970	-	60,970
Share based payments	-	-	19,566	19,566
At 31 December 2010	-	1,547,796	108,485	1,656,281

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, with the exception of share based payments which are measured on a fair value basis. The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation, where 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 economic life of the asset. For this purpose, expected lives are determined within the following limits:

Leasehold property	The lesser of fifty years or the life of the lease
Plant and machinery, office and computer equipment	Between three and ten years

Fixed assets investments

Fixed assets 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 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. Such impairment reviews are performed in accordance with FRS 11.

Consolidation

The financial statements contain information about Reckitt Benckiser Corporate Services 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.

Debtors

Debtors are initially recorded at cost. If there is objective evidence that the Company will not be able to collect the full amount of the debtor, an impairment is recognised through the profit and loss account.

Operating leases

Operating lease rentals are charged against profit on a straight line basis over the period of the lease.

Turnover

Turnover represents management service fees charged which are based on actual management costs incurred plus a mark up. Management service fees are invoiced quarterly in arrears.

Notes to the financial statements for the year ended 31 December 2010 (continued)

1. Accounting policies (continued)

Taxation

The tax charge/credit 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.

A net deferred tax asset is considered recoverable if it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currency balances

Transactions denominated in foreign currencies are translated at the rate of exchange on the day of the transaction occurs at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate ruling on the balance sheet date or, if appropriate, at a forward contract rate. All differences on exchange are taken to the profit and loss account.

Interest

Interest payable is charged to the profit and loss account as incurred and interest receivable is credited as it falls due.

Provisions

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

Share based payments

Incentives in the form of shares in the ultimate parent company, Reckitt Benckiser Group plc, are provided to employees under the share option and restricted share schemes. Any shortfall between the cost to the employee and the fair market value of the awards at the date of grant is charged to the income statement over the period to which the performance criteria relate, with the credit taken directly to the retained earnings reserve. Where the awards are contingent upon performance conditions an assessment of the likelihood of these conditions being achieved is made at the end of each reporting period and reflected in the accounting entries made.

Notes to the financial statements for the year ended 31 December 2010 (continued)

1. Accounting policies (continued)

Pension commitments

The Company operates defined contribution and defined benefit pension schemes

The cost of providing pensions to employees who are members of defined contribution schemes are charged to the income statement as contributions are made. The Company has no further payment obligations once the contributions have been paid.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by the yield on high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have a maturity approximating to the terms of the pension obligations. The costs of providing these defined benefit schemes are accrued over the period of employment. Actuarial gains and losses are recognised immediately in other comprehensive income.

Post-retirement benefits other than pensions

The Company provides post-retirement medical care to some of its retirees. The cost of providing these benefits are accrued over the period of employment and the liability recognised in the balance sheet is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related asset is deducted.

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

	2010	2009
	£000	£000
2 <u>Operating loss</u>		
Operating loss is stated after charging the following		
Staff costs		
Wages and salaries	67,027	67,978
Social security costs	4,128	4,043
Other pension costs (note 18)	5,224	4,710
Share based payments (note 6)	19,566	16,926
Total staff costs	<u>95,945</u>	<u>93,657</u>
Depreciation (note 7)		
On depreciable properties	1,479	978
On plant and machinery	888	338
Operating lease rentals (note 7)		
Plant and machinery	56	56
Other assets	6,024	5,950
Exchange losses	422	1,711
Impairment of investment (note 8)	-	54
3 <u>Interest receivable and similar income</u>	2010	2009
	£000	£000
Bank interest receivable	7	18
Interest receivable from group undertakings	14,756	27,404
	<u>14,763</u>	<u>27,422</u>
	2010	2009
	£000	£000
4 <u>Interest payable and similar charges</u>		
Bank interest payable	9	4
Interest payable to group undertakings	11	30
	<u>20</u>	<u>34</u>

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

5	<u>Tax credit/(charge) on loss/profit on ordinary activities</u>	2010	2009
		£000	£000
	Current tax		
	UK corporation tax at 28% (2009 - 28%)	8,569	(5,434)
	Foreign Tax	-	(30)
	Adjustment in respect of prior periods	304	-
	Total current tax credit/(charge)	8,873	(5,464)
	Deferred tax		
	Origination and reversal of timing differences - UK	1,597	2,930
	Adjustment in respect of prior periods	(315)	-
	Effect of changes in tax rate	(695)	-
	Total deferred tax	587	2,930
	Tax credit/(charge) on profit on ordinary activities	9,460	(2,534)

The current tax credit for the year is higher than (2009 – higher than) the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

(Loss)/Profit on ordinary activities before tax	(24,520)	16,937
Tax at standard rate of corporation tax of 28% (2009 - 28%)	6,866	(4,742)
Effects of		
Other timing differences	1,496	6,444
Adjustment for management services recharge	-	(6,884)
Foreign Tax	-	(30)
Prior year adjustment	304	-
Investment impairment	-	(15)
Expenses not deductible for tax purposes	(5,541)	-
Permanent difference arising on exercise of share options	5,702	-
Timing differences arising in respect of share options	46	-
Other	-	(237)
Total current tax credit/(charge) (as above)	8,873	(5,464)

The current tax credit is expected to be impacted by items in the nature of those listed above for the foreseeable future

On 23 March 2011 the Chancellor announced a reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantially enacted on 29 March 2011. A further reduction in the main rate of corporation tax to 25% was subsequently announced. This is effective from 1 April 2012 and was substantively enacted on 5 July 2011. The effect of both rate changes would be a reduction in the deferred tax asset which is not expected to be material. This has not been reflected in the figures above as the rate changes had not been substantially enacted at the balance sheet date.

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Share based payments

All outstanding share awards at 31 December 2010 and 31 December 2009 are included in the tables below which analyse the charge for 2010 and 2009. The Company has used the Black-Scholes pricing model to calculate the fair value of one award on the date of grant of the award.

Table 1. Fair Value

Table 1. Fair Value				Black-Scholes model assumptions					Fair value of one award £
Award	Grant Date	Exercise Price £	Performance period	Share price on grant date £	Volatility %	Dividend yield %	Life yrs	Risk free interest rate %	
Share Options									
2002	17 Dec 01	9.50	2002-04	9.70	25	2.7	4	4.50	1.95
2003	22 Nov 02	11.19	2003-05	10.96	25	2.7	4	4.50	2.05
2004	08 Dec 03	12.76	2004-06	12.80	24	2.6	4	4.50	2.46
2005	06 Dec 04	15.47	2005-07	15.44	23	2.3	4	4.88	2.99
2006	05 Dec 05	18.10	2006-08	18.16	22	2.4	4	4.69	3.33
2007	08 Dec 06	22.57	2007-09	23.00	20	2.2	4	4.65	4.23
2008	11 Dec 07	29.44	2008-10	29.72	20	1.8	4	5.53	5.99
2009	08 Dec 08	27.29	2009-11	27.80	25	3.1	4	2.78	4.69
2010	07 Dec 09	31.65	2010-12	31.80	26	3.5	4	1.69	4.70
2011	01 Dec 10	34.64	2011-13	34.08	26	4.3	4	2.16	4.49
Restricted Shares									
2006	05 Dec 05	-	2006-08	18.16	22	2.4	4	4.69	16.38
2007	08 Dec 06	-	2007-09	23.00	20	2.2	4	4.65	21.01
2008	11 Dec 07	-	2008-10	29.72	20	1.8	4	5.53	27.55
2009	08 Dec 08	-	2009-11	27.80	25	3.1	4	2.78	24.31
2010	07 Dec 09	-	2010-12	31.80	26	3.5	4	1.69	27.23
2011	01 Dec10	-	2011-13	34.08	26	4.3	4	2.16	28.22

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Share based payments (continued)

Table 2: Share awards expense 2010

Award	Grant Date	Fair value of one award £	Movement in number of options				Options outstanding at 31 December 2010 Number	Total fair value of grant as at 31 December 2010 £000	Profit and loss charge for 2010 £000
			Options outstanding at 1 January 2010 Number	Granted / Adjustments Number	Lapsed Number	Exercised Number			
Share Options									
2002	17 Dec 01	1 95	19,695	-	-	(9,860)	9,835	19	-
2003	22 Nov 02	2 05	136,545	-	-	(72,042)	64,503	132	-
2004	08 Dec 03	2 46	251,071	-	-	(128,790)	122,281	301	-
2005	06 Dec 04	2 99	348,600	-	-	(157,665)	190,935	571	-
2006	05 Dec 05	3 33	601,280	-	(861)	(314,105)	286,314	953	-
2007	08 Dec 06	4 23	1,134,568	861	(3,345)	(725,745)	406,339	1,719	-
2008	11 Dec 07	5 99	1,201,733	861	(55,805)	(73,093)	1,073,696	6,431	2,074
2009	08 Dec 08	4 69	1,121,581	-	(69,419)	(14,779)	1,037,383	4,865	1,560
2010	07 Dec 09	4 70	1,421,041	-	(256,720)	-	1,164,321	5,472	1,822
2011	01 Dec 10	4 49	-	1,476,886	-	-	1,476,886	6,631	-
Restricted Shares									
2006	05 Dec 05	16 38	-	-	-	-	-	-	-
2007	08 Dec 06	21 02	515,578	431	(1,938)	(514,071)	-	-	-
2008	11 Dec 07	27 56	536,498	431	(25,937)	(42,028)	468,964	12,925	4,234
2009	08 Dec 08	24 31	502,265	-	(33,426)	(9,274)	459,565	11,172	3,604
2010	07 Dec 09	27 23	702,986	-	(173,504)	-	529,482	14,418	4,806
2011	01 Dec 10	28 22	-	861,154	-	-	861,154	24,302	-
Other Share Awards									
UK SAYE	Various	Various	595,818	117,089	(47,898)	(97,055)	567,954	n/a	938
SOPP	Various	Various	70,000	20,000	(10,000)	-	80,000	n/a	528
Total									19,566
Weighted average exercise price			£25 30	£34 63	£30 44	£19 79	£28 74		

The weighted average remaining contractual life of options outstanding at 31 December 2010 was 6.3 years (2009 – 6.3 years). Options outstanding at 31 December 2010 that could have been exercised at that date were 1,080,207 (2009 – 1,357,192).

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Share based payments (continued)

Table 3. Share awards expense 2009

Award	Grant Date	Fair value of one award £	Options outstanding at 1 January 2009 Number	Movement in number of options			Options outstanding at 31 December 2009 Number	Total fair value of grant as at 31 December 2009 £000	Profit and loss charge for 2009 £000
				Granted / Adjustments Number	Lapsed Number	Exercised Number			
Share Options									
2002	17 Dec 01	1 95	45,447	-	-	(25,752)	19,695	38	-
2003	22 Nov 02	2 05	220,238	-	-	(83,693)	136,545	280	-
2004	08 Dec 03	2 46	456,681	-	-	(205,610)	251,071	618	-
2005	06 Dec 04	2 99	736,447	-	-	(387,847)	348,600	1,042	-
2006	05 Dec 05	3 33	1,343,313	861	-	(742,894)	601,280	2,002	-
2007	08 Dec 06	4 23	1,328,468	-	(109,457)	(84,443)	1,134,568	4,799	1,166
2008	11 Dec 07	5 99	1,420,406	-	(217,358)	(1,314)	1,201,733	7,198	1,970
2009	08 Dec 08	4 69	1,487,950	-	(366,369)	-	1,121,581	5,260	1,754
2010	07 Dec 09	4 70	-	1,421,041	-	-	1,421,041	6,679	-
Restricted Shares									
2006	05 Dec 05	16 38	575,553	280	(883)	(574,950)	-	-	-
2007	08 Dec 06	21 02	615,845	-	(54,252)	(46,015)	515,578	10,837	2,614
2008	11 Dec 07	27 56	643,938	-	(77,113)	(30,327)	536,498	14,786	4,009
2009	08 Dec 08	24 31	732,724	-	(230,459)	-	502,265	12,210	4,070
2010	07 Dec 09	27 23	-	702,986	-	-	702,986	19,142	-
Other Share Awards									
UK SAYE	Various		625,199	122,668	(35,848)	(116,201)	595,818	n/a	974
SOPP	Various		49,502	30,498	-	(10,000)	70,000	n/a	369
Total									16,926
Weighted average exercise price			£22 28	£31 64	£27 22	£16 45	£25 30		

Notes

Scope Executive Share Awards (share options and restricted shares) are awarded to the Reckitt Benckiser Group's Top 400 Management Group Other Share Awards represent SAYE schemes (offered to all UK staff) and a number of Senior Executive Share Ownership Policy Plan (SOPP) awards Individual tranches of these awards are not material for detailed disclosure and therefore have been aggregated in the table above

Contractual life Executive Share Awards have a contractual life of ten years but vest according to EPS growth criteria over a three-year period Accordingly, the cost is spread over the three years of the performance period Other share awards have contractual lives of either three, five or seven years

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Share based payments (continued)

Performance criteria Executive Share Awards are subject to performance criteria based on compound average annual growth (CAAG) rates in earnings per share over the performance period. Other Share Awards are generally not subject to any criteria other than the employee's continued employment. Executive Share Awards included in the above table vest as follows: CAAG of 6% - 40% of awards vest, 7% CAAG - 60%, 8% CAAG - 80%, 9% CAAG - 100%.

The assumptions made within the valuation calculation with respect to the achievement of performance criteria are based on the directors' expectations in light of the Group's business models and relevant published targets.

Under the terms of the Plans, early exercise is not permitted and therefore the effect of early exercise is not incorporated into the calculation. The calculation also assumes that there will be no leavers in the following year. No material modifications have been made to the Plans in 2009 or 2010 for the purpose of the valuation.

Volatility An estimate of future volatility is made with reference to historical volatility over a similar time period to the performance period or the contractual life as appropriate.

Profit and loss reserve charge The profit and loss reserve charge may not exactly equal one third of the total fair value included in the table above due to adjustments for in-year lapses or award revisions.

National insurance contributions are payable in respect of certain share based payments transactions and are treated as cash-settled transactions. At 31 December 2010, the carrying value of National Insurance contributions payable was £9,225k (2009 - £10,353k), of which £2,587k (2009 - £3,844k) was in respect of vested grants.

The weighted average share price of Reckitt Benckiser Group plc for the year was £33.75 (2009 - £28.37).

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Tangible assets

	Leasehold property £000	Plant and machinery £000	Assets under Construction £000	Total £000
Cost				
At 1 January 2010	10,587	10,018	2,824	23,429
Additions	-	556	6,831	7,387
Disposals	-	(370)	-	(370)
Reclassification	1,884	1,442	(3,326)	-
At 31 December 2010	<u>12,471</u>	<u>11,646</u>	<u>6,329</u>	<u>30,446</u>
Accumulated depreciation				
At 1 January 2010	(7,223)	(9,292)	-	(16,515)
Charge for the year	(1,479)	(888)	-	(2,367)
Disposals	-	370	-	370
At 31 December 2010	<u>(8,702)</u>	<u>(9,810)</u>	<u>-</u>	<u>(18,512)</u>
Net book amount				
At 31 December 2010	<u>3,769</u>	<u>1,836</u>	<u>6,329</u>	<u>11,934</u>
At 31 December 2009	<u>3,364</u>	<u>726</u>	<u>2,824</u>	<u>6,914</u>

Annual commitments under non-cancellable operating leases at 31 December 2010 were £6,390k (2009 - £6,473k) in total analysed as follows £973k (2009 - £56k) expiring within one year, £472k (2009 - £1,472k) expiring between 1 and 5 years, £4,945k (2009 - £4,945k) expiring after 5 years

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

8 Investments	2010	2009
	£000	£000
Cost		
At 1 January	125,738	125,738
Additions	1,090	-
At 31 December	126,828	125,738
Impairment in value		
At 1 January	4,986	4,932
Written off during the year	-	54
At 31 December	4,986	4,986
Net book value		
At 1 January	120,752	120,806
At 31 December	121,842	120,752

Additions and disposals of shares in group undertakings relate to transactions with other subsidiaries of the Reckitt Benckiser group of companies

On 21 January 2010, the Company acquired all of the shares in Reckitt Benckiser Austria GmbH for a total consideration of £1,071k. The Company also incurred costs of £19k in relation to this acquisition.

The holdings in shares in subsidiary undertakings of Reckitt Benckiser Corporate Services at 31 December 2010 were

Name of subsidiary	Country of incorporation	Nature of business	Class of share	Percentage held
Reckitt Benckiser Expatriate Services Limited	UK	Trading Company	Ordinary	100%
Dorincourt Holdings (Ireland) Limited	Ireland	Holding Company	Ordinary	100%
R&C Nominees Limited	UK	Dormant	Ordinary	100%
Reckitt & Colman Pension Trustee Limited	UK	Dormant	Ordinary	100%
Reckitt Benckiser Austria GmbH	Austria	Trading Company	Ordinary	100%

The directors believe that the carrying value of the investments is supported by their underlying net assets or operating profit.

9 Debtors due within one year	2010	2009
	£000	£000
Amounts owed by group undertakings		
Fellow subsidiary undertakings	102,116	97,121
Deferred tax (see note 14)	18,753	18,166
Other debtors	2,070	1,494
Prepayments and accrued income	4,347	3,355
	127,286	120,136

All amounts owed by group undertakings are unsecured, interest free and are repayable on demand (2009 – interest free)

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

10	<u>Debtors due after more than one year</u>	2010	2009
		£000	£000

Amounts owed by group undertakings	1,509,797	1,498,019
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Included in amounts owed by group undertakings is an amount of £256,290k (2009 - £248,656k) which is unsecured and interest bearing at LIBOR less a margin of 0.125% (2009 - LIBOR less a margin of 0.125%), and an amount of £1,246,400k (2009 - £1,249,363k) which is unsecured and interest bearing at LIBOR plus a margin of 0.40% (2009 - LIBOR plus 0.40%)

11	<u>Creditors' amounts falling due within one year</u>	2010	2009
		£000	£000
	Bank loan and overdrafts	91	49
	Trade creditors	5,249	12,564
	Amounts owed to group undertakings	10,884	13,035
	Other creditors	17,535	50,163
	Accruals and deferred income	71,767	67,851
		105,526	143,662

Included in amounts owed to group undertakings is an amount of £714k (2009 - £703k) which is unsecured and interest bearing at LIBOR plus a margin of 0.75% (2009 - LIBOR plus 0.75%). The remaining balance of £10,170k (2009 - £12,332k) is unsecured, interest free and repayable on demand

12	<u>Creditors: amounts falling due after more than one year</u>	2010	2009
		£000	£000
	Accruals and deferred income	6,968	7,693

13	<u>Provisions for liabilities</u>	2010	2009
	Post retirement benefits	£000	£000
	At 1 January	4,428	4,112
	Charged to profit and loss account	700	658
	Utilised	(234)	(342)
	At 31 December	4,894	4,428

The provisions for liabilities are expected to be utilised over more than five years (see Note 19)

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

14	<u>Deferred tax asset</u>	2010	2009
		£000	£000
	At 1 January	18,166	15,236
	Credited to profit and loss account	587	2,930
	At 31 December	<u>18,753</u>	<u>18,166</u>

The asset comprises

Accelerated capital allowances	161	(19)
Short term timing differences	<u>18,592</u>	<u>18,185</u>
	<u>18,753</u>	<u>18,166</u>

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws substantially enacted at the balance sheet date

15	<u>Called up share capital</u>	2010	2009	2010	2009
		Number	Number	£	£
		of	of		
		shares	shares		
	Allotted and fully paid				
	Ordinary shares of £1 each	<u>75</u>	<u>64</u>	<u>75</u>	<u>64</u>

On 21 January 2010, Maddison Square Holding BV contributed the shares of Reckitt Benckiser Austria GmbH to the Company in return for 1 £1 ordinary share in the Company. On 26 October 2010, Maddison Square Holding BV subscribed for an additional 10 £1 ordinary shares in the Company for consideration of £59,900k

16 **Emoluments of directors**

During the year the Company had 4 directors (2009 - 6 directors) resident in the UK. Emoluments in respect of services to the Company are shown below

	2010	2009
	£000	£000
Aggregate emoluments	<u>1,550</u>	<u>1,356</u>
Highest paid director	<u>779</u>	<u>468</u>

The number of directors for whom contributions were made to defined contribution pension schemes was 2 (2009 - 4). Pension contributions made by the Company on behalf of the directors were £109,368 (2009 - £76,097)

The number of directors who exercised share options, including the highest paid director, was 2 (2009 - 3). The aggregate gains on exercise of share options made by the directors during the year was £962,160 (2009 - £3,570,746)

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

17 Staff and directors

The average number of persons (including directors) employed by the Company during the year was 412 (2009 – 383). All staff are employed in UK, and provide management services to the Reckitt Benckiser Group.

18 Pension scheme

During the year, the Company participated in the Reckitt Benckiser UK Pension Fund, a Reckitt Benckiser group funded defined benefit scheme for UK employees. Under FRS17, where more than one employer participates in a defined benefit scheme the individual participating employers should account for the scheme as if it were a defined contribution scheme if they are unable to identify their individual shares of the underlying assets and liabilities in the scheme. The Company only participates in multi-employer schemes and the Company is unable to identify its share of the underlying assets and liabilities of the schemes. Therefore, under FRS17 the Company does not recognise any share of any surplus or deficit in respect of the joint pension schemes.

The last actuarial valuation of the Reckitt Benckiser UK Pension Fund has been updated to 31 December 2010 by a qualified independent actuary and a deficit of £117.7 million (2009 – deficit of £136.2 million) was identified. The main assumptions used were that salaries will increase by 4.6% per annum (2009 – 4.6%), a general inflation rate of 3.6% per annum (2009 – 3.6%) and that the rate of return on investments will be 4.1% to 8.1% per annum (2009 – 4.1% to 8.1%). A suitable funding plan has been prepared by the scheme actuaries and agreed by the trustees and the employer.

Charges in respect of pensions were £5,224k (2009 - £4,710k).

19 Post-retirement benefits other than pensions

Certain retired employees and dependants are eligible to receive medical and prescription benefits paid for by the Company and provision for this is included in provisions for liabilities.

The Company pays the annual subscription to a private health plan for senior personnel and their dependants after retirement. At the year end, the number of employees eligible to receive health care benefits on retirement is 1 (2009 – 1). There are 78 retirees, inclusive of their dependants, eligible to receive these benefits at the year end. There will be no further additions to the number of current employees eligible for post retirement benefits.

There is an accumulated post-retirement benefit obligation of £4,894k at 31 December 2010 (2009 - £4,428k) and the amount charged to the profit and loss account for the period was £700k (2009 - £658k). The main assumptions used in determining the figures are a liability discount rate of 5.4% p.a. (2009 – 5.7% p.a.) and medical inflation of 7.6% (2009 – 7.6%).

Reckitt Benckiser Corporate Services Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

20 Ultimate parent undertaking and controlling party

The immediate parent company is Maddison Square Holding BV, which is incorporated in the Netherlands

The ultimate parent company and controlling party is Reckitt Benckiser Group plc, 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

21 Cash flow statement

Reckitt Benckiser Group plc has presented a group cash flow statement in its 2010 group financial statements. Therefore, as permitted by Financial Reporting Standard No 1, (revised 1996) 'Cash Flow Statements', the directors have not prepared a cash flow statement for the Company

22 Auditors' remuneration

The auditors' remuneration is met by the ultimate parent company Reckitt Benckiser Group plc and is disclosed in total in the group financial statements. No recharge is made to its subsidiaries as it is not practicable to make an allocation of the audit fee to each subsidiary entity individually

23 Related party transactions

The Company is a wholly owned subsidiary of Reckitt Benckiser Group plc. The Company has taken advantage of the exemption within Financial Reporting Standard No 8 "Related Party Disclosures", not to disclose related party transactions with other wholly owned members of the Reckitt Benckiser group of companies. There were no other related party transactions (2009: none)