

Reckitt Benckiser Health Limited

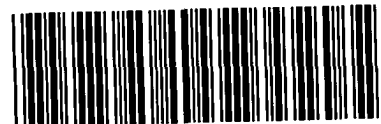
Report and Financial Statements

Year Ended

31 December 2022

Company Number 11069293

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Reckitt Benckiser Health Limited

Company Information

Directors	Jeffrey Carr Christopher James Bealer Timothy John Martel Stephen Christopher Andrew Pickstone
Company Secretary	James Edward Hodges
Registered Number	11069293
Registered Office	103-105 Bath Road Slough Berkshire SL1 3UH
Independent Auditor	KPMG LLP 15 Canada Square London E14 5GL

Reckitt Benckiser Health Limited

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Reckitt Benckiser Health Limited

Strategic Report For the Year Ended 31 December 2022

The Directors of Reckitt Benckiser Health Limited (the "Company") present their Strategic Report for the year ended 31 December 2022.

Principal activities

The principal activities of the Company included undertaking the sale of healthcare products, category development, research and development ("R&D") and management activities for the Health Business Unit of Reckitt Benckiser Group plc (hereafter the "Group" or "Reckitt Group").

Business review

During the year, the Company had strategic & operational control of the Health Business Unit and its product portfolio. It focused on undertaking the category development (including research and development and innovation) and management activities in relation to the Group's Health product portfolio. During the year, the Company continued the sale of healthcare products to Reckitt Group companies in Europe, North America, Australia, New Zealand, Russia, Kazakhstan, Ukraine and Thailand.

On 1 April 2022, the Group completed the sale of the E45 brand (together with its sub brands) to Karo Pharma AB. The Company received £15,076,000 proceeds for the sale of its intellectual property in respect of these brands, refer to note 4.

Turnover and administrative expenses have increased due to an increase in volume of products and services provided by the Company to other Group companies.

The results for the 2022 financial year show a profit of £199,019k (2021 - profit of £154,210k).

Key Performance indicators ("KPIs")

The Directors of the Group manage the Group's operations on a business unit and category basis. For this reason, the Directors of the Company believe analysis using KPIs is not necessary, or appropriate, for an understanding of the development, performance or position of the Company.

The development, performance and position of the Health category of the Group that includes the Company, is discussed in the Group's Financial Statements which does not form part of this report.

Principal risks and uncertainties

The principal risks and uncertainties of the Company 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 80 to 86 of the Group's 2022 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 and paid by the Company on loans 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 another Group company is calculated at floating rates of interest. The Company's liquidity requirements and interest rate risks are managed at Group level.

Reckitt Benckiser Health Limited

Strategic Report (continued) For the Year Ended 31 December 2022

Principal risks and uncertainties (continued)

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. Financial Institution counterparties are subject to approval under the Group's counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. The amount of exposure to any individual counterparty is subject to a limit defined within the counterparty risk policy, which is reassessed annually by the Board of Reckitt Benckiser Group plc. Amounts owing from companies in the Group are usually remitted within the Company's standard credit terms.

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 (the "Act") during 2022. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by section 172 of the Act, 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. 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 our employees, suppliers and other members of our Group. By considering the Company's purpose, compass 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 12 to 28 of the Group 2022 Annual Report, which is available at www.reckitt.com.
- We understand the importance of engaging with, and understanding the perspectives of, our workforce. Amidst the ongoing cost of living pressures, ensuring continued wellbeing for employees, both physical and mental, has been a high priority. We also recognise the benefits of personal interaction and informal discussions in learning more about the day-to-day operations; the development and execution of strategy and gathering direct insight into our culture and workforce engagement. For further details on how the Company has engaged with employees, please see page 4 of the Directors' Report.

Reckitt Benckiser Health Limited

Strategic Report (continued) For the Year Ended 31 December 2022

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

- 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 Sourcing for Sustainable Growth Policy, and processes are in place to ensure compliance therewith. All employees of the Company engage in regular training on ethics and compliance matters and are encouraged to report any ethics concerns through a confidential "Speak Up" helpline.

We delegate authority for day-to-day management of the Company to senior management and other employees of the Company in setting, approving and overseeing execution of the business strategy and related policies, with stakeholder engagement often taking place at an operational level. 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.

Most decisions made by the Board during the year are deemed to be routine in nature and are taken on a regular basis. Moreover, as the principal activity of the Company includes undertaking the sale of healthcare products, category development, research and development ("R&D") and management activities for the Health Business Unit of 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. During the year the decisions taken by the Company included approval of the audited financial statements for the year ended 31 December 2021 and the approval of various Powers of Attorney for business as usual activities. 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 expectations of the Group and the need to maintain good working business relationships with suppliers.

Results for the year and movement on reserves

The Financial Statements for the year ended 31 December 2022 show a profit of £199,019,000 (2021 - profit of £154,210,000) which has been added to reserves (2021 - added to reserves).

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.

This report was approved by the Board on 30 October 2023 and signed on its behalf by.

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Timothy John Martel
Director

Reckitt Benckiser Health Limited

Directors' Report to the members of Reckitt Benckiser Health Limited For the Year Ended 31 December 2022

The Directors present their report and the audited Financial Statements for the year ended 31 December 2022.

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:

John Charles Dixon (resigned 11 September 2023)
Jeffrey Carr
Timothy John Martel
Christopher James Bealer
Stephen Christopher Andrew Pickstone

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.

Employment of disabled persons

The Company recognises its responsibilities to disabled persons and endeavours to assist them to make their full contribution at work. Where employees become disabled, every practical effort is made to allow them to continue in their jobs or to provide retraining in suitable alternative work.

The same opportunities are available to disabled employees for training, career development and promotion.

Employee involvement

During the financial year, the Company employed an average of 1,084 (2021 - 1,063) people. The Company is committed to the principle of equal opportunity in employment; no applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, religion or disability.

It is essential to the continued improvement in efficiency and productivity that each employee understands the Company's strategies, policies and procedures. Open and regular communication with employees at all levels is an essential part of the management process. A continuing programme of training and development reinforces the Company's commitment to employee involvement.

Regular departmental meetings are held where opinions of employees are sought on a variety of issues. The Company operates multi-dimensional internal communication programmes which include the provision of an intranet and the publication of regular Company newsletters.

The Group incentive schemes reinforce financial and economic factors affecting the performance of the business. All employees have 3-5 performance objectives which are directly linked to their job and its role in the overall performance of the Group.

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

Reckitt Benckiser Health Limited

Directors' Report to the members of Reckitt Benckiser Health Limited (continued) For the Year Ended 31 December 2022

Business relationships

In discharging our section 172 duties we have regard for the need to foster the Company's business relationships with suppliers.

The Company is committed to responsible and ethical corporate behaviour. This includes high standards of business conduct in our relationships with suppliers. 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 herewith.

Additionally, in 2019 the Group also developed Reckitt's Third-Party Code of Conduct which serves as an independent guide and standard of the Company's expectations that the suppliers and vendors must meet to work with Reckitt, aiming to build trusted business relationships in accordance to the Company's values, policies, procedures and applicable laws.

The Company's strategies, initiatives and targets are informed by the feedback received from the groups relevant to the business operations including suppliers.

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.

Results for the year and movement on reserves

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

Reckitt Benckiser Health Limited

Directors' Report to the members of Reckitt Benckiser Health Limited (continued) For the Year Ended 31 December 2022

Financial risk management

The Company's approach to managing financial risk is included in the Strategic Report on pages 1 to 2.

Going concern

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

The Directors have received 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 primary risk is in relation to the Company's ability to pay its suppliers and other creditors due within 12 months from the Balance Sheet date. The Company seeks to meet these payments either by using cash received from other Group companies from the sale of goods or by calling money put on deposit with other Group companies.

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.

Considering this, the Directors deemed that there were no material uncertainties surrounding going concern. On that basis, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

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 (2021 - £Nil).

Post balance sheet events

There are no material post balance sheet events.

Reckitt Benckiser Health Limited

Directors' Report to the members of Reckitt Benckiser Health Limited (continued) For the Year Ended 31 December 2022

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report to the members of Reckitt Benckiser 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 30 October 2023 and signed on its behalf.

DocuSigned by:
Tim Martel
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Timothy John Martel
Director

Reckitt Benckiser Health Limited

Independent Auditor's Report to the Members of Reckitt Benckiser Health Limited

Opinion

We have audited the Financial Statements of Reckitt Benckiser Health Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2022 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").

The Directors have received indication from Reckitt Benckiser Group plc (the "Group") 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. We therefore used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's financial resources or ability to continue the operations of the Company over the going concern period. The risks that we considered most likely to adversely affect the Group's available financial resources over this period were:

- the current inflationary environment, and the economic uncertainty it is causing, disruption at a number of the Group's key production facilities, the viability of key suppliers and customers, and the impact on consumer demand for the Group's brands;
- a significant product safety issue leading to reputational damage with customers, consumer or regulators; and
- the impact of a significant business continuity issue, outside of those risks presented by the inflationary environment, affecting the Group's manufacturing facilities or those of its suppliers.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Reckitt Benckiser Health Limited

Independent Auditor's Report to the Members of Reckitt Benckiser Health Limited (continued)

We assessed the completeness of the going concern disclosure.

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.
- we found the going concern disclosure in note 1 to be acceptable.

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.

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 meeting 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 intercompany revenue only. 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.

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. 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 non trading 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.

Reckitt Benckiser Health Limited

Independent Auditor's Report to the Members of Reckitt Benckiser Health Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

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 fraud 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.

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 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 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 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.

Reckitt Benckiser Health Limited

Independent Auditor's Report to the Members of Reckitt Benckiser Health Limited (continued)

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/auditorresponsibilities.

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.



JACK MARTINEZ (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 30 October 2023

Reckitt Benckiser Health Limited

Profit and Loss Account and Other Comprehensive Income For the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	3	1,850,193	1,479,032
Cost of sales		(1,167,977)	(909,698)
Gross profit		682,216	569,334
Other operating income	4	368,844	379,182
Other operating charges		(7,536)	(15,194)
Administrative expenses	5	(812,255)	(739,114)
Operating profit		231,269	194,208
Interest receivable and similar income	7	14,517	16
Interest payable and similar charges	8	(1,529)	(1,168)
Profit before tax		244,257	193,056
Tax on profit	9	(45,238)	(38,846)
Profit for the financial year		199,019	154,210
Other comprehensive income for the year			
Movement in hedging reserve		314	(1,166)
Deferred tax on hedging activities		(884)	1,532
Movement in share based payment reserve		11,829	4,753
Other comprehensive income for the year		11,259	5,119
Total comprehensive income for the year		210,278	159,329

The notes on pages 16 to 34 form part of these Financial Statements.

Reckitt Benckiser Health Limited

Registered number:11069293

**Balance Sheet
As at 31 December 2022**

	Note	2022 £000	2021 £000
Fixed Assets			
Intangible assets	10	243,988	290,068
Tangible assets	11	96,884	106,165
		<u>340,872</u>	<u>396,233</u>
Current Assets			
Stocks	12	29,584	32,218
Debtors due within one year	13, 16	1,667,376	1,084,545
Cash at bank and in hand	16	2,622	7,345
		<u>1,699,582</u>	<u>1,124,108</u>
Creditors due within one year	14, 16	(831,412)	(516,670)
Net Current Assets		<u>868,170</u>	<u>607,438</u>
Total Assets less Current Liabilities		<u>1,209,042</u>	<u>1,003,671</u>
Creditors due after more than one year	15	(113)	(1,713)
Deferred tax liability	17	-	(3,307)
Net Assets		<u><u>1,208,929</u></u>	<u><u>998,651</u></u>
Equity			
Share capital	18	2	2
Share premium account		431,386	431,386
Hedging reserve		175	(80)
Other reserves	23	(12,425)	(12,425)
Retained earnings		789,791	579,768
Total Equity		<u><u>1,208,929</u></u>	<u><u>998,651</u></u>

The notes on pages 16 to 34 form part of these Financial Statements.

The Financial Statements on pages 12 to 34 were approved and authorised for issue by the Board and were signed on its behalf on 30 October 2023.

DocuSigned by:

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Timothy John Martel
 Director

Reckitt Benckiser Health Limited

Statement of Changes in Equity For the Year Ended 31 December 2022

	Share capital £000	Share premium account £000	Hedging reserve (net of tax) £000	Other reserves (Note 23) £000	Retained earnings £000	Total equity £000
At 1 January 2022	2	431,386	(80)	(12,425)	579,768	998,651
Comprehensive income						
Profit for the financial year	-	-	-	-	199,019	199,019
Movement in hedging reserve	-	-	314	-	-	314
Deferred tax on hedging activities	-	-	(59)	-	(825)	(884)
Movement on share based payment reserve	-	-	-	-	11,829	11,829
Other comprehensive income for the year	-	-	255	-	11,004	11,259
Total comprehensive income for the year	-	-	255	-	210,023	210,278
Total transactions with owners	-	-	-	-	-	-
Balance at 31 December 2022	2	431,386	175	(12,425)	789,791	1,208,929

Reckitt Benckiser Health Limited

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

	Share capital	Share premium account	Hedging reserve (net of tax)	Other reserves (Note 23)	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	2	431,386	1,086	(12,425)	419,273	839,322
Comprehensive income						
Profit for the financial year	-	-	-	-	154,210	154,210
Movement in hedging reserve	-	-	(1,166)	-	-	(1,166)
Deferred tax on hedging activities	-	-	-	-	1,532	1,532
Movement on share based payment reserve	-	-	-	-	4,753	4,753
Other comprehensive income for the year	-	-	(1,166)	-	6,285	5,119
Total comprehensive income for the year	-	-	(1,166)	-	160,495	159,329
Total transactions with owners	-	-	-	-	-	-
Balance at 31 December 2021	2	431,386	(80)	(12,425)	579,768	998,651

The notes on pages 16 to 34 form part of these Financial Statements.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies

1.1 General Information

Reckitt Benckiser 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 Financial Statements. 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 cost 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 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 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total; and
- the requirements of section 26 Share-based Payments paragraph 26.18(b), 26.19 to 26.21 and 26.23.

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 www.reckitt.com.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies (continued)

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.

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 primary risk is in relation to the Company's ability to pay its suppliers and other creditors due within 12 months from the Balance Sheet date. The Company seeks to meet these payments either by using cash received from other Group companies from the sale of goods or by calling money put on deposit with other Group companies.

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.

Considering this, the Directors deemed that there were no material uncertainties surrounding going concern. On that basis, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

1.6 Turnover

Turnover is defined as the amount invoiced to customers during the year and the distribution fee received from other Group companies. Turnover is based on gross sales exclusive of Value Added Tax and other sales-related taxes. Turnover is recognised at the point at which the risks and rewards of the goods have passed to the customer.

Distribution fee income from other group companies is also recognised in turnover on an accrual basis.

1.7 Other operating income

Other operating income includes royalty income, research & development fee and innovation fee income and management fee income. The income is recognised on an accruals basis.

1.8 Foreign Currency

The Company's functional and presentational currency is Sterling, therefore foreign currency is determined to be any currency other 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 at the Balance Sheet date are translated into Sterling at the exchange rate ruling at that date.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies (continued)

1.9 Research and development

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

1.10 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 Profit and Loss Account and Other 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 Profit and Loss Account and Other Comprehensive Income on recognition.

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.

1.12 Intangible assets

Intangible assets are initially recognised at transaction cost. After recognition, under the cost model intangible assets are measured at cost less any accumulated amortisation.

Intangibles including trademarks and intellectual property rights are amortised over their useful economic life not exceeding 50 years on a straight line method, in line with the Directors' view of their useful economic lives. The Directors, to determine whether there should be a reduction to reflect any impairment, review their carrying value annually.

The estimated useful lives range as follows:

Trademarks - ten years

Intellectual Property Rights - seven years

Software - between four and seven years

Intangible assets that are still in the development phase are not amortised. Amortisation will be charged to the Profit and Loss Account and Other Comprehensive Income starting from the month in which the asset is available for use.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies (continued)

1.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Except for freehold land, the cost of properties, plant & machinery is written off on a straight line basis over the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

Freehold buildings	Not more than fifty years
Plant and machinery	Between three and ten years

Assets under construction relate to items under construction that are not depreciated until completed. Once complete they are allocated to the appropriate fixed asset category.

Assets residual values and useful lives are reviewed and adjusted if necessary, at each Balance Sheet date.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the asset's carrying value with any sale proceeds, and are included in the Profit and Loss Account and Other Comprehensive Income.

1.14 Pension Commitments

The Company operates defined contribution and defined benefit pension schemes. The defined benefit pension scheme was closed to new entrants in 2005 and following consultation was closed to further accrual from 31 December 2017. The cost of providing pensions to employees who are members of defined contribution scheme are charged to the Profit and Loss Account and Other Comprehensive Income as contributions are made. The Company has no further payment obligations once the contributions have been paid. The liability for the defined benefit contribution scheme is held on the Balance Sheet of Reckitt Benckiser Corporate Services Limited, another group company.

1.15 Share Based Payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and Loss Account and Other Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting market conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase or decrease in the fair value of the options, measured immediately before and after the modification, is also recognised in the Profit and Loss Account and Other Comprehensive Income over the remaining vesting period.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Accounting Policies (continued)

1.16 Financial Instruments

The Company recognises financial instruments when it becomes a party to the contractual obligations of the instrument.

(a) Financial Assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an assets 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 profit or loss.

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 rate of interest. 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) Derivative Financial Instruments

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at their fair value.

The Company designates certain derivative financial instruments as cash flow hedges. The effective portion of changes in the fair value is initially recorded in other comprehensive income ("OCI"). Amounts recorded in other comprehensive income are recycled to profit or loss in the period in which the hedged item will affect profit or loss. Any gain or loss relating to the ineffective portion is recognised immediately in the Profit and Loss Account and Other Comprehensive Income.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

1.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account and Other Comprehensive Income.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

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:

- Intangibles including trademarks and intellectual property rights are amortised over their useful economic life not exceeding 50 years on a straight line method, in line with Directors' view of their useful economic lives.
- Determine whether there are indicators of impairment of the Company's intangible assets. Factors taken into account are useful economic life and future cash flows of the asset. When indicators of impairment are present, management performs a review of the potential impairment of the intangible assets. This review contains estimates and assumptions about the future recoverability of intangible assets, including future cash flow, discount rates and terminal value.

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. Turnover

An analysis of turnover by geographical location is as follows:

	2022 £000	2021 £000
Europe	1,211,814	1,037,113
North America	386,804	220,531
Australia & New Zealand	171,985	143,926
ROW	79,590	77,462
	<u>1,850,193</u>	<u>1,479,032</u>

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Other operating income

During the year, the Company received: Royalty income for holding IP rights, management fee for management services provided and R&D & Innovation fee from entities within the Group.

	2022 £000	2021 £000
Royalty Income	138,430	122,952
Research & Development Fees and Innovation Fees	30,620	41,177
Management Fees	184,718	144,030
Divestment	15,076	71,023
	368,844	379,182

Royalty income received from other group companies is classified as other operating income on an accrual basis in accordance with the substance of the royalty agreements.

During the year, the Group completed the sale of the E45 brand (together with its sub brands) to Karo Pharma AB. The Company received £15,076k proceeds for the sale of its intellectual property in respect of these brands. The gain has been recognised as divestment.

In the prior year, the Group completed the sale of Scholl and certain other brands to Yellow Wood Partners. The Company received £71m in relation to CDO and R&D investment, technology, goodwill and synergy benefit. This gain has been recognised as divestment.

5. Administrative expenses

The operating profit is stated after charging:

	2022 £000	2021 £000
Royalties expense	90,426	90,810
Staff costs (Note 6)	155,020	159,947
Marketing expenditure	32,682	48,819
Management fees	291,963	201,173
Amortisation and impairment - intangible fixed assets	46,269	43,220
Disposal - intangible fixed assets	526	1,030
Depreciation - tangible fixed assets	9,309	13,979
Commercial costs	186,060	180,136
	812,255	739,114

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

6. Staff costs

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	123,393	138,024
Social security costs	11,085	11,141
Other pension costs	6,197	6,029
Share-based payments (Note 20)	14,345	4,753
	<u>155,020</u>	<u>159,947</u>

The average number of employees during the year was:

	2022 No.	2021 No.
Research and Development and Category Development Organisation	568	525
Administrative services and management	516	538
	<u>1,084</u>	<u>1,063</u>

7. Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable from Group undertakings	<u>14,517</u>	<u>16</u>

8. Interest payable and similar charges

	2022 £000	2021 £000
Interest payable on overdrafts	13	4
Interest payable to Group undertakings	1,516	1,164
	<u>1,529</u>	<u>1,168</u>

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

9. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	46,303	31,796
Adjustments in respect of previous periods	(721)	4,498
Foreign tax relief/other relief	(2,105)	(4,144)
	<u>43,477</u>	<u>32,150</u>
Foreign tax suffered	7,619	8,145
Total current tax	<u>51,096</u>	<u>40,295</u>
Deferred tax		
Origination and reversal of timing differences	(4,815)	(3,975)
Adjustments in respect of previous periods	478	1,534
Effects of changes in tax rates	(1,521)	992
Total deferred tax	<u>(5,858)</u>	<u>(1,449)</u>
Total tax charge for the year	<u>45,238</u>	<u>38,846</u>

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before tax	244,257	193,056
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	46,409	36,681
Effects of:		
Expenses not deductible	2,401	2,294
Income not taxable	(2,865)	(13,532)
Transfer pricing adjustments	(2,650)	8,003
Effects of overseas tax rates	5,467	4,001
Adjustments in respect of previous periods	(243)	6,032
Tax rate changes	(1,521)	992
Deduction due to patent box claim	(2,830)	(5,625)
Share options	1,070	-
Total tax charge for the year	45,238	38,846
	2022 £000	2021 £000
Other comprehensive income items		
Deferred tax current year charge	79	1,532
Deferred tax - prior year	(20)	-
	59	1,532

Factors that may affect future tax charges

The standard rate of UK corporation tax for the year ended 31 December 2022 is 19%. The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. Accordingly, this may have an impact on the tax charge of future years. Finance Act 2021 was enacted on 10 June 2021 and therefore these rates are applicable in the measurement of the deferred tax assets and liabilities at 31 December 2022.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

10. Intangible assets

	Trademarks £000	Other intangible assets £000	Intellectual Property £000	Assets under construction £000	Total £000
Cost					
At 1 January 2022	269,786	47,012	90,219	2,291	409,308
Additions	-	715	-	-	715
Transfers	-	1,765	-	(1,765)	-
Disposals	-	-	-	(526)	(526)
At 31 December 2022	269,786	49,492	90,219	-	409,497
Amortisation					
At 1 January 2022	80,936	12,971	25,333	-	119,240
Charge for the year	26,979	11,339	7,951	-	46,269
At 31 December 2022	107,915	24,310	33,284	-	165,509
Net book value					
At 31 December 2022	161,871	25,182	56,935	-	243,988
At 31 December 2021	188,850	34,041	64,886	2,291	290,068

Other intangible assets comprise capitalised operating model costs and software costs.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

11. Tangible assets

	Assets under construction £000	Land & Buildings £000	Plant and machinery £000	Office equipment £000	Total £000
Cost					
At 1 January 2022	1,484	62,446	66,007	97	130,034
Additions	138	9	-	-	147
Retirement	-	-	(747)	-	(747)
Transfers	(1,120)	-	1,120	-	-
At 31 December 2022	<u>502</u>	<u>62,455</u>	<u>66,380</u>	<u>97</u>	<u>129,434</u>
Depreciation					
At 1 January 2022	-	9,894	13,949	26	23,869
Charge for the year	-	3,199	6,078	32	9,309
Retirement	-	-	(628)	-	(628)
At 31 December 2022	<u>-</u>	<u>13,093</u>	<u>19,399</u>	<u>58</u>	<u>32,550</u>
Net book value					
At 31 December 2022	<u>502</u>	<u>49,362</u>	<u>46,981</u>	<u>39</u>	<u>96,884</u>
At 31 December 2021	<u>1,484</u>	<u>52,552</u>	<u>52,058</u>	<u>71</u>	<u>106,165</u>

12. Stocks

	2022 £000	2021 £000
Finished goods and goods for resale	<u>29,584</u>	<u>32,218</u>

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

13. Debtors

	2022 £000	2021 £000
Amounts owed by Group undertakings	1,648,130	1,060,504
Other debtors	15,582	21,066
Prepayments and accrued income	1,997	2,834
Derivative asset (note 16)	-	141
Deferred tax assets (note 17)	1,667	-
	<u>1,667,376</u>	<u>1,084,545</u>

Included in amounts owed by Group undertakings due within one year are amounts totalling £1,222,336k (2021 - £828,465k) which are unsecured, repayable on demand and carry interest at the official ISDA fallback or interest bearing at other floating based rates plus or minus a margin of various rates (2021 - 3M LIBOR equivalent fallback minus 0.125%).

The remaining balance is unsecured, interest free and repayable on demand (2021 - same).

14. Creditors due within one year

	2022 £000	2021 £000
Bank overdrafts	-	621
Trade creditors	141,776	152,354
Amounts owed to Group undertakings	593,104	283,944
Other taxation and social security	4,330	3,687
Other creditors	574	4,296
Accruals	89,716	69,947
Derivative liabilities (note 16)	312	221
Deferred grant income	1,600	1,600
	<u>831,412</u>	<u>516,670</u>

Included in amounts owed to Group undertakings due within one year are amounts totalling £40,643k (2021 - £Nil) which are unsecured, repayable on demand and carry interest at the official ISDA fallback or interest bearing at other floating based rates plus or minus a margin of various rates.

The remaining balance is unsecured, interest free and repayable on demand.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Creditors due after more than one year

	2022 £000	2021 £000
Deferred grant income	113	1,713

16. Financial instruments

	2022 £000	2021 £000
Financial Assets		
Cash and cash equivalents	2,622	7,345
Financial assets measured at amortised cost	1,663,712	1,081,570
Financial assets measured at fair value through other comprehensive income	-	141
	<u>1,666,334</u>	<u>1,089,056</u>

Financial Liabilities

Financial liabilities measured at amortised cost	741,570	441,215
Financial liabilities measured at fair value through other comprehensive income	312	221
	<u>741,882</u>	<u>441,436</u>

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

17. Deferred tax

	2022 £000	2021 £000
Provision at start of period	3,307	5,392
Adjustment in respect of previous periods	1,283	1,534
Deferred tax credit in OCI in respect of prior years	-	(17)
Deferred tax credit to income statement for the year	(6,336)	(2,983)
Deferred tax charge/(credit) in OCI for the period	79	(619)
(Asset)/liability at the end of period	(1,667)	3,307
	2022 £000	2021 £000
The deferred tax liability/(asset) is made up as follows:		
Fixed asset timing differences	2,733	6,539
Short term timing differences - trading	(4,459)	(2,407)
Short term timing differences - non trading	59	(825)
	(1,667)	3,307
	2022 £000	2021 £000
Deferred tax (assets)	(4,459)	(3,232)
Recoverable within 12 months	(4,459)	(3,232)
	2022 £000	2021 £000
Deferred tax liabilities	2,792	6,539
Payable within 12 months	2,792	6,539

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

18. Share Capital

	2022 £000	2021 £000
Issued and fully paid		
2,001 (2021 - 2,001) Ordinary shares of £1 each	2	2

19. Capital Commitments

Future capital expenditure contracted for the completion of the assets under construction, but not provided in the Financial Statements is £11k (2021 - £100k).

20. Share based payment reserve

Executive Share Awards are awarded to the Group's Senior Leadership Team. Other Share Awards represent SAYE schemes (offered all UK eligible staff) and a number of Senior Executive Ownership Policy Plan (SOPP) awards. Individual tranches of these awards are not material for detailed disclosure and therefore have been aggregated.

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

Regarding vesting conditions on Executive Share Awards, refer to: note 25, Share-based payments, of the Reckitt Benckiser Group plc 2022 Annual Report.

The share-based payments charge for the year amounted to £14,345k (2021 - £4,753k) and included accrued Employers National Insurance of £2,516k (2021 - £Nil).

21. Pension Commitments

Pension costs for the year of £6,197k (2021 - £6,029k) represents contributions to the defined contribution scheme.

The Company is a member of the Reckitt Benckiser UK Pension Fund. This scheme has a defined benefit and a defined contribution section providing benefits to certain employees within the Reckitt Group of companies. In respect of the defined benefit pension scheme it is not possible to identify the Company's share of the underlying assets and liabilities on a consistent and reliable basis. Therefore, payments made to the defined benefit pension scheme are treated as though they were payments to a defined contribution scheme and charged to the Profit and Loss Account and Other Comprehensive Income in the year they are incurred.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

22. Directors remuneration

During the year the Company had 5 Directors (2021 - 7 Directors), all of whom were residents in the UK.

The Directors received emoluments of £511k (2021 - £274k) during the year in respect of services to the Company. During the year, the pension contributions made were £9k (2021 - £7k).

The aggregate of remuneration receivable by the highest paid Director in respect of the services to the Company during the year was £511k (2021 - £230k), and the pension contributions made by the Company was £9k (2021 - £5k). At year-end, there were no benefits accruing to this Director under the defined benefit scheme. The accrued pension at the year-end was therefore £Nil (2021 - £Nil).

No Directors received payments for compensation for loss of office during the year.

23. Other reserves

Pursuant to the Asset Transfer Agreement dated 31 December 2018, the Company acquired the Health business from Reckitt Benckiser (Brands) Limited, a related company incorporated in the United Kingdom. The other reserves amounting to £12,425k pertains to excess/ deficiency between purchase consideration paid and net assets acquired on account of the above said assets.

24. Related Party Transactions

Reckitt Benckiser Health Limited has traded with various group subsidiaries during the year as part of the normal course of business.

The outstanding receivables and payables balances with related parties have no guarantees, are unsecured, non-interest bearing and repayable on demand.

During the year, the Company made sales for £64,992k (2021 - £Nil), made purchases for £324k (2021 - £543k), received royalties for £3,274k (2021 - £2,231k) and other income for £22,678k (2021 - £65,387k) from Reckitt Benckiser (Thailand) Limited, another group company. Reckitt Benckiser (Thailand) Limited is 99.9% owned by the Group and 0.1% by a third-party shareholder. In 2021, it was owned 45% by the Group and 55% by a third-party shareholder.

During the year, the Company made sales for £9,202k (2021 - £7,157k), purchases for £41k (2021 - £214k), received royalties for £36,548k (2021 - £34,403k) and management fee income for £12,400k (2021 - £10,702k) from RB (China Trading) Limited, another group company. RB (China Trading) Limited is 100% owned by the Group. In 2021, it was owned 80% by the Group and 20% by a third-party shareholder.

During the year, the Company received other income for £88k (2021 - £107k) and made purchases for £44,498k (2021 - £37,567k) from SSL Manufacturing (Thailand) Limited, another group company. SSL Manufacturing (Thailand) Limited is 99.9% owned by the Group and 0.1% by a third-party shareholder. In 2021, it was owned 45% by the Group and 55% by a third-party shareholder.

During the year, the Company made purchases for £36,731k (2021 - £35,737k) from Lanzhou Keshi Xixili Healthcare Technologies Co. Ltd, another group company. Lanzhou Keshi Xixili Healthcare Technologies Co. Ltd is 80% owned by the Group and 20% by a third-party shareholder.

During the year, the Company made purchases for £20,159k (2021 - £18,824k) from Reckitt Benckiser Healthcare India Private Limited, another group company. Reckitt Benckiser Healthcare India Private Limited is 99.9% owned by the Group and 0.1% by a minority by a third-party shareholder. In 2021 Reckitt Benckiser Healthcare India Private Limited was 100% owned by the Group.

Reckitt Benckiser Health Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

24. Related Party Transactions (continued)

During the year, the Company made sales for £Nil (2021 - £53k), made purchases for £444k (2021 - £367k) and received royalties for £2,629k (2021 - £3,064k) from Reckitt Benckiser Pakistan Limited, another group company. Reckitt Benckiser Pakistan Limited is 98.7% owned by the Group and 1.3% by a third-party shareholder.

During the year, the Company received royalties for £1,573k (2021 - £1,303k) from Reckitt Benckiser (Bangladesh) PLC, another group company. Reckitt Benckiser (Bangladesh) PLC is 82.9% owned by the Group and 17.1% by a third-party shareholder.

During the year, the Company made purchases of £126k (2021 - £Nil) and received other income for £434k (2021 - £435k) from Mead Johnson Nutrition (Philippines), Inc, another group company. Mead Johnson Nutrition (Philippines), Inc. is 99.99% owned by the Group and 0.01% by a third-party shareholder.

During the year, the Company received other income for £175k (2021 - £180k) and made purchases for £Nil (2021 - £11k) from PT Mead Johnson Indonesia, another group company. PT Mead Johnson Indonesia is 90.10% owned by the Group and 9.90% by a third-party shareholder.

During the year, the Company made purchases for £11k from 2309 Realty Corporation, another group company. 2309 Realty Corporation is 99.995% owned by the Group and 0.005% by a third-party shareholder.

During the year, the Company received royalties for £Nil (2021 - £674k) and received other income for £8.1k (2021 - £65k) from Reckitt Benckiser (Lanka) Limited, another group company. Reckitt Benckiser (Lanka) Limited is 99.99% owned by the Group and 0.01% by a third-party shareholder.

In 2022 Reckitt Benckiser Healthcare Manufacturing (Thailand) Limited was 100% owned by the Group, while in 2021 it was owned 45% by the Group and 55% by a third-party shareholder. In 2021, the Company made purchases for £25,285k and received other income for £58k from Reckitt Benckiser Healthcare Manufacturing (Thailand) Limited.

During 2021, the Company made purchases for £43,078k from Mead Johnson Nutrition Argentina SA, another group company. Mead Johnson Nutrition Argentina SA was 90% owned by the Group and 10% by a third-party shareholder. The Company ceased to be a member of the Group on 1 November 2021.

During the year, the Company received other income for £5k from RB Hygiene Home (Thailand) Limited, another group company. RB Hygiene Home (Thailand) Limited is 99.6% owned by the Group and 0.4% by a third-party shareholder.

During the year, the Company received royalties for £1,652k, management fee income for £905k, other income for £150k and made purchases for £5k from RB Healthcare (Philippines) Inc, another group company. RB Healthcare (Philippines) Inc is 99.99% owned by the Group and 0.01% by a third-party shareholder.

The outstanding receivables balance with related parties as at 31 December 2022 is £42,891k (2021 - £48,794k).

The outstanding payables balance with related parties as at 31 December 2022 is £6,849k (2021 - £47,677k).

Reckitt Benckiser Health Limited

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25. Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Reckitt Benckiser (Health) Holdings 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 are available to the public and can be obtained from 103-105 Bath Road, Slough, Berkshire, United Kingdom, SL1 3UH or at www.reckitt.com.

26. 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 £370k (2021 - £344k).