

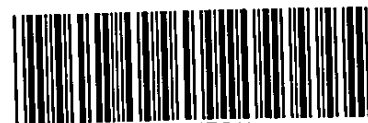
Registered No. 3944055

Prestige Brands (UK) Limited

Annual Report and Financial Statements

31 March 2009

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COMPANIES HOUSE

Directors

P Anderson

C Jolly

M Mannelly (appointed 3 September 2009)

M Pettie (resigned 3 September 2009)

Secretary

C Jolly

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Bankers

The Royal Bank of Scotland plc

5-10 Great Tower Street

London EC3P 3HX

Registered Office

3 Scotlands Drive

Farnham Common

Slough

Berkshire SL2 3ES

Directors' report

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities and review of the business

The principal activity of the company during the year continued to be that of the packaging and selling of healthcare products.

The profit for the year after taxation amounted to £156,211 (2008: £243,455). The directors do not recommend the payments of a final dividend for the year (2008: £450,000).

Turnover for the year was £1,923,917 (2008: £1,726,548), an increase of 11%. The directors expect the general level of activity to increase, and the company is in a good position to take advantage of any opportunities which may arise in the future.

Directors

The directors who served during the year and thereafter were as follows:

P Anderson

C Jolly

M Mannelly (appointed 3 September 2009)

M Pettie (resigned 3 September 2009)

Risks and uncertainties

The company is fully supported by its parent company Prestige Brands Holdings, Inc. All risks and uncertainties that would otherwise be borne by the company are borne by the parent company.

Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with s. 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

On behalf of the board



Director

20 OCT 2009

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). 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 those 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Prestige Brands (UK) Limited

We have audited the company's financial statements for the year ended 31 March 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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 judgements 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.

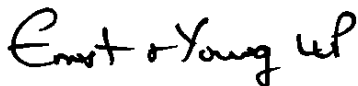
Independent auditor's report

to the members of Prestige Brands (UK) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 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.



Ernst & Young LLP
Registered auditor
London

Date: 23 October 2009

Profit and loss account

for the year ended 31 March 2009

	Notes	2009 £	2008 £
Turnover	2	1,923,917	1,726,548
Cost of sales		(672,081)	(567,317)
Gross profit		<u>1,251,836</u>	<u>1,159,231</u>
Distribution costs		(874,752)	(620,603)
Administrative expenses		(189,894)	(220,702)
Other operating income	7	27,000	-
		<u>(1,037,646)</u>	<u>(841,305)</u>
Operating profit	3	214,190	317,926
Interest receivable	6	7,673	32,433
Profit on ordinary activities before taxation		<u>221,863</u>	<u>350,359</u>
Tax on profit on ordinary activities	8	(65,652)	(106,904)
Profit retained for the financial year		<u><u>156,211</u></u>	<u><u>243,455</u></u>

Statement of total recognised gains and losses

for the year ended 31 March 2009


There are no recognised gains or losses other than the profit of £156,211 attributable to the shareholders for the year ended 31 March 2009 (2008: £243,455).

Balance sheet

at 31 March 2009

	Notes	2009 £	2008 £
Fixed assets			
Intangible assets	9	138,182	150,744
Tangible assets	10	503	—
		<u>138,685</u>	<u>150,744</u>
Current assets			
Stocks	11	222,084	272,517
Debtors	12	344,364	537,119
Cash at bank		508,826	172,025
		<u>1,075,274</u>	<u>981,661</u>
Creditors: amounts falling due within one year	14	422,875	497,532
Net current assets		<u>652,399</u>	<u>484,129</u>
Total assets less current liabilities		<u>791,084</u>	<u>634,873</u>
Capital and reserves			
Called up share capital	15	100	100
Capital contribution reserve	16	251,240	251,240
Profit and loss account	16	539,744	383,533
Equity shareholders' funds		<u>791,084</u>	<u>634,873</u>

The financial statements were approved by the board on 20 October 2009 and were signed on its behalf by:


Director

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Basis of preparation

The financial statements of Prestige Brands (UK) Limited were approved for issue by the Board of Directors as dated on the Balance Sheet. The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

Cash flow statement

A consolidated cash flow statement is published in the group financial statements of Prestige Brands Holdings, Inc., the ultimate parent undertaking and controlling party. Prestige Brands (UK) Limited is exempt under FRS 1 'Cash flow statements' from publishing its own cash flow statement.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant and machinery	–	3 years
Office equipment	–	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible fixed assets

Trademarks are included at cost and amortised in equal annual instalments over a period of 20 years, which is its estimated useful economic life. The carrying value of trademarks is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue Recognition

Revenue from sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on receipt of goods.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 March 2009

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Dividends

Dividends are recorded to the extent that they have been paid or when approved by the shareholders. If these conditions have not been satisfied then the amounts proposed are disclosed but not recorded.

2. Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business from continuing activities.

An analysis of turnover by geographical market is given below:

	2009 £	2008 £
United Kingdom	1,624,852	1,511,464
Ireland	285,518	202,410
Other	13,547	12,674
	<u>1,923,917</u>	<u>1,726,548</u>

3. Operating profit

This is stated after charging:

	2009 £	2008 £
Auditor's remuneration – audit services	6,900	6,800
– tax services	4,993	4,400
	<u>11,893</u>	<u>11,200</u>
Depreciation of owned fixed assets	46	–
Amortisation of intangible fixed assets	12,562	12,562
	<u>12,608</u>	<u>12,562</u>

Notes to the financial statements

at 31 March 2009

4. Staff costs

	2009	2008
	£	£
Wages and salaries	75,740	77,847
Social security costs	9,209	7,510
Other pension costs	2,571	6,500
	<u>87,520</u>	<u>91,857</u>

The monthly average number of employees during the year was as follows:

	2009	2008
	No.	No.
Administrative staff	<u>1</u>	<u>1</u>

5. Directors' emoluments

There were no directors' emoluments paid in the year (2008: £nil).

6. Interest receivable

	2009	2008
	£	£
Bank interest receivable	<u>7,673</u>	<u>32,433</u>

7. Other Operating Income

	2009	2008
	£	£
Other operating income	<u>27,000</u>	<u>-</u>

Other income relates to an option fee. The option exercise period expired during the year without the option being exercised, therefore the fee associated with the option has been recognised in the current year.

Notes to the financial statements

at 31 March 2009

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2009 £	2008 £
<i>Current tax:</i>		
UK Corporation tax	64,439	108,815
Total current tax (note 8(b))	<u>64,439</u>	<u>108,815</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 13)	1,213	(1,911)
Total tax charge for year	<u>65,652</u>	<u>106,904</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are reconciled below:

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>221,863</u>	<u>350,359</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	62,122	105,108
Disallowed expenses and non-taxable income	3,530	3,777
Capital allowances in excess of depreciation	(233)	(332)
Other timing differences	(980)	262
Total current tax (note 8(a))	<u>64,439</u>	<u>108,815</u>

Notes to the financial statements

at 31 March 2009

9. Intangible fixed assets

	<i>Trademarks</i> £
Cost:	
At 31 March 2008 and 31 March 2009	251,240
Amortisation:	
At 31 March 2008	100,496
Provided during the year	12,562
At 31 March 2009	113,058
Net book value:	
At 31 March 2009	138,182
At 31 March 2008	150,744

10. Tangible fixed assets

	<i>Plant and machinery</i> £	<i>Office equipment</i> £	<i>Total</i> £
Cost:			
At 1 April 2008	12,894	1,471	14,365
Additions	-	549	549
At 31 March 2009	12,894	2,020	14,914
Depreciation:			
At 1 April 2008	12,894	1,471	14,365
Provided during the year	-	46	46
At 31 March 2009	12,894	1,517	14,411
Net book value:			
At 31 March 2009	-	503	503
At 31 March 2008	-	-	-

11. Stocks

	<i>2009</i> £	<i>2008</i> £
Finished goods	222,084	272,517

The difference between the purchase price and replacement cost is not material.

Notes to the financial statements

at 31 March 2009

12. Debtors

	2009	2008
	£	£
Trade debtors	343,366	534,958
Prepayments	300	250
Deferred Tax (note 13)	698	1,911
	<u>344,364</u>	<u>537,119</u>

13. Deferred tax

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2009	2008
	£	£
Capital allowances in advance of depreciation	(698)	(931)
Other timing differences	-	(980)
	<u>(698)</u>	<u>(1,911)</u>
		£
At 1 April 2008		(1,911)
Profit and loss account movement arising during the year (note 8(a))		1,213
At 31 March 2009		<u>(698)</u>

14. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	187,399	128,616
Amounts owed to group undertakings	117,638	12,251
Corporation tax	33,626	87,062
Other taxation and social security	(423)	7,613
Accruals and deferred income	84,635	261,990
	<u>422,875</u>	<u>497,532</u>

Notes to the financial statements

at 31 March 2009

15. Authorised and issued share capital

		2009	2008
		£	£
<i>Authorised</i>			
Ordinary shares of £1 each		100	100
		<u> </u>	<u> </u>
	No.	2009 £	2008 £
<i>Allotted, called up and fully paid</i>			
Ordinary shares of £1 each	100	100	100
		<u> </u>	<u> </u>

16. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total share- holders' funds £
At 31 March 2007	100	251,240	590,078	841,418
Profit for the year	-	-	243,455	243,455
Dividend	-	-	(450,000)	(450,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2008	100	251,240	383,533	634,873
Profit for the year	-	-	156,211	156,211
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2009	100	251,240	539,744	791,084

17. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the group as over 90% of voting rights are controlled within the group and the financial statements in which the company is included are publicly available.

18. Pensions

The company operates a defined contribution pension scheme. The scheme is operated by the company in the United Kingdom and is funded by the payment of contributions to an independently administered trust fund.

Notes to the financial statements

at 31 March 2009

19. Ultimate parent undertaking and controlling party

The directors regard Prestige Brands Holdings, Inc as the ultimate parent undertaking and controlling party of the company.

The largest and smallest group of which the company is a member and for which consolidated financial statements are prepared is that headed by Prestige Brands Holdings, Inc., a company incorporated in the state of Delaware, USA. Copies of the group financial statements, which include the company, can be obtained from 90 North Broadway, Irvington, NY 10533.