

**Reckitt & Colman (Overseas)
Hygiene Home Limited**

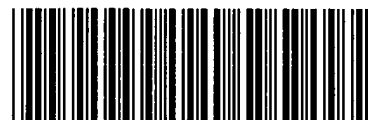
Report and Financial Statements

15 month period ended

31 December 2019

Company Number 11636336

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Reckitt & Colman (Overseas) Hygiene Home Limited

Company Information

| | |
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| Directors | Richard Mark Greensmith Charles David Everitt Alasdair James Peach Timothy John Martel |
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| Company Secretary | James Edward Hodges |
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| Registered Number | 11636336 |
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| Registered Office | 103-105 Bath Road Slough Berkshire SL1 3UH |
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| Independent Auditor | KPMG LLP 15 Canada Square London E14 5GL |
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Reckitt & Colman (Overseas) Hygiene Home Limited

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Reckitt & Colman (Overseas) Hygiene Home Limited

Strategic Report For the 15 Month Period Ended 31 December 2019

The Directors of Reckitt & Colman (Overseas) Hygiene Home Limited present their Strategic Report for the 15 month period from incorporation on 22 October 2018 to 31 December 2019.

Principal activities

The Company is the owner of intellectual property rights relating to Hygiene Home Brands and the Company generates revenue from the licensing of these Brands. The Company, which is a member of the Reckitt Benckiser group of companies (the "Group"), carries out the strategy intended by the Company's Directors.

Business review

Review of the business

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 Group, which include those of the Company, are discussed on pages 64 - 76 of the Reckitt Benckiser Group plc 2019 Annual Report which does not form part of this report.

Financial risk management

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

Liquidity and interest rate risk

The Company's arrangements with the Group, 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 on loans with other Group companies is calculated at floating rates of interest. The Company's liquidity requirements and interest rate risks are managed at 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. The Company's currency risks are managed at Group level.

Credit risk

The Company has no significant concentrations of credit risk.

Reckitt & Colman (Overseas) Hygiene Home Limited

Strategic Report (continued) For the 15 Month Period Ended 31 December 2019

COVID-19

The spread of Coronavirus disease 2019 (COVID-19) represents one of the most serious global health emergencies in the last 100 years, with the pandemic having now reached over 120 countries. As a leader in both hygiene and health, the Group is uniquely positioned to provide tangible assistance to consumers, governments and healthcare authorities. Demand for certain Group products has increased substantially in the first half of 2020, and the Group is currently working to increase the level of available supply. At present, the Group's supply chains and distribution channels are proving both resilient and flexible, though there has been some unavoidable disruption in many parts of the world. At the same time, as the situation develops, it is possible that the Group will experience increased levels of disruption, particularly in those countries and regions that are hardest hit. Longer term, the economic consequences associated with COVID-19 are difficult to predict, however they may lead to weakened demand for some RB products.

As set out on page 77 of its 2019 Annual Report and Financial Statements, the Group assessed the impact of COVID-19 on its going concern and viability statement. This assessment concluded that, even with COVID-19 and the occurrence of other unexpected scenarios, the Group would still have sufficient funds to trade, settle its liabilities as they fall due, and remain compliant with financial covenants.

Based on this assessment updated to 26 June 2020, and given the nature of the Company's operations, the Directors remain satisfied that amounts owed by Group undertakings (refer Note 8) are unlikely to be materially impacted by COVID-19, and that the Company will not need to take responsive steps to continue functioning as a going concern.

Statement under section 172 of the Companies Act 2006

This statement, which forms part of the Strategic Report, is intended to show how the Directors have approached and met their responsibilities under section 172 of the Companies Act 2006 during the period. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by s172 of the UK Companies Act 2006, a Director of a Company must act in a way s/he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

Reckitt & Colman (Overseas) Hygiene Home Limited

Strategic Report (continued) For the 15 Month Period Ended 31 December 2019

Statement under section 172 of the Companies Act 2006 (continued)

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. As a Board our aim is always to uphold the highest standards of governance and conduct, taking decisions in the interests of the long-term sustainable success of the Company, generating value for our shareholders and contributing to wider society. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making. Those factors, for example, include the interests and views of other members of our Group, and of our suppliers and partners. By considering the Company's purpose and values, together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances. In particular:

- The strategy of the Group applies to the Company, as a member of the Group, and shapes the Company's business operations and activities. Details of the Group's long-term strategy can be found on pages 6 to 15 of the Group 2019 Annual Report, which is available at www.rb.com.
- The Company is committed to responsible and ethical corporate behaviour. This includes high standards of business conduct in our relationships. The Company operates under documented policies approved by the Group, including the Group's Code of Business Conduct, Global Anti-Bribery Policy, Data Privacy Policies and Global Anti-Money Laundering Policy and processes are in place to ensure compliance therewith.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As a part of those meetings the directors receive information on section 172 matters when making relevant decisions. During the period the decisions taken by the Company included approval of a share issuance in return for trademarks. In making our decisions we considered a range of factors. These included the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business and the expectations of the Group. As the principal activity of the Company is to be the owner of intellectual property rights relating to Hygiene Home Brands, the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors.

Results for the period and movement on reserves

The Company was incorporated on 22 October 2018. The first accounting period is from the date of incorporation until 31 December 2019.

The Financial Statements for the period ended 31 December 2019 show a profit of £14,178,000 which has been added to the reserves

During the period 1,001 ordinary shares, having a nominal value of £1,001 were allotted for an aggregate consideration of £13,485,000.

The Directors do not recommend the payment of a dividend.


Reckitt & Colman (Overseas) Hygiene Home Limited

Strategic Report (continued)
For the 15 Month Period Ended 31 December 2019

Future developments

No significant change in the business of the Company is expected in the immediately foreseeable future.

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

DocuSigned by:

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Richard Mark Greensmith
Director

Reckitt & Colman (Overseas) Hygiene Home Limited

Directors' Report to the members of Reckitt & Colman (Overseas) Hygiene Home Limited For the 15 Month Period Ended 31 December 2019

The Directors present their report and the audited Financial Statements for the 15 month period from incorporation on 22 October 2018 to 31 December 2019.

Directors

The Directors of the Company who held office during the financial period and up to the date of signing of the Financial Statements, unless otherwise stated, were as follows:

Adrian Nevil Hennah (appointed 22 October 2018, resigned 9 April 2020)
Jonathan Timmis (appointed 22 October 2018, resigned 8 June 2020)
Richard Mark Greensmith (appointed 22 October 2018)
Charles David Everitt (appointed 30 November 2018)
Alasdair James Peach (appointed 9 April 2020)
Timothy John Martel (appointed 8 June 2020)

Directors' indemnity

On 28 July 2009, Reckitt Benckiser Group plc executed a deed poll of indemnity for the benefit of each individual who is, at any time on, or after 28 July 2009, an officer of Reckitt Benckiser Group plc and/or any company within the Group in respect of costs of defending claims against them and liabilities suffered or incurred by them.

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'*.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Reckitt & Colman (Overseas) Hygiene Home Limited

Directors' Report to the members of Reckitt & Colman (Overseas) Hygiene Home Limited (continued) For the 15 Month Period Ended 31 December 2019

Results for the period and movement on reserves

The Company's results for the period and movements on reserves are included in the Strategic Report on page 3.

Financial risk management

The Company's approach to managing financial risk is included in the Strategic Report on page 1.

Future developments

No significant change in the business of the Company is expected in the immediately foreseeable future.

Going concern

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

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Reckitt Benckiser Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Independent auditor

During the period KPMG was appointed auditors of the Company to fill a casual vacancy.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Political contributions


The Company made no political donations or incurred any political expenditure during the period.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report to the members of Reckitt & Colman (Overseas) Hygiene Home Limited is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

DocuSigned by:

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Richard Mark Greensmith
Director

Reckitt & Colman (Overseas) Hygiene Home Limited

Independent Auditor's Report to the Members of Reckitt & Colman (Overseas) Hygiene Home Limited

Opinion

We have audited the Financial Statements of Reckitt & Colman (Overseas) Hygiene Home Limited ("the Company") for the period ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the 15 month period then ended;
- have been properly prepared in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the Financial Statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the Financial Statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial period is consistent with the Financial Statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Reckitt & Colman (Overseas) Hygiene Home Limited

Independent Auditor's Report to the Members of Reckitt & Colman (Overseas) Hygiene Home Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the Financial Statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



JEREMY WILLIAMS (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 26 June 2020

Reckitt & Colman (Overseas) Hygiene Home Limited

Statement of Comprehensive Income For the 15 Month Period Ended 31 December 2019

| | Note | 15 month period ended 31 December 2019 £000 |
|--|------|--|
| Turnover | 3 | 19,000 |
| Administrative expenses | | (1,422) |
| Operating profit | 4 | 17,578 |
| Interest receivable and similar income | 5 | 11 |
| Profit before tax | | 17,589 |
| Tax on profit | 6 | (3,411) |
| Profit for the financial period | | 14,178 |
| Other comprehensive income | | - |
| Total comprehensive income | | 14,178 |

The notes on pages 12 to 21 form part of these Financial Statements.


Reckitt & Colman (Overseas) Hygiene Home Limited
Registered number: 11636336

Balance Sheet
As at 31 December 2019

| | Note | 31 December 2019 £000 |
|--|------|--------------------------------|
| Fixed Assets | | |
| Intangible assets | 7 | 13,120 |
| Current Assets | | |
| Cash at bank and in hand | | 1 |
| Debtors due after more than one year | 8 | 13,888 |
| Debtors due within one year | 8 | 5,121 |
| | | 19,010 |
| Creditors due within one year | 9 | (4,467) |
| Net Current Assets | | 14,543 |
| Total Assets less Current Liabilities | | 27,663 |
| Net Assets | | 27,663 |
| Equity | | |
| Share capital | | 1 |
| Other reserves | | 13,484 |
| Retained earnings | | 14,178 |
| Total Equity | | 27,663 |

The notes on pages 12 to 21 form part of these Financial Statements.

The Financial Statements on pages 9 to 21 were approved and authorised for issue by the Board and were signed on its behalf on 26 June 2020.

DocuSigned by:

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Richard Mark Greensmith
 Director

Reckitt & Colman (Overseas) Hygiene Home Limited

Statement of Changes in Equity For the 15 Month Period Ended 31 December 2019

| | Share capital £000 | Other reserves £000 | Retained earnings £000 | Total equity £000 |
|---------------------------------------|--------------------------|---------------------------|------------------------------|----------------------|
| At 22 October 2018 | - | - | - | - |
| Comprehensive income | | | | |
| Profit for the period | - | - | 14,178 | 14,178 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | 14,178 | 14,178 |
| Transactions with owners | | | | |
| Shares issued on incorporation | 1 | - | - | 1 |
| Shares issued during the period | - | 13,484 | - | 13,484 |
| Total transactions with owners | 1 | 13,484 | - | 13,485 |
| Balance at 31 December 2019 | 1 | 13,484 | 14,178 | 27,663 |

The notes on pages 12 to 21 form part of these Financial Statements.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

1. Accounting Policies

The principal accounting policies are summarised below. They have been applied consistently throughout the period.

1.1 General Information

Reckitt & Colman (Overseas) Hygiene Home Limited is a private company limited by shares and is incorporated in England and Wales. The Company was incorporated on 22 October 2018. The first accounting period is from the date of incorporation until 31 December 2019. The address of the registered office is given on the Company Information page at the beginning of these statutory accounts. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

1.2 Statement of Compliance

The Financial Statements have been prepared on a going concern basis, under the historical costs convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*" ("FRS 102") and the Companies Act 2006.

1.3 Basis of Preparation

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

1.4 Financial Reporting Standard 102 – Reduced Disclosure Exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS 102 for qualifying entities

- the requirements of section 3 Financial Statement Presentation paragraph 3.17(d) and section 7 Statement of Cash Flows not to prepare a Statement of Cash Flows; and
- the requirements of section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

The Company's results are included in the publicly available consolidated Financial Statements of Reckitt Benckiser Group plc and these Financial Statements may be obtained from 103-105 Bath Road, Slough, Berkshire, United Kingdom, SL1 3UH or at <https://www.rb.com>.

1.5 Going concern

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

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Reckitt Benckiser Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

1. Accounting Policies (continued)

1.6 Turnover

Turnover represents royalty income received from other Group companies. Turnover is recognised on an accrual basis in accordance with the substance of royalty agreements.

1.7 Trademarks

Trademarks are initially recognised at transaction cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life, from the date of inception. Amortisation is calculated using the straight line method.

As required by FRS 102, trademarks are amortised over their useful economic life. The Directors are of the view that due to the stable, long term nature of the business and the enduring nature of the brands an amortisation period of up to 100 years is appropriate.

The Directors, to determine whether there should be any impairment in the individual trademarks, perform an impairment review annually.

1.8 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of basic financial assets and liabilities, including trade and other receivables and payables and loans to and from related parties. These transactions are initially recorded at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipt discounted at a market rate of interest, and subsequently recognised at amortised cost.

(a) Financial Assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in comprehensive income or expense.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(b) Financial Liabilities

Basic financial liabilities, including loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market interest rate. Debt instruments are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

1. Accounting Policies (continued)

1.9 Interest

Interest payable is charged to comprehensive income or expense as incurred and interest receivable is credited as it falls due.

1.10 Foreign Currency Balances

The Company's functional and presentational currency is Sterling, therefore foreign currency is determined to be any other currency than Sterling.

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange on the day the transaction occurs. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rate ruling on the Balance Sheet date.

1.11 Taxation

Tax is based on the result for the period 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.

2. Accounting Estimates and Judgements

In the application of the Company's accounting policies the Directors are required to make a number of estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these Financial Statements, the Directors have had to make the following judgements:

- The useful life used to amortise trademarks relates to the future performance of the trademarks acquired and Directors judgement of the period over which economic benefit will be derived from the asset.
- Determine whether there are indicators of impairment of the Company's intangible assets. The main factor taken into consideration is the royalty income received for these trademarks.

The Company's Directors are of the opinion that there are no estimates and no further judgements that have a significant risk of causing material adjustment to the carrying value of assets and liabilities for the Company within the next financial year.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

3. Turnover

(i) An analysis of turnover by geographical location is as follows:

| | 15 month period ended 31 December 2019 £000 |
|--------------------------|--|
| United Kingdom & Ireland | 19,000 |

(ii) An analysis of turnover by category is given below:

| | 15 month period ended 31 December 2019 £000 |
|-----------|--|
| Royalties | 19,000 |

4. Operating profit

The operating profit is stated after charging:

| | 15 month period ended 31 December 2019 £000 |
|---------------------------------|--|
| Amortisation | 364 |
| Cost associated with trademarks | 1,058 |

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

5. Interest receivable and similar income

| | 15 month period ended 31 December 2019 £000 |
|---|--|
| Interest receivable from Group undertakings | 11 |

6. Taxation

| | 15 month period ended 31 December 2019 £000 |
|--|--|
| Corporation tax | |
| Current tax on profit for the period | 3,410 |
| Total current tax | 3,410 |
| Deferred tax | |
| Origination and reversal of timing differences | 1 |
| Total deferred tax | 1 |
| Tax on profit | 3,411 |

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

6. Taxation (continued)

Reconciliation of tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

| | 15 month period ended 31 December 2019 £000 |
|--|--|
| Profit before tax | 17,589 |
| Profit multiplied by standard rate of corporation tax in the UK of 19% | 3,342 |
| Effects of: | |
| Expenses not deductible for tax purposes | 69 |
| Total tax charge for the period | 3,411 |

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate would remain at 19% and not reduce to 17% from 1 April 2020. Future profits will be taxed at the appropriate rate.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

7. Intangible assets

| | Trademarks £000 |
|------------------------------------|----------------------|
| Cost | |
| At 22 October 2018 | - |
| Additions | 13,484 |
| At 31 December 2019 | <u>13,484</u> |
| Amortisation and impairment | |
| At 22 October 2018 | - |
| Charge for the period | 364 |
| At 31 December 2019 | <u>364</u> |
| Net book value | |
| At 31 December 2019 | <u><u>13,120</u></u> |

On 31 December 2018, Reckitt & Colman (Overseas) Limited contributed trademarks to the Company with a book value of £13,484k in exchange for one ordinary share issued as consideration by the Company.

Trademarks were contributed at book value on the basis that the net assets being transferred constitute a business.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

8. Debtors

| | 31 December 2019 £000 |
|-------------------------------------|--------------------------------|
| Due after more than one year | |
| Amounts owed by Group undertakings | 13,876 |
| Deferred tax asset | 12 |
| | <u>13,888</u> |
| Due within one year | |
| Amounts owed by Group undertakings | <u>5,121</u> |

Included in the amounts owed by Group undertakings due after more than one year is an amount of £13,876k which is unsecured, repayable on demand and interest bearing at 3M LIBOR minus 0.125%. Following enquiry of the relevant counterparty, the Directors do not expect this amount to be realised within 12 months after the Balance Sheet date. Accordingly, the amount has been presented as a Debtor due after more than one year.

Included in the amounts owed by Group undertakings due within one year is an amount of £5,121k which is unsecured, repayable on demand and non-interest bearing.

9. Creditors due within one year

| | 31 December 2019 £000 |
|------------------------------------|--------------------------------|
| Amounts owed to Group undertakings | <u>4,467</u> |

The amounts owed to Group undertakings due within one year are unsecured, repayable on demand and non-interest bearing.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

10. Deferred taxation

| | 31 December 2019 £000 |
|--|--------------------------------|
| At beginning of period | - |
| Contribution of trademarks from a fellow Group undertaking | 13 |
| Charged to profit or loss | (1) |
| At end of period | 12 |

The deferred tax asset is made up as follows:

| | 31 December 2019 £000 |
|---|--------------------------------|
| Timing differences on intangible fixed assets | 12 |

11. Share capital

| | 31 December 2019 £000 |
|----------------------------------|--------------------------------|
| Issued and fully paid | |
| 1,001 Ordinary shares of £1 each | 1 |

On incorporation, 1,000 ordinary shares of £1 each having an aggregate nominal value of £1k were allotted for an aggregate consideration of £1k.

On 31 December 2018 the Company issued 1 ordinary share of £1 each, having an aggregate nominal value of £1 for a total consideration of £13,484k.

12. Directors and Employees

During the period the Company had 4 Directors resident in the UK, none of whom received any emoluments in respect of services to the Company.

Reckitt & Colman (Overseas) Hygiene Home Limited

Notes to the Financial Statements For the 15 Month Period Ended 31 December 2019

13. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Reckitt & Colman (Overseas) Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is Reckitt Benckiser Group plc, a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest Group to consolidate these Financial Statements. Copies of the Group Financial Statements of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, United Kingdom, SL1 3UH or at <https://www.rb.com>.

14. Auditor's Remuneration

The auditor's remuneration is met by the ultimate parent company, Reckitt Benckiser Group plc and is disclosed in total in the Group Financial Statements. Amounts receivable by the Company's auditor in respect of the audit of these Financial Statements is £6k.