

**Company Registration No. 375793**

**Church & Dwight UK Limited**

**Annual Report and Financial Statements**

**30 November 2006**

**SATURDAY**



**\*AJMG8TYU\***  
**A14 20/10/2007 333**  
**COMPANIES HOUSE**

# **Church & Dwight UK Limited**

## **Annual report and financial statements 2006**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Statement of total recognised gains and losses</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>

# **Church & Dwight UK Limited**

## **Annual report and financial statements 2006**

### **Officers and professional advisers**

#### **Directors**

A J L Huns  
H E Cocker  
P J Gilham

#### **Secretary**

P J Gilham

#### **Registered office**

Wear Bay Road  
Folkestone  
Kent  
CT19 6PG

#### **Bankers**

Barclays Bank plc  
Folkestone  
Kent

#### **Solicitors**

CMS Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London  
EC1A 4DD

#### **Independent auditors**

Deloitte & Touche LLP  
Chartered Accountants  
Crawley

# Church & Dwight UK Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 November 2006

### Business review and principal activities

The company is a wholly owned subsidiary of Church & Dwight Co Inc, a US corporation listed on the NYSE and operates as part of the Group's International Consumer Products division

The company's principal activities are the manufacture and sale of toiletry and household products in the UK, Europe, Middle East and other parts of the world. The company sells to the consumer products sector and to other group businesses

The company continues to invest in research and development as part of the product development cycle and establishment of new products. Research and development facilities are utilised principally in the UK, USA and France. The directors regard research and development investment as necessary to secure the continuing success of the business and its brands

As shown in the profit and loss account on page 6, the company has continued to perform strongly in the year

The balance sheet on page 7 shows that the company remains in a strong position in terms of net assets and cash

The Church & Dwight Co Inc group manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development of the business. The performance of the International Consumer Products division is discussed in the Group's annual report and filings, which do not form part of this report

### Principal risks and uncertainties

Competitive trading conditions in the UK and Europe are putting pressure on certain brands which could lead to a loss of sales revenue. The company manages this risk by marketing a broad product range across many countries and maintaining strong relationships with customers

### Financial risk management objectives and policies

The company's activities expose it to a number of financial risks

#### *Currency risk*

The company sells in a variety of overseas currencies, including the US\$ and the Euro and is exposed to fluctuations in exchange rates. The group's treasury function is responsible for managing this risk. The company does not hedge its currency risks and does not enter into forward exchange contracts

#### *Interest rate risk*

The company has no third party debt and thus has no interest rate exposure

#### *Credit risk*

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables and the amounts presented in the balance sheet are net of allowances for doubtful receivables. There is no concentration of credit risk in the balance sheet

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Group risks are discussed in Group's annual report and filings which do not form part of this report

### Environment

The group recognises the importance of its environmental responsibilities and implements policies to reduce the impact of group activities. Initiatives include the safe disposal of manufacturing waste, recycling and reducing energy consumption

# Church & Dwight UK Limited

## Directors' report (continued)

### Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that disabled employees are given the same opportunity for training, career development and promotion as any other employee.

The company keeps employees informed on matters relevant to them through regular formal briefings, plus an annual business review. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

### Dividends

The directors paid a dividend of £3,157,433 being £4.41 per ordinary share (2005 - £461,000 being £0.64 per ordinary share).

### Future prospects

The company will continue to operate in its market in the UK and overseas, and will seek to take advantage of expansion opportunities wherever it sees fit.

### Directors

The directors who held office throughout the year were as detailed on page 1.

### Independent Auditors and statement of provision of information to the independent auditors

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



P J Gilham  
Secretary

17 OCTOBER

2007

# **Church & Dwight UK Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

## **Independent Auditors' Report to the Members of Church & Dwight UK Limited**

We have audited the financial statements of Church & Dwight UK Limited for the year ended 30 November 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

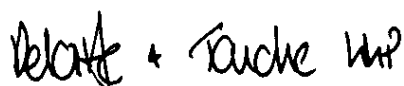
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Crawley

United Kingdom

18 October 2007

# Church & Dwight UK Limited

## Profit and loss account Year ended 30 November 2006

	Note	2006 £'000	2005 £'000
Turnover	3	46,580	40,244
Cost of sales		30,997	25,591
<b>Gross profit</b>		<b>15,583</b>	<b>14,653</b>
Distribution costs		9,933	9,076
Administrative expenses		1,658	1,206
		3,992	4,371
Other operating (expense)/income		(128)	67
<b>Operating profit</b>	5	<b>3,864</b>	<b>4,438</b>
Other interest receivable and similar income	6	242	314
Interest payable and similar charges	7	(73)	(134)
<b>Profit on ordinary activities before taxation</b>		<b>4,033</b>	<b>4,618</b>
Tax on profit on ordinary activities	8	(1,024)	(573)
<b>Profit on ordinary activities after taxation for the financial year</b>		<b>3,009</b>	<b>4,045</b>

All activities derive from continuing operations

## Statement of total recognised gains and losses Year end 30 November 2006

	Note	2006 £'000	2005 £'000
Profit on ordinary activities after taxation for the financial year		3,009	3,584
Actuarial (loss)/gain relating to the pension scheme	19	(161)	199
UK deferred tax attributable to actuarial gain/(loss)		48	(60)
<b>Total recognised gains and losses relating to the current year</b>		<b>2,896</b>	<b>3 723</b>




# Church & Dwight UK Limited

## Balance sheet 30 November 2006

	Note	2006 £'000	2005 (As restated - see note 2) £'000
<b>Fixed assets</b>			
Intangible assets	10	2,211	2,408
Tangible assets	11	5,250	5,063
Investments	12	-	-
		<u>7,461</u>	<u>7,471</u>
<b>Current assets</b>			
Stocks	13	9,478	6,789
Debtors	14	11,696	15,294
Cash at bank and in hand		6,873	4,525
		<u>28,047</u>	<u>26,608</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(7,589)</u>	<u>(5,603)</u>
<b>Net current assets</b>		<u>20,458</u>	<u>21,005</u>
<b>Total assets less current liabilities</b>		<u>27,919</u>	<u>28,355</u>
<b>Provisions for liabilities</b>	16	<u>(563)</u>	<u>(445)</u>
<b>Net assets excluding pension liability</b>		<u>27,356</u>	<u>28,031</u>
Pension liability	19	<u>(3,588)</u>	<u>(3,879)</u>
<b>Net assets including pension liability</b>		<u><u>23,768</u></u>	<u><u>24,152</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	716	716
Share premium account	20	208	208
Profit and loss account	20	22,844	23,228
<b>Total shareholders' funds</b>	20	<u><u>23,768</u></u>	<u><u>24,152</u></u>

These financial statements were approved by the Board of Directors on 17 ~~5~~ OCTOBER 2007

Signed on behalf of the Board of Directors

  
H E Cocker  
Director

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year other than the adoption of FRS21 'Events after the balance sheet date'. See details in note 2 prior period adjustment.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The company has a subsidiary Denver Laboratories Limited which has not been consolidated as it is not material. These accounts therefore relate to the individual company and not the group.

#### Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% per annum
Fixtures and fittings	10% - 14%
Plant and machinery	10% - 20%

No depreciation is provided on freehold land or assets in the course of construction.

#### Intangible fixed assets

Concessions, licences and trademarks purchased by the company prior to the introduction of Financial Reporting Standard 10 are amortised over 40 years based on the original acquisition plan. These assets have continued to perform in accordance with the original plan and consequently a 40 year useful life is still considered to be appropriate. Concessions, licences and trademarks acquired since 1997 together with non-competitive covenants and other intangibles are amortised over 20 years, the presumed maximum life under Financial Reporting Standard 10.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 1. Accounting policies (continued)

#### Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits are vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

### 2. Prior period adjustment

Following the adoption of FRS 21, 'Events after the balance sheet date' during the year, the company has restated the 2005 figures to remove final dividends that were declared but not approved by the members of the company before 30 November 2005.

	Creditors amounts falling due within one year £'000	Reserves £'000
Original balances as at 30 November 2005	5,725	23,106
Dividends not paid	(122)	122
Restated figures as at 30 November 2005	<u>5,603</u>	<u>23,228</u>

The adoption of FRS 21 in the period has no impact on the result for either the current or preceding financial year, or other gains and losses.

### 3. Turnover

	2006 £'000	2005 £'000
<b>By geographical market.</b>		
United Kingdom	25,530	24,221
Europe	7,369	4,924
Middle East	3,985	3,130
Other	9,696	7,969
	<u>46,580</u>	<u>40,244</u>

All turnover is derived from the company's principal activity.

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 4 Information regarding directors and employees

	2006 £'000	2005 £'000
Directors' emoluments	334	287

#### Highest paid director:

The aggregate of emoluments of the highest paid director was £246,153 (2005 - £198,197). He is a member of a defined benefit scheme, under which the accrued pension to which he would be entitled from normal retirement date if he were to leave service at the period end was £114,029 per annum (2005 - £83,911 per annum).

	2006 No.	2005 No.
Retirement benefits are accruing to the following number of directors under:		
Defined benefit scheme	2	2

	2006 No.	2005 No.
Average number of persons employed (including directors) during the year:		
Marketing	9	16
Sales	17	17
Administration	19	18
Manufacturing	267	252
	312	303

	£'000	£'000
Staff costs during the year:		
Wages and salaries	6,650	5,962
Social security costs	555	481
Pension costs	686	726
	7,891	7,169

# Church & Dwight UK Limited

## Notes to the accounts

For the year ended 30 November 2006

### 5. Operating profit

	2006 £'000	2005 £'000
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation	602	544
Amortisation of concessions, licences and trademarks	125	198
Impairment of intangible assets	72	-
Exchange losses/(gains)	165	(8)
Rentals payable under operating leases		
hire of plant and machinery	100	93
hire of other assets	405	443
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	72	60
Other services pursuant to legislation		
Tax services	5	5
	<u>          </u>	<u>          </u>

Audit fee above includes an amount of £5,000 (2005 - £4,800) in respect of the audit of the immediate parent company of this entity

### 6. Other interest receivable and similar income

	2006 £'000	2005 £'000
Bank interest	92	175
Other interest receivable - group	150	139
	<u>          </u>	<u>          </u>
	242	314
	<u>          </u>	<u>          </u>

### 7 Interest payable and similar charges

	2006 £'000	2005 £'000
Other finance charges – net interest expense on pension scheme assets and liabilities	73	134
	<u>          </u>	<u>          </u>

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 8. Tax on profit on ordinary activities

#### (a) Analysis of tax charge on profit on ordinary activities

	2006 £'000	2005 £'000
<b>Current tax</b>		
United Kingdom corporation tax at 30% (2005 – 30%) based on the profit for the year	741	831
Adjustments in respect of prior years	(8)	(66)
	<u>733</u>	<u>765</u>
Group relief - prior year adjustment	-	(429)
Total current tax	<u>733</u>	<u>336</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	106	129
Adjustments in respect of prior years	12	(2)
FRS17 current year tax timing differences	173	110
	<u>1,024</u>	<u>573</u>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK of 30% (2005 – 30%) The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	<u>4,033</u>	<u>4,618</u>
Tax at 30% thereon	1,210	1,385
Effects of		
Income disallowable/expenses not deductible for tax purposes	(53)	(180)
Capital allowances in excess of depreciation	(102)	(118)
Movement in short term timing differences	(4)	(11)
Group relief not paid for	(137)	(135)
Prior period adjustment	(8)	(495)
FRS17 current year tax timing differences	(173)	(110)
Total actual amount of current tax	<u>733</u>	<u>336</u>

### 9. Dividends

	2006 £'000	2005 (As restated - see note 2) £'000
Dividend of £4 41 per ordinary £1 share (2005 - £0 48) paid in instalments	3,158	339
Dividend of £0 16 per share (2005 – nil)	<u>122</u>	<u>-</u>

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 10. Intangible fixed assets

	Other £'000	Non- competitive covenants £'000	Concessions, licences and trademarks £'000	Total £'000
<b>Cost</b>				
At 1 December 2005 and at 30 November 2006	16	75	4,035	4,126
<b>Accumulated amortisation</b>				
At 1 December 2005	-	75	1,643	1,718
Charge for the year	-	-	125	125
Impairment losses	-	-	72	72
At 30 November 2006	-	75	1,840	1,915
<b>Net book value</b>				
At 30 November 2006	16	-	2,195	2,211
At 30 November 2005	16	-	2,392	2,408

### 11. Tangible fixed assets

	Freehold land £'000	Freehold buildings £'000	Plant, machinery, fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
<b>Cost</b>					
At 1 December 2005	32	1,437	10,039	1,085	12,593
Additions	-	28	119	642	789
Transfers	-	-	276	(276)	-
At 30 November 2006	32	1,465	10,434	1,451	13,382
<b>Accumulated depreciation</b>					
At 1 December 2005	-	634	6,896	-	7,530
Charge for the year	-	65	537	-	602
At 30 November 2006	-	699	7,433	-	8,132
<b>Net book value</b>					
At 30 November 2006	32	766	3,001	1,451	5,250
At 30 November 2005	32	803	3,143	1,085	5,063

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 12. Investments

	2006 £'000	2005 £'000
Investment in Denver Laboratories Limited	-	-

The company has a dormant subsidiary Denver Laboratories Limited, incorporated in the United Kingdom, which has not been consolidated as it is not material

### 13. Stocks

	2006 £'000	2005 £'000
Raw materials and consumables	3,431	2,515
Work-in-progress	436	868
Finished goods and goods for resale	5,611	3,406
	<u>9,478</u>	<u>6,789</u>

### 14. Debtors

	2006 £'000	2005 £'000
Trade debtors	8,446	6,953
Amounts owed by group undertakings	2,211	7,715
Corporation tax recoverable	453	137
Other debtors	132	50
Prepayments and accrued income	454	439
	<u>11,696</u>	<u>15,294</u>

### 15 Creditors amounts falling due within one year

	2006 £'000	2005 (As restated - see note 2) £'000
Trade creditors	3,636	2,224
Amounts owed to group undertakings	1,699	897
Current corporation tax	174	146
Other taxation and social security	177	194
Accruals and deferred income	1,903	2,142
	<u>7,589</u>	<u>5,603</u>



# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 16. Provisions for liabilities

#### Deferred taxation

	£'000
Balance at 1 December 2005	445
Charge for the period in the profit and loss account	118
Balance at 30 November 2006	563

The amounts provided in the accounts for deferred taxation are as follows

	2006 £'000	2005 £'000
Difference between accumulated depreciation and amortisation and capital allowances	617	503
Other short term timing differences	(54)	(58)
	563	445

### 17. Called up share capital

	2006 £'000	2005 £'000
Authorised, allotted, called up and fully paid· 716,000 (2005 - 716,000) ordinary shares of £1 each	716	716

### 18. Financial commitments

	2006 £'000	2005 £'000
<b>Capital commitments:</b>		
Contracted for but not provided	1,167	264

There is a contingent liability relating to 2 bonds in favour of H M Revenue and Customs totalling £120,000 (2005 - £120,000)

	2006		2005	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Obligations under non-cancellable operating leases expiring:</b>				
within one year	-	98	18	91
in the second to fifth years inclusive	60	138	60	160
over five years	212	-	137	-
	272	236	215	251

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 19 Pensions

The company operates two funded pension schemes providing benefits based on final pensionable pay namely the 'Main Plan' and the 'Senior Executive Plan'. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by the schemes' qualified actuaries on the basis of regular valuations.

For the most recent valuation of the Main Plan, as at 28 February 2006, the Attained Age Method was used. At this valuation the Plan showed a deficit of £1.7 million at the valuation date based on the assumptions made for calculating its technical provisions. This measure compares the Plan's assets with the value of the past service benefits at 28 February 2006. It represents a funding level of 91% relative to the Plan's funding target.

The Senior Executive Plan was set up with effect from 1 November 1989 to provide additional benefits to senior employees in the Main Plan. The most recent valuation for the Senior Executive Plan, as at 28 February 2005, used the Attained Age Method.

At the date of the latest valuation the market value of the Senior Executive Plan scheme's assets was £1,614,000 and the actuarial value of those assets represented 72% of the benefits that had accrued to members of the Senior Executive Plan after allowing for expected future increases in earnings.

On the basis of this valuation the Senior Executive Plan's actuaries have determined a past service deficit of £630,000, which is being accounted for over seventeen years, the average remaining service lives of the Senior Executive Plan's members.

In order to comply with the disclosure requirements of FRS 17 – "Retirement benefits", the following information in respect of Carter-Wallace Limited Defined Benefit Pension Schemes (the Carter Products Limited Retirement Benefits Plan ("Main Plan") and the Carter Products Limited Senior Executive Plan ("Senior Executive Plan")) is presented as at 30 November 2006.

The following amounts have been disclosed on a combined basis. The valuations for both plans were updated to 30 November 2006 by a qualified actuary, taking into account the projected unit method as required by FRS 17.

The major assumptions used by the actuary were in nominal terms.

	At year end 30 November 2006	At year end 30 November 2005	At year end 30 November 2004
Rate of increase in salaries	4.10%	4.35%	4.25%
Rate of increase of pensions in payment	3.10%	2.85%	2.75%
Rate of increase of pensions in deferment	3.10%	2.85%	2.75%
Discount rate	5.00%	5.10%	5.30%
Inflation assumption	3.10%	2.85%	2.75%

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 19 Pensions (continued)

The assets in the Plans and the expected rates of return (net of Plan expenses) were

	At year end 30 November 2006	At year end 30 November 2006 £'000	At year end 30 November 2005	At year end 30 November 2005 £'000	At year end 30 November 2004	At year end 30 November 2004 £'000
Equities	6.90%	14,844	6.80%	12,554	7.10%	10,316
Gilts	4.40%	4,031	4.30%	2,930	4.60%	2,071
Other Bonds	5.00%	319	5.10%	482	5.30%	668
Other	5.00%	1,164	4.50%	1,130	4.75%	790
Property	-	-	6.80%	376	6.10%	323
Total market value of assets		20,358		17,472		14,168
Actuarial value of liability		(25,483)		(23,013)		(20,276)
Deficit in the Plans		(5,125)		(5,541)		(6,108)
Related deferred tax asset		1,537		1,662		1,832
Net pension liability		(3,588)		(3,879)		(4,276)

### Reconciliation of scheme assets and liabilities to the balance sheet

	30 November 2006 £'000	30 November 2005 £'000	30 November 2004 £'000
Fair value of scheme assets	20,358	17,472	14,168
Present value of scheme liabilities	(25,483)	(23,013)	(20,276)
Deficit in scheme	(5,125)	(5,541)	(6,108)
Related deferred tax	1,537	1,662	1,832
Net pension liability	(3,588)	(3,879)	(4,276)

### Analysis of the amount charged to operating profit

	Year to 30 November 2006 £'000	Year to 30 November 2005 £'000
Current service cost	613	592

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 19 Pensions (continued)

#### Analysis of amounts included as other finance charge

	Year to 30 November 2006 £'000	Year to 30 November 2005 £'000
Expected return on pension plan's assets	1,104	946
Interest on pension liabilities	(1,177)	(1,080)
Net finance charge	(73)	(134)

#### Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	Year to 30 November 2006 £'000	Year to 30 November 2005 £'000
Actual return less expected return on plan's assets	1,012	1,653
Experience gains and losses on liabilities	1,300	(183)
Changes in assumptions	(2,473)	(1,271)
Actuarial (loss)/gain recognised in STRGL	(161)	199

#### Reserves reconciliation

	30 November 2006 £'000	30 November 2005 £'000
Profit and loss reserve including pension liability	22,844	23,228
Pension liability	3,588	3,879
Profit and loss reserve excluding pension liability	26,432	27,107

# Church & Dwight UK Limited

## Notes to the accounts For the year ended 30 November 2006

### 19. Pensions (continued)

#### Movement in deficit during the year

	Year to 30 November 2006 £'000	Year to 30 November 2005 £'000
Deficit in Plans at beginning of year	(5,541)	(6,108)
Movement in year		
Current service cost	(613)	(592)
Contributions	1,263	1,094
Net finance cost	(73)	(134)
Actuarial (loss)/gain	(161)	199
Deficit in Plans at end of year	<u>(5,125)</u>	<u>(5,541)</u>

The actuarial valuations at 30 November 2006 showed a decrease in the deficit from £5,541,000 to £5,125,000. Company cash contributions for the year were £1,263,000 (2005 - £1,094,000) to both plans on a combined basis.

#### History of experience gains and losses

	Year ended 30 November 2006	Year ended 30 November 2005	Year ended 30 November 2004	Year ended 30 November 2003
<b>Difference between expected and actual return on Plan's assets:</b>				
amount (£'000)	1,012	1,653	155	231
percentage of Plan assets	5%	9%	1%	2%
<b>Experience gains and losses on Plan's liabilities:</b>				
amount (£'000)	1,300	(183)	(110)	(180)
percentage of Plan liabilities	5%	(1%)	(1%)	(1%)
<b>Total amount recognised in statement of total recognised gains and losses:</b>				
amount (£'000)	(161)	199	(1,001)	(1,163)
percentage of Plan liabilities	(1%)	1%	(5%)	(6%)

# Church & Dwight UK Limited

## Notes to the accounts

### For the year ended 30 November 2006

#### 20 Combined reconciliation of movements in shareholders' funds and statement of movements on reserves

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance at 1 December 2005	716	208	23,106	24,030
Prior period adjustment (note 2)	-	-	122	122
Balance at 1 December 2005 restated	716	208	23,228	24,152
Profit for the financial year	-	-	3,009	3,009
Dividends paid	-	-	(3,280)	(3,280)
Net actuarial loss	-	-	(113)	(113)
Balance at 30 November 2006	716	208	22,844	23,768

#### 21 Ultimate parent company

Church & Dwight UK Limited is a wholly owned subsidiary of Armkel UK Limited, incorporated in the United Kingdom, which is a fully owned subsidiary of Armkel Company (Netherlands) BV which in turn is a wholly owned subsidiary of Church & Dwight Co Inc

The company's ultimate parent undertaking is therefore Church & Dwight Co Inc, incorporated in the state of Delaware, United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 469 North Harrison Street, Princeton, New Jersey 08543-5297

#### 22. Related party transactions

The company has taken advantage of the exemption in FRS8 extended to subsidiary undertakings 90% or more of whose voting rights are controlled within a group, where the consolidated financial statements of the group are publicly available. Accordingly no disclosure has been made of transactions with entities that are part of the group headed by Church & Dwight Co Inc