

**Reckitt Benckiser Jersey (No. 2)  
Limited**

Unaudited Report and Financial Statements

Year Ended

31 December 2018

Company Number FC028653



# Reckitt Benckiser Jersey (No. 2) Limited

## Company Information

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<b>Directors</b>	Adrian Nevil Hennah Richard Mark Greensmith
<b>Company Secretary</b>	Christine Anne-Marie Logan
<b>Registered Number</b>	FC028653
<b>Registered Office</b>	IFC 5 St Helier Jersey JE1 1ST

# Reckitt Benckiser Jersey (No. 2) Limited

## Contents

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	Page
Directors' Report	1 - 3
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 13

# Reckitt Benckiser Jersey (No. 2) Limited

## Directors' Report to the members of Reckitt Benckiser Jersey (No. 2) Limited For the Year Ended 31 December 2018

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The Directors present their report and the unaudited Financial Statements for the year ended 31 December 2018.

### Principal activities

The principal activity of the Company is to provide financing to other Group Companies. 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 straight forward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### 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 42 to 57 of the Reckitt Benckiser Group plc 2018 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/paid by the Company on certain loans with other Group Companies.

#### *Liquidity and interest rate risk*

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

### Directors

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

Adrian Nevil Hennah  
Richard Mark Greensmith

### Directors' interests

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

# **Reckitt Benckiser Jersey (No. 2) Limited**

## **Directors' Report to the members of Reckitt Benckiser Jersey (No. 2) Limited (continued) For the Year Ended 31 December 2018**

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### **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 Financial Statements**

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

Company law requires the Directors to prepare Company Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies (Jersey) Law 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### **Results for the year and movement on reserves**

The Financial Statements for the year ended 31 December 2018 show a profit of £11,146,000 (2017 - profit of £4,556,000) which has been added to reserves (2017 - added to reserves).

The Directors do not recommend the payment of a dividend (2017 - £Nil).

### **Future developments**

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

## **Reckitt Benckiser Jersey (No. 2) Limited**

### **Directors' Report to the members of Reckitt Benckiser Jersey (No. 2) Limited (continued) For the Year Ended 31 December 2018**

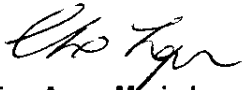
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#### **Going concern**

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

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

This report was approved by order of the Board on 25 November 2019 and signed on its behalf.



**Christine Anne-Marie Logan**  
Company Secretary

# Reckitt Benckiser Jersey (No. 2) Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 £000	2017 £000
Administrative expenses		(8)	(7)
<b>Operating loss</b>	3	<b>(8)</b>	<b>(7)</b>
Interest receivable and similar income	4	<b>13,768</b>	5,292
<b>Profit before tax</b>		<b>13,760</b>	5,285
Tax on profit	5	<b>(2,614)</b>	(729)
<b>Profit for the financial year</b>		<b>11,146</b>	4,556
<b>Other comprehensive income</b>			
<b>Total comprehensive income</b>		<b>11,146</b>	4,556

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

# Reckitt Benckiser Jersey (No. 2) Limited

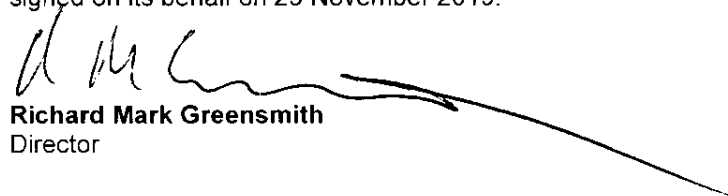
Registered number: FC028653

## Balance Sheet As at 31 December 2018

	Note	2018 £000	2017 £000
<b>Current Assets</b>			
Debtors due within one year	6,8	2,547,866	2,534,116
Creditors due within one year	7,8	(3,353)	(749)
<b>Net Current Assets</b>		<b>2,544,513</b>	<b>2,533,367</b>
<b>Net Assets</b>		<b>2,544,513</b>	<b>2,533,367</b>
<b>Equity</b>			
Share capital	9	8	8
Share premium		2,334,389	2,334,389
Retained earnings		210,116	198,970
<b>Total Equity</b>		<b>2,544,513</b>	<b>2,533,367</b>

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

The Financial Statements on pages 4 to 13 were approved and authorised for issue by the Board and were signed on its behalf on 25 November 2019.



**Richard Mark Greensmith**  
Director



## Reckitt Benckiser Jersey (No. 2) Limited

### Statement of Changes in Equity For the Year Ended 31 December 2018

	Share capital £000	Share premium £000	Retained earnings £000	Total Equity £000
At 1 January 2018	8	2,334,389	198,970	2,533,367
<b>Comprehensive income</b>				
Profit for the financial year	-	-	11,146	11,146
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income</b>	-	-	11,146	11,146
<b>Total transactions with owners</b>	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>8</b>	<b>2,334,389</b>	<b>210,116</b>	<b>2,544,513</b>

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

### Statement of Changes in Equity For the Year Ended 31 December 2017

	Share capital £000	Share premium £000	Retained earnings £000	Total Equity £000
At 1 January 2017	8	2,334,389	194,414	2,528,811
<b>Comprehensive income</b>				
Profit for the financial year	-	-	4,556	4,556
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income</b>	-	-	4,556	4,556
<b>Total transactions with owners</b>	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>8</b>	<b>2,334,389</b>	<b>198,970</b>	<b>2,533,367</b>

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

# Reckitt Benckiser Jersey (No. 2) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. Accounting Policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

#### 1.1 General Information

Reckitt Benckiser Jersey (No. 2) Limited is a private company limited by shares and is incorporated in Jersey. The address of the registered office is given on the Company Information page, at the beginning of these statutory Financial Statements. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 to 3.

#### 1.2 Statement of Compliance

The Financial Statements have been prepared on a going concern basis, under the historical costs convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies (Jersey) Law 1991.

#### 1.3 Basis of Preparation

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

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

#### 1.4 Financial Reporting Standard 102 – Reduced Disclosure Exemptions

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

- the requirements of section 3 Financial Statement Presentation paragraph 3.17(d) and section 7 Statement of Cash Flows not to prepare a Statement of Cash Flows;
- the requirements of section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the numbers of shares outstanding at the beginning and end of the year; and
- the requirements of section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

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

#### 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 Benckiser Jersey (No. 2) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. Accounting Policies (continued)

#### 1.6 Interest

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

#### 1.7 Taxation

Tax is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are provided for in full and deferred tax assets are recognised to the extent that they are considered recoverable.

#### 1.8 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. 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.

# Reckitt Benckiser Jersey (No. 2) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 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.

The Company's Directors are of the opinion that there are no estimates or 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.

### 3. Operating loss

The operating loss is stated after charging:

	2018 £000	2017 £000
Administrative expense	8	7

### 4. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from Group undertakings	13,768	5,292

### 5. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profit for the financial year	2,614	729
<b>Total current tax</b>	<b>2,614</b>	<b>729</b>

# Reckitt Benckiser Jersey (No. 2) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 5. Taxation (continued)

#### Reconciliation of tax charge

The tax assessed for the year is the same as (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit before tax	13,760	5,285
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	2,614	1,017
Effects of:		
Non-taxable worldwide debt cap income	-	(288)
<b>Total tax charge for the year</b>	<b>2,614</b>	<b>729</b>

#### Factors that may affect future tax charges

The UK tax rate reduces to 17% from 1 April 2020 and this has been substantively enacted. Future profits will be taxed at the appropriate rate.

#### Worldwide debt cap

Worldwide debt cap legislation provides for the exemption of certain financing income of UK Group companies where there has been a disallowance of interest expense in relevant UK Group companies.

These rules were repealed with effect from 1 April 2017 as part of the UK Government's package of measures to reduce the tax deductibility of corporate interest expense. Therefore, worldwide debt cap only relates to the period to 1 April 2017.

# Reckitt Benckiser Jersey (No. 2) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 6. Debtors due within one year

	2018 £000	2017 £000
Amounts owed by Group undertakings	<u>2,547,866</u>	<u>2,534,116</u>

Included in amounts owed by Group undertakings due within one year are amounts totalling £2,547,866k (2017 - £2,534,116k) which are unsecured, interest bearing at 3M LIBOR less a margin of 0.125% and repayable on demand (2017 - same).

### 7. Creditors due within one year

	2018 £000	2017 £000
Amounts owed to Group undertakings	3,351	746
Accruals	2	3
	<u>3,353</u>	<u>749</u>

Included in amounts owed to Group undertakings due within one year is an amount of £7k (2017 - £7k), which is unsecured, interest bearing at 3M LIBOR plus a margin of 0.2% and repayable on demand (2017 - same).

All other amounts owed to Group undertakings due within one year are unsecured, repayable on demand and non-interest bearing (2017 - same).

# Reckitt Benckiser Jersey (No. 2) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 8. Financial Instruments

	2018 £000	2017 £000
<b>Financial Assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>2,547,866</u>	<u>2,534,116</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	<u>(3,353)</u>	<u>(749)</u>

The Company has entered into the following loan agreements with Group undertakings:

Included in amounts owed by Group undertakings due within one year are amounts totalling £2,547,866k (2017 - £2,534,116k) which are unsecured, interest bearing at 3M LIBOR less a margin of 0.125% and repayable on demand (2017 - same).

Included in amounts owed to Group undertakings due within one year is an amount of £7k (2017 - £7k), which is unsecured, interest bearing at 3M LIBOR plus a margin of 0.2% and repayable on demand (2017 - same).

All other amounts owed to Group undertakings due within one year are unsecured, repayable on demand and non-interest bearing (2017 - same).

### 9. Share Capital

	2018 £000	2017 £000
<b>Issued and fully paid</b>		
10,000 (2017 - 10,000) Ordinary shares of £0.834237 each	<u>8</u>	<u>8</u>

On 1 January 2012 the nominal value of the shares of €1 each was converted from Euro to GBP at a rate of £0.834237:€1.

### 10. Directors and Employees

During the year the Company had 2 Directors resident in the UK, none of whom received any emoluments in respect of services to the Company (2017 - 3 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 Benckiser Jersey (No. 2) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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### **11. Ultimate Parent Undertaking and Controlling Party**

The immediate parent company is Reckitt Benckiser Treasury Services plc, 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 Statement. Copies of the Group Financial Statements of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH or at <https://www.rb.com>.