

Registration number 4027682

Reckitt Benckiser Corporate Services Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2012



Reckitt Benckiser Corporate Services Limited

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Reckitt Benckiser Corporate Services Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

S J Edwards

M S Keeley (resigned 28 April 2012)

S A Nash

M E Doherty (resigned 12 February 2013)

W R Mordan (appointed 31 July 2012)

The following director was appointed after the year end

P N Clements (appointed 3 June 2013)

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 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, the directors have prepared 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 apply them consistently,
- make judgements and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, 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.

Reckitt Benckiser Corporate Services Limited

Directors' Report for the Year Ended 31 December 2012

Principal activity

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.

Results and dividends

The financial statements for the year ended 31 December 2012 show a loss of £25,872,000 (2011 - profit of £171,644,000) which has been deducted from reserves (2011 - added to reserves).

The directors do not recommend the payment of a dividend (2011 - £nil).

Business review

Fair review of the business

The Company carries out the strategy intended by the directors.

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.

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 13 and 14 of the 2012 Reckitt Benckiser Group plc annual report which does not form part of this report.

Financial instruments

Objectives and policies

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.

Reckitt Benckiser Corporate Services Limited

Directors' Report for the Year Ended 31 December 2012

Price risk, credit risk, liquidity risk and cash flow risk

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.

Charitable donations

During the year the company made charitable donations of £1,981,000 (2011 - £1,050,000) the majority of which was donated to Save the Children. No political donations were made.

Employment of disabled persons

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.

Reckitt Benckiser Corporate Services Limited

Directors' Report for the Year Ended 31 December 2012

Employee involvement

During 2012, the Company employed an average of 586 (2011 – 523) 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 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.

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 2012 trade creditors represented 36 days of equivalent annual purchases (2011 – 16 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 have received assurance from Reckitt Benckiser Group plc to the effect that it will ensure that the Company has sufficient funds to enable it to continue in operation without significant curtailment of its operations for the foreseeable future and at least the next twelve 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. 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.

Reckitt Benckiser Corporate Services Limited

Directors' Report for the Year Ended 31 December 2012

Independent auditors

The Company has adopted Articles which are compliant with the provision of the Companies Act 2006 and is therefore not required to hold annual general meetings to lay financial statements before the shareholders and to reappoint the auditors annually

Disclosure of information to the 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/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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

Approved by the Board on 30/9/13 and signed on its behalf by



E A Richardson
Company Secretary

Independent Auditor's Report to the Members of

Reckitt Benckiser Corporate Services Limited

We have audited the financial statements of Reckitt Benckiser Corporate Services Limited for the year ended 31 December 2012 which comprise the Profit and Loss account, the Balance Sheet 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 auditor

As explained more fully in Statement of directors' responsibilities set out in the Directors' Report the directors are responsible for the preparation of the financial statement 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2012 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 matters prescribed by the Companies Act 2006

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


Independent Auditor's Report to the Members of

Reckitt Benckiser Corporate Services Limited

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

Date 30 September 2013

Reckitt Benckiser Corporate Services Limited
Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £ 000	2011 £ 000
Turnover		203,633	190,413
Administrative expenses		<u>(241,718)</u>	<u>(214,539)</u>
Operating loss	2	(38,085)	(24,126)
Interest receivable and similar income	4	19,288	17,697
Dividends from shares in group undertakings		-	179,610
Interest payable and similar charges	5	<u>(19)</u>	<u>(15)</u>
(Loss)/profit on ordinary activities before taxation		(18,816)	173,166
Tax on (loss)/profit on ordinary activities	6	<u>(7,056)</u>	<u>(1,522)</u>
(Loss)/profit for the financial year	16	<u><u>(25,872)</u></u>	<u><u>171,644</u></u>

Notes:

- 1) The results for the current and prior financial year derive entirely from continuing operations
- 2) There is no material difference between the (loss)/profit 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 financial years other than the (loss)/profit reported above. Consequently no separate statement of total recognised gains and losses is presented

The notes on pages 10 to 31 form an integral part of these financial statements

Reckitt Benckiser Corporate Services Limited

(Registration number: 4027682)

Balance Sheet at 31 December 2012

	Note	2012 £ 000	2011 £ 000
Fixed assets			
Tangible fixed assets	8	49,492	40,879
Investments	9	<u>156,329</u>	<u>156,329</u>
		<u>205,821</u>	<u>197,208</u>
Current assets			
Debtors due within one year	10	150,871	156,462
Debtors due after more than one year	11	1,627,472	1,623,391
Cash at bank and in hand		<u>2,605</u>	<u>1,704</u>
		1,780,948	1,781,557
Creditors amounts falling due within one year	12	<u>(134,012)</u>	<u>(117,904)</u>
Net current assets		<u>1,646,936</u>	<u>1,663,653</u>
Total assets less current liabilities		1,852,757	1,860,861
Creditors amounts falling due after more than one year	13	(2,491)	(7,525)
Provisions for liabilities	14	<u>(9,169)</u>	<u>(5,112)</u>
Net assets		<u>1,841,097</u>	<u>1,848,224</u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account	16	1,547,796	1,547,796
Profit and loss account	16	<u>293,301</u>	<u>300,428</u>
Total shareholder's funds	17	<u>1,841,097</u>	<u>1,848,224</u>

Approved by the Board on 30/9/13 and signed on its behalf by



S J Edwards
Director

The notes on pages 10 to 31 form an integral part of these financial statements

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

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 financial year, are set out below.

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.

Creditors

Creditors are initially recorded at cost. If there is objective evidence that the Company will not be required to fulfil the liabilities, the creditor will be written off through 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.

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.

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.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
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

Research and development

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Fixed asset 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.

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 or 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.

Operating Leases

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

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.

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

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.

Notwithstanding the above, 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.

Post retirement benefits other than pensions

The Company provides post-retirement medical care to some of its retirees. The cost of providing these benefits is 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 2012

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2012 £ 000	2011 £ 000
Operating leases - other assets	5,610	3,942
Loss on sale of tangible fixed assets	-	26
Depreciation/amortisation of owned assets	4,566	3,722

3 Particulars of employees

The average number of persons employed by the Company (directors) during the year , analysed by category was as follows

	2012 No.	2011 No.
Administration and support	<u>586</u>	<u>523</u>

The aggregate payroll costs were as follows

	2012 £ 000	2011 £ 000
Wages and salaries	90,668	85,678
Social Security costs	5,707	5,375
Staff Pensions	<u>5,963</u>	<u>4,850</u>
	<u>102,338</u>	<u>95,903</u>

4 Interest receivable and similar income

	2012 £ 000	2011 £ 000
Bank interest receivable	12	12
Interest receivable from group undertakings	<u>19,276</u>	<u>17,685</u>
	<u>19,288</u>	<u>17,697</u>

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

5 Interest payable and similar charges

	2012 £ 000	2011 £ 000
Interest on bank borrowings	7	4
Interest on loans from group undertakings	<u>12</u>	<u>11</u>
	<u>19</u>	<u>15</u>

6 Taxation

Tax on(loss)/profit on ordinary activities

	2012 £ 000	2011 £ 000
Current tax		
Corporation tax (credit)/charge	(1,480)	3,714
Adjustments in respect of previous years	<u>4,972</u>	<u>(896)</u>
UK Corporation tax	3,492	2,818
Foreign Tax	<u>-</u>	<u>131</u>
Total current tax	<u>3,492</u>	<u>2,949</u>
Deferred Tax		
Origination and reversal of timing differences	1,497	(2,077)
Deferred tax adjustment relating to previous years	(192)	(169)
Effect of changes in tax rates	<u>2,259</u>	<u>819</u>
Total deferred tax	<u>3,564</u>	<u>(1,427)</u>
Tax on (loss)/profit on ordinary activities	<u>7,056</u>	<u>1,522</u>

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Factors affecting current tax charge for the year

Tax on (loss)/profit on ordinary activities for the year is higher than (2011 – lower than) the standard rate of corporation tax in the UK of 24.5% (2011- 26.49%)

The differences are reconciled below

	2012 £ 000	2011 £ 000
(Loss)/profit on ordinary activities before taxation	<u>(18,816)</u>	<u>173,166</u>
Corporation tax at standard rate	(4,610)	45,877
Timing differences arising in respect of share options	(3,188)	502
Other timing differences	(568)	1,996
Income not taxable for tax purposes	-	(47,584)
Expenses not deductible for tax	7,656	4,078
Capital allowances for period in excess of depreciation	(770)	(1,119)
Foreign tax	-	131
Prior year adjustment	4,972	(896)
Effects of other tax rates/cuts	<u>-</u>	<u>(36)</u>
Total current tax	<u>3,492</u>	<u>2,949</u>

Factors that may affect future tax charges

The main rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 24.5%. A further reduction to 23% from 1 April 2013 has also been enacted as at the balance sheet date.

The Finance Act 2013 included legislation to reduce the rate by 2% to 21% as at 1 April 2014 and to 20% as at 1 April 2015, the effects of which are not included in these financial statements as the Act was not substantively enacted at the balance sheet date. Future profits will be taxed at the appropriate rate.

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

7 Share based payments

All outstanding share awards at 31 December 2012 and 31 December 2011 are included in the tables below which analyse the charge for 2012 and 2011. 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

Award	Grant date	Exercise Price	Performance period	Share price on grant date	Volatility	Dividend Yield	Life	Risk free interest date	Fair value of one award
		£		£	%	%	yrs	%	£
Share Options									
2002	17 Dec 01	9.50	2002-04	9.70	25%	2.7%	4	4.50%	1,954
2003	22 Nov 02	11.19	2003-05	10.96	25%	2.7%	4	4.50%	2,054
2004	08 Dec 03	12.76	2004-06	12.80	24%	2.6%	4	4.50%	2,462
2005	06 Dec 04	15.47	2005-07	15.44	23%	2.3%	4	4.88%	2,991
2006	06 Dec 05	18.10	2006-08	18.16	22%	2.4%	4	4.69%	3,334
2007	08 Dec 06	22.57	2007-09	23.00	20%	2.2%	4	4.65%	4,227
2008	11 Dec 07	29.44	2008-10	29.72	20%	1.8%	4	5.53%	5,989
2009	08 Dec 08	27.29	2009-11	27.80	25%	3.1%	4	2.78%	4,692
2010	07 Dec 09	31.65	2010-12	31.80	26%	3.5%	4	1.69%	4,696
2011	01 Dec 10	34.64	2011-13	34.08	26%	4.3%	4	2.16%	4,489
2012	05 Dec 11	32.09	2012-14	32.19	25%	5.4%	4	1.00%	3,182
2013	03 Dec 12	39.14	2013-15	39.66	20%	4.3%	4	0.61%	3,29

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

2009	08-Dec-08	-	2009-11	27 00	27%	3 4%	4	2 78%	24 312
2010	07-Dec-09	-	2010-12	31 80	26%	3 5%	4	1 69%	27 229
2011	01-Dec-10	-	2011-13	34 08	26%	4 3%	4	2 16%	28 222
2012	05-Dec-11	-	2012-14	32 19	26%	5 4%	4	1 00%	25 297
2013	03-Dec-12	-	2013-15	39 66	20%	4 3%	4	0 61%	32 76

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Table 2 Share awards expense 2012

Award	Grant date	Fair value of one award	Options outstanding at 1 January 2012	Granted adjustments	Lapsed	Exercised	Options outstanding at 31 December 2012	Total fair value of grant as at 31 December 2012	Charge for the period ended 2012
		£	Number	Number	Number	Number	Number	£'000	£'000
Share Options									
2003	22 Nov 02	2 05	28,985	1,635	-	(30,620)	-	-	-
2004	08 Dec 03	2 46	113,239	-	-	(89,149)	24,090	-	-
2005	06 Dec 04	2 99	171,585	1	-	(105,979)	65,607	-	-
2006	06 Dec 05	3 33	250,577	1	-	(144,946)	105,632	-	-
2007	08 Dec 06	4 23	308,440	-	(455)	(161,470)	146,515	-	-
2008	08 Dec 07	5 99	943,228	1	(1,365)	(429,186)	512,678	3	-
2009	08 Dec 08	4 69	989,552	-	(2,435)	(327,769)	659,348	5	-
2010	07 Dec 09	4 70	1,109,244	-	(53,477)	(17,341)	1,038,426	5	1,485
2011	01 Dec 10	4 49	1,274,066	-	(105,276)	(2,846)	1,165,944	5	1,386
2012	05 Dec 11	3 30	1,520,071	(312,387)	(66,935)	-	1,140,749	4	1,255
2013	03 Dec 12	3 30	-	1,647,445	-	-	1,647,445	5	-
Restricted Shares									
2009	08 Dec 08	24 31	427,285	24,094	(910)	(450,467)	-	-	-
2010	07 Dec 09	27 23	502,597	(1)	(24,450)	(16,674)	461,472	13	3,998

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

2011	01-Dec-10	28 22	574,813	-	(50,342)	(2,380)	522,091	15	4,992
2012	05-Dec-11	25 56	749,272	(118,562)	(32,330)	-	598,380	15	5,103
2013	03-Dec-12	25 56	-	-	-	-	842,351	21	-
Other share awards									
UKSAYE	Various	Various	622,923	133,717	(60,433)	(141,802)	554,405	n/a	530
SOPP	Various	Various	100,000	-	(20,000)	110,000	180,000	n/a	-
Total									18,749
Weighted average exercise price									
			£29 62	£35 38	£33 07	£24 15	£31 78		

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Table 3 Share awards expense 2011

Award	Grant date	Fair value of one award	Options outstanding at 1 January 2011	Granted /adjustments	Lapsed	Exercised	Options outstanding at 31 December 2011	Total fair value of grant as at 31 December 2011	Charge for the period ended 2011
		£	Number	Number	Number	Number	Number	£'000	£'000
Share Options									
2002	17 Dec 01	1 95	9,835	-	-	(9,835)	-	-	-
2003	22 Nov 02	2 05	64,503	-	-	(35,518)	28,985	-	-
2004	08 Dec 03	2 46	122,281	-	-	(9,042)	113,239	-	-
2005	06 Dec 04	2 99	190,935	-	-	(19,349)	171,585	1	-
2006	05 Dec 05	3 33	286,314	-	-	(35,737)	250,577	1	-
2007	08 Dec 06	4 23	406,339	-	(861)	(97,038)	308,440	1	-
2008	11 Dec 07	5 99	1,073,696	552	(5,123)	(125,898)	943,228	6	1
2009	08 Dec 08	4 69	1,037,383	398	(33,390)	(14,838)	989,552	5	1,468
2010	07 Dec 09	4 70	1,164,321	-	(52,944)	(2,133)	1,109,244	5	1,660
2011	01 Dec 10	4 49	1,476,886	(160,709)	(42,111)	-	1,274,066	6	2,096
2012	05 Dec 11	3 18	-	1,520,071	-	-	1,520,071	5	-

Restricted Shares

2006	05 Dec 05	16 38	-	-	-	-	-	-	-
2007	08 Dec 06	21 02	-	-	-	-	-	-	-

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

2008	11-Dec-07	27 56	468,964	-	(2,154)	(466,810)	-	-	-
2009	08-Dec-08	24 31	459,565	-	(13,723)	(18,557)	427,285	10	3,391
2010	07-Dec-09	27 23	529,482	-	(24,395)	(2,490)	502,597	14	4,386
2011	01-Dec-10	28 22	861,154	(641,210)	(19,757)	-	574,813	16	5 455
2012	05-Dec-11	25 30	-	749,272	-	-	749,272	16	-
Other share awards									
UKSAYE	Various	Various	567,954	218,329	(57,543)	(105,815)	622,925	n/a	1,020
SOPP	Various	Various	80,000	40,000	-	(20,000)	100,000	n/a	822
Total									20,299
Weighted average exercise price									
			£28 78	£32 09	£30 40	£29 44	£29 15		

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

8 Tangible fixed assets

	Short leasehold land and buildings £ 000	Plant and machinery £ 000	Software £ 000	Total £ 000
Cost or valuation				
At 1 January 2012	16,077	11,186	33,332	60,595
Additions	1,041	2,049	10,676	13,766
Disposals	-	(587)	-	(587)
At 31 December 2013	<u>17,118</u>	<u>12,648</u>	<u>44,008</u>	<u>73,774</u>
Depreciation				
At 1 January 2012	10,025	3,522	6,169	19,716
Charge for the year	1,978	1,489	1,681	5,148
Disposals	-	(582)	-	(582)
At 31 December 2012	<u>12,003</u>	<u>4,429</u>	<u>7,850</u>	<u>24,282</u>
Net book value				
At 31 December 2012	<u>5,115</u>	<u>8,219</u>	<u>36,158</u>	<u>49,492</u>
At 31 December 2011	<u>6,052</u>	<u>7,664</u>	<u>27,163</u>	<u>40,879</u>

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

9 Fixed asset investments

	2012 £ 000	2011 £ 000
Shares in group undertakings and participating interests	<u>156,329</u>	<u>156,329</u>
Shares in group undertakings and participating interests		
	Subsidiary undertaking £ 000	Total £ 000
Cost		
At 1 January 2012	<u>156,329</u>	<u>156,329</u>
At 31 December 2012	<u>156,329</u>	<u>156,329</u>
Net book value		
At 31 December 2012	<u>156,329</u>	<u>156,329</u>
At 31 December 2011	<u>156,329</u>	<u>156,329</u>

Details of undertakings

Details of the investments in which the Company holds share capital are as follows

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings	UK	Ordinary	100%	Trading company
Reckitt Benckiser Expatriate Services Ltd				
Dorincourt Holdings (Ireland) Limited	Ireland	Ordinary	100%	Holding company
R&C Nominees Limited	UK	Ordinary	100%	Dormant
Reckitt & Colman Pension Trustee Limited	UK	Ordinary	100%	Dormant
Reckitt Benckiser Austria GmbH	Austria	Ordinary	100%	Trading company

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

The directors believe that the carrying value of the investments is supported by their underlying assets

The company takes advantage of the exemption under Section 410(2) of the Companies Act 2006 by providing information only in relation to subsidiary undertakings who results or financial position, in the opinion of the directors, principally affected the financial statements. A complete list of subsidiary and associated undertakings will be included in the next Reckitt Benckiser Group plc annual return filed with the Registrar of Companies

10 Debtors due within one year

	2012	2011
	£ 000	£ 000
Trade debtors	325	376
Amounts owed by fellow group undertakings	121,380	124,096
Other debtors	7,627	4,487
Deferred tax	14,564	20,180
Prepayments and accrued income	6,975	7,323
	<u>150,871</u>	<u>156,462</u>

All amounts owed by fellow group undertakings are unsecured, interest free and are repayable on demand (2011 - interest free)

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£ 000
At 1 January 2012	
Deferred tax charged to the profit and loss account	20,108
Deferred tax utilised during the year	(3,564)
At 31 December 2012	<u>(1,980)</u>
	<u>14,564</u>

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Analysis of deferred tax

	2012 £ 000	2011 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	(509)	(1,053)
Other timing differences	<u>15,073</u>	<u>21,233</u>
	<u><u>14,564</u></u>	<u><u>20,180</u></u>

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

11 Debtors due after more than one year

	2012 £ 000	2011 £ 000
Amounts owed by fellow group undertakings	<u>1,627,472</u>	<u>1,623,391</u>
	<u><u>1,627,472</u></u>	<u><u>1,623,391</u></u>

Included in amounts owed by fellow group undertakings is an amount of £364,786k (2011 - £354,485k) which is unsecured and interest bearing at LIBOR less a margin of 0.125% (2011 - LIBOR less 0.125%) and an amount of £1,246,400k (2011 - £1,246,400k) which is unsecured and interest bearing at LIBOR plus a margin of 0.40% (2011 - LIBOR plus 0.40%)>

12 Creditors : amounts falling due within one year

	2012 £ 000	2011 £ 000
Trade creditors	12,722	5,666
Finance Lease Obligations	651	313
Amounts owed to fellow group undertakings	16,465	27,842
Other creditors	24,809	20,143
Accruals and deferred income	<u>79,365</u>	<u>63,940</u>
	<u><u>134,012</u></u>	<u><u>117,904</u></u>

The amounts owed to fellow group undertakings are unsecured, interest free and repayable on demand (2011 - interest free)

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

13 Creditors: amounts owed falling after more than one year

	2012 £ 000	2011 £ 000
Amount owed to fellow group undertakings	737	2,680
Accruals and deferred income	<u>1,754</u>	<u>4,845</u>
	<u><u>2,491</u></u>	<u><u>7,525</u></u>

The amount owed to fellow group undertakings is unsecured and interest bearing at LIBOR plus a margin of 0.75% (2011 - same)

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

14 Provisions for Liabilities

	Other provisions £ 000
As at 1 January 2012	<u>5,112</u>
Transfer from other payables during the year	5,026
Utilised during the year	<u>(969)</u>
	<u>4,057</u>
At 31 December 2013	<u><u>9,169</u></u>

The provision is made up of the defined benefits obligation of £4,990K (2011 - £5,112K) and an Onerous Lease Provision of £4,179K. The provisions for liabilities are expected to be utilised over more than five years.

15 Called up share capital

	2012		2011	
Allotted and fully paid shares	No	£	No	£
Ordinary shares of £1 each	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>

16 Reserves

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2012	1,547,796	300,428	1,848,224
Loss for the financial year	-	(25,872)	(25,872)
Share based payments	-	18,745	18,475
At 31 December 2012	<u>1,547,796</u>	<u>293,301</u>	<u>1,841,097</u>

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

17 Reconciliation of movement in shareholders' funds

	2012 £ 000	2011 £ 000
(Loss)/profit for the financial year	(25,872)	171,644
Share based payments	<u>18,745</u>	<u>20,299</u>
Net (reduction)/addition to shareholder's funds	(7,127)	191,943
Shareholders' funds at 1 January	<u>1,848,224</u>	<u>1,656,281</u>
Shareholders' funds at 31 December	<u><u>1,841,097</u></u>	<u><u>1,848,224</u></u>

18 Pension schemes

Defined contribution 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 Pension Fund has been updated to 31 December 2012 by a qualified independent actuary and a deficit of £177.4 million (2011 - deficit of £196.0 million) was identified. The main assumptions used were that salaries will increase by 4.5% per annum (2011 - 4.6%), a general inflation rate of 2.73% will apply per annum (2011 - 3.1%) and that the rate of return on investments will be 2.5% to 7.0% per annum (2011 - 3.6% to 7.2%). A suitable funding plan has been prepared by the scheme actuaries and agreed by the trustees and the Group.

The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £5,963k (2011 - £4,850k).

Contributions totalling £nil (2011 - £nil) were payable to the scheme at the end of the year and are included in creditors.

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

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 (2011 - 1). There are 71 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 £4,990k at 31 December 2012 (2011 - 5,112k) and the amount charged to the profit and loss account for the period was £73k (2011 - £473k). The main assumptions used in determining the figures are a liability discount rate of 4.3 % p.a. (2011 - 4.8 % p.a.) and medical inflation of 6.5% (2011 - 6.5%).

20 Commitments

Operating lease commitments

As at 31 December 2012 the Company had annual commitments under non-cancellable operating leases due

	2012 £ 000	2011 £ 000
Land and buildings		
Within one year	4,534	-
Within two and five years	<u>14,377</u>	<u>3,942</u>
	<u>18,911</u>	<u>3,942</u>

21 Cash flow statement

The Company is a wholly owned subsidiary of Reckitt Benckiser Group plc which has presented a group cash flow statement in its 2012 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 Directors and staff

During the year the Company had 5 directors resident in the UK (2011 - 5 directors).

Reckitt Benckiser Corporate Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

23 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

24 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 practical to make an allocation of the audit fee to each subsidiary entity individually

25 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 (2011: none)