Registered number: 00603028

Johnson & Johnson Consumer Services EAME Limited

Annual report and financial statements

For the year ended 29 December 2013

Contents

Company Information

Directors	C R Thorne C D Dempsey
Company secretary	C R Thorne
Registered number	00603028
Registered office	Foundation Park Roxborough Way Maidenhead Berkshire SL6 3UG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Reading Central 4th Floor 23 Forbury Road Reading Berkshire RG1 3JH
Bankers	Royal Bank of Scotland plc Corporate Banking Office PO Box 450 5-10 Great Tower Street London EC3P 3HX
Solicitors	Linklaters LLP One Silk Street London EC2Y 8HQ

Strategic report
For the year ended 29 December 2013

The directors present their Strategic report on the company for the year ended 29 December 2013.

Principal activities

The principal activity of the company is to act as a service provider to other Johnson & Johnson group companies.

Business review

The directors are satisfied with the performance of the company during the year.

The key financial and other performance measures were as follows:

	29 December 2013 €000	30 December 2012 €000	Change
Turnover	116,573	110,661	5 %
Profit on ordinary activities before taxation	5,745	5,269	9 %
Total shareholders' funds	36,991	37,261	(1)%
Average number of employees	267	236	13 %

Turnover has increased by 5% in 2013 as a result of increased activities on behalf of group affiliates.

Profit on ordinary activities before taxation has therefore increased by 9% in line with management expectations.

The balance sheet on page 11 of the financial statements shows the company's financial position at the end of the year.

The average number of employees increased by 13% to support the increased level of activity.

Future outlook

Both the level of business and the year end financial position remain satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to general industry conditions and competition; economic conditions; technological advances; challenges inherent in new product development; and product efficacy or safety concerns resulting in product recalls or regulatory action.

Key performance indicators ('KPIs')

The directors manage the company's operations on a divisional basis. The business is managed using a set of financial performance measures. These measures are reviewed routinely and used in making tactical and strategic decisions affecting the short and long term results of the business.

Strategic report (continued)
For the year ended 29 December 2013

This report was approved by the board and signed on its behalf.

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C R Thorne
Director

Date: 11/09/2014

Directors' report
For the year ended 29 December 2013

The directors present their annual report and the audited financial statements of the company for the year ended 29 December 2013.

Results and dividends

The profit and loss account for the financial year is set out on page 9.

The company's profit for the financial year is €4,882,000 (2012: €3,805,000). The aggregate dividends on the ordinary shares recognised during the financial year amounts to €nil (2012: €nil). There are no proposed dividends awaiting approval at the balance sheet date (2012: €nil).

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk; interest rate cash flow risk and foreign exchange risk.

Liquidity risk
The company is funded within the Johnson & Johnson group of companies. The group's funding requirements are reviewed regularly by both the board of directors and the treasury department of Johnson & Johnson to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk
The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets earn interest at a variable rate.

Foreign exchange risk
The company makes sales and purchases in foreign currencies. The company manages its foreign exchange risk by hedging its significant exposures through a group hedging scheme.

Future outlook

The directors expectations for the future of the business are set out in the Strategic report included within the annual report and financial statements.

Qualifying third party indemnity provisions

At the time the report is approved there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors.

Directors

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated are given below:

C R Thorne
C D Dempsey

Research and development

Johnson & Johnson is heavily committed to research and development activities in order to bring new or improved products onto the healthcare market so as to maintain its position within that market. It is the company's policy to write off all such expenditure as incurred.

Directors' report
For the year ended 29 December 2013

Employee involvement

The company is committed to the continued development of employee involvement by an effective communications and consultative framework. Consultative committees covering broad business areas, pensions, health and safety, quality and employee services are well established and meet regularly. Team briefings, which complement other forms of management communication, ensure that all levels in the organisation are kept up-to-date on the performance of the company, thereby increasing employee engagement. In addition surveys such as the Annual Organisational Health Survey are conducted to provide opportunities for employees to feed back to senior management on the health of the business and general working environment.

The current emphasis is on facilitating cross-functional relationships to increase awareness and to build effective teamwork.

The company is committed to the principle of employee share participation and accordingly during the year have continued the Johnson & Johnson Employee Share Incentive Plan. This scheme provides employees with the opportunity to acquire shares in the US parent company of the Johnson & Johnson group on an advantageous basis and it is operated with tax benefits under HM Revenue & Customs approved share scheme arrangements.

The company's policies and practices are regularly reviewed and feedback is received from all staff levels.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities 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 the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' 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 prepared 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 judgements 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;
- 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.

Directors' report
For the year ended 29 December 2013

Disclosure of information to auditors

All directors in office at the time the report is approved confirm:

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he/she ought to have taken in his/her duty 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.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place in accordance with s487 of the Companies Act 2006 for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board and signed on its behalf.

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C R Thorne
Director

Date: 11/09/2014

Independent auditors' report to the members of Johnson & Johnson Consumer Services EAME Limited

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Johnson & Johnson Consumer Services EAME Limited, comprise:

- the balance sheet as at 29 December 2013;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial statements involves

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Johnson & Johnson Consumer Services EAME Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of director's responsibilities set out on page 5, 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.

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

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Gavin Crawford (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

One Reading Central
4th Floor
23 Forbury Road
Reading
Berkshire
RG1 3JH

Date: 17 September 2014

Profit and loss account
For the year ended 29 December 2013

	Note	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Turnover	2	**116,573**	110,661
Administrative expenses		**(110,614)**	(105,088)
Operating profit	3	**5,959**	5,573
Interest payable and similar charges	7	**(186)**	(304)
Other finance expense	8	**(28)**	-
Profit on ordinary activities before taxation		**5,745**	5,269
Tax on profit on ordinary activities	9	**(863)**	(1,464)
Profit for the financial year	17	**4,882**	3,805

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

All results are derived from continuing operations.

Statement of total recognised gains and losses
For the year ended 29 December 2013

	Note	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Profit for the financial year		**4,882**	3,805
Actuarial loss on pension scheme	15	**(796)**	(43)
Movement on deferred tax relating to actuarial loss on pension scheme	13	**159**	10
Total recognised gains and losses relating to the year		**4,245**	3,772

The notes on pages 12 to 28 form part of these financial statements.

Balance sheet
As at 29 December 2013

	Note	€000	29 December 2013 €000	€000	30 December 2012 €000
Fixed assets					
Tangible assets	10		**62,521**		63,140
Current assets					
Debtors	11	**13,895**		11,492	
Cash at bank and in hand		**1,357**		137	
		15,252		11,629	
Creditors: amounts falling due within one year	12	**(37,150)**		(35,306)	
Net current liabilities			**(21,898)**		(23,677)
Total assets less current liabilities			**40,623**		39,463
Provisions for liabilities					
Other provisions	14		**(2,214)**		(1,705)
Net assets excluding pension scheme liabilities			**38,409**		37,758
Defined benefit pension scheme liability	15		**(1,418)**		(497)
Net assets including pension scheme liabilities			**36,991**		37,261
Capital and reserves					
Called up share capital	16		**-**		-
Other reserves	17		**-**		10,065
Profit and loss account	17		**36,991**		27,196
Total shareholders' funds	18		**36,991**		37,261

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C R Thorne
Director

Date: 11/09/2014

The notes on pages 12 to 28 form part of these financial statements.

Notes to the financial statements
For the year ended 29 December 2013

1. Principal accounting policies

Accounting period

The accounting year ended 29 December 2013 consists of 52 weeks. For the purposes of these financial statements the year is referred to as 2013. The accounting year ended 30 December 2012 is referred to as 2012.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the year, are set out below:

Functional currency

The directors consider Euros to be the functional currency of the company and have therefore selected Euros as the presentational currency for the financial statements.

Tangible fixed assets

Tangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition, and they are stated in the balance sheet at cost less accumulated depreciation. The assets are reassessed periodically.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over the expected useful economic lives of the assets concerned. Depreciation is not charged on capital assets under construction until the asset is completed for its intended use and transferred to the appropriate fixed asset classification.

The principal annual rates used for this purpose are:

Fixtures, fittings and equipment - 20.00 - 33.33%

Foreign currencies

Trading transactions denominated in foreign currencies are translated into Euros at the exchange rate ruling when the company entered into the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Research and development

Research and development expenditure is written off as it is incurred.

Turnover

Turnover, which excludes value added tax, represents income receivable in respect of amounts charged to fellow group companies for services provided and expenses incurred by the company.

1. Principal accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension arrangements

The company participates in the Johnson & Johnson UK Group Retirement Plan. The UK Group operates a funded defined benefit pension scheme and defined contribution scheme for all UK employees. New entrants are eligible to join the funded defined benefit scheme, and the defined contribution scheme is closed to new entrants.

More than one employer participates in the Johnson & Johnson UK Group Retirement Plan and because the assets attributable to each individual company cannot be identified on a consistent and reasonable basis, each company's share of the deficit cannot be identified. Under FRS 17, the company is therefore accounting for its contributions to the scheme as if it were a defined contribution scheme. Accordingly the cost to the company in respect of the scheme is equal to the contributions payable to the scheme during the year, and this cost has been recognised within operating profit in the profit and loss account.

There is also an unfunded, unapproved pension arrangement for a small number of employees who are affected by the Inland Revenue Earnings Cap. The obligation of this defined benefit pension scheme is measured at discounted present value. The operating and finance costs of this plan are recognised separately in the profit and loss account; service costs are spread systematically over the working lives of the employees concerned and financing costs are recognised in the years in which they arise. Actuarial gains and losses arising from either experience differing from previous actuarial assumptions or changes to those assumptions are recognised immediately in the statement of total recognised gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation.

Share-based payments

The ultimate parent company, Johnson & Johnson, operates equity-settled, share-based compensation plans. Certain employees of the company are awarded options over the shares in the ultimate parent. The fair value of the employee services received in exchange for these grants of options is recognised as an expense, with a corresponding increase in Other Reserves (representing a capital contribution by the ultimate parent). The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to Other Reserves.

In accordance with FRS 20 (share based payment), fair value calculations have only been made in respect of share options awarded after 7 November 2002 that remain unvested at 1 January 2006. For all other options awarded prior to 7 November 2002, the company recognises within other reserves the potential recharge from the ultimate parent company for the cost of options outstanding at the year end (based upon the difference between the option exercise prices and the market value at the year end). It has been agreed that the company will no longer be recharged on the exercise of options granted before 1 January 2000. Movements in the underlying potential recharge are reflected in the profit and loss account for the year.

Notes to the financial statements
For the year ended 29 December 2013

1. Principal accounting policies (continued)

Share-based payments (continued)

Upon exercise, Johnson & Johnson makes a recharge to the company in respect of share options granted to the company's employees. When incurred, these intercompany charges are offset in other reserves against the relevant capital contribution. If the amount of the intercompany charge exceeds the original capital contribution, that excess is treated as a distribution from the company to its parent.

Employer's National Insurance on share options

Under unapproved share option schemes, the company is required to pay National Insurance on the difference between the exercise price and market value at the exercise date of the shares issued. The company becomes unconditionally liable to pay the National Insurance upon exercise of the options. The company therefore calculates the provision by applying the latest enacted National Insurance rate to the difference between the market value of the underlying options at the balance sheet date and the option exercise prices.The initial provision calculated upon grant of the option follows the underlying option and the charge to the profit and loss account is therefore spread over the vesting period. At each balance sheet date until the date of exercise the provision is adjusted by using the market value of the options at that date.The amount of the National Insurance actually payable will depend on the number of employees who remain with the company and exercise their options, the market price of the ultimate parent company's shares at the time of exercise and the prevailing National Insurance rates at the time.

Cash-based payment

In addition, the company's employees may be eligible to receive Certificates of Extra Compensation (CEC's) or Certificates of Long Term Performance (CLP's).

CEC's were granted up until 31 December 2009 by the company if it wished to reward an employee for faithful service in the past and to encourage employees in their future work by permitting them to share in the growth and success of the company's enterprises by issuing to them Units of Agreements of Additional Remuneration ("AAR Units") and to that end receive as extra compensation sums based upon and measured by (a) the amount of cash dividends from time to time declared upon an equal number of shares of common stock of the ultimate parent company and (b) by the formula value of AAR Units as established in the AAR agreement, at the time of termination of employment or death while in such employment.

Since 1 January 2010 CLP's may be granted by the company if it wishes to reward an employee for faithful service in the past and to encourage employees in their future work by permitting them to share in the growth and success of the company's enterprises by issuing to them Units of Agreements of Additional Remuneration ("AAR Units") and to that end receive as extra compensation sums based upon and measured by (a) the amount of cash dividends from time to time declared upon an equal number of shares of common stock of the ultimate parent company and (b) by the formula value of AAR Units as established in the AAR agreement. This award represents a deferred compensation instrument with the vested value being paid out at the tenth anniversary of the date of the grant or upon termination or retirement, whichever occurs earlier.

Cash flow statement

The company is a wholly owned subsidiary of Johnson & Johnson, and the cash flows of the company are included in the consolidated financial statements of Johnson & Johnson, which are publicly available. Consequently the company is exempt under the terms of FRS 1 (revised 1996) from preparing a cash flow statement.

Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Johnson & Johnson, whose financial statements are publicly available.

Notes to the financial statements
For the year ended 29 December 2013

2. Turnover

Turnover represents income receivable in respect of amounts charged to fellow group companies for services provided and expenses incurred by the company. In the opinion of the directors this represents the only class of business.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 29 December 2013 €000	*Year ended* 30 December 2012 €000
Depreciation of tangible fixed assets:		
- owned by the company	**21,088**	22,616
Operating lease rentals:		
- plant and machinery	**312**	397
- other operating leases	**1,078**	1,129
Profit on foreign exchange	**(202)**	(448)
Research and development expenditure	**6,425**	3,641

4. Auditors' remuneration

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Fees payable to PricewaterhouseCoopers LLP for the statutory audit of the company	**41**	43

5. Directors' emoluments

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Aggregate emoluments	**586**	244
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	**-**	-

Retirement benefits are accruing to one director (2012: one director) under the company's defined benefit pension scheme and to no directors (2012: none) under the money purchase scheme.

One director (2012: one director) exercised share options in the ultimate parent company during the year. Mr C R Thorne did not receive any emoluments for his services to the company.

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Highest paid director		
Total amount of emoluments and amounts (excluding shares) receivable under long term incentive schemes	**586**	244
Defined benefit scheme:		
Accrued pension at year end	**169**	71

The highest paid director exercised share options during the year (2012: exercised).

Notes to the financial statements
For the year ended 29 December 2013

6. Staff costs

Staff costs were as follows:

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Wages and salaries	**22,002**	22,772
Social security costs	**3,785**	2,813
Pension costs (Note 15)	**4,864**	5,593
Share-based payments (Note 19)	**2,405**	26
	33,056	31,204

The average monthly number of persons, including the executive directors, during the year was as follows:

	Year ended 29 December 2013 No.	Year ended 30 December 2012 No.
Production and distribution	**46**	37
Selling and marketing	**65**	59
Administration	**156**	140
	267	236

Share-based payments' include €2,404,726 (2012: €30,000) charged in respect of the fair value of employee services provided and a credit of €nil (2012: €4,000) for the movement in potential recharge to ultimate parent in respect of options not being fair valued.

The average number of employees includes graduate trainees, part time employees and those on maternity leave.

The total costs associated with these employees were recharged to other group affiliates.

7. Interest payable and similar charges

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Interest paid to group undertakings	**186**	304

8. Other finance expense

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Interest on pension scheme liabilities	**28**	-

9. Tax on profit on ordinary activities

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**1,664**	3,554
Deferred tax		
Origination and reversal of timing differences	**(801)**	(2,090)
Tax on profit on ordinary activities	**863**	1,464

Factors affecting tax charge for the year

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	Year ended 29 December 2013 €000	Year ended 30 December 2012 €000
Profit on ordinary activities before taxation	**5,745**	5,269
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	**1,336**	1,291
Effects of:		
Expenses not deductible for tax purposes	**382**	-
Decelerated capital allowances and other timing differences	**2,005**	2,263
Tax deduction arising from exercise of employee options	**(2,059)**	-
Total current tax charge for the year (see note above)	**1,664**	3,554

Factors affecting current and future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 23.25%.

On 2 July 2013 changes in the UK main corporation tax rate to 21% and 20% were substantively enacted to be in effect from 1 April 2014 and 1 April 2015 respectively. As a result the relevant deferred tax balances have been re-measured to 20%, reflective of the rate expected to be in force at the time the underlying timing differences reverse.

Notes to the financial statements
For the year ended 29 December 2013

10. Tangible fixed assets

	Fixtures, fittings and equipment €000	Capital assets under construction €000	Total €000
Cost			
At 31 December 2012	152,701	16,747	169,448
Additions	-	20,469	20,469
Disposals	(6,702)	-	(6,702)
Transfer between classes	18,346	(18,346)	-
At 29 December 2013	164,345	18,870	183,215
Accumulated depreciation			
At 31 December 2012	106,308	-	106,308
Charge for the year	21,088	-	21,088
On disposals	(6,702)	-	(6,702)
At 29 December 2013	120,694	-	120,694
Net book amount			
At 29 December 2013	43,651	18,870	62,521
At 30 December 2012	46,393	16,747	63,140

11. Debtors

	29 December 2013 €000	30 December 2012 €000
Amounts falling due within one year		
Amounts owed by group undertakings	**9,430**	8,523
Prepayments and accrued income	**1,420**	678
Deferred tax asset (see note 13)	**3,045**	2,291
	13,895	11,492

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

12. Creditors: amounts falling due within one year

	29 December 2013 €000	30 December 2012 €000
Trade creditors	**7,891**	7,644
Amounts owed to group undertakings	**18,844**	16,761
Corporation tax	**459**	1,573
Other taxation and social security	**892**	850
Accruals and deferred income	**9,064**	8,478
	37,150	35,306

Amounts owed to group undertakings are unsecured, interest bearing and have no fixed repayment date.

Notes to the financial statements
For the year ended 29 December 2013

13. Deferred tax

Deferred taxation recognised in the financial statements is as follows:

	Amount recognised / (amount provided)	
	29 December 2013 €000	30 December 2012 €000
Accelerated capital allowances	**663**	(764)
Short term timing differences	**2,382**	3,055
Deferred tax asset excluding that relating to the pension liability	**3,045**	2,291
Deferred tax asset on pension liability	**354**	148
Total deferred tax asset	**3,399**	2,439

	29 December 2013 €000	30 December 2012 €000
At start of year	**2,439**	339
Deferred tax movement in profit and loss account	**801**	2,090
Deferred tax movement in statement of total recognised gains and losses	**159**	10
At end of year	**3,399**	2,439

The company had no unrecognised deferred tax at the year end.

The deferred tax asset has been recognised as the directors of the company consider that it is more likely than not the asset will crystallise in the future.

14. Provisions for liabilities

	Share options €000
At 31 December 2012	**1,705**
Charged to profit and loss account	**1,692**
Utilised during the year	**(1,183)**
At 29 December 2013	**2,214**

Share options

The provision represents Employer's National Insurance on unexercised share options (see note 19). This is expected to be utilised within the next 10 years.

15. Pension commitments

Johnson & Johnson Consumer Services EAME Limited participates in three pension arrangements in conjunction with other companies in the Johnson & Johnson Group. These are:

- A funded, defined benefit plan called the "Johnson & Johnson UK Group Retirement Plan";
- A defined contribution plan with some underlying guarantees for employees called the "Johnson & Johnson UK Group Retirement Plan 16"; and
- An unfunded, unapproved defined benefit arrangement.

It also participates in a life assurance arrangement called the "Johnson & Johnson UK Approved Life Assurance Plan".

Johnson & Johnson UK Group Retirement Plan and Plan 16

The FRS17 disclosure requirements refer to the situation where either there is only one employer participating in a defined benefit scheme, or there is more than one employer and each employer's share of the underlying assets and liabilities can be identified. In Johnson & Johnson's funded defined benefit scheme the assets attributable to each individual company cannot be identified on a reasonable and consistent basis and so each company's share of the surplus/deficit cannot be identified. In this circumstance, the Accounting Standards Board allows the actual contributions paid by the company to be used as a substitute for 'defined benefit' FRS17 costs.

Contributions paid to the Johnson & Johnson UK Group Retirement Plan by the company in the year 31 December 2012 to 29 December 2013 amounted to €4,508,236.

Contributions paid by the company to Plan 16 in the year 31 December 2012 to 29 December 2013 amounted to €52,997.

At the end of 2013, no contributions were outstanding.

For comparison, during 2012 the company paid contributions of €4,837,000 into the Plan and €154,000 into Plan 16.

The best estimate of the company contributions expected in the year 30 December 2013 to 28 December 2014 to be paid to Johnson & Johnson UK Group Retirement Plan is €5,126,412.

The best estimate of the company contributions expected in the year 30 December 2013 to 28 December 2014 to be paid to Johnson & Johnson UK Group Retirement Plan 16 is €59,930.

The company is also required to disclose the overall funding position of the UK Group Retirement Plan (both the Plan and Plan 16).

Composition of the UK Group Retirement Plan

The statutory actuarial funding valuation of the Plan as at 31 March 2011 has been completed. The valuation results at this date have been updated to 29 December 2013 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2013	2012	2011	2010	2009
Rate of increases in salaries	**4.30%**	4.25%	4.25%	4.25%	3.00%
Rate of increase in pensions in payment (where 5% LPI applies)	**3.20%**	3.00%	3.00%	3.00%	3.00%
Discount rate	**4.60%**	4.60%	5.00%	5.50%	5.75%
Inflation assumption (RPI)	**3.30%**	3.25%	3.25%	3.25%	3.25%

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15. Pension commitments (continued)

In addition to the major financial assumptions above, it is assumed that male members currently aged 45 will live for 23.8 years from age 65 and those currently aged 65 will live for a further 22.4 years. It is also assumed that all members commute 80% of the maximum permissible amount of their pension for cash in line with current commutation terms.

Taking the liabilities calculated on the above basis and the assets of the Plan and Plan 16 at market value gives an aggregate pension scheme deficit at 29 December 2013, for the whole UK Johnson & Johnson Group, of £22,017,000. In contrast, there was estimated to be no deficit in Plan 16 at 29 December 2013.

Where a deficit exists in any of the plans, the method of removing that deficit is determined by agreement of the Participating Employers and the Trustee. It should be noted that the basis used to calculate the deficit amount for these funding purposes does not correspond to the basis set out by FRS17.

Neither the Johnson & Johnson UK Group Retirement Plan or Plan 16 has any self investments.

Unfunded, unapproved defined benefit arrangement

As mentioned above, there is a small unfunded unapproved pension arrangement for employees following the benefit changes that were implemented with effect from 1 April 2012. To mitigate the impact of the reduced Annual Allowance (and the associated tax charges) on Plan members, some employees accrue part of their benefits outside of the registered pension arrangement.

Since this arrangement is unfunded, it does not have the difficulty of determining the split of assets and so full details are provided. This includes the FRS17 liability and expense in respect of Johnson & Johnson Consumer Services EAME Limited and a reconciliation of the movement in liability over the current accounting year:

The financial assumptions underlying the calculation of the unfunded, unapproved liability are identical to those underlying the calculation of the funded liability.

Net pension liability	2013 €000	2012 €000	2011 €000	2010 €000	2009 €000
Deficit in scheme	(1,772)	(645)	-	-	-
Related deferred tax asset	354	148	-	-	-
Net pension liability	(1,418)	(497)	-	-	-

Movement in liability during the year	2013 €000	2012 €000	2011 €000	2010 €000	2009 €000
Liability in scheme at beginning of the year	(645)	-	-	-	-
Movement in year:					
Current service costs	(303)	(602)	-	-	-
Past service costs	-	-	-	-	-
Other finance expense	(28)	-	-	-	-
Assumptions gain/(loss)	32	(43)	-	-	-
Experience loss	(828)	-	-	-	-
Settlement of liability	-	-	-	-	-
Liability in scheme at end of year	(1,772)	(645)	-	-	-

15. Pension commitments (continued)

Analysis of the amount charged to profit or loss	2013 €000	2012 €000	2011 €000	2010 €000	2009 €000
Current service costs	(303)	(602)	-	-	-
Past service costs	-	-	-	-	-
Interest on pension scheme liabilities	(28)	-	-	-	-
Total expense recognised in profit and loss account	(331)	(602)	-	-	-

Analysis of amount recognised in STRGL	2013 €000	2012 €000	2011 €000	2010 €000	2009 €000
Experience losses arising on scheme liabilities	(828)	-	-	-	-
Changes in assumptions underlying the present value of the scheme liabilities	32	(43)	-	-	-
Actuarial loss recognised in STRGL	(796)	(43)	-	-	-

History of experience losses

	2013	2012	2011	2010	2009
Experience losses of scheme liabilities:					
Amount (€000)	(828)	-	-	-	-
% of the present value of the scheme liabilities	47%	- %	- %	- %	- %
Total amount recognised in the STRGL:					
Amount (€000)	(796)	(43)	-	-	-
% of the present value of the scheme liabilities	44.9%	6.7%	- %	- %	- %

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is €839,000 (2012: €43,000).

Estimated benefits to be paid directly by Johnson & Johnson Consumer Services EAME Limited during the next accounting year are €nil.

Life Assurance

Johnson & Johnson Consumer Services EAME Limited participates in an approved life assurance plan. The premiums paid to these arrangements during 2013 were:

	€000
Johnson & Johnson UK Approved Life Assurance Plan	53

Notes to the financial statements
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16. Called up share capital

	29 December 2013 €	30 December 2012 €
Allotted, called up and fully paid		
100 (2012: 100) ordinary shares of £1 each	**100**	100

17. Reserves

	Other reserves €000	Profit and loss account €000
At 31 December 2012	**10,065**	**27,196**
Profit for the financial year	**-**	**4,882**
Actuarial loss on pension scheme net of deferred tax	**-**	**(637)**
Share based payment: services provided	**-**	**2,405**
Share based payment: recharge from ultimate parent	**-**	**(6,920)**
Transfer between reserves	**(10,065)**	**10,065**
At 29 December 2013	**-**	**36,991**

18. Reconciliation of movement in shareholders' funds

	29 December 2013 €000	30 December 2012 €000
Opening shareholders' funds	**37,261**	34,467
Profit for the financial year	**4,882**	3,805
Actuarial loss on pension scheme net of deferred tax	**(637)**	(33)
Share based payments	**(4,515)**	(978)
Closing shareholders' funds	**36,991**	37,261

19. Share based payments

Share options

At 29 December 2013 the company's employees were members of 10 stock-based compensation plans operated by the ultimate parent company. The shares outstanding are for contracts under Johnson & Johnson's 2000, 2005 and 2012 UK Approved Stock Option Plans, the 2000, 2005 and 2012 UK Unapproved Stock Option Plans, the 2000, 2005 and 2012 Non-Qualified Option Plans, and the 2000 ISO Stock Option Plan. All of these arrangements are settled in equity, have a three year vesting period and any unexercised options lapse 10 years from the grant date.

A reconciliation of option movements over the year to 29 December 2013 is shown below:

		29 December 2013		30 December 2012
	Number ('000)	Weighted average exercise price	Number ('000)	Weighted average exercise price
Outstanding at start of year	757	$61.77	923	$60.95
Granted	123	$72.54	22	$65.37
Forfeited/Cancelled	(20)	$69.48	(18)	$63.73
Exercised	(363)	$61.22	(168)	$57.55
Transferred	71	-	(2)	-
Outstanding at end of year	568	$64.21	757	$61.77
Exercisable at end of year	382		614	

The weighted average fair value of options granted in the year was $598,483 (2012: $141,913). The weighted average share price at the date of exercise for options exercised in the year was $82.05 (2012: $67.10).

For options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life are as follows:

29 December 2013				30 December 2012			
Weighted average exercise price	Number of shares ('000)	Weighted average remaining life: Expected	Contractual	Weighted average exercise price	Number of shares ('000)	Weighted average remaining life: Expected	Contractual
$52.20	0	0 yrs	0 yrs	$52.20	11	0.1 yrs	0.1 yrs
$53.93	12	0.1 yrs	0.1 yrs	$53.93	48	1.1 yrs	1.1 yrs
$66.18	64	1.1 yrs	1.1 yrs	$66.18	137	2.1 yrs	2.1 yrs
$58.34	66	2.1 yrs	2.1 yrs	$58.34	102	3.1 yrs	3.1 yrs
$65.62	75	3.1 yrs	3.1 yrs	$65.62	115	4.1 yrs	4.1 yrs
$61.75	56	4.1 yrs	4.1 yrs	$61.75	95	5.1 yrs	5.1 yrs
$58.33	57	5.1 yrs	5.1 yrs	$58.33	106	6.1 yrs	6.1 yrs
$62.62	53	6.1 yrs	6.1 yrs	$62.62	72	7.1 yrs	7.1 yrs
$62.20	52	7.1 yrs	7.1 yrs	$62.20	52	8.1 yrs	8.1 yrs
$65.37	24	8.1 yrs	8.1 yrs	$65.37	19	9.1 yrs	9.1 yrs
$72.54	109	9.1 yrs	9.1 yrs				

All options are granted at the current market price on a specific grant date during each calendar year. There is therefore no weighted average exercise price as the shares granted each year are all granted at the same price, given in the table above.

The total charge for the year relating to employee share based payment plans was €247,870 (2012: €29,504), all of which related to equity-settled share based payment transactions. After deferred tax at 20% (2012: 23%), the total charge was €198,296 (2012: €22,718).

19. Share based payments (continued)

Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

	29 December 2013	30 December 2012
Share price at grant date and exercise price	**$72.54**	$65.37
Number of employees	**27**	22
Shares granted in year	**122,754**	22,200
Vesting period (years)	**3 years**	3 years
Expected volatility	**14.04%**	18.39%
Option life (years)	**10 years**	10 years
Expected life (years)	**6 years**	6 years
Risk free rate	**1.01%**	1.06%
Expected dividend yield	**3.40%**	3.60%
Fair value per option	**$4.875**	$6.39

Starting in 2006, expected volatility represents a blended rate of 4-year daily historical average volatility rate, and a 5-week average implied volatility rate based on at-the-money traded Johnson & Johnson options with a life of 2 years. Prior to 2006, expected volatility was based on a 5-year weekly historical volatility rate. Historical data is used to determine the expected life of the option. The risk free rate was based on the US Treasury yield curve in effect at the time of grant.

Restricted Stock Units and Performance Stock Units

The company also grants Restricted Stock Units (RSU's) and Performance Stock Units (PSU's). RSU's were first granted in 2006 and have a vesting period of 3 years. PSU's were first granted in 2013 and also have a vesting period of 3 years. The average fair value of RSU's and PSU's granted during the year was $65.51, using the fair market value at the date of grant. The fair value of restricted stock units was discounted for dividends, which are not paid on the restricted stock units during the vesting period.

	29 December 2013	30 December 2012
	Number of shares ('000)	Number of shares ('000)
Shares at start of year	**156**	158
Stock granted	**58**	65
Stock forfeited	**(13)**	(26)
Stock issued	**(55)**	(40)
Stock transferred	**5**	(1)
Shares at end of year	**151**	156

Certificates of Extra Compensation & Certificates of Long Term Performance

In addition, the company's employees may be eligible to receive Certificates of Extra Compensation (CEC's) or Certificates of Long Term Performance (CLP's).

CEC's were granted up until 31 December 2009 by the company if it wished to reward an employee for faithful service in the past and to encourage employees in their future work by permitting them to share in the growth and success of the company's enterprises by issuing to them Units of Agreements of Additional Remuneration ("AAR Units") and to that end receive as extra compensation sums based upon and measured by (a) the amount of cash dividends from time to time declared upon an equal number of shares of common stock of the ultimate parent company and (b) by the formula value of AAR Units as established in the AAR agreement, at the time of termination of employment or death while in such employment.

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19. Share based payments (continued)

Certificates of Extra Compensation & Certificates of Long Term Performance (continued)

Since 1 January 2010 CLP's may be granted by the company if it wishes to reward an employee for faithful service in the past and to encourage employees in their future work by permitting them to share in the growth and success of the company's enterprises by issuing to them Units of Agreements of Additional Remuneration ("AAR Units") and to that end receive as extra compensation sums based upon and measured by (a) the amount of cash dividends from time to time declared upon an equal number of shares of common stock of the ultimate parent company and (b) by the formula value of AAR Units as established in the AAR agreement. This award represents a deferred compensation instrument with the vested value being paid out at the tenth anniversary of the date of the grant or upon termination or retirement, whichever occurs earlier.

National Insurance

Share options granted subsequent to 5 April 1999 under unapproved schemes are subject to employers' and employees' national insurance on the gain made on exercise of such options by UK employees.

An accrual of €1,292,077 (2012: €569,231) for employers' national insurance has been made at the balance sheet date based on the year-end share price of $91.59. It has been assumed that 100% of shares held by employees at the balance sheet date will be exercised.

An accrual of €906,882 (2012: €1,136,003) has been made for the employers' national insurance on restricted stock units.

An accrual of €15,608 (2012: €nil) has been made for the employers' national insurance on performance stock units.

20. Commitments and contingencies

At 29 December 2013 the company had annual commitments under non-cancelable operating leases expiring as follows:

	29 December 2013		30 December 2012	
	Land and buildings €000	**Other €000**	Land and buildings €000	Other €000
Within one year	-	**57**	-	3
Within two to five years	-	**249**	-	226
Over five years	-	-	-	-
	-	**306**	-	229

21. Ultimate and immediate parent companies and controlling party

The immediate parent company is Johnson & Johnson Management Limited.

The directors regard Johnson & Johnson, a company registered in the United States of America, as the ultimate parent company and ultimate controlling party. This is the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the consolidated financial statements may be obtained from Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933, USA.