

COLGATE HOLDINGS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



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COMPANIES HOUSE

COLGATE HOLDINGS

DIRECTORS AND OFFICERS

DIRECTORS

C Burniston
I Cook
P Durocher
C Klados
V Mathieu

REGISTERED OFFICE

Guildford Business Park
Middleton Road
Guildford
Surrey
GU2 8JZ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
West London Office
The Atrium
1 Harefield Road
Uxbridge
UB8 1EX

The directors present the Strategic Report for the year ended 31 December 2016.

REVIEW OF THE BUSINESS

The company continues to act as a holding company for its direct and indirect subsidiary undertakings. The results of the company for the year ended 31 December 2016 are shown on page 7, where the company has reported a profit for the financial year of £68,003,000 (2015: £34,664,000). The profit for the year increased as a result of dividends received during the year of £68,298,000 being higher than prior year dividends received of £35,257,000. Net assets increased by £60,003,000 to £100,073,000 as a result of the dividend received. The receipt of the dividend was used to repay a £60,000,000 loan from Royal Bank of Scotland. The company was also able to pay a dividend of £8,000,000 to its shareholder.

PRINCIPAL RISKS AND UNCERTAINTIES

As an investment holding company the principal risk that the company is exposed to is the recoverability of its investment values. The directors carry out annual impairment reviews of these investments and regular performance reviews of their underlying businesses.

Liquidity risk is managed on a group wide basis by the ultimate holding company and the company is exposed to fluctuations in market interest rates. These are managed using professionals within a fellow subsidiary. The company has no third party finance exposure.

The directors believe the company is well placed to manage its business risks successfully and has adequate resources to continue for the foreseeable future. The directors review the principal risks and uncertainties facing the company on a regular basis and ensure systems and policies are adhered to in order to minimise any risks.

FUTURE DEVELOPMENTS

It is the intention of the directors that the company will continue to act in its capacity as a holding company.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for a full understanding of the performance or position of the company

On behalf of the board



V Mathieu
Director
28 June 2017

COLGATE HOLDINGS

DIRECTORS' REPORT

The directors present their Directors' Report, and the audited financial statements of Colgate Holdings for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company.

DIRECTORS

The following directors held office during the year and up to the date of signing these financial statements:

C Burniston
I Cook (resigned 1 June 2017)
P Durocher (appointed 1 November 2016)
A Hermann (resigned 1 November 2016)
C Klados (appointed 1 April 2016)
V Mathieu (appointed 1 November 2016)
M Poli (resigned 1 September 2016)
G Thomas (resigned 1 April 2016)

RESULTS AND DIVIDENDS

The results for the year are set out on page 7.

The directors paid interim dividends on ordinary shares of £0.20 (2015: £0.866) per share amounting to £8,000,000 (2015: £34,655,000) and do not propose payment of a final dividend (2015: £Nil).

FINANCIAL RISK MANAGEMENT AND FUTURE DEVELOPMENTS

The directors set out in the separate Strategic Report information on financial risk management and future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

COLGATE HOLDINGS

DIRECTORS' REPORT

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

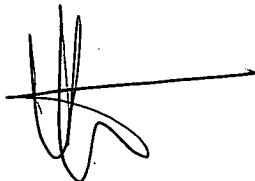
INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be passed at the Annual General Meeting.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

V Mathieu

Director

28 June 2017

Independent auditors' report to the members of Colgate Holdings

Report on the financial statements

Our opinion

In our opinion, Colgate Holdings' financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Colgate Holdings

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

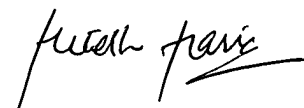
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Hitesh Haria (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
28 June 2017

COLGATE HOLDINGS**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
Income from subsidiaries		68,298	35,257
PROFIT BEFORE INTEREST AND TAXATION		68,298	35,257
Finance costs	5	(295)	(593)
PROFIT BEFORE TAXATION	6	68,003	34,664
Income tax expense	7	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		68,003	34,664

COLGATE HOLDINGS**STATEMENT OF FINANCIAL POSITION****(Company Number: 03089067)****AS AT 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	8	100,000	100,000
CURRENT ASSETS			
Cash and cash equivalents		73	73
		<u>73</u>	<u>73</u>
CREDITORS: Amounts falling due within one year	9	-	(60,003)
NET CURRENT ASSETS/(LIABILITIES)		<u>73</u>	<u>(59,930)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,073</u>	<u>40,070</u>
EQUITY			
Called up share capital	10	40,000	40,000
Retained earnings		60,073	70
TOTAL SHAREHOLDERS' FUNDS		<u>100,073</u>	<u>40,070</u>

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved by the board of directors and authorised for issue on 28 June 2017 and are signed on its behalf by:



V Mathieu
Director

COLGATE HOLDINGS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up Share Capital £'000	Retained Earnings £'000	Total shareholders' Funds £'000
Balance as at 1 January 2015	40,000	61	40,061
Profit and total comprehensive income for the year	-	34,664	34,664
Transactions with owners recognised directly in equity - Dividends	-	(34,655)	(34,655)
Balance as at 31 December 2015	40,000	70	40,070
Balance as at 1 January 2016	40,000	70	40,070
Profit and total comprehensive income for the year	-	68,003	68,003
Transactions with owners recognised directly in equity - Dividends	-	(8,000)	(8,000)
Balance as at 31 December 2016	40,000	60,073	100,073

COLGATE HOLDINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The principal activity of Colgate Holdings ('the company') is that of a holding company.

The company (Company Number: 03089067) is a private company limited by shares and it is incorporated and domiciled in England and Wales. The address of the registered office is Guildford Business Park, Middleton Road, Guildford, Surrey GU2 8JZ.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

2.1. BASIS OF PREPARATION

The financial statements of Colgate Holdings have been prepared in accordance with FRS 101 Reduced Disclosure Framework. The financial statements have been prepared under historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments.
- The requirement to disclose the valuation techniques applied to assets and liabilities held at fair value.
- The requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification.
- The requirement to disclose information relating to the company's objectives, policies and processes for managing capital.
- The requirement to publish a Statement of Cash Flows.
- The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date.
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits.
- The requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.

COLGATE HOLDINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2.1.1. GOING CONCERN

The company meets its day-to-day working capital requirements through the group treasury function. The company's forecasts and projections, taking account of reasonable changes in trading performance, show that the company should be able to operate within the level of its current support provided by the group treasury function. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.2. CONSOLIDATION EXEMPTION

These financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by Section 401 of the Companies Act 2006, as it is a subsidiary undertaking of Colgate-Palmolive Company, a company incorporated in U.S.A., and is included in the consolidated financial statements of Colgate-Palmolive Company, which are publicly available.

2.3. INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.4. IMPAIRMENT OF FINANCIAL ASSETS

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at call with banks.

2.6. CALLED UP SHARE CAPITAL

Ordinary shares are classified as equity.

2.7. CREDITORS

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8. INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

COLGATE HOLDINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2.9. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, and the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10. DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established.

2.11. DIVIDEND DISTRIBUTION

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

The company performs an annual impairment review of the underlying businesses to determine if the value of the investment is impaired. These reviews include estimates of future cash flows and/or net assets, where appropriate, for each of the investments. See note 8 for the details of these companies.

4. EMPLOYEES AND DIRECTORS' REMUNERATION

There were no (2015: no) employees during the year. No (2015: no) amounts are received by the directors in respect of their services to this company.

COLGATE HOLDINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

5. FINANCE COSTS

	2016 £'000	2015 £'000
Bank borrowings	295	593
	<u> </u>	<u> </u>

6. PROFIT BEFORE TAXATION

The audit fees and any non-audit fees are borne by Colgate-Palmolive (U.K.) Limited.

7. INCOME TAX EXPENSE

The company has no (2015: no) current tax charge for the year.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the effective rate of corporation tax in the UK of 20% (2015: 20.25%) as explained below:

	2016 £'000	2015 £'000
Profit before taxation	68,003	34,664
	<u> </u>	<u> </u>
Profit before taxation multiplied by the effective rate of corporation tax of 20% (2015: 20.25%)	13,601	7,020
	<u> </u>	<u> </u>
Effects of:		
Exempt income from shares in group undertakings	(13,660)	(7,140)
Surrender of tax losses for no payment	59	120
	<u> </u>	<u> </u>
Total tax charge for the year	<u> </u> <u> </u>	<u> </u> <u> </u>

The company has no timing differences and accordingly has no recognised deferred tax.

During the year, Finance Act 2016 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 2%, reaching 17% with effect from 1 April 2020. As this change was substantively enacted at the balance sheet date and no material amount is expected to unwind prior to 1 April 2020.

COLGATE HOLDINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

8. INVESTMENTS

£'000

Cost and net book value at 1 January 2016 and 31 December 2016 100,000

The company's subsidiary undertakings as at 31 December 2016 are set out below:

Name of company	Country of incorporation or registration	Class of shares held	Proportion of class
Direct Investments:			
Colgate (UK) Limited	Great Britain	Ordinary	100%
Indirect Investments:			
Colgate-Palmolive (U.K.) Limited	Great Britain	Ordinary	100%
Colgate-Palmolive (Proprietary) Limited	South Africa	Ordinary	95.28%
Colgate-Palmolive Support Services	Ireland	Ordinary	100%
Colgate-Palmolive Operations (Ireland) Limited	Ireland	Ordinary	100%
Colgate-Palmolive Investments (UK) Limited	Great Britain	Ordinary	100%

Registered Offices in the country of incorporation:

Guildford Business Park, Middleton Road, Guildford, Surrey, GU2 8JZ
 Colgate House, Building No. 7, Maxwell Office Park, Waterfall City, Jukskei View, 2090, South Africa
 Unit 3054, Lake Drive, Citywest Business Campus, Dublin 24, Ireland

Principal activities:

Colgate (UK) Limited – holding company.
 Colgate-Palmolive (U.K.) Limited – marketing and sale of personal care products.
 Colgate-Palmolive Support Services – provision of IT and treasury services to Colgate-Palmolive subsidiaries.
 Colgate-Palmolive Operations (Ireland) Limited – liquidated 14 March 2017.
 Colgate-Palmolive (Proprietary) Limited – manufacture, marketing and sale of household and personal care products.
 Colgate-Palmolive Investments (UK) Limited – holding company of Colgate-Palmolive (Proprietary) Limited.

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Bank loan	-	60,000
Accruals and deferred income	-	3
	<u>-</u>	<u>60,003</u>

In the prior year the company had an unsecured bank loan of £60,000,000 with a repayment date of 27 June 2017. The loan attracted quarterly interest payments of LIBOR+0.4133%. During the year, the company repaid the bank loan on 27 June 2016 in advance of the repayment date.

COLGATE HOLDINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

10. CALLED UP SHARE CAPITAL

	2016 £'000	2015 £'000
Allotted, issued and fully paid: 40,000,000 (2015: 40,000,000) ordinary shares of £1 each	40,000	40,000

11. THE COMPONENTS OF CAPITAL AND RESERVES

Called up share capital

The share capital records the nominal value of shares issued and paid up.

Retained earnings

The retained earnings account represents the cumulative profit and loss of the company net of distributions to owners.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption given in FRS 101 from the requirement to disclose transactions between two or more members of a group provided that any party to the transaction is wholly owned within that group.

13. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Colgate-Palmolive Company, which is incorporated in Delaware, USA. The largest and smallest group in which the results of Colgate Holdings are consolidated is that headed by Colgate-Palmolive Company. The consolidated financial statements of Colgate-Palmolive Company are available to the public and may be obtained from Colgate-Palmolive Company, 300 Park Avenue, New York, USA.

The immediate parent company is Norwood International (US).