

Registered number 02906848

McNeil Products Limited
Annual report and financial statements
for the year ended 2 January 2011



McNeil Products Limited

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Directors and advisers

Directors

M Robinson
J Gonzalez

Company secretary

M Robinson

Registered office

Foundation Park
Roxborough Way
Maidenhead
Berkshire SL6 3UG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
Berkshire RG1 1JG

Solicitors

Linklaters LLP
One Silk Street
London EC2Y 8HQ

Bankers

The Royal Bank of Scotland Plc
Corporate Banking Office
P O Box 450
5-10 Great Tower Street
London EC3P 3HX

Directors' report for the year ended 2 January 2011

The directors present their annual report and the audited financial statements for the year ended 2 January 2011

Business review and principal activities

The principal activity of the company remains that of an intermediary group holding company

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 key business risks and uncertainties affecting the company are considered to relate to foreign exchange risk, interest rate risk and liquidity risk.

Financial risk management

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

Liquidity risk

The company is funded within the Johnson & Johnson group of companies. Its 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 manages its foreign exchange risk by hedging its significant exposures through a group hedging scheme.

Directors' report for the year ended 2 January 2011 (continued)**Results and dividends**

The profit and loss account for the year is set out on page 7

The company's profit for the year is £18,175,000 (2009 loss £3,517,000) The company paid a dividend of £nil for the year (2009 £nil)

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

V Pender	(Resigned 28 February 2010)
J Pearson	(Resigned 21 January 2011)
J Gonzalez	(Appointed 4 January 2010)
M Robinson	(Appointed 10 January 2011)

Policy and practice on payment of creditors

The company's policy in respect of its creditors is to settle the terms of payment with those creditors when agreeing the terms of each transaction

Statement of directors' responsibilities

The directors are responsible for preparing the 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 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 year

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Directors' report for the year ended 2 January 2011 (continued)

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



M Robinson
Director
Date:

31/03/2011

Independent auditors' report to the members of McNeil Products Limited

We have audited the financial statements of McNeil Products Limited for the year ended 2 January 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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 2 January 2011 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

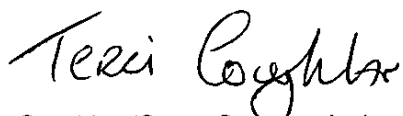
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of McNeil Products Limited (continued)

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



Terri Coughlan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Date 31 March 2011

**Profit and loss account
for the year ended 2 January 2011**

	Note	2010 £'000	2009 £'000
Loss on disposal of shares in subsidiary undertaking	8	(18,778)	-
Income from group undertakings	5	39,262	-
Interest payable and similar charges	6	(1,407)	(4,078)
Interest receivable and similar income		40	-
Foreign exchange (loss)		(176)	-
Other expenses		(58)	(53)
Profit / (loss) on ordinary activities before taxation	2	18,883	(4,131)
Tax on profit / (loss) on ordinary activities	7	(708)	614
Profit / (loss) for the financial year	13	18,175	(3,517)

There is no material difference between the profit / (loss) on ordinary activities before taxation and the profit / (loss) for the financial periods stated above, and their historical cost equivalents

All results are derived from continuing operations

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented

**Balance sheet
as at 2 January 2011**

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	8	47,549	169,235
Current assets			
Debtors	9	13,119	17,078
Cash at bank and in hand		7	-
Creditors - Amounts falling due within one year	10	(12,124)	(155,937)
Net current assets / (liabilities)		1,002	(138,859)
Total assets less current liabilities		48,551	30,376
Creditors - Amounts falling due after more than one year	11	(100)	(100)
Net assets		48,451	30,276
Capital and reserves			
Called up share capital	12	9	9
Profit and loss account	13	48,442	30,267
Total shareholders' funds		48,451	30,276

The financial statements on pages 7 to 15 were approved by the board of directors on
and were signed on its behalf by

31 March 2011.



M Robinson
Director
McNeil Products Limited
Registered number: 02906848

Notes to the financial statements for the year ended 2 January 2011**1 Principal accounting policies****Accounting period**

The accounting period ended 2 January 2011 consists of 52 weeks. For the purposes of these financial statements the year is referred to as 2010. The accounting period ended 3 January 2010 is referred to as 2009.

Basis of accounting

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.

Consolidated financial statements

The company and its subsidiary undertakings are included in the full consolidation of the financial statements of its ultimate parent, Johnson & Johnson. In accordance with the provisions of S400 of the Companies Act 2006, group financial statements have not been prepared.

Investments

Interests in subsidiary undertakings are recorded at cost plus any incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the company entered into the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date.

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 available under FRS 8 not to disclose related party transactions with companies of which 100% of the voting rights are controlled within the group.

Notes to the financial statements for the year ended 2 January 2011 (continued)

2 Profit / (loss) on ordinary activities before taxation

Services provided by the company's auditor and network firms

During the year the company obtained the following services from the company's auditor as detailed below

	2010 £'000	2009 £'000
Payable to PricewaterhouseCoopers LLP and network firms:		
Audit services fees payable for the statutory audit of the company	4	4

3 Directors' emoluments

The directors during the period were primarily employed by other companies in the Johnson & Johnson group and their remuneration has been borne by those companies (2009 £nil)

4 Employee information

The company did not have any employees during either the current year or prior period

5 Income from shares in group undertakings

	2010 £'000	2009 £'000
Income from fixed asset investment in subsidiaries		
Interim dividends received	39,262	-

6 Interest payable and similar charges

	2010 £'000	2009 £'000
8% cumulative preference dividend	8	8
Interest payable to current group undertakings	1,399	4,070
	1,407	4,078

Notes to the financial statements for the year ended 2 January 2011 (continued)

7 Tax on profit / (loss) on ordinary activities

	2010	2009
	£'000	£'000
Current tax:		
UK corporation tax on profits of the period	(446)	(1,154)
Adjustments in respect of previous periods	1,154	540
Total current tax	708	(614)

The tax credit assessed for the period is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010	2009
	£'000	£'000
Profit / (loss) on ordinary activities before taxation	18,883	(4,131)
Profit / (loss) on ordinary activities multiplied by the standard rate in the UK 28% (2009 28%)	5,287	(1,156)
Effects of		
Items not taxable for UK purposes	(10,993)	-
Expenses not deductible for tax purposes	5,260	2
Adjustment in respect of previous periods	1,154	540
Current tax charge for the period	708	(614)

Deferred tax

As at 2 January 2011 the company had no deferred tax asset or liability (2009 nil)

Factors that may affect future tax charges:

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the June 2010 and March 2011 Budgets. The changes, which are expected to be enacted separately each year, propose to reduce the rate by a further 1% on 1 April 2011 and by 1% per annum thereafter to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

Notes to the financial statements for the year ended 2 January 2011 (continued)

8 Fixed asset investments

	2010 £'000	2009 £'000
Cost		
At 4 January 2010	169,235	170,585
Acquisition of shares in group undertakings	-	-
Disposal of financial fixed assets	(121,686)	-
Adjustment to purchase price	-	(1,350)
At 2 January 2011	47,549	169,235

During the period the company sold its shareholdings in McNeil Sante Grand Public SAS, McNeil Comm VA and McNeil Consumer Healthcare SL. The company received cash in exchange for its shareholdings.

The principal subsidiary undertakings are as follows

	Country of incorporation	Percentage of ordinary shares held
McNeil Healthcare (UK) Limited	England & Wales	99%
McNeil Iberica S L U	Spain	100%
McNeil Healthcare (Ireland) Limited	Ireland	99%
Unicliffe Limited *	England & Wales	99%

Sub-subsidiary investments are denoted by *

The directors believe that the book value of investments is supported by their underlying net assets and anticipated future income streams.

Notes to the financial statements for the year ended 2 January 2011 (continued)

9 Debtors

	2010	2009
	£'000	£'000
Amounts falling due within one year		
Amounts owed by current group undertakings	12,673	15,924
Corporation tax	446	1,154
	13,119	17,078

All amounts fall due within one year. Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

10 Creditors: Amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	12,099	155,933
Accruals and deferred income	25	-
Other creditors	-	4
	12,124	155,937

Amounts owed to group undertakings include a rolling loan facility of £117,460,000 (2009 £141,535,494). Amounts owed to group undertakings are unsecured, interest bearing and repayable on demand.

11 Creditors: Amounts falling due after more than one year

	2010	2009
	£'000	£'000
Fair value of debt element of 8% preference shares	100	100

Notes to the financial statements for the year ended 2 January 2011 (continued)

12 Called up share capital

	2010	2009
	£	£
Allotted and fully paid		
578,015 ordinary 'C' shares of £0.01 each	5,780	5,780
210,000 ordinary 'D' shares of £0.01 each	2,100	2,100
5,878 ordinary 'A' shares of £0.10 each	588	588
2,058 ordinary 'B' shares of £0.10 each	206	206
	8,674	8,674

Rights of shareholders

The holders of the 'A' and 'B' shares have the right to receive notices, attend general meetings and vote thereat.

On a return of assets on the winding up of the company firstly the holders of the preference shares shall receive any arrears of the preference dividend.

Secondly, the holders of the 'A', 'B', 'C', 'D' and the preference shares shall receive the amount paid up on such shares or, if insufficient assets are available, in proportion to the amounts paid up on such shares.

Finally the balance of such assets shall belong to and be distributed among the holders of the 'C' and 'D' shares in proportion to the amounts paid up on such shares.

The holders of the 'C' and 'D' shares have the right to receive notices, but not to attend or vote at general meetings of the company. They have the right to receive the balance of any profits to be distributed in proportion to the amounts paid up on the 'C' and 'D' shares.

The preference shares are the subject of a cumulative coupon rate of 8% payable annually on 31 December and accordingly have been classified as a creditor falling due after more than one year.

Notes to the financial statements for the year ended 2 January 2011 (continued)

13 Reserves

	Profit and loss account £'000
At 4 January 2010	30,267
Profit for the financial year (note 14)	18,175
At 2 January 2011	48,442

14 Reconciliation of movement in shareholders' funds

	2010 £'000	2009 £'000
Profit / (loss) for the financial period	18,175	(3,517)
Net addition/(reduction) to shareholders' funds	18,175	(3,517)
Opening shareholders' funds	30,276	33,793
Closing shareholders' funds	48,451	30,276

15 Ultimate and immediate parent companies and controlling party

The immediate parent company is Cilag Holding AG

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 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.