

COMPANY REGISTRATION NUMBER 3944055

## **Prestige Brands (UK) Limited**

### **Report and Abbreviated Accounts**

31 March 2005



## **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 which comprise the Balance Sheet and the related notes 1 to 4, together with the financial statements of the company for the period from 1 January 2004 to 31 March 2005 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 and the company, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

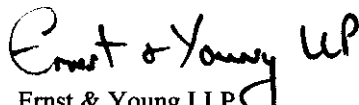
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (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 financial statements 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 financial statements.

### **Opinion**

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

  
Ernst & Young LLP  
Registered Auditor  
London

- 8 DEC 2005

## Abbreviated balance sheet

at 31 March 2005

|   | Notes | 31 Mar 05<br>£   | <i>Restated</i><br>31 Dec 03<br>£ |
|---|-------|------------------|-----------------------------------|
| <b>Fixed assets</b>                                   |       |                  |                                   |
|   | 2     |                  |                                   |
| Intangible assets                                     |       | 188,431          | 204,133                           |
| Tangible assets                                       |       | 6,753            | 11,816                            |
|   |       | <u>195,184</u>   | <u>215,949</u>                    |
| <b>Current assets</b>                                 |       |                  |                                   |
| Stocks  |       | 135,168          | 63,945                            |
| Debtors   |       | 245,555          | 128,252                           |
| Cash at bank and in hand                              |       | 664,022          | 543,614                           |
|   |       | <u>1,044,745</u> | <u>735,811</u>                    |
| <b>Creditors:</b> amounts falling due within one year |       | 251,599          | 224,224                           |
|   |       | <u>793,146</u>   | <u>511,587</u>                    |
| <b>Net current assets</b>                             |       | 988,330          | 727,536                           |
| <b>Total assets less current liabilities</b>          |       | <u>988,330</u>   | <u>727,536</u>                    |
| <b>Capital and reserves</b>                           |       |                  |                                   |
| Called-up equity share capital                        | 3     | 100              | 100                               |
| Other reserves  |       | 251,240          | 251,240                           |
| Profit and loss account                               |       | 736,990          | 476,196                           |
|   |       | <u>988,330</u>   | <u>727,536</u>                    |
| <b>Shareholders' funds</b>                            |       | <u>988,330</u>   | <u>727,536</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 by the directors on 2005 and are signed on their behalf by:

  
 P Anderson  
 Director

25 NOV 2005

## Notes to the abbreviated accounts

at 31 March 2005

### 1. Accounting policies

#### **Basis of preparation**

The accounts are prepared under the historical cost convention.

#### **Cash flow statement**

The company has taken advantage of the concession in FRS 1 "Cash Flow Statements" which exempts a company from the requirement to prepare a statement of cash flows on the grounds that the company is small as defined in companies legislation.

#### **Intangible fixed 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 |
| 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.

#### **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 abbreviated accounts

at 31 March 2005

### 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.

### 2. Fixed assets

|                       | <i>Intangible<br/>Assets</i> | <i>Tangible<br/>assets</i> | <i>Total</i>   |
|-----------------------|------------------------------|----------------------------|----------------|
|                       | £                            | £                          | £              |
| <i>Cost</i>           |                              |                            |                |
| At 1 January 2004     | 251,240                      | 13,259                     | 264,499        |
| Additions             | –                            | 1,106                      | 1,106          |
| At 31 March 2005      | <u>251,240</u>               | <u>14,365</u>              | <u>265,605</u> |
| <i>Depreciation</i>   |                              |                            |                |
| At 1 January 2004     | 47,107                       | 1,443                      | 48,550         |
| Charge for period     | 15,702                       | 6,169                      | 21,871         |
| At 31 March 2005      | <u>62,809</u>                | <u>7,612</u>               | <u>70,421</u>  |
| <i>Net book value</i> |                              |                            |                |
| At 31 March 2005      | <u>188,431</u>               | <u>6,753</u>               | <u>195,184</u> |
| At 1 January 2004     | <u>204,133</u>               | <u>11,816</u>              | <u>215,949</u> |

## Notes to the abbreviated accounts

at 31 March 2005

### 3. Share capital

|                            | <i>31 Mar 05</i> | <i>Authorised<br/>31 Dec 03</i> |
|----------------------------|------------------|---------------------------------|
|                            | £                | £                               |
| Ordinary shares of £1 each | <u>100</u>       | <u>100</u>                      |

|                            | <i>Allotted, called up and fully paid</i> |            |                               |            |
|----------------------------|---|------------|-------------------------------|------------|
|                            | <i>31 Mar 05</i>                          |            | <i>Restated<br/>31 Dec 03</i> |            |
|                            | <i>No.</i>                                | £          | <i>No.</i>                    | £          |
| Ordinary shares of £1 each | 100                                       | <u>100</u> | 100                           | <u>100</u> |

The allotted, called up and fully paid ordinary shares at 31 December 2003 have been restated to correctly reflect 99 ordinary shares at £1 each, which were issued on 17 July 2000.

### 4. Ultimate parent undertaking

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

The only 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.