

**Aerosol Products Limited**

**Directors' report and financial  
statements**

**Registered number 3843496**

**30 June 2006**

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## Directors and advisors

**Directors:** BHD Minto  
A Lindsay  
TNM Seaman – resigned 22 January 2007  
AJ Murfin – appointed 22 January 2007

**Secretary:** CA Barnet

**Registered office:** Middleton Way  
Middleton  
Manchester  
M24 4DP

**Registered Number:** 3843496

**Auditors:** KPMG Audit Plc  
St James' Square  
Manchester  
M2 6DS

**Solicitors:** Kuit, Steinart, Levy & Co  
3 St Mary's Parsonage  
Manchester  
M3 2RD

**Bankers:** Barclays Bank Plc  
M1 Corridor Corporate Business Centre  
Eagle Point  
1 Capability Green  
Luton  
LU1 3US

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2006.

### Principal activities and business review

The company previously manufactured aerosol products for the household and personal care markets. On 27 June 2005 Robert McBride Ltd purchased 100% of the share capital of Aerosol Products Limited from McBride Holdings Ltd for a consideration of £7,000,000. On 30 June 2005 Aerosol Products Limited received £7,000,000 for all its trade and assets from Robert McBride Ltd. As a result the company has not traded during this year.

### Results and dividends

Profit before tax for the year ended 30 June 2006 was £331,000 (2005: £4,478,000).

The directors do not recommend that a final dividend be paid to ordinary shareholders (2005: £nil). The retained profit for the year has been transferred to reserves.

### Political and charitable donations

The company made no political donations in the year (2005: £Nil). Charitable donations for the year were £Nil (2005: £945).

### Directors and directors' interests

The directors, who held office during the year, were as follows:

BHD Minto  
A Lindsay  
TNM Seaman (resigned 22 January 2007)

None of the directors are required to retire by rotation. Mr A J Murfin was appointed a director on the 22 January 2007.

None of the directors had any interest in shares or debentures of the company. The interests of Mr TNM Seaman and Mr A Lindsay as directors of the company's parent company are declared in those accounts and statutory books.

The interests of Mr BHD Minto in the shares of the Company's ultimate parent company, McBride plc, were as follows:

| Share options   | BHD Minto |
|---|-----------|
| SAYE options over ordinary shares at 30 June 2005 and 30 June 2006  | 37,191    |
|   | <hr/>     |
| <b>LTIP</b>   |           |
| Notional allocations of awards under the McBride Long Term incentive Plan:<br>These ordinary shares will vest at the end of a three year period depending on the achievement of<br>performance targets set out in the scheme. |           |
| Allocations at 30 June 2005   | -         |
| Allocations during year   | 12,504    |
|   | <hr/>     |
| Allocations at 30 June 2006   | 12,504    |
|   | <hr/>     |

No director, either during or at the end of the financial year, was materially interested in any contract that was significant in relation to the company's business.

## **Directors' report** *(continued)*

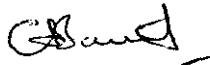
### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

In accordance with Section 386 of the Companies Act 1985, the company hereby elects to dispense with the obligation to appoint auditors annually. As such, KPMG Audit Plc will continue as auditors.

By order of the board



**CA Barnet**  
Secretary

Middleton Way  
Middleton  
Manchester  
M24 4DP

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## KPMG Audit Plc

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditors' report to the members of Aerosol Products Limited**

We have audited the financial statements of Aerosol Products Limited for the year ended 30 June 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc 28.2.07*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*



**Profit and loss account**  
*for the year ended 30 June 2006*

|   | <i>Note</i> | <b>2006</b><br><b>£000</b> | <b>2005</b><br><b>£000</b> |
|---|-------------|----------------------------|----------------------------|
| <b>Turnover</b>   |             | -                          | 31,159                     |
| Cost of sales   |             | -                          | (21,307)                   |
|   |             | <hr/>                      | <hr/>                      |
| <b>Gross profit</b>   |             | -                          | 9,852                      |
| Distribution costs  |             | -                          | (583)                      |
| Administrative expenses   |             | -                          | (7,092)                    |
|   |             | <hr/>                      | <hr/>                      |
| <b>Operating (loss)/profit</b>  | <i>2-4</i>  | -                          | 2,177                      |
| Profit on disposal of trade and assets  | <i>8</i>    | -                          | 2,746                      |
| Other interest receivable and similar income                                  | <i>5</i>    | 331                        | -                          |
| Interest payable and similar charges  | <i>6</i>    | -                          | (445)                      |
|   |             | <hr/>                      | <hr/>                      |
| <b>Profit on ordinary activities before taxation</b>                          |             | 331                        | 4,478                      |
| Tax on profit on ordinary activities  | <i>7</i>    | (99)                       | (2)                        |
|   |             | <hr/>                      | <hr/>                      |
| <b>Profit on ordinary activities after taxation and retained for the year</b> | <i>12</i>   | 232                        | 4,476                      |
|   |             | <hr/>                      | <hr/>                      |

All activities relate to discontinued operations.

There are no differences between historical cost profit and profit as reported.

**Statement of total recognised gains and losses**  
*for the year ended 30 June 2006*

There were no recognised gains or losses in the current or preceding year other than those passing through the profit and loss account.

**Balance sheet**  
*at 30 June 2006*

|   | <i>Note</i> | <b>2006</b><br><b>£000</b> | 2005<br>£000 |
|---|-------------|----------------------------|--------------|
| <b>Current assets</b>                                 |             |                            |              |
| Debtors: amounts due after more than one year         | 9           | 7,329                      | 7,000        |
|   |             | <hr/>                      | <hr/>        |
| <b>Creditors: amounts falling due within one year</b> | 10          | 7,329<br>(99)              | 7,000<br>(2) |
|   |             | <hr/>                      | <hr/>        |
| <b>Net current assets</b>                             |             | 7,230                      | 6,998        |
|   |             | <hr/>                      | <hr/>        |
| <b>Total assets less current liabilities</b>          |             | 7,230                      | 6,998        |
|   |             | <hr/>                      | <hr/>        |
| <b>Net assets</b>                                     |             | 7,230                      | 6,998        |
|   |             | <hr/>                      | <hr/>        |
| <b>Capital and reserves</b>                           |             |                            |              |
| Called up share capital                               | 11          | 1,500                      | 1,500        |
| Share premium account                                 | 12          | 25,600                     | 25,600       |
| Profit and loss account                               | 12          | (19,870)                   | (20,102)     |
|   |             | <hr/>                      | <hr/>        |
| <b>Shareholders' funds</b>                            |             | 7,230                      | 6,998        |
|   |             | <hr/>                      | <hr/>        |

These financial statements were approved by the board of directors on 2 FEBRUARY 2007 and were signed on its behalf by:



**A Lindsay**  
*Director*

**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 June 2006*

|  | 2006<br>£000 | 2005<br>£000 |
|--|--------------|--------------|
| <b>Profit for the financial year</b>       | <b>232</b>   | 4,476        |
| <b>Net movement in shareholders' funds</b> | <b>232</b>   | 4,476        |
| Opening shareholders' funds                | 6,998        | 2,522        |
| <b>Closing shareholders' funds</b>         | <b>7,230</b> | 6,998        |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date';
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 21 and FRS 25 have had no material effect. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

#### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Under Financial Reporting Standard 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the Company in its own published consolidated financial statements.

As a wholly owned subsidiary, the Company is exempt from disclosing transactions with other Group undertakings or with investees of the group qualifying as related parties in accordance with FRS 8.

#### ***Goodwill***

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arises on business combinations in respect of acquisitions capitalised.

#### ***Tangible fixed assets***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

|                    |   |               |
|--------------------|---|---------------|
| Freehold buildings | - | 50 years      |
| Leasehold property | - | Life of lease |
| Plant and fixtures | - | 10 years      |
| Computer equipment | - | 5 years       |
| Motor vehicles     | - | 4 years       |

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

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, standard costs are used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate portion of attributable overheads.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the contracted rate if covered by a forward exchange contract.

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**

Assets acquired under finance leases are capitalised in the balance sheet and depreciated over their useful lives. The interest element is charged to the profit and loss account over the term of the contract.

Operating leases are charged to the profit and loss account on a straight line basis over the life of the operating lease.

#### **Turnover**

Turnover represents the amounts, excluding value added tax, derived from the provision of goods to Robert McBride Limited during the year.

#### **Research and development expenditure**

Expenditure on research and development is written off against profits in the period in which it is incurred.

#### **Classification of financial instruments issued by the Company**

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

### 2 Operating (loss)/profit

|  | 2006<br>£000 | 2005<br>£000 |
|--|--------------|--------------|
| <i>Operating (loss)/profit is stated after charging:</i> |              |              |
| Depreciation   | -            | 738          |
| Amortisation of goodwill                                 | -            | 324          |
| Operating leases – hire of plant and machinery           | -            | 12           |
| Auditors' remuneration                                   | -            | 16           |
| Research and development expenditure                     | -            | 169          |
|  | <hr/>        | <hr/>        |

The auditors' remuneration in 2006 was borne by the parent undertaking.

### 3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

|                            | Number of employees<br>2006 | 2005  |
|----------------------------|-----------------------------|-------|
| Operations                 | -                           | 192   |
| Finance and administration | -                           | 33    |
|                            | <hr/>                       | <hr/> |
|                            | -                           | 225   |
|                            | <hr/>                       | <hr/> |

The aggregate payroll costs of these persons were as follows:

|                       | 2006<br>£000 | 2005<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | -            | 3,840        |
| Social security costs | -            | 338          |
| Other pension costs   | -            | 147          |
|                       | <hr/>        | <hr/>        |
|                       | -            | 4,325        |
|                       | <hr/>        | <hr/>        |

### 4 Directors' emoluments

During the year the company paid fees of £nil (2005: £14,486) for the services of the previous chairman, Dr Christopher Honeyborne. None of the other directors received any remuneration for their work as directors of the company.

**Notes (continued)**

**5 Other interest receivable and similar income**

|                                       | <b>2006</b> | 2005     |
|---------------------------------------|-------------|----------|
|                                       | <b>£000</b> | £000     |
| Interest on loan to group undertaking | 331         | -        |
|                                       | <u>331</u>  | <u>-</u> |

**6 Interest payable and similar charges**

|                | <b>2006</b> | 2005       |
|----------------|-------------|------------|
|                | <b>£000</b> | £000       |
| On other loans | -           | 445        |
|                | <u>-</u>    | <u>445</u> |

**7 Taxation**

|  | <b>2006</b> | 2005     |
|--|-------------|----------|
|  | <b>£000</b> | £000     |
| <i>UK Corporation tax</i>                                  |             |          |
| Current tax on income for the year                         | 99          | 2        |
|  | <u>99</u>   | <u>2</u> |
| Total current tax and tax on profit on ordinary activities | 99          | 2        |
|  | <u>99</u>   | <u>2</u> |

*Factors affecting the tax charge for the year*

The current tax charge for 2005 is lower than the standard rate of corporation tax in the UK (30%). The difference is explained below:

|   | <b>2006</b> | 2005           |
|---|-------------|----------------|
|   | <b>£000</b> | £000           |
| Profit on ordinary activities before taxation                                     | 331         | 4,478          |
|   | <u>331</u>  | <u>4,478</u>   |
| Current tax at 30%  | 99          | 1,343          |
| <i>Effects of:</i>  |             |                |
| Tax on expenses not deductible for tax purposes (primarily goodwill amortisation) | -           | (722)          |
| Tax on capital allowances for the year in excess of depreciation                  | -           | 213            |
| Utilisation of losses   | -           | (832)          |
|   | <u>-</u>    | <u>(1,341)</u> |
| Corporation tax charge  | 99          | 2              |
|   | <u>99</u>   | <u>2</u>       |

**Notes (continued)**

**8 Profit on disposal of trade and assets**

On 30 June 2005 the company sold its trade and assets to Robert McBride Ltd, a related company, for a profit of £2,746,000.

**9 Debtors**

|   | 2006<br>£000 | 2005<br>£000 |
|---|--------------|--------------|
| <i>Amounts falling due after more than one year</i> |              |              |
| Amounts due from group undertakings                 | 7,329        | 7,000        |
|   | <hr/>        | <hr/>        |

**10 Creditors: amounts falling due within one year**

|                              | 2006<br>£000 | 2005<br>£000 |
|------------------------------|--------------|--------------|
| Corporation tax              | 99           | -            |
| Taxation and social security | -            | 2            |
|                              | <hr/>        | <hr/>        |
|                              | 99           | 2            |
|                              | <hr/>        | <hr/>        |



## Notes (continued)

### 11 Called up share capital

|   | 2006<br>Number    | 2005<br>Number    | 2006<br>£000 | 2005<br>£000 |
|---|-------------------|-------------------|--------------|--------------|
| <b>Authorised</b>                         |                   |                   |              |              |
| Ordinary shares of £1 each                | 900               | 900               | 1            | 1            |
| Preference shares of £0.10 each           | 15,001,000        | 15,001,000        | 1,500        | 1,500        |
|   | <u>15,001,900</u> | <u>15,001,900</u> | <u>1,501</u> | <u>1,501</u> |
| <b>Allotted, called up and fully paid</b> |                   |                   |              |              |
| Ordinary shares of £1 each                | 100               | 100               | -            | -            |
| Preference shares of £0.10 each           | 15,001,000        | 15,001,000        | 1,500        | 1,500        |
|   | <u>15,001,100</u> | <u>15,001,100</u> | <u>1,500</u> | <u>1,500</u> |

The rights and privileges attaching to the Preference Shares in issue at 30 June 2006 are as follows:

#### **Income:**

The Preference Shares shall rank equally with the Ordinary Shares for any dividends paid thereon.

#### **Capital:**

On a return of capital on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares and the Preference Shares. Any payment to the holders of shares of a particular class shall be made in proportion to the numbers of shares of the relevant class held by each of them.

#### **Redemption:**

- (a) The Company shall have the right, subject to the Companies Act, to redeem at any time the whole or any part of the Preference Shares for the time being issued and outstanding by giving the holders of the particular Preference Shares to be redeemed not less than 7 days' prior notice in writing of the date when such redemption is to be effected.
- (b) Any partial redemption of the Preference Shares shall be made amongst the holders of the Preference Shares pro rata (as nearly as may be without giving rise to fractions) according to their respective holdings.

#### **Voting:**

The Preference Shares shall confer on each holder thereof (in that capacity) the right to receive notice of and to attend and speak at all general meetings of the Company but shall not confer any right (in that capacity) to vote thereat.

## Notes (continued)

### 12 Share premium and reserves

|                       | Share premium<br>account<br>£000 | Profit and loss<br>account<br>£000 |
|-----------------------|----------------------------------|------------------------------------|
| At beginning of year  | 25,600                           | (20,102)                           |
| Profit for the year   | -                                | 232                                |
|                       | <hr/>                            | <hr/>                              |
| <b>At end of year</b> | <b>25,600</b>                    | <b>(19,870)</b>                    |
|                       | <hr/>                            | <hr/>                              |

### 13 Ultimate parent company

The Company is a subsidiary undertaking of McBride plc, which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by McBride plc. No other group financial statements include the results of the Company. The consolidated financial statements of McBride plc are available to the public and may be obtained from the registered office at McBride House, Penn Road, Beaconsfield, Buckinghamshire, HP9 2FY.