Company Registration No. 00375793

Church & Dwight UK Limited

Annual Report and Financial Statements

30 November 2010

Church & Dwight UK Limited

Annual report and financial statements 2010

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Church & Dwight UK Limited

Annual report and financial statements 2010

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 auditor

Deloitte LLP
Chartered Accountants
Crawley

Church & Dwight UK Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 November 2010

Business review and principal activities

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

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

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

As shown in the profit and loss account on page 7, the company's performance has continued to improve year on year The balance sheet on page 8 shows that the company remains in a strong position in terms of net assets and cash

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

Details of significant events since the balance sheet date are contained in note 21 of the financial statement

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 £22m at 30 November 2010 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 £160,534 being £0 224p per ordinary share (2009 - £457,635 being £0 639p 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
A J Routley
A J L Huns

Directors' indemnities

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

Directors' report (continued)

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

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 auditor is unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

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

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

P J Gilham
Secretary

7th November, 2011

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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent Auditor's Report to the Members of Church & Dwight UK Limited

We have audited the company financial statements of Church & Dwight UK Limited for the year ended 30 November 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 21 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor
As explained more fully in the 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

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 2010 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

N Harris

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

9 November, 2011

Church & Dwight UK Limited

Profit and loss account
Year ended 30 November 2010

	Note	2010 £'000	2009 £'000
Turnover	2	58,118	53,818
Cost of sales		(40,058)	(38,158)
Gross profit		18,060	15,660
Distribution costs		(11,816)	(10,703)
Administrative expenses		(4,214)	(3,071)
		2,030	1 886
Other operating income		221	85
Operating profit		2,251	1,971
Interest receivable and similar income	5	3	24
Interest payable and similar charges	6	(340)	(206)
Profit on ordinary activities before taxation	4	1,914	1,789
Tax on profit on ordinary activities	7	(375)	(690)
Profit on ordinary activities after taxation for the financial year	18	1,539	1,099

All activities derive from continuing operations

Statement of total recognised gains and losses
Year ended 30 November 2010

	Note	2010 £'000	2009 £'000
Profit on ordinary activities after taxation for the financial year		1,539	1,099
Actuarial loss relating to the pension scheme	17	(614)	(5,384)
UK deferred tax attributable to actuarial loss		131	1,508
Total recognised gains and losses relating to the current year		1,056	(2,777)

Church & Dwight UK Limited

Balance sheet
30 November 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	9	559	1,546
Tangible assets	10	5,447	5,996
		6,006	7,542
Current assets			
Stocks	11	8,709	9,968
Debtors	12	14,695	13,296
Cash at bank and in hand		4,907	2,156
		28,311	25,420
Creditors: amounts falling due within one year	13	(8,286)	(7,252)
Net current assets		20,025	18,168
Total assets less current liabilities		26,031	25,710
Provisions for liabilities	14	(396)	(779)
Net assets excluding pension liability		25,635	24931
Pension liability	17	(3,514)	(3,705)
Net assets including pension liability		22,121	21,226
Capital and reserves			
Called up share capital	15	716	716
Share premium account	18	208	208
Profit and loss account	18	21,197	20,302
Total shareholders' funds	18	22,121	21,226

The financial statements of Church & Dwight UK Limited, registered number 00375793 were approved by the board of directors and authorised for issue on 7 November, 2011

They were signed on its behalf by

A J Routley
Director

Church & Dwight UK Limited

Notes to the accounts
For the year ended 30 November 2010

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	6% - 20%

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

Intangible fixed assets

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

Stocks

Stocks are stated at the lower of cost and net realisable value For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads Provision is made for obsolete, slow-moving or defective items where appropriate

Notes to the accounts
For the year ended 30 November 2010

1. **Accounting policies (continued)**

Taxation

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

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

Foreign currencies

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

Leases

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

Pension costs

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

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

The defined benefit schemes closed to new entrants on 31st December 2010 Accordingly the company supports an approved Stakeholder Scheme and contributes on a matching basis up to 9% of eligible earnings The actual cost charged to the profit and loss account for the period to 30 November 2010 of £115,868 (2009 - £83,375) represents amounts payable to the scheme for the period then ended There are no outstanding contributions (2009 – nil) at the balance sheet date

Turnover

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

Notes to the accounts
For the year ended 30 November 2010

2. Turnover

	2010 £'000	2009 £'000
By geographical market:		
United Kingdom	31,756	29,507
Europe	9,571	9,805
Middle East	4,503	3,534
Other	12,288	10,972
	58,118	53,818

All turnover is derived from the company's principal activities

3. Information regarding directors and employees

Directors' remuneration.

	2010 £'000	2009 £'000
Emoluments	308	333
Compensation for loss of office	-	206
	308	539

Remuneration of the highest paid director:

	2010 £'000	2009 £'000
Emoluments	192	209
Compensation for loss of office	-	206
	192	415

Notes to the accounts
For the year ended 30 November 2010

3. Information regarding directors and employees (continued)

	2010 No.	2009 No.
The number of directors who:		
Are members of a defined benefit pension scheme (including the highest paid director who left during the year)	1	2
Exercised share options over shares in the company	-	1

	2010 No.	2009 No.
Average number of persons employed during the year (including directors):		
Marketing	9	10
Sales	19	19
Administration	21	21
Manufacturing	316	309
R&D/Product Development	10	11
	375	370

	2010 £'000	2009 £'000
Staff costs during the year:		
Wages and salaries (including £200,00 (2009 - £300,387) in respect of compensation for loss of office)	9,014	8,281
Social security costs	732	629
Pension costs	693	1,024
	10,439	9,934

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

Certain employees of the company hold equity settled share options in Church & Dwight Inc No FRS 20 charge has been recorded in the financial statements on the grounds of immateriality

Notes to the accounts
For the year ended 30 November 2010

4. Profit on ordinary activities before taxation

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	1,033	1,124
Amortisation of concessions, licences and trademarks	987	210
Research and development	299	291
Exchange gains	(64)	(222)
Rentals payable under operating leases		
hire of plant and machinery	113	100
hire of other assets	544	562

The analysis of auditors' remuneration is as follows

	2010 £'000	2009 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	64	66
Total audit fees	64	66

5. Interest receivable and similar income

	2010 £'000	2009 £'000
Bank interest	3	5
Interest on corporation tax	-	19
	3	24

6. Interest payable and similar charges

	2010 £'000	2009 £'000
Other interest payable	-	44
Other finance charges		
– net interest expense on pension scheme assets and liabilities	340	162
	340	206

Notes to the accounts
For the year ended 30 November 2010

7. Tax on profit on ordinary activities

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

	2010 £'000	2009 £'000
Current tax		
United Kingdom corporation tax at 28% (2009 – 28%) based on the profit for the year	762	243
Adjustments in respect of prior years	(4)	18
Total current tax	758	261
Deferred tax		
Timing differences, origination and reversal	44	199
Adjustments in respect to prior years	-	(60)
FRS17 current year tax timing differences	(339)	290
	375	690

(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% (2009 – 28 %) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	1,914	1,789
Tax on profit on ordinary activities at standard rate 28% (2009 – 28%)	536	501
Effects of		
Expenses not deductible for tax purposes	459	81
Capital allowances in excess of depreciation	29	99
Movement in short term timing differences	73	(51)
Group relief not paid for	-	(97)
Prior period adjustment	(339)	18
FRS17 current year tax timing differences	-	(290)
Total actual amount of current tax	758	261

8. Dividends

	2010 £'000	2009 £'000
Dividend of £0 224p per ordinary £1 share (2009 - £0 639)	161	457

Notes to the accounts
For the year ended 30 November 2010

9. Intangible fixed assets

	Other £'000	Non-competitive covenants £'000	Concessions, licences and trademarks £'000	Total £'000
Cost				
At 1 December 2009 and at 30 November 2010	16	75	4,035	4,126
Accumulated amortisation				
At 1 December 2009	-	75	2,505	2,580
Charge for the year	-	-	987	987
At 30 November 2010	-	75	3,492	3,567
Net book value				
At 30 November 2010	16	-	543	559
At 30 November 2009	16	-	1,530	1,546

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 2009	32	1,820	11,670	1,070	14,592
Additions	-	-	450	34	484
Transfers	-	-	1,024	(1,024)	-
At 30 November 2010	32	1,820	13,144	80	15,076
Accumulated depreciation					
At 1 December 2009	-	983	7,613	-	8,596
Charge for the year	-	72	961	-	1,033
At 30 November 2010	-	1,055	8,574	-	9,629
Net book value					
At 30 November 2010	32	765	4,570	80	5,447
At 30 November 2009	32	837	4,057	1,070	5,996

11. Stocks

	2010 £'000	2009 £'000
Raw materials and consumables	4,591	3,886
Work-in-progress	367	367
Finished goods and goods for resale	3,751	5,715
	8,709	9,968

Notes to the accounts
For the year ended 30 November 2010

12. Debtors

	2010 £'000	2009 £'000
Trade debtors	10,135	9,472
Amounts owed by group undertakings	3,719	2,999
Corporation tax recoverable	188	188
Other debtors	368	344
Prepayments and accrued income	285	293
	14,695	13,296

13. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	4,820	3,716
Amounts owed to group undertakings	639	1,268
Corporation tax	479	-
Other taxation and social security	237	194
Accruals and deferred income	2,111	2,074
	8,286	7,252

14. Provisions for liabilities

Deferred taxation

	£'000
Balance at 1 December 2009	779
Charge for the period in the profit and loss account	(383)
Balance at 30 November 2010	396

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

	2010 £'000	2009 £'000
Difference between accumulated depreciation and amortisation and capital allowances	396	779
	396	779

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

Notes to the accounts
For the year ended 30 November 2010

15. Called up share capital

	2010 £'000	2009 £'000
Called up, allotted and fully paid:		
716,000 (2009 - 716,000) ordinary shares of £1 each	716	716

16. Financial commitments

	2010 £'000	2009 £'000
Capital commitments:		
Contracted for but not provided	24	265

There is a contingent liability relating to 1 bond in favour of H M Revenue and Customs totalling £17,000 (2009 - £80,000)

	2010		2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under non-cancellable operating leases expiring:				
within one year	58	41	-	61
in the second to fifth years inclusive	74	161	257	153
over five years	135	-	135	-
	267	202	392	214

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 2010

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

The following amounts have been disclosed for the "Main Plan" and "Senior Executive Plan" on a combined basis The valuations for both plans were updated to 30 November 2010 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 2010	At year end 30 November 2009
Rate of increase in salaries	3 9%	4 0%
Rate of increase of pensions in payment	3 4%	3 5%
Rate of increase of pensions in deferment	3 4%	3 5%
Discount rate	5 4%	5 6%
Inflation assumption	3 4%	3 5%

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

	At year end 30 November 2010		At year end 30 November 2009	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	21 8 years	24 6 years	22 1 years	24 years
Member age 45 (life expectancy at age 65)	23 7 years	26 5 years	22 2 years	25 years

17. Pensions (continued)

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

		At year end 30 November 2010 £'000		At year end 30 November 2009 £'000
Equities	6 8%	15,731	6 6%	14,319
Gilts	4 4%	9,081	4 3%	7,017
Other Bonds	6 8%	354	6 6%	1,382
Other	0 5%	1,901	0 5%	2,118
Total market value of assets		27,067		24,836

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

	30 November 2010 £'000	30 November 2009 £'000
Fair value of scheme assets	27,067	24,836
Present value of scheme liabilities	(31,881)	(29,982)
Deficit in scheme	(4,814)	(5,146)
Related deferred tax	1,300	1,441
Net pension liability	(3,514)	(3,705)

All of the obligations are funded (2009 – funded) and there are no unfunded liabilities (2009 – nil)

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

	At year end 30 November 2010 £'000	At year end 30 November 2009 £'000
Current service cost	577	452
Interest cost	1,664	1,371
Expected return on scheme assets	(1,324)	(1,209)
Cost of curtailments	(455)	489
	462	1,103

Of the total current service cost, £306,000 (2009 - £240,000) has been included in cost of sales and £271,000 (2009 - £212,000) has been included in administrative expenses Of the cost of curtailments, £455,000 has been credited to administrative expenses (2009 – charge of £489,000) Actuarial gains and losses have been reported in the statement of total recognised gains and losses

The actual return on scheme assets during the year was £1,918,000 (2009 - £3,651,000)

Notes to the accounts
For the year ended 30 November 2010

17 Pensions (continued)

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

	Year to 30 November 2010 £'000	Year to 30 November 2009 £'000
Actual return less expected return on plan's assets	594	2,442
Experience gain /(losses) on liabilities	62	(212)
Changes in assumptions underlying the present value of the scheme liabilities	(1,270)	(7,614)
Actuarial loss recognised in STRGL	(614)	(5,384)

The cumulative amount of actuarial gains and (losses) recognised in the statement of total recognised gains and losses since the adoption of FRS17 is £5,481,000 (2009 - £4,867,000)

Reserves reconciliation

	30 November 2010 £'000	30 November 2009 £'000
Profit and loss reserve including pension liability	21,197	20,302
Pension liability	3,514	3,705
Profit and loss reserve excluding pension liability	24,711	24,007

Movement in deficit during the year

	Year to 30 November 2010 £'000	Year to 30 November 2009 £'000
Deficit in plans at beginning of year	(5,146)	(795)
Movement in year		
Current service cost	(577)	(452)
Contributions	1,408	2,136
Net finance charge	(340)	(162)
Actuarial loss	(614)	(5,384)
Cost of curtailments	455	(489)
Deficit in plans at end of year	(4,814)	(5,146)

Notes to the accounts
For the year ended 30 November 2010

17. Pensions (continued)

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

	Year to 30 November 2010 £'000	Year to 30 November 2009 £'000
Benefit obligation at the beginning of the year	29,982	20,614
Service cost	577	452
Interest cost	1,664	1,371
Members' contributions	173	210
Actuarial loss	1,208	7,826
Cost of curtailments	(455)	489
Benefits paid	(1,268)	(980)
Benefit obligation at the end of the year	31,881	29,982

Movements in the fair value of scheme assets were as follows

	Year to 30 November 2010 £'000	Year to 30 November 2009 £'000
Fair value of plan assets at the beginning of the year	24,836	19,819
Expected return on plan assets	1,324	1,209
Actuarial gain	594	2,442
Employer contributions	1,408	2,136
Member contributions	173	210
Benefits paid from plan	(1,268)	(980)
Fair value of plan assets at the end of the year	27,067	24,836

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For the year ended 30 November 2010

17. Pensions (continued)

History of experience gains and losses

	Year ended 30 November 2010	Year ended 30 November 2009	Year ended 30 November 2008	Year ended 30 November 2007	Year ended 30 November 2006
Defined benefit obligation	31,881	29,982	20,614	25,002	25,483
Fair value of plan assets	27,067	24,836	19,819	22,668	20,358
Deficit	(4,814)	(5,146)	(795)	(2,334)	(5,125)
Difference between expected and actual return on Plan's assets:					
Experience gains and losses on pension scheme assets					
Amount (£'000)	594	2,442	(5,142)	608	1,012
Percentage of Plan assets	2%	10%	(26%)	3%	5%
Experience (gains) and losses on Plan's liabilities:					
Amount (£'000)	62	(212)	884	(648)	1,300
Percentage of plan liabilities	0%	(1%)	4%	(3%)	5%

The company expects to pay contributions of £1,431,000 into its pension plans in 2011

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 2009	716	208	20,302	21,226
Profit for the financial year	-	-	1,539	1,498
Dividends paid	-	-	(161)	(161)
Net actuarial loss	-	-	(483)	(442)
Balance at 30 November 2010	716	208	21,197	22,121

19. Ultimate parent company and controlling party

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

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

Notes to the accounts
For the year ended 30 November 2010

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

21. Subsequent events

On the 14th October 2011, the company's parent company was put into liquidation as a result of Group restructuring As at the date of approving the financial statement, the proceedings were still ongoing but the expectation is that the new parent company will be Armkel Holdings (Netherlands) B V

On the 28th June 2011 the company's ultimate parent purchased the Batiste range of products from Vivalis Ltd The company will manufacture and market this range of products under licence from Church & Dwight Co Inc The effect of this transaction is an increase in working capital of £1 5million In addition the company is investing £1 2 million in production equipment upgrades at its Folkestone manufacturing facility in order to manufacture this range of products from Mid 2012

From late 2011 and during 2012 the company is undertaking a plant improvement programme at its Folkestone production facility with a capital investment of £2 1million

Both of the above initiatives will be funded by a short term inter-group loan of £4 0 million