

**Reckitt & Colman (Overseas)
Health Limited**

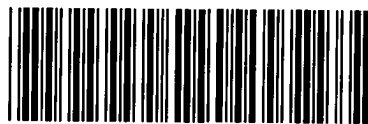
Report and Financial Statements

Year Ended

31 December 2021

Company Number 11636337

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Reckitt & Colman (Overseas) Health Limited

Company Information

Directors	Richard Mark Greensmith Charles David Everitt James Edward Hodges Timothy John Martel
Company Secretary	James Edward Hodges
Registered Number	11636337
Registered Office	103-105 Bath Road Slough Berkshire SL1 3UH
Independent Auditor	KPMG LLP 15 Canada Square London E14 5GL

Reckitt & Colman (Overseas) Health Limited

Contents

	Page
Strategic Report	1 - 3
Directors' Report	4 - 6
Independent Auditor's Report to the Members of Reckitt & Colman (Overseas) Health Limited	7 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 22

Reckitt & Colman (Overseas) Health Limited

Strategic Report For the Year Ended 31 December 2021

The Directors of Reckitt & Colman (Overseas) Health Limited present their Strategic Report for the year ended 31 December 2021.

Principal activities

The Company is the owner of intellectual property rights relating to Health Brands and generates revenue from licensing of these Brands. The Company, which is a member of the Reckitt group of companies (the "Group"), carries out the strategy intended by the Company 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 Reckitt Benckiser Group plc, which include those of the Company, are discussed on pages 90 - 102 of the Group's 2021 Annual Report and Financial Statements which do 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 a loan with another Group company.

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 policy is to actively manage its exposure to currency risk and to minimise this risk.

Credit risk

The Company has no significant concentrations of credit risk. The amount of exposure to any individual counterparty is subject to a limit defined within the counterparty risk policy, which is reassessed annually by the Board of Reckitt Benckiser Group plc. Amounts owing from companies in the Group are usually remitted within the Company's standard credit terms.

Reckitt & Colman (Overseas) Health Limited

Strategic Report (continued) For the Year Ended 31 December 2021

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 2021. 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.

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. As a Board our aim is always to uphold the highest standards of governance and conduct, taking decisions in the interests of the long-term sustainable success of the Company, generating value for our shareholders and contributing to wider society. We recognise that our business can only grow and prosper over the long-term by understanding the views and need of our stakeholders. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision making. Those factors, for example, include the interests and views of 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 22 to 30 of the Group 2021 Annual Report, which is available at www.reckitt.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 and Global Anti Money Laundering Policy and processes are in place to ensure compliance therewith.

Reckitt & Colman (Overseas) Health Limited

Strategic Report (continued) For the Year Ended 31 December 2021

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

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. In addition, during the year, the Board received training on, and considered, practices, policies and initiatives within the Group which are considered to contribute towards behaviours and a culture which, in the pursuit of success for the benefit of our shareholders as a whole, are consistent with our goals in relation to stakeholders. During the year the decisions taken by the Company included the approval of the audited Financial Statements for the year ended 31 December 2020. 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 act as owner of intellectual property rights relating to Health Brands within the Group, 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 year and movement on reserves

The Financial Statements for the year ended 31 December 2021 show a profit of £32,615,000 (2020 - profit of £36,932,000) which has been added to reserves (2020 - added to reserves).


The Directors do not recommend the payment of a final dividend (2020 - £Nil).

Future developments

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

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative risk-free rates (referred to as 'IBOR reform'). The Company has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Company has amended contractual terms of financial instruments indexed to the relevant LIBORs, such that these will be replaced by risk-free rates with effect from 1 January 2022, thereby removing IBOR reform-related uncertainty.

This report was approved by the Board on 17 August 2022 and signed on its behalf.

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Timothy John Martel
Director

Reckitt & Colman (Overseas) Health Limited

Directors' Report to the members of Reckitt & Colman (Overseas) Health Limited For the Year Ended 31 December 2021

The Directors present their report and the audited Financial Statements for the year ended 31 December 2021.

Directors

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

Richard Mark Greensmith
Charles David Everitt
Timothy John Martel
James Edward Hodges

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 year. 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) Health Limited

Directors' Report to the members of Reckitt & Colman (Overseas) Health Limited (continued) For the Year Ended 31 December 2021

Results for the year and movement on reserves

The Company's results for the year 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 has taken place during the year or is expected in the immediately foreseeable future.

Going concern

The Company receives intercompany royalties from other Group companies and has limited intercompany creditors. The Directors have received indication from Reckitt Benckiser Group plc to the effect that it will ensure that the Company has sufficient funds to enable it to continue as a going concern without significant curtailment of its operations for at least the next twelve months from the date of this report.

The Directors have performed an assessment of the ability to recover intercompany debtors and, where necessary, the parental support of Reckitt Benckiser Group plc to such counterparties if this liability is called up for repayment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

Having assessed the principal risks and other matters discussed in connection with the Group's Viability Statement as set out on page 103 of the Group's 2021 Annual report and Financial Statements, the Board believes that the Group is well-positioned to manage its principal risks successfully. The Board's belief is based on consideration of the historic resilience of Reckitt and has taken account of its current position and prospects, the actions taken to manage the Group's debt profile, risk appetite and the principal risks facing the business in unexpected and adverse circumstances.

Based on this assessment updated to 17 August 2022, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Company Financial Statements.

Independent auditor

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

Political contributions

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

Reckitt & Colman (Overseas) Health Limited

Directors' Report to the members of Reckitt & Colman (Overseas) Health Limited (continued) For the Year Ended 31 December 2021

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) Health 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 17 August 2022 and signed on its behalf.

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Tim Martel
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Timothy John Martel
Director

Reckitt & Colman (Overseas) Health Limited

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

Opinion

We have audited the Financial Statements of Reckitt & Colman (Overseas) Health Limited ("the Company") for the year ended 31 December 2021 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 2021 and of its profit for the year 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").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Reckitt & Colman (Overseas) Health Limited

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of Directors, reading Board of Directors meetings' minutes and inspection of policy documentation as to the Reckitt Benckiser Group plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the Directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition as the Company has no other revenues other than royalty income and other operating income. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries containing key words.
- Evaluated the business purpose of significant unusual transactions.

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

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

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

This Company, as a financing company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

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

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

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

Reckitt & Colman (Overseas) Health Limited

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

Strategic Report and Directors' Report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

Reckitt & Colman (Overseas) Health Limited

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

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

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



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

15 Canada Square
London
E14 5GL

Date: 17 August 2022

Reckitt & Colman (Overseas) Health Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	3	43,066	48,649
Other operating income	4	9	-
Administrative expenses	4	(2,746)	(3,082)
Operating profit	4	40,329	45,567
Interest receivable and similar income	5	-	116
Profit before tax		40,329	45,683
Tax on profit	6	(7,714)	(8,751)
Profit for the financial year		32,615	36,932
Other comprehensive income for the year			
Total comprehensive income for the year		32,615	36,932

The notes on pages 14 to 22 form part of these Financial Statements.

Reckitt & Colman (Overseas) Health Limited

Registered number:11636337

Balance Sheet
As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed Assets			
Intangible assets	7	20,085	20,563
Current Assets			
Debtors due after more than one year	8	219	179
Debtors due within one year	8	139,107	87,196
		<u>139,326</u>	<u>87,375</u>
Creditors due within one year	9	(37,594)	(18,736)
Net Current Assets		<u>101,732</u>	<u>68,639</u>
Total Assets less Current Liabilities		<u>121,817</u>	<u>89,202</u>
Net Assets		<u>121,817</u>	<u>89,202</u>
Equity			
Share capital	11	1	1
Share premium		21,519	21,519
Retained earnings		100,297	67,682
Total Equity		<u>121,817</u>	<u>89,202</u>

The notes on pages 14 to 22 form part of these Financial Statements.

The Financial Statements on pages 11 to 22 were approved and authorised for issue by the Board and were signed on its behalf on 17 August 2022.

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Timothy John Martel
 Director

Reckitt & Colman (Overseas) Health Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2021	1	21,519	67,682	89,202
Comprehensive income				
Profit for the year	-	-	32,615	32,615
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	32,615	32,615
Total transactions with owners	-	-	-	-
Balance at 31 December 2021	1	21,519	100,297	121,817

Statement of Changes in Equity For the Year Ended 31 December 2020

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2020	1	21,519	30,750	52,270
Comprehensive income				
Profit for the year	-	-	36,932	36,932
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	36,932	36,932
Total transactions with owners	-	-	-	-
Balance at 31 December 2020	1	21,519	67,682	89,202

The notes on pages 14 to 22 form part of these Financial Statements.

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. Accounting Policies

1.1 General Information

Reckitt & Colman (Overseas) Health Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is given on the Company Information page at the beginning of these statutory accounts. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 3.

1.2 Statement of Compliance

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

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. Accounting Policies (continued)

1.5 Going concern

The Company receives intercompany royalties from other Group companies and has limited intercompany creditors. The Directors have received indication from Reckitt Benckiser Group plc to the effect that it will ensure that the Company has sufficient funds to enable it to continue as a going concern without significant curtailment of its operations for at least the next twelve months from the date of this report.

The Directors have performed an assessment of the ability to recover intercompany debtors and, where necessary, the parental support of Reckitt Benckiser Group plc to such counterparties if this liability is called up for repayment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

Having assessed the principal risks and other matters discussed in connection with the Group's Viability Statement as set out on page 103 of the Group's 2021 Annual report and Financial Statements, the Board believes that the Group is well-positioned to manage its principal risks successfully. The Board's belief is based on consideration of the historic resilience of Reckitt and has taken account of its current position and prospects, the actions taken to manage the Group's debt profile, risk appetite and the principal risks facing the business in unexpected and adverse circumstances.

Based on this assessment updated to 17 August 2022, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Company Financial Statements.

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.

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. Accounting Policies (continued)

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 fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative risk-free rates (referred to as 'IBOR reform'). The Company has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Company has amended contractual terms of financial instruments indexed to the relevant LIBORs, such that these will be replaced by risk-free rates with effect from 1 January 2022, thereby removing IBOR reform-related uncertainty.

(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.

1.9 Interest

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

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. Accounting Policies (continued)

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 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.

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) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

3. Turnover

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

	2021 £000	2020 £000
United Kingdom & Ireland	43,066	48,649

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

	2021 £000	2020 £000
Royalties	43,066	48,649

4. Operating profit

Operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Amortisation	478	478
Cost associated with trademarks	2,268	2,604
Other operating income	(9)	-
	2,737	3,082

5. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from Group undertakings	-	116

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profit for the year	7,739	8,758
Adjustment in respect of previous periods	15	-
Total current tax	7,754	8,758
Deferred tax		
Origination and reversal of timing differences	13	12
Effects of changes in tax rates	(53)	(19)
Total deferred tax	(40)	(7)
Tax on profit	7,714	8,751

Reconciliation of tax charge

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	40,329	45,683
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	7,663	8,680
Effects of:		
Expenses not deductible for tax purposes	90	90
Effects of changes in tax rates	(53)	(19)
Income not taxable	(1)	-
Adjustment in respect of previous periods	15	-
Total tax charge for the year	7,714	8,751

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted in The Finance Bill 2021 on 24 May 2021. Future profits will be taxed at the appropriate rate.

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

7. Intangible assets

	Trademarks £000
Cost	
At 1 January 2021	21,519
At 31 December 2021	<u>21,519</u>
Amortisation and impairment	
At 1 January 2021	956
Charge for the year	478
At 31 December 2021	<u>1,434</u>
Net book value	
At 31 December 2021	<u>20,085</u>
At 31 December 2020	<u>20,563</u>

8. Debtors

	2021 £000	2020 £000
Due after more than one year		
Deferred taxation (note 10)	<u>219</u>	<u>179</u>
Due within one year		
Amounts owed by Group undertakings	<u>139,107</u>	<u>87,196</u>

The amounts owed by Group undertakings due within one year is an amount of £139,107k (2020 - £75,236k) which is unsecured, repayable on demand and interest bearing at the 3M LIBOR equivalent fallback rate minus 0.125% (2020 - 3M LIBOR minus 0.125%).

Also included in the amounts owed by Group undertakings due within one year in the prior year was an amount of £11,960k which was unsecured, repayable on demand and non-interest bearing.

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

9. Creditors due within one year

	2021 £000	2020 £000
Amounts owed to Group undertakings	37,594	18,736

The amounts owed to Group undertakings due within one year are unsecured, repayable on demand and non-interest bearing (2020 - same).

10. Deferred taxation

	2021 £000	2020 £000
At beginning of year	179	172
Credited to profit or loss	40	7
At end of year	219	179

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Timing differences on intangible fixed assets	219	179

11. Share capital

	2021 £000	2020 £000
Issued and fully paid		
1,001 (2020 - 1,001) Ordinary shares of £1 each (2020 - £1 each)	1	1

12. Directors and Employees

During the year the Company had 4 Directors resident in the UK, none of whom received any emoluments in respect of services to the Company (2020 - 7 Directors, no emoluments).

The Company had no employees during the current or prior year and consequently did not incur any expenditure in respect of wages and salaries, social security costs or other pension costs.

Reckitt & Colman (Overseas) Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

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.reckitt.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 in respect of the audit of these Financial Statements is £6k (2020 - £6k).