Company Registration No. 00375793

Church & Dwight UK Limited

Annual Report and Financial Statements

30 November 2009

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Church & Dwight UK Limited

Annual report and financial statements 2009

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Church & Dwight UK Limited

Annual report and financial statements 2009

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

Barclays Bank plc
Folkestone
Kent

Solicitors

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

Independent auditors

Deloitte LLP
Chartered Accountants
Crawley

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 November 2009

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 despite the impact of a one off curtailment charge representing additional pension costs arising from the termination of the employment of the highest paid director during 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 The company does not rely on external finance and loans The company continues to be profitable and has net assets of £21m at 30 November 2009 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

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

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 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 £457,635 being £0 639p per ordinary share (2008 - £5,040,801 being £7 040 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 served throughout the year were as follows

P J Gilham	
H E Cocker	(resigned 19 November 2009)
A J Routley	(appointed 23 November 2009)
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 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

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 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 auditors are 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

19/8, 2010

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) 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, subject to any material departures disclosed and explained in the financial statements, 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 Auditors' Report to the Members of Church & Dwight UK Limited

We have audited the company financial statements of Church & Dwight UK Limited for the year ended 30 November 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 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

As explained more fully in the Directors' Responsibilities Statement, 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 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 (APB'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

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 30 November 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

NHarris

Neil Harris (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Crawley, United Kingdom

23 August , 2010

Profit and loss account
Year ended 30 November 2009

	Note	2009 £'000	2008 £'000
Turnover	2	53,818	49,928
Cost of sales		(38,158)	(34,924)
Gross profit		15,660	15,004
Distribution costs		(10,703)	(10,265)
Administrative expenses		(3,071)	(2,037)
		1,886	2,702
Other operating income		85	41
Operating profit	4	1,971	2,743
Interest receivable and similar income	5	24	69
Interest payable and similar charges	6	(206)	(82)
Profit on ordinary activities before taxation		1,789	2,730
Tax on profit on ordinary activities	7	(690)	(834)
Profit on ordinary activities after taxation for the financial year	18	1,099	1,896

All activities derive from continuing operations

Statement of total recognised gains and losses
Year ended 30 November 2009

	Note	2009 £'000	2008 £'000
Profit on ordinary activities after taxation for the financial year		1,099	1,896
Actuarial (loss)/gain relating to the pension scheme	17	(5,384)	773
UK deferred tax attributable to actuarial (loss)/gain		1,508	(216)
Total recognised gains and losses relating to the current year		(2,777)	2,453

Church & Dwight UK Limited

Balance sheet
30 November 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	9	1,546	1,756
Tangible assets	10	5,996	6,073
		7,542	7,829
Current assets			
Stocks	11	9,968	8,888
Debtors	12	13,296	12,967
Cash at bank and in hand		2,156	2,441
		25,420	24,296
Creditors. amounts falling due within one year	13	(7,252)	(6,453)
Net current assets		18,168	17,843
Total assets less current liabilities		25,710	25,672
Provisions for liabilities	14	(779)	(640)
Net assets excluding pension liability		24,931	25,032
Pension liability	17	(3,705)	(572)
Net assets including pension liability		21,226	24,460
Capital and reserves			
Called up share capital	15	716	716
Share premium account	18	208	208
Profit and loss account	18	20,302	23,536
Total shareholders' funds	18	21,226	24,460

The financial statements of Church & Dwight UK Limited, registered number 00375793 were approved by the board of directors and authorised for issue on 19TH AUGUST , 2010

Signed on behalf of the Board of Directors

A J Routley
Director

Notes to the accounts
For the year ended 30 November 2009

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

Accounting convention

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

Notes to the accounts
For the year ended 30 November 2009

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 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 2009 of £83,375 (2008 - £75,690) represents amounts payable to the scheme for the period then ended There are no outstanding contributions (2008 – nil) at the balance sheet date

Comparative information

Certain comparatives have been amended to aid comparability with the current year

The directors' remuneration disclosure in note 3 has been amended to include accrued emoluments that were not in the prior year numbers The emoluments figure was £338,000 in 2008 and has been amended to £398,000 Similarly the emoluments of the highest paid director have been amended from £227,287 to £272,000 to include accrued emoluments

Staff costs have been amended to include accrued wages and salaries The wages and salaries figure was £6,972,000 and has been amended to £7,346,000 Pension costs have also been amended to show (in addition to the stakeholder scheme costs) only those pension costs of the defined benefit scheme that have been charged to operating profit Pension costs were £778,000 and have been amended to £765,000

The auditors' remuneration in note 4 has been amended to include only those costs that relate to Church & Dwight UK Limited The auditors' remuneration was £78,000 and has been amended to £70,000

There is no effect on profit of these adjustments

Notes to the accounts
For the year ended 30 November 2009

1 **Accounting policies (continued)**

Turnover

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

2. **Turnover**

	2009	2008
	£'000	£'000
By geographical market:		
United Kingdom	29,507	27,148
Europe	9,805	11,019
Middle East	3,534	3,698
Other	10,972	8,063
	53,818	49,928

All turnover is derived from the company's principal activities

3. **Information regarding directors and employees**

Directors' remuneration:

	2009	2008 (as restated - see note 1)
	£'000	£'000
Emoluments	333	398
Compensation for loss of office	206	-
	539	398

Remuneration of the highest paid director:

	2009	2008 (as restated - see note 1)
	£'000	£'000
Emoluments	209	272
Compensation for loss of office	206	-
	415	272

The highest paid director exercised 5,200 share options during the year He was a member of a defined benefit scheme and accrued entitlements of £125,826 (2008 - £122,151 per annum) during the year The profit and loss account includes a charge of £489,000 (2008 - £Nil) representing additional pension costs arising from the termination of the employment of the highest paid director during the year This amount has been disclosed in the staff costs disclosure below

Notes to the accounts
For the year ended 30 November 2009

3 Information regarding directors and employees (continued)

The number of directors who

	2009 No.	2008 No.
Are members of a defined benefit pension scheme (including the highest paid director who left during the year)	2	2
Exercised share options over shares in the company	1	-

	2009 No.	2008 No
Average number of persons employed during the year (including directors).		
Marketing	8	8
Sales	19	19
Administration	21	20
Manufacturing	304	282
	352	329

	2009 £'000	2008 (as restated - see note 1) £'000
Staff costs during the year:		
Wages and salaries (including £300,387 (2008 - £nil) in respect of compensation for loss of office)	8,281	7,346
Social security costs	629	572
Pension costs	1,024	765
	9,934	8,683

Pension costs include the service costs of the defined benefit pension schemes charged to operating profit including the effects of the curtailment in the year on the Senior Executive Plan 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 No FRS20 charge has been recorded in the financial statements on the grounds of immateriality

Notes to the accounts
For the year ended 30 November 2009

4. Operating profit

	2009 £'000	2008 £'000
Operating profit is stated after charging/(crediting):		
Depreciation	1,124	1,039
Amortisation of concessions, licences and trademarks	210	241
Research and development	291	133
Exchange gains	(222)	(570)
Rentals payable under operating leases		
hire of plant and machinery	100	95
hire of other assets	562	443

The analysis of auditors' remuneration is as follows:

	2009 £'000	2008 (as restated- see note 1) £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	66	70
Total audit fees	66	70

5 Interest receivable and similar income

	2009 £'000	2008 £'000
Bank interest	5	69
Interest on corporation tax	19	-
	24	69

6. Interest payable and similar charges

	2009 £'000	2008 £'000
Other interest payable	44	-
Other finance charges		
– net interest expense on pension scheme assets and liabilities	162	13
Interest on Corporation Tax	-	69
	206	82

Notes to the accounts
For the year ended 30 November 2009

7. Tax on profit on ordinary activities

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

	2009 £'000	2008 £'000
Current tax		
United Kingdom corporation tax at 28% (2008 – 28 67%) based on the profit for the year	243	606
Adjustments in respect of prior years	18	142
Total current tax	261	748
Deferred tax		
Timing differences, origination and reversal	199	6
Adjustments in respect to prior years	(60)	(135)
FRS17 current year tax timing differences	290	215
	690	834

(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% (2008 – 28 67%) The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	1,789	2,730
Tax on profit on ordinary activities at standard rate 28% (2008 – 28 67%)	501	783
Effects of		
Expenses not deductible for tax purposes	81	148
Capital allowances in excess of depreciation	99	28
Movement in short term timing differences	(51)	(34)
Group relief not paid for	(97)	(99)
Prior period adjustment	18	142
FRS17 current year tax timing differences	(290)	(220)
Total actual amount of current tax	261	748

There is a proposal by the UK government to reduce the UK Corporation tax rate from 28% to 24% over 4 years from 1 April 2011 As at 30 November 2009 this had not been substantially enacted

8. Dividends

	2009 £'000	2008 £'000
Dividend of £0 639 per ordinary £1 share (2008 - £7 040)	457	5,041

Notes to the accounts
For the year ended 30 November 2009

9. Intangible fixed assets

	Other £'000	Non-competitive covenants £'000	Concessions, licences and trademarks £'000	Total £'000
Cost				
At 1 December 2008 and at 30 November 2009	16	75	4,035	4,126
Accumulated amortisation				
At 1 December 2008	-	75	2,295	2,370
Charge for the year	-	-	210	210
At 30 November 2009	-	75	2,505	2,580
Net book value				
At 30 November 2009	16	-	1,530	1,546
At 30 November 2008	16	-	1,740	1,756

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 2008	32	1,820	11,543	218	13,613
Additions	-	-	163	884	1,047
Disposals	-	-	(68)	-	(68)
Transfers	-	-	32	(32)	-
At 30 November 2009	32	1,820	11,670	1,070	14,592
Accumulated depreciation					
At 1 December 2008	-	911	6,629	-	7,540
Charge for the year	-	72	1,052	-	1,124
Disposals	-	-	(68)	-	(68)
At 30 November 2009	-	983	7,613	-	8,596
Net book value					
At 30 November 2009	32	837	4,057	1,070	5,996
At 30 November 2008	32	909	4,914	218	6,073

Notes to the accounts
For the year ended 30 November 2009

11. Stocks

	2009 £'000	2008 £'000
Raw materials and consumables	3,886	4,053
Work-in-progress	367	402
Finished goods and goods for resale	5,715	4,433
	9,968	8,888

12. Debtors

	2009 £'000	2008 £'000
Trade debtors	9,472	9,944
Amounts owed by group undertakings	2,999	2,444
Corporation tax recoverable	188	146
Other debtors	344	192
Prepayments and accrued income	293	241
	13,296	12,967

13. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	3,716	3,175
Amounts owed to group undertakings	1,268	790
Corporation tax	-	257
Other taxation and social security	194	214
Accruals and deferred income	2,074	2,017
	7,252	6,453

Notes to the accounts
For the year ended 30 November 2009

14 Provisions for liabilities

Deferred taxation

	£'000
Balance at 1 December 2008	640
Charge for the period in the profit and loss account	139
Balance at 30 November 2009	779

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

	2009 £'000	2008 £'000
Difference between accumulated depreciation and amortisation and capital allowances	779	692
Other short term timing differences	-	(52)
	779	640

15 Called up share capital

	2009 £'000	2008 £'000
Called up, allotted and fully paid.		
716,000 (2008 - 716,000) ordinary shares of £1 each	716	716

16. Financial commitments

	2009 £'000	2008 £'000
Capital commitments:		
Contracted for but not provided	265	24

There is a contingent liability relating to 1 bond in favour of H M Revenue and Customs totalling £80,000 (2008 - £120,000)

	2009		2008	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under non-cancellable operating leases expiring·				
within one year	-	61	-	64
in the second to fifth years inclusive	257	153	154	151
over five years	135	-	135	-
	392	214	289	215

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 30 November 2009

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 6% 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 30 November 2009 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

	At year end 30 November 2009	**At year end 30 November 2008**
Rate of increase in salaries	4 0%	3 5%
Rate of increase of pensions in payment	3 5%	3 0%
Rate of increase of pensions in deferment	3 5%	3 0%
Discount rate	5 6%	6 7%
Inflation assumption	3 5%	3 0%

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

		At year end 30 November 2009		**At year end 30 November 2008**
	Male	**Female**	**Male**	**Female**
Member age 65 (current life expectancy)	22 1 years	24 years	21 1 years	24 years
Member age 40 (life expectancy at age 65)	22 2 years	25 years	22 1 years	25 years

Notes to the accounts
For the year ended 30 November 2009

17. Pensions (continued)

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

		At year end 30 November 2009 £'000		At year end 30 November 2008 £'000
Equities	6 6%	14,319	6 9%	11,294
Gilts	4 3%	7,017	4 4%	6,021
Other Bonds	6 6%	1,382	7 2%	860
Other	0 5%	2,118	3 0%	1,644
Total market value of assets		24,836		19,819

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

	30 November 2009 £'000	30 November 2008 £'000
Fair value of scheme assets	24,836	19,819
Present value of scheme liabilities	(29,982)	(20,614)
Deficit in scheme	(5,146)	(795)
Related deferred tax	1,441	223
Net pension liability	(3,705)	(572)

All of the obligations are funded (2008 – funded) and there are no unfunded liabilities (2008 – nil)

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

	At year end 30 November 2009 £'000	At year end 30 November 2008 £'000
Current service cost	452	689
Interest cost	1,371	1,527
Expected return on scheme assets	(1,209)	(1,514)
Cost of curtailments	489	-
	1,103	702

Of the total current service cost, £240,000 (2008 - £365,000) has been included in cost of sales and £212,000 (2008 - £324,000) has been included in administrative expenses Of the cost of curtailments, £489,000 has been included within administrative expenses Actuarial gains and losses have been reported in the statement of total recognised gains and losses

The curtailment relates to the departure during the year of the managing director and is the amount that he is entitled to from the Senior Executive Plan as a result of leaving the scheme early

The actual return on scheme assets during the year was £3,651,000 (2008 - £3,628,000)

Notes to the accounts
For the year ended 30 November 2009

17. **Pensions (continued)**

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

	Year to 30 November 2009 £'000	Year to 30 November 2008 £'000
Actual return less expected return on plan's assets	2,442	(5,142)
Experience (gains) and losses on liabilities	(212)	884
Changes in assumptions underlying the present value of the scheme liabilities	(7,614)	5,031
Actuarial (loss)/gain recognised in STRGL	(5,384)	773

The cumulative amount of actuarial (gains) and losses recognised in the statement of total recognised gains and losses since the adoption of FRS17 is £4,867,000 (2008 - (£517,000)

Reserves reconciliation

	30 November 2009 £'000	30 November 2008 £'000
Profit and loss reserve including pension liability	20,302	23,536
Pension liability	3,705	572
Profit and loss reserve excluding pension liability	24,007	24,108

Movement in deficit during the year

	Year to 30 November 2009 £'000	Year to 30 November 2008 £'000
Deficit in plans at beginning of year	(795)	(2,334)
Movement in year		
Current service cost	(452)	(689)
Contributions	2,136	1,468
Net finance charge	(162)	(13)
Actuarial (loss)/gain	(5,384)	773
Cost of curtailments	(489)	-
Deficit in plans at end of year	(5,146)	(795)

17. Pensions (continued)

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

	Year to 30 November 2009 £'000	Year to 30 November 2008 £'000
Benefit obligation at the beginning of the year	20,614	25,002
Service cost	452	689
Interest cost	1,371	1,527
Members' contributions	210	199
Actuarial loss/(gain)	7,826	(5,915)
Cost of curtailments	489	-
Benefits paid	(980)	(888)
Benefit obligation at the end of the year	29,982	20,614

Movements in the fair value of scheme assets were as follows

	Year to 30 November 2009 £'000	Year to 30 November 2008 £'000
Fair value of plan assets at the beginning of the year	19,819	22,668
Expected return on plan assets	1,209	1,514
Actuarial gain/(loss)	2,442	(5,142)
Employer contributions	2,136	1,468
Member contributions	210	199
Benefits paid from plan	(980)	(888)
Fair value of plan assets at the end of the year	24,836	19,819

Notes to the accounts
For the year ended 30 November 2009

17. Pensions (continued)

History of experience gains and losses

	Year ended 30 November 2009	Year ended 30 November 2008	Year ended 30 November 2007	Year ended 30 November 2006	Year ended 30 November 2005
Defined benefit obligation	29,982	20,614	25,002	25,483	23,013
Fair value of plan assets	24,836	19,819	22,668	20,358	17,472
Deficit	(5,146)	(795)	(2,334)	(5,125)	(5,541)
Difference between expected and actual return on Plan's assets:					
Experience gains and losses on pension scheme assets					
Amount (£'000)	2,442	(5,142)	608	1,012	1,653
Percentage of Plan assets	10%	(26%)	3%	5%	9%
Experience (gains) and losses on Plan's liabilities:					
Amount (£'000)	(212)	884	(648)	1,300	(183)
Percentage of plan liabilities	(1%)	4%	(3%)	5%	(1%)

The company expects to pay contributions of £1,066,000 into its pension plans in 2010

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 2008	716	208	23,536	24,460
Profit for the financial year	-	-	1,099	1,099
Dividends paid	-	-	(457)	(457)
Net actuarial loss	-	-	(3,876)	(3,876)
Balance at 30 November 2009	716	208	20,302	21,226

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

Notes to the accounts
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20. Related party transactions

The company has taken advantage of the exemption in FRS8 extended to subsidiary undertakings 100% 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 As noted in note 17 an amount of £489,000 has been accrued for the pension benefit entitlement of the managing director, and highest paid director, as a result of a curtailment in the year