

Company Registration No. 375793

Church & Dwight UK Limited

Annual Report and Financial Statements

30 November 2008

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Church & Dwight UK Limited

Annual report and financial statements 2008

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Church & Dwight UK Limited

Annual report and financial statements 2008

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 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 2008.

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 and Global Supply Chain Operations.

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 7, the company has continued to perform strongly in the year.

The balance sheet on page 8 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.

Financial position

Throughout the financial year the company met its day to day working capital requirements through cash generated from operations. There is no requirement for external finance and loans. The company continues to be profitable and has net assets of £24m at 30 November 2008. The directors have reviewed the company's future working capital and cash requirements and revenue projections, the sensitivities of which have been reviewed against the current uncertain economic environment. They are of the opinion that the forecasts which take account of possible changes in trading performance in the current uncertain economic environment, show that the company should be able to operate within its current level of cash and working capital, without the requirement for any external finance. Accordingly the directors continue to adopt a going concern basis in preparing the financial statements.

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 including currency risk and credit risk.

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. Net cash/foreign currency movements are reasonably balanced and subsequently the company does not hedge its currency risks and does not enter into forward exchange contracts.

Church & Dwight UK Limited

Directors' report (continued)

Financial risk management objectives and policies (continued)

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 directors are aware of the risk to cash funds deposited with banks and monitor the credit ratings of the banks they deposit with on a regular basis. Should the ratings deteriorate, then the directors will seek alternative institutions with which to deposit funds.

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.

Employees

Details of the number of employees and related costs can be found in note 3 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 information 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 £5,040,801 being £7.040p per ordinary share (2007 - £320,096 being £0.447 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.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Church & Dwight UK Limited

Directors' report (continued)

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

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

Deloitte LLP have expressed their willingness to continue in office as auditors of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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.

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



P J Gilham
Secretary

16 SEPT

2009

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 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 20. 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 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 2008 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 LLP
Chartered Accountants and Registered Auditors
Crawley
United Kingdom

17 September 2009

Church & Dwight UK Limited

Profit and loss account Year ended 30 November 2008

	Note	2008 £'000	2007 £'000
Turnover	2	49,928	48,221
Cost of sales		(34,924)	(32,651)
Gross profit		15,004	15,570
Distribution costs		(10,265)	(10,082)
Administrative expenses		(2,037)	(2,281)
		2,702	3,207
Other operating income/(expense)		41	(61)
Operating profit	4	2,743	3,146
Interest receivable and similar income	5	69	193
Interest payable and similar charges	6	(82)	-
Profit on ordinary activities before taxation		2,730	3,339
Tax on profit on ordinary activities	7	(834)	(1,389)
Profit on ordinary activities after taxation for the financial year	18	1,896	1,950

All activities derive from continuing operations.

Statement of total recognised gains and losses Year ended 30 November 2008

	Note	2008 £'000	2007 £'000
Profit on ordinary activities after taxation for the financial year		1,896	1,950
Actuarial gain relating to the pension scheme	17	773	2,291
UK deferred tax attributable to actuarial gain		(216)	(641)
Total recognised gains and losses relating to the current year		2,453	3,600

Church & Dwight UK Limited

Balance sheet 30 November 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Intangible assets	9	1,756	1,997
Tangible assets	10	6,073	6,287
		<u>7,829</u>	<u>8,284</u>
Current assets			
Stocks	11	8,888	10,556
Debtors	12	12,967	13,276
Cash at bank and in hand		2,441	4,430
		<u>24,296</u>	<u>28,262</u>
Creditors: amounts falling due within one year	13	<u>(6,453)</u>	<u>(7,049)</u>
Net current assets		<u>17,843</u>	<u>21,213</u>
Total assets less current liabilities		25,672	29,497
Provisions for liabilities	14	<u>(640)</u>	<u>(769)</u>
Net assets excluding pension liability		25,032	28,728
Pension liability	17	<u>(572)</u>	<u>(1,680)</u>
Net assets including pension liability		<u>24,460</u>	<u>27,048</u>
Capital and reserves			
Called up share capital	15	716	716
Share premium account	18	208	208
Profit and loss account	18	23,536	26,124
Total shareholders' funds	18	<u>24,460</u>	<u>27,048</u>

These financial statements were approved by the Board of Directors on 16 SEPT 2009.

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 2008

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 with the exception of FRS 17: Defined benefit pension schemes where disclosures have been increased to comply with amendments to the Standard.

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.

Going concern

The company's business activities together with the factors likely to affect its future development, performance and position are set out in the business review in the directors' report. The directors' report on page 2 describes the financial position of the company, financial risk management objectives and its exposure to credit and currency risk.

The directors have reviewed future working capital and cash requirements and revenue projections for the next 12 months and are confident that the company has sufficient cash resources to meet liabilities as they fall due, without the requirement for external sources of finance.

Having regard to the above, the directors are of the opinion that, at the time of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

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	4% 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 between 10 and 20 years. These assets have continued to perform in accordance with the original plan and consequently a 10 – 20 year useful life is 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.

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

1. Accounting policies (continued)

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.

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.

The defined benefit schemes are now closed to new entrants. Accordingly the company supports an approved Stakeholder Scheme and contributes on a matching basis up to 6% of eligible earnings. The actual cost charged to the profit and loss account for the period to 30 November 2008 of £75,690 (2007 - £59,432) represents amounts payable to the scheme for the period then ended. There are no outstanding contributions (2007 – nil) at the balance sheet date.

Comparative information

Certain comparatives have been restated in order to aid comparability with current year information. The comparatives affected are trade debtors, other debtors, trade creditors and other taxation and social security. The restatements merely reclassify costs between these categories. There is no effect on the profit and loss.

Pension costs in note 3 have also been amended to include the company cost of the stakeholder pension scheme.

Turnover

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

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

2. Turnover

	2008 £'000	2007 £'000
By geographical market:		
United Kingdom	27,148	26,420
Europe	11,019	8,403
Middle East	3,698	3,443
Other	8,063	9,955
	<u>49,928</u>	<u>48,221</u>

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

3. Information regarding directors and employees

	2008 £'000	2007 £'000
Directors' emoluments	<u>338</u>	<u>316</u>

Highest paid director:

The aggregate emoluments of the highest paid director was £227,287 (2007 - £214,718). 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 £122,151 per annum (2007 - £118,020 per annum).

	2008 No.	2007 No.
Retirement benefits are accruing to the following number of directors under:		
Defined benefit scheme	<u>2</u>	<u>2</u>

	2008 No.	2007 No.
Average number of persons employed (including directors) during the year:		
Marketing	8	9
Sales	19	19
Administration	20	20
Manufacturing	282	286
	<u>329</u>	<u>334</u>

	£'000	£'000
Staff costs during the year:		
Wages and salaries	6,972	7,124
Social security costs	572	595
Pension costs	778	805
	<u>8,322</u>	<u>8,524</u>

Included within the profit and loss charge for pensions in the year is an actuarial gain of £773,000 (2007 - gain £2,291,000) that has been charged to the statement of total recognised gains and losses.

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

4. Operating profit

	2008 £'000	2007 £'000
Operating profit is stated after charging:		
Depreciation	1,039	708
Amortisation of concessions, licences and trademarks	241	214
Research and development	133	135
Exchange (gains)/losses	(570)	75
Rentals payable under operating leases:		
hire of plant and machinery	95	98
hire of other assets	443	459
Auditors' remuneration:		
Fees payable to the company's auditors for the audit of the company's annual accounts	78	65
	<u>78</u>	<u>65</u>

5. Interest receivable and similar income

	2008 £'000	2007 £'000
Bank interest	69	177
Other finance charges		
– net interest income on pension scheme assets and liabilities	-	16
	<u>69</u>	<u>193</u>

6. Interest payable and similar charges

	2008 £'000	2007 £'000
Other finance charges		
– net interest expense on pension scheme assets and liabilities	13	-
Interest on Corporation Tax	69	-
	<u>82</u>	<u>-</u>

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

7. Tax on profit on ordinary activities

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

	2008 £'000	2007 £'000
Current tax		
United Kingdom corporation tax at 28.67% (2007 – 30%) based on the profit for the year	606	638
Adjustments in respect of prior years	142	395
Total current tax	748	1,033
Deferred tax		
Timing differences, origination and reversal	6	171
Adjustments in respect of prior years	(135)	(38)
Removal of deferred tax asset	-	129
Opening deferred tax change due to rate change	-	(56)
FRS17 current year tax timing differences	215	150
	834	1,389

(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 28.67% (2007 – 30%). The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	2,730	3,339
Tax at 28.67% thereon:	783	1,001
Effects of:		
Expenses not deductible for tax purposes	148	73
Capital allowances in excess of depreciation	28	(187)
Movement in short term timing differences	(34)	-
Group relief not paid for	(99)	(99)
Prior period adjustment	142	395
FRS17 current year tax timing differences	(220)	(150)
Total actual amount of current tax	748	1,033

8. Dividends

	2008 £'000	2007 £'000
Dividend of £7.040 per ordinary £1 share (2007 - £0.447) paid in instalments	5,041	320

An amount of £111,267 (2007 - £nil) was paid out to Armkel Company (UK) Limited on 12 December 2008. The total dividend received by Armkel Company (UK) Limited was £5,152,068.

Church & Dwight UK Limited

Notes to the accounts For the year ended 30 November 2008

9. Intangible fixed assets

	Other £'000	Non- competitive covenants £'000	Concessions, licences and trademarks £'000	Total £'000
Cost				
At 1 December 2007 and at 30 November 2008	16	75	4,035	4,126
Accumulated amortisation				
At 1 December 2007	-	75	2,054	2,129
Charge for the year	-	-	241	241
At 30 November 2008	-	75	2,295	2,370
Net book value				
At 30 November 2008	16	-	1,740	1,756
At 30 November 2007	16	-	1,981	1,997

10. Tangible fixed assets

	Freehold land £'000	Freehold buildings £'000	Plant, machinery, fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 December 2007	32	1,465	11,235	845	13,577
Additions	-	31	702	92	825
Transfers	-	21	698	(719)	-
Adjustments	-	303	(1,092)	-	(789)
At 30 November 2008	32	1,820	11,543	218	13,613
Accumulated depreciation					
At 1 December 2007	-	840	6,450	-	7,290
Charge for the year	-	71	968	-	1,039
Adjustments	-	-	(789)	-	(789)
At 30 November 2008	-	911	6,629	-	7,540
Net book value					
At 30 November 2008	32	909	4,914	218	6,073
At 30 November 2007	32	625	4,785	845	6,287

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

11. Stocks

	2008 £'000	2007 £'000
Raw materials and consumables	4,053	3,996
Work-in-progress	402	472
Finished goods and goods for resale	4,433	6,088
	<u>8,888</u>	<u>10,556</u>

12. Debtors

	2008 £'000	2007 £'000
Trade debtors	9,944	8,603
Amounts owed by group undertakings	2,444	2,819
Corporation tax recoverable	146	331
Other debtors	192	1,104
Prepayments and accrued income	241	419
	<u>12,967</u>	<u>13,276</u>

13. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	3,175	3,800
Amounts owed to group undertakings	790	854
Current corporation tax	257	588
Other taxation and social security	214	353
Accruals and deferred income	2,017	1,454
	<u>6,453</u>	<u>7,049</u>

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

14. Provisions for liabilities

Deferred taxation

	£'000
Balance at 1 December 2007	769
Charge for the period in the profit and loss account	(129)
Balance at 30 November 2008	<u>640</u>

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

	2008 £'000	2007 £'000
Difference between accumulated depreciation and amortisation and capital allowances	692	855
Other short term timing differences	(52)	(86)
	<u>640</u>	<u>769</u>

15. Called up share capital

	2008 £'000	2007 £'000
Authorised, allotted, called up and fully paid: 716,000 (2007 - 716,000) ordinary shares of £1 each	<u>716</u>	<u>716</u>

16. Financial commitments

	2008 £'000	2007 £'000
Capital commitments: Contracted for but not provided	<u>24</u>	<u>278</u>

There is a contingent liability relating to 2 bonds in favour of H M Revenue and Customs totalling £120,000 (2007 - £120,000).

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under non-cancellable operating leases expiring:				
within one year	-	64	30	77
in the second to fifth years inclusive	154	151	77	131
over five years	135	-	135	8
	<u>289</u>	<u>215</u>	<u>242</u>	<u>216</u>

Church & Dwight UK Limited

Notes to the accounts

For the year ended 30 November 2008

17. Pensions

The company operates two funded pension schemes providing benefits based on final pensionable pay namely the 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")). 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 2006, used the Attained Age Method.

At the date of the latest valuation the market value of the Senior Executive Plan scheme's assets was £2,147,000 and the actuarial value of those assets represented 52% 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 shortfall against technical provisions of £2,100,000, which is being accounted for over nine years.

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 2008.

The "Main Plan" and "Senior Executive Plan" are now closed to new entrants. Accordingly the company supports an approved Stakeholder Scheme and contributes on a matching basis up to 6% of eligible earnings.

The following amounts have been disclosed on a combined basis. The valuations for both plans were updated to 30 November 2008 by a qualified actuary, taking into account the projected unit method as required by FRS 17.

The projected unit credit method is an accrued benefits valuation method in which the scheme's liabilities make allowance for projected earnings.

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

	At year end 30 November 2008	At year end 30 November 2007
Rate of increase in salaries	3.5%	4.4%
Rate of increase of pensions in payment	3.0%	3.4%
Rate of increase of pensions in deferment	3.0%	3.4%
Discount rate	6.7%	6.0%
Inflation assumption	3.0%	3.4%
Expected return on scheme assets	6.57%	6.3%
Weighted average life expectancy for mortality tables used to determine benefit obligations		
Member age 65 (current life expectancy)	21 years	21 years
Member age 40 (life expectancy at age 65)	22 years	22 years

Church & Dwight UK Limited

Notes to the accounts For the year ended 30 November 2008

17. Pensions (continued)

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

		At year end 30 November 2008 £'000		At year end 30 November 2007 £'000
Equities	6.9%	11,294	7.20%	16,053
Gilts	4.4%	6,021	4.70%	4,693
Other Bonds	7.2%	860	6.00%	746
Other	3.0%	1,644	5.75%	1,176
Total market value of assets		19,819		22,668
Actuarial value of liability		(20,614)		(25,002)
Deficit in the Plans		(795)		(2,334)
Related deferred tax asset		223		654
Net pension liability		(572)		(1,680)

The amount included in the balance sheet arising from the obligations in respect of defined benefit retirement benefit schemes is as follows:

	30 November 2008 £'000	30 November 2007 £'000
Fair value of scheme assets	19,819	22,668
Present value of scheme liabilities	(20,614)	(25,002)
Deficit in scheme	(795)	(2,334)
Related deferred tax	223	654
Net pension liability	(572)	(1,680)

All of the obligations are funded (2007 – funded) and there are no unfunded liabilities (2007 – nil).

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:-

	At year end 30 November 2008 £'000	At year end 30 November 2007 £'000
Current service cost	689	762
Interest cost	1,527	1,272
Expected return on scheme assets	(1,514)	(1,288)
	702	746

Of the charge for the year, £365,000 (2007 - £404,000) has been included in cost of sales and £324,000 (2007 - £358,000) has been included in administrative expenses. Actuarial gains and losses have been reported in the statement of total recognised gains and losses.

The actual return on scheme assets was £3,628,000 (2007 - £1,896,000).

Church & Dwight UK Limited

Notes to the accounts For the year ended 30 November 2008

17. Pensions (continued)

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

	Year to 30 November 2008 £'000	Year to 30 November 2007 £'000
Actual return less expected return on plan's assets	(5,142)	608
Experience gains and losses on liabilities	884	(648)
Changes in assumptions	5,031	2,331
	<hr/>	<hr/>
Actuarial gain recognised in STRGL	773	2,291
	<hr/>	<hr/>

The cumulative amount of actuarial (gains) and losses recognised in the statement of total recognised gains and losses since the adoption of FRS17 is (£517,000) (2007 - (£1,290,000)).

Reserves reconciliation

	30 November 2008 £'000	30 November 2007 £'000
Profit and loss reserve including pension liability	23,536	26,124
Pension liability	572	1,680
	<hr/>	<hr/>
Profit and loss reserve excluding pension liability	24,108	27,804
	<hr/>	<hr/>

Movement in deficit during the year

	Year to 30 November 2008 £'000	Year to 30 November 2007 £'000
Deficit in plans at beginning of year	(2,334)	(5,125)
Movement in year:		
Current service cost	(689)	(762)
Contributions	1,468	1,246
Net finance credit/(charge)	(13)	16
Actuarial gain/(loss)	773	2,291
	<hr/>	<hr/>
Deficit in plans at end of year	(795)	(2,334)
	<hr/>	<hr/>

Church & Dwight UK Limited

Notes to the accounts For the year ended 30 November 2008

17. Pensions (continued)

Movements in the present value of defined benefit obligations were as follows:

	Year to 30 November 2008 £'000	Year to 30 November 2007 £'000
Benefit obligation at the beginning of the year	25,002	25,483
Service cost	689	762
Interest cost	1,527	1,272
Plan members' contributions	199	213
Actuarial gain	(5,915)	(1,683)
Benefits paid	(888)	(1,045)
Benefit obligation at the end of the year	<u>20,614</u>	<u>25,002</u>

Movements in the fair value of scheme assets were as follows:

	Year to 30 November 2008 £'000	Year to 30 November 2007 £'000
Fair value of plan assets at the beginning of the year	22,668	20,358
Expected return on plan assets	1,514	1,288
Actuarial (loss)/gain	(5,142)	608
Employer contributions	1,468	1,246
Member contributions	199	213
Benefits paid from plan	(888)	(1,045)
Fair value of plan assets at the end of the year	<u>19,819</u>	<u>22,668</u>

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Notes to the accounts

For the year ended 30 November 2008

17. Pensions (continued)

History of experience gains and losses

	Year ended 30 November 2008	Year ended 30 November 2007	Year ended 30 November 2006	Year ended 30 November 2005	Year ended 30 November 2004
Defined benefit obligation	20,614	25,002	25,483	23,013	20,276
Fair value of plan assets	19,819	22,668	20,358	17,472	14,168
Deficit	795	2,334	5,125	5,541	6,108
Difference between expected and actual return on Plan's assets:					
amount (£'000)	(5,142)	608	1,012	1,653	155
percentage of Plan assets	(26%)	3%	5%	9%	1%
Experience gains and losses on Plan's liabilities:					
amount (£'000)	884	(648)	1,300	(183)	(110)
percentage of Plan liabilities	4%	(3%)	5%	(1%)	(1%)

The company expects to pay contributions of £1,365,000 into its pension plans in 2009.

18. 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 2007	716	208	26,124	27,048
Profit for the financial year	-	-	1,896	1,510
Dividends paid	-	-	(5,041)	(5,041)
Net actuarial loss	-	-	557	557
Balance at 30 November 2008	716	208	23,536	24,074

19. Ultimate parent company and controlling party

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 and controlling party 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.

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For the year ended 30 November 2008

20. 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