

3944055

Prestige Brands (UK) Limited

Annual Report and Financial Statements

31 March 2010

FRIDAY



LD5 *LKY1KMBL* 146
06/08/2010
COMPANIES HOUSE

Directors

P Anderson
E Klee
M Mannelly

Secretary

E Klee

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 2010

Principal activities

The company's principal activity/activities during the year continued to be that of the packaging and selling of healthcare products

The profit for the year after taxation amounted to £129,031 (2009 – £156,211)

Directors

The directors who served the company during the year and subsequently were as follows

P Anderson
C Jolly (resigned 31 March 2010)
E Klee (appointed 31 March 2010)
M Mannelly (appointed 3 September 2009)
M Pettie (resigned 2 September 2009)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is 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, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Small companies exemption

In preparing this Directors' report, the directors have taken advantage of the small companies exemption under Section 415(A) of the Companies Act 2006

On behalf of the Board


P Anderson
Director
7/28/10

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 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,
- 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 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 Prestige Brands (UK) Limited

We have audited the financial statements of Prestige Brands (UK) Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 19. 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 auditors

As explained more fully in the Statement of Directors' Responsibilities 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 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 (APB'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 31 March 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.

Independent auditor's report

to the members of Prestige Brands (UK) Limited

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
- the directors were not entitled to prepare the Directors' Report in accordance with the small companies exemption

Ernst & Young LLP

Michael Wansbury (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London

2 August 2010

Profit and loss account

for the year ended 31 March 2010

	<i>Notes</i>	<i>2010</i> £	<i>2009</i> £
Turnover	2	2,208,302	1,923,917
Cost of sales		(825,431)	(672,081)
Gross profit		<u>1,382,872</u>	<u>1,251,836</u>
Distribution costs		(983,807)	(874,752)
Administrative expenses		(226,477)	(189,894)
Other operating income	7	–	27,000
Operating profit	3	<u>172,588</u>	<u>214,190</u>
Interest receivable	6	526	7,673
Profit on ordinary activities before taxation		<u>173,114</u>	<u>221,863</u>
Tax	8	(51,979)	(65,652)
Profit for the financial year		<u><u>121,135</u></u>	<u><u>156,211</u></u>

Statement of total recognised gains and losses

for the year ended 31 March 2010

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £121,135 in the year ended 31 March 2010 (2009 – profit of £156,211)

Balance sheet

at 31 March 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	9	125,620	138,182
Tangible assets	10	14,441	503
		140,061	138,685
Current assets			
Stocks	11	411,831	222,084
Debtors	12	449,391	344,364
Cash at bank		300,719	508,826
		1,161,941	1,075,274
Creditors: amounts falling due within one year	14	389,783	422,875
Net current		772,158	652,339
Total assets less current liabilities		912,219	791,084
Capital and reserves			
Called up share capital	15	100	100
Capital contribution reserve	16	251,240	251,240
Profit and loss account	16	660,879	539,744
Shareholders' funds	16	912,219	791,084

The financial statements were approved by the board on 7/28/10 and were signed on its behalf by


P Anderson
Director

Notes to the financial statements

at 31 March 2010

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

A consolidated statement of cash flows 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 'Statement of cash flows' from publishing its own statement of cash flows

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses

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 taxation 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 right to pay less or to receive more, tax, with following exceptions

- 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 2010

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

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to 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

	2010	2009
	£	£
UK	1,965,586	1,624,852
Ireland	232,176	285,518
Other	10,540	13,547
	<u>2,208,302</u>	<u>1,923,917</u>

3. Operating profit

This is stated after charging/(crediting)

	2010	2009
	£	£
Auditor's remuneration – audit services	6,919	6,900
– tax services	2,705	4,993
	<u>9,624</u>	<u>11,893</u>
Depreciation of owned fixed assets	5,429	46
Amortisation of intangible fixed assets	12,562	12,562
	<u>17,991</u>	<u>12,608</u>

Notes to the financial statements

at 31 March 2010

4 Directors' emoluments

There were no directors' emoluments paid in the year (2009 – £nil)

5. Staff costs

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Wages and salaries	98,222	75,740
Social security costs	9,999	9,209
Other pension costs	7,030	2,571
	<u>115,251</u>	<u>87,520</u>

The average monthly number of employees during the year, excluding directors, was made up as follows

	<i>2010</i>	<i>2009</i>
	<i>No</i>	<i>No</i>
Administration	<u>1</u>	<u>1</u>

6. Interest receivable

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Bank interest receivable	<u>526</u>	<u>7,673</u>

7. Other operating income

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Other operating income	<u>-</u>	<u>27,000</u>

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

Notes to the financial statements

at 31 March 2010

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010	2009
	£	£
<i>Current tax</i>		
UK corporation tax on the profit for the year	47,938	64,439
Adjustment in respect of prior years	(105)	–
Total current tax (note 8(b))	<u>47,833</u>	<u>64,439</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 13)	4,146	1,213
Tax on profit on ordinary activities	<u>51,979</u>	<u>65,652</u>

(b) Factors affecting tax charge for the year

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

	2010	2009
	£	£
Profit on ordinary activities before tax	173,114	221,863
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	<u>48,472</u>	<u>62,122</u>
<i>Effects of</i>		
Disallowed expenses and non-taxable income	3,517	3,530
Capital allowances in excess of depreciation	(4,051)	(233)
Other timing differences	–	(980)
Adjustment in respect of prior years	(105)	–
Current tax for the year (note 8(a))	<u>47,833</u>	<u>64,439</u>

Notes to the financial statements

at 31 March 2010

9 Intangible fixed assets

	<i>Trademarks</i> £
Cost	
At 31 March 2009 and 31 March 2010	251,240
Amortisation	
At 31 March 2009	113,058
Provided during the year	12,562
At 31 March 2010	125,620
Net book value	
At 31 March 2010	125,620
At 31 March 2009	138,182

10 Tangible fixed assets

	<i>Plant and machinery</i> £	<i>Office equipment</i> £	<i>Total</i> £
Cost			
At 1 April 2009	12,894	2,020	14,914
Additions	19,145	222	19,367
Disposals	(12,894)	(1,471)	(14,365)
At 31 March 2010	19,145	771	19,916
Depreciation			
At 1 April 2009	12,894	1,517	14,411
Provided during the year	5,221	208	5,429
Disposals	(12,894)	(1,471)	(14,365)
At 31 March 2010	5,221	254	5,475
Net book value			
At 31 March 2010	13,924	517	14,441
At 1 April 2009	–	503	503

Notes to the financial statements

at 31 March 2010

11. Stocks

	2010	2009
	£	£
Finished goods	411,831	222,084

The difference between purchase price and replacement cost is not material

12. Debtors

	2010	2009
	£	£
Trade debtors	449,004	343,366
Prepayments	387	300
Deferred tax (note 13)	–	698
	<u>449,391</u>	<u>344,364</u>

13. Deferred tax

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

	2010	2009
	£	£
Capital allowances in advance of depreciation	3,448	(698)
Other timing differences	–	–
	<u>3,448</u>	<u>(698)</u>
At 1 April 2009		(698)
Profit and loss account movement arising during the year (note 8(a))		4,146
At 31 March 2010		<u>3,448</u>

14. Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	75,167	187,399
Amounts owed to group undertakings	126,394	117,638
Corporation tax	4,906	33,626
Other taxes and social security costs	26,638	(423)
Accruals and deferred income	153,229	84,635
Deferred tax liability (see note 13)	3,448	–
	<u>389,783</u>	<u>422,875</u>

Notes to the financial statements

at 31 March 2010

15. Issued share capital

<i>Allotted, called up and fully paid</i>	2010		2009	
	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

16. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Capital contribution reserve</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 April 2008	100	251,240	383,533	634,873
Profit for the year	–	–	156,211	156,211
At 31 March 2009	100	251,240	539,744	791,084
Profit for the year	–	–	121,135	121,135
At 31 March 2010	100	251,240	660,879	912,219

17. Pension commitments

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.

18. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned members of the group as group financial statements, in which the company is included, are publicly available.

19. Ultimate parent undertaking and controlling party

The directors consider the ultimate parent undertaking and controlling party to be Prestige Brand Holdings, Inc.

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.