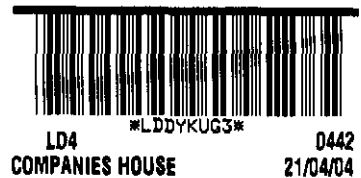


# **Prestige Brands (UK) Limited**

## **Report and Abbreviated Accounts**

31 December 2003



## **Independent auditors' report**

**to Prestige Brands (UK) Limited pursuant to section 247B of the Companies Act 1985**

We have examined the company's abbreviated accounts for the year ended 31 December 2003 which comprise the Balance Sheet and the related notes 1 to 4, which have been prepared in accordance with applicable United Kingdom law, together with the company's accounts for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, pursuant to Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state 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, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditors**

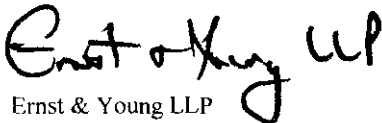
The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

### **Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.



Ernst & Young LLP  
Registered Auditor  
London


15 April 2004

**Abbreviated balance sheet**  
at 31 December 2003

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
<b>Fixed assets</b>	2		
Intangible assets		204,133	216,695
Tangible assets		<u>11,816</u>	<u>71</u>
		<u>215,949</u>	<u>216,766</u>
<b>Current assets</b>			
Stocks		63,945	92,891
Debtors		128,252	296,020
Cash at bank and in hand		<u>543,614</u>	<u>285,099</u>
		735,811	674,010
<b>Creditors:</b> amounts falling due within one year		<u>224,323</u>	<u>273,163</u>
<b>Net current assets</b>		511,488	400,847
<b>Total assets less current liabilities</b>		<u>727,437</u>	<u>617,613</u>
<b>Capital and reserves</b>			
Called-up equity share capital	3	1	1
Other reserves		251,240	251,240
Profit and loss account		<u>476,196</u>	<u>366,372</u>
<b>Shareholders' funds</b>		<u>727,437</u>	<u>617,613</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on *April* 2004.

  
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T Host  
Director

## Notes to the abbreviated accounts at 31 December 2003

### 1. Accounting policies

#### **Basis of preparation**

The accounts are prepared under the historical cost convention.

#### **Cash flow statement**

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the accounts on the grounds that the company is small.

#### **Intangible assets**

Goodwill is 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 goodwill is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

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 straight line basis
Office equipment	-	3 years straight line basis

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.

#### **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.

## Notes to the abbreviated accounts at 31 December 2003

### 1. Accounting policies (continued)

#### **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 exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- 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.

#### **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.

**Notes to the abbreviated accounts**  
at 31 December 2003

**2. Fixed assets**

	<i>Intangible Assets</i>	<i>Tangible Assets</i>	<i>Total</i>
	£	£	£
<i>Cost</i>			
At 1 January 2003	251,240	426	251,666
Additions	-	13,259	13,259
Disposals	-	(426)	(426)
At 31 December 2003	<u>251,240</u>	<u>13,259</u>	<u>264,499</u>
<i>Depreciation</i>			
At 1 January 2003	34,545	355	34,900
Charge for year	12,562	1,514	14,076
On disposals	-	(426)	(426)
At 31 December 2003	<u>47,107</u>	<u>1,443</u>	<u>48,550</u>
<i>Net book value</i>			
At 31 December 2003	<u>204,133</u>	<u>11,816</u>	<u>215,949</u>
At 31 December 2002	<u>216,695</u>	<u>71</u>	<u>216,766</u>

**3. Share capital**

	<i>2003</i>		<i>2002</i>	
	£		£	
Ordinary shares of £1 each	<u>100</u>		<u>100</u>	
	<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	<i>2003</i>	<i>No.</i>	<i>2002</i>
		£		£
Ordinary shares of £1 each	1	<u>1</u>	1	<u>1</u>

**4. Ultimate parent undertaking**

The directors regard Bonita Bay Holdings, Inc. as the ultimate controlling party of the company.

The only group of which the company is a member and for which consolidated accounts are prepared is that headed by Bonita Bay Holdings, Inc. a company incorporated in the State of Virginia, USA. The consolidated accounts of this group are not available to the public.