

Company Registration No. 00375793

Church & Dwight UK Limited

Annual Report and Financial Statements

31 December 2011



Church & Dwight UK Limited

Annual report and financial statements 2011

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Church & Dwight UK Limited

Annual report and financial statements 2011

Officers and professional advisers

Directors

A J L Huns
AJ Routley
P J Gilham

Secretary

P J Gilham
Mitre Secretaries Limited

Registered office

Wear Bay Road
Folkestone
Kent
CT19 6PG

Bankers

Lloyds TSB Bank plc
Folkestone
Kent

Solicitors

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

Independent auditor

Deloitte LLP
Chartered Accountants
Crawley

Church & Dwight UK Limited

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2011

Change of accounting reference date

During the year, the directors of the company changed the accounting reference date from 30 November to 31 December. Accordingly, the attached financial statements have been prepared for the period 1 December 2010 to 31 December 2011. The comparative figures were prepared for the year ended 30 November 2010.

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's performance has continued to improve year on year. The balance sheet on page 8 shows that the company remains in a strong position in terms of net assets and cash.

Church & Dwight Co. Inc. purchased the Batiste range of dry hair shampoo products in June 2011. Church & Dwight UK Ltd sell this range under licence and commenced manufacture at the Folkestone production facility in July 2012.

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 period the company met its day to day working capital requirements through cash generated from operations. The company does not rely on external finance and loans. The company continues to be profitable and has net assets of £21m at 31 December 2011. 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.

Church & Dwight UK Limited

Directors' report (continued)

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.

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 the Group's annual report and filings which do not form part of this report.

Suppliers

The company does not follow any formal code or standard on payment practice. The company recognises the importance of maintaining good business relationships with its suppliers and settles their invoices within agreed terms unless there are good reasons not to do so. The average number of days' credit taken on the outstanding balance at the period end is 54.9 (2010: 48.3).

Environment

The company recognises the importance of its environmental responsibilities and implements policies to reduce the impact of company 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 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 no dividend in 2011 (2010 - £160,534 being £0.224p 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.

Church & Dwight UK Limited

Directors' report (continued)

Directors

The directors who served throughout the period were as follows

P J Gilham
A J Routley
A J L Huns

Directors' indemnities

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

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

Deloitte LLP have expressed their willingness to continue in office as auditor 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 auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

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

P J Gilham
Secretary

 ..

16th July

, 2012

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 period. 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). 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Auditor's Report to the Members of Church & Dwight UK Limited

We have audited the company financial statements of Church & Dwight UK Limited for the period from 1 December 2010 to 31 December 2011 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the period from 1 December 2010 to 31 December 2011,
- 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Ian Smith (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

23 July, 2012

Church & Dwight UK Limited

Profit and loss account

For the period from 1 December 2010 to 31 December 2011

	Note	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Turnover	2	65,978	55,682
Cost of sales		(46,036)	(37,622)
Gross profit		19,942	18,060
Distribution costs		(14,766)	(11,816)
Administrative expenses		(3,339)	(4,214)
		1,837	2,030
Other operating income		343	221
Operating profit		2,180	2,251
Interest receivable and similar income	5	19	3
Interest payable and similar charges	6	(200)	(340)
Profit on ordinary activities before taxation	4	1,999	1,914
Tax on profit on ordinary activities	7	(644)	(375)
Profit on ordinary activities after taxation for the financial period	18	1,355	1,539

All activities derive from continuing operations

Statement of total recognised gains and losses

For the period from 1 December 2010 to 31 December 2011

	Note	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Profit on ordinary activities after taxation for the financial period/year		1,355	1,539
Actuarial loss relating to the pension scheme	17	(2,699)	(614)
UK deferred tax attributable to actuarial loss		718	131
Total recognised (losses)/ gains relating to the current period		(626)	1,056

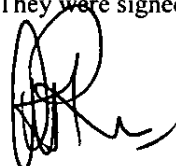
Church & Dwight UK Limited

Balance sheet 31 December 2011

	Note	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Fixed assets			
Intangible assets	9	450	559
Tangible assets	10	6,945	5,447
		<u>7,395</u>	<u>6,006</u>
Current assets			
Stocks	11	11,913	8,709
Debtors	12	16,466	14,695
Cash at bank and in hand		4,228	4,907
		<u>32,607</u>	<u>28,311</u>
Creditors: amounts falling due within one year	13	<u>(13,957)</u>	<u>(8,286)</u>
Net current assets		<u>18,650</u>	<u>20,025</u>
Total assets less current liabilities		<u>26,045</u>	<u>26,031</u>
Provisions for liabilities	14	<u>(235)</u>	<u>(396)</u>
Net assets excluding pension liability		<u>25,810</u>	<u>25,635</u>
Pension liability	17	<u>(4,315)</u>	<u>(3,514)</u>
Net assets including pension liability		<u>21,495</u>	<u>22,121</u>
Capital and reserves			
Called up share capital	15	716	716
Share premium account	18	208	208
Profit and loss account	18	20,571	21,197
Total shareholders' funds	18	<u>21,495</u>	<u>22,121</u>

The financial statements of Church & Dwight UK Limited, registered number 00375793 were approved by the board of directors and authorised for issue on *16th July*, 2012

They were signed on its behalf by



A J Routley
Director

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

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 financial period and preceding financial year.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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.

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	6% - 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. The Company uses a discounted future cash flow method of valuation.

Research and Development

Research and Development expenditure is recognised as an expense when it is incurred.

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. Provision is made for obsolete, slow-moving or defective items where appropriate.

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

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 the 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 closed to new entrants on 31 December 2010. Accordingly the company supports an approved Stakeholder Scheme and contributes on a matching basis up to 9% of eligible earnings. The actual cost charged to the profit and loss account for the period to 31 December 2011 of £469,977 (2010 - £115,868) represents amounts payable to the scheme for the period then ended. There are no outstanding contributions (2010 – nil) at the balance sheet date.

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 period from 1 December 2010 to 31 December 2011

2. Turnover

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
By geographical market:		
United Kingdom	37,785	39,596
Europe	19,815	18,016
Middle East	4,672	4,279
Rest of the World	3,706	3,791
	<u>65,978</u>	<u>55,682</u>

All turnover is derived from the company's principal activities

3. Information regarding directors and employees

Directors' remuneration:

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Emoluments	<u>431</u>	<u>308</u>

Remuneration of the highest paid director

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Emoluments	<u>282</u>	<u>192</u>

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

3. Information regarding directors and employees (continued)

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
The number of directors who:		
Are members of a defined benefit pension scheme	-	1
Exercised share options over shares in the company	-	-
	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Average number of persons employed during the period/year (including directors):		
Marketing	16	9
Sales	20	19
Administration	22	21
Manufacturing	292	316
R&D/Product Development	17	10
	367	375
	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Staff costs during the year:		
Wages and salaries (<i>including £242,729 (2010 - £200,000) in respect of compensation for loss of office</i>)	9,766	9,014
Social security costs	932	732
Pension costs	522	693
	11,220	10,439

Pension costs include the service costs of the defined benefit pension schemes charged to operating profit
The pension costs exclude interest costs, expected return on assets and actuarial gains and losses

Certain employees of the company hold equity settled share options in Church & Dwight Inc

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

4. Profit on ordinary activities before taxation

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	1,364	1,033
Amortisation of concessions, licences and trademarks	109	987
Research and development	491	299
Exchange gains	(87)	(64)
Rentals payable under operating leases		
hire of plant and machinery	148	113
hire of other assets	620	544

The analysis of auditor's remuneration is as follows:

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	66	64
Total audit fees	66	64

5. Interest receivable and similar income

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Bank interest	19	3

6. Interest payable and similar charges

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Other interest payable	17	-
Other finance charges		
– net interest expense on pension scheme assets and liabilities	183	340
	200	340

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

7. Tax on profit on ordinary activities

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

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Current tax		
United Kingdom corporation tax at 26% (2010 – 28%) based on the profit for the period/year	260	762
Adjustments in respect of prior years	134	(4)
Total current tax	394	758
Deferred tax		
Timing differences, origination and reversal	718	(44)
Adjustments in respect of prior years	-	-
FRS17 current year tax timing differences	(468)	(339)
	644	375

(b) Factors affecting current tax charge for the year

The tax assessed for the period is different than that resulting from applying the standard rate of corporation tax in the UK of 26.6% (2010 – 28%). The differences are explained below

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Profit on ordinary activities before taxation	1,999	1,914
Tax on profit on ordinary activities at standard rate 26.60% (2010 – 28%)	532	536
Effects of		
Expenses not deductible for tax purposes	61	459
Capital allowances in excess of depreciation	139	29
Movement in short term timing differences	-	73
Group relief not paid for	(4)	-
Prior period adjustment	134	-
FRS17 current year tax timing differences	(468)	(339)
Total actual amount of current tax	394	758

8. Dividends

	2011 £'000	2010 £'000
Dividend of £0p per ordinary £1 share (2010 - £0.224)	-	161

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

9. Intangible fixed assets

	Other £'000	Non- competitive covenants £'000	Concessions, licences and trademarks £'000	Total £'000
Cost				
At 1 December 2010 and at 31 December 2011	16	75	4,035	4,126
Accumulated amortisation				
At 1 December 2010	-	75	3,492	3,567
Charge for the year	-	-	109	109
At 31 December 2011	-	75	3,601	3,676
Net book value				
At 31 December 2011	16	-	434	450
At 30 November 2010	16	-	543	559

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 2010	32	1,820	13,144	80	15,076
Additions	-	104	133	2,655	2,892
Disposals	-	-	(1,027)	-	(1,027)
Transfers	-	-	75	(75)	-
At 31 December 2011	32	1,924	12,325	2,660	16,941
Accumulated depreciation					
At 1 December 2010	-	1,055	8,574	-	9,629
Disposals	-	-	(995)	-	(995)
Charge for the year	-	76	1,286	-	1,362
At 31 December 2011	-	1,131	8,865	-	9,996
Net book value					
At 31 December 2011	32	793	3,460	2,660	6,945
At 30 November 2010	32	765	4,570	80	5,447

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

11. Stocks

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Raw materials and consumables	4,527	4,591
Work-in-progress	256	367
Finished goods and goods for resale	7,130	3,751
	<u>11,913</u>	<u>8,709</u>

12. Debtors

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Trade debtors	12,323	10,135
Amounts owed by group undertakings	1,497	3,719
Corporation tax recoverable	163	188
Other debtors	2,034	368
Prepayments and accrued income	449	285
	<u>16,466</u>	<u>14,695</u>

13. Creditors: amounts falling due within one year

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Trade creditors	7,101	4,820
Amounts owed to group undertakings	4,648	639
Corporation tax	-	479
Other taxation and social security	284	237
Accruals and deferred income	1,924	2,111
	<u>13,957</u>	<u>8,286</u>

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

14. Provisions for liabilities

Deferred taxation

	£'000
Balance at 1 December 2010	396
Charge for the period in the profit and loss account	(161)
Balance at 31 December 2011	<u>235</u>

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

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Difference between accumulated depreciation and amortisation and capital allowances	<u>235</u>	<u>396</u>

Finance (No 2) Act 2010 was enacted in the period and included a reduction in the main rate of Corporation Tax from 28% to 27% with effect from 1 April 2011. On 23 March 2011 the Government announced that the main rate of Corporation Tax would fall to 26% with effect from 1 April 2011, with subsequent annual reductions of 1% to 23% in 2014. This change to 26% was substantially enacted on 29 March 2011. Therefore, on the basis that the rate reductions had not been substantially enacted at the Balance Sheet date, the rate change has not been reflected in the financial statements. The effect of any such changes on the Deferred Tax balances will be accounted for in the period in which any such changes are substantially enacted.

15. Called up share capital

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Allotted, called up and fully paid. 716,000 (2010 - 716,000) ordinary shares of £1 each	<u>716</u>	<u>716</u>

16. Financial commitments

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Capital commitments: Contracted for but not provided	<u>154</u>	<u>24</u>

There is a contingent liability relating to 1 bond in favour of H M Revenue and Customs totalling £17,000 (2010 - £17,000)

Church & Dwight UK Limited

Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

16. Financial commitments (continued)

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under non-cancellable operating leases				
expiring:				
within one year	-	75	58	41
in the second to fifth years inclusive	78	138	74	161
over five years	270	-	135	-
	<u>348</u>	<u>213</u>	<u>267</u>	<u>202</u>

17. Pensions

The company operates two funded pension schemes namely the Church & Dwight UK Limited Defined Benefit Pension Schemes (the Church & Dwight UK Limited Retirement Benefits Plan ("Main Plan")) and the Church & Dwight UK Limited Senior Executive Plan ("Senior Executive Plan")

For the most recent valuation of the Main Plan, as at 28 February 2009, the Attained Age Method was used. At this valuation the Plan showed a deficit of £7.1 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 2009. It represents a funding level of 70% 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 2009, used the Attained Age Method. At this valuation the Plan showed a deficit of £2.4 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 2009. It represents a funding level of 54% relative to the Plan's funding target.

In order to comply with the disclosures requirements of FRS17 – "Retirement benefits", the following information in respect of the Church & Dwight UK Limited Defined Benefit Pensions Schemes (the Church & Dwight UK Limited Retirement Benefits Plan ("Main Plan") and the Church & Dwight UK Limited Senior Executive Plan ("Senior Executive Plan")) is presented as at 31 December 2011.

The "Main Plan" and "Senior Executive Plan" are now closed to new entrants. Accordingly, the company supports an approved stakeholder scheme and contributions on a matching basis up to 9% of eligible earnings.

The following amounts have been disclosed for the "Main Plan" and "Senior Executive Plan" on a combined basis. The valuations for both plans were updated to 31 December 2011 by a qualified actuary, taking into account the projected unit method as required by FRS 17. The projected unit 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.

	Period end 31 December 2011 £'000	Year end 30 November 2010 £'000
Rate of increase in salaries	N/A%	3.9%
Rate of increase of pensions in payment	3.0%	3.4%
Rate of increase of pensions in deferment	3.0%	3.4%
Discount rate	4.7%	5.4%
Inflation assumption - RPI	3.0%	3.4%
- CPI	2.3%	-

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For the period from 1 December 2010 to 31 December 2011

17. Pensions (continued)

Weighted average life expectancy for mortality tables used to determine benefit obligations

	Period end 31 December 2011		Year end 30 November 2010	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	22 0 years	24 8 years	21 8 years	24 6 years
Member age 45 (life expectancy at age 65)	23 9 years	26 7 years	23 7 years	26 5 years

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

	At period end 31 December 2011 £'000		At year end 30 November 2010 £'000	
Equities	6 6%	15,253	6 8%	15,731
Gilts	3 1%	11,379	4 4%	9,081
Other Bonds	4 7%	1,232	6 8%	354
Property	6 6%	405	0%	-
Other	0 5%	1,822	0 5%	1,901
Total market value of assets		<u>30,091</u>		<u>27,067</u>

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

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Fair value of scheme assets	30,091	27,067
Present value of scheme liabilities	<u>(35,844)</u>	<u>(31,881)</u>
Deficit in scheme	(5,753)	(4,814)
Related deferred tax	<u>1,438</u>	<u>1,300</u>
Net pension liability	<u>(4,315)</u>	<u>(3,514)</u>

All of the obligations are funded (2010 – funded) and there are no unfunded liabilities (2010 – nil)

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For the period from 1 December 2010 to 31 December 2011

17. Pensions (continued)

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

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Current service cost	55	577
Interest cost	1,831	1,664
Expected return on scheme assets	(1,648)	(1,324)
Cost of curtailments	-	(455)
	<u>238</u>	<u>462</u>

Of the total current service cost, £29,000 (2010 - £306,000) has been included in cost of sales and £26,000 (2010 - £271,000) has been included in administrative expenses. Of the cost of curtailments, £0 has been credited to administrative expenses (2010 - credited of £455,000). Actuarial gains and losses have been reported in the statement of total recognised gains and losses.

The actual return on scheme assets during the period/year was £2,306,000 (2010 - £1,918,000).

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

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Actual return less expected return on plan's assets	658	594
Experience (loss)/gain on liabilities	(92)	62
Changes in assumptions underlying the present value of the scheme liabilities	(3,265)	(1,270)
Actuarial loss recognised in STRGL	<u>(2,699)</u>	<u>(614)</u>

The cumulative amount of actuarial gains and (losses) recognised in the statement of total recognised gains and losses since the adoption of FRS17 is £8,180,000 (2010 - £5,481,000).

Reserves reconciliation

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Profit and loss reserve including pension liability	20,404	21,197
Pension liability	4,315	3,514
Profit and loss reserve excluding pension liability	<u>24,719</u>	<u>24,711</u>

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Notes to the accounts

For the period from 1 December 2010 to 31 December 2011

17. Pensions (continued)

Movement in deficit during the period

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Deficit in plans at beginning of period	(4,814)	(5,146)
Movement in period		
Current service cost	(55)	(577)
Contributions	1,998	1,408
Net finance charge	(183)	(340)
Actuarial loss	(2,699)	(614)
Cost of curtailments	-	455
Deficit in plans at end of period	<u>(5,753)</u>	<u>(4,814)</u>

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

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Benefit obligation at the beginning of the period	31,881	29,982
Service cost	55	577
Interest cost	1,831	1,664
Members' contributions	15	173
Actuarial loss	3,357	1,208
Cost of curtailments	-	(455)
Benefits paid	(1,294)	(1,268)
Benefit obligation at the end of the period	<u>35,845</u>	<u>31,881</u>

Movements in the fair value of scheme assets were as follows

	At period end 31 December 2011 £'000	At year end 30 November 2010 £'000
Fair value of plan assets at the beginning of the period	27,067	24,836
Expected return on plan assets	1,647	1,324
Actuarial gain	658	594
Employer contributions	1,998	1,408
Member contributions	15	173
Benefits paid from plan	(1,294)	(1,268)
Fair value of plan assets at the end of the period	<u>30,091</u>	<u>27,067</u>

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For the period from 1 December 2010 to 31 December 2011

17 Pensions (continued)

History of experience gains and losses

	Period ended 31 December 2011	Year ended 30 November 2010	Year ended 30 November 2009	Year ended 30 November 2008	Year ended 30 November 2007
Defined benefit obligation	35,845	31,881	29,982	20,614	25,002
Fair value of plan assets	30,091	27,067	24,836	19,819	22,668
Deficit	(5,753)	(4,814)	(5,146)	(795)	(2,334)

Difference between expected and actual return on Plan's assets:

Experience gains and losses on pension scheme assets

Amount (£'000)	658	594	2,442	(5,142)	608
Percentage of Plan assets	2%	2%	10%	(26%)	3%

Experience (gains) and losses on Plan's liabilities:

Amount (£'000)	92	62	(212)	884	(648)
Percentage of plan liabilities	0%	0%	(1%)	4%	(3%)

The company expects to pay contributions of £1,390,000 into its pension plans in 2012

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 2010	716	208	21,197	22,121
Profit for the financial period			1,355	1,355
Net actuarial loss			(1,981)	(1,981)
Balance at 31 December 2011	716	208	20,571	21,495

19. Ultimate parent company and controlling party

Church & Dwight UK Limited is a wholly 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

Church & Dwight UK Limited

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20. Related party transactions

The company has taken advantage of the exemption in FRS8 extended to subsidiary undertakings 100% 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.

21. Comparative figures

The directors have re-considered the presentation of trade allowances and deductions relating to certain customer contract arrangements in the financial statements, and concluded that the nature of these arrangements is such that the allowances and deductions should be accounted for as a reduction in revenue whereas previously they had been accounted for as a cost of sale. Comparative figures have been re-presented accordingly, reducing turnover and cost of sales by £2,436k. There is no impact on gross profit or retained profit in any year.