

SMITHKLINE BEECHAM LIAISON SERVICES  
LIMITED

COMPANY REGISTRATION NO. 210520

REPORT AND ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 1994



SMITHKLINE BEECHAM LIAISON SERVICES LIMITEDDirectors

P.M. Barrett  
A.R. Curl  
S.J. Hurst  
A.A. Luckham  
R.M. Whittaker  
I.B. Hunter  
P.D. Meadows (Resigned 18/3/94)  
C.A. Robinson (Appointed 18/3/94  
Resigned 27/4/94)

Secretary

C.A. McClintock

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1994

The directors submit their report and accounts for the year ended 31st December 1994.

Parent Company

The directors regard SmithKline Beecham p.l.c., registered in England, as the ultimate parent company. Group accounts may be obtained from New Horizons Court, Brentford, Middlesex, TW8 9EP.

Dividends

The directors do not recommend the payment of a dividend (1993: NIL). The proposed transfer from reserves is £189. (1993: £985)

Principal Activity and Future Developments

The principal activity of the company is to provide liaison and technical services for SmithKline Beecham Healthcare International in Istanbul, Turkey, where SmithKline Beecham Liaison Services has a branch.

The directors expect the company to continue to provide liaison and technical services in the Middle East.

### Fixed Assets

The decrease in fixed assets relates to the depreciation charge for the year of £21,164 exceeding the additions of £11,667 in residence furniture and fittings and office machinery.

### Directors' Interests

The following beneficial interests in the shares and debentures of Group companies have been notified by directors who were in office at the end of the year, in accordance with the Companies Act 1985.

|                | <u>SmithKline Beecham p.l.c.</u> |                 |
|----------------|----------------------------------|-----------------|
|                | <u>Ordinary A Shares</u>         |                 |
|                | <u>31.12.94</u>                  | <u>31.12.93</u> |
| P.M. Barrett   | 3,969                            | 2,998           |
| A.R. Curl      | 6,426                            | 4,426           |
| S.J. Hurst     | -                                | -               |
| A.A. Luckham   | 6,034                            | 4,568           |
| R.M. Whittaker | 17,298                           | 20,680          |
| I.B. Hunter    | 13,227                           | 12,035          |

|                | <u>SmithKline Beecham p.l.c.</u> |                |                  |                 |
|----------------|----------------------------------|----------------|------------------|-----------------|
|                | <u>Options over A Shares</u>     |                |                  |                 |
|                | <u>31.12.93</u>                  | <u>Granted</u> | <u>Exercised</u> | <u>31.12.94</u> |
| P.M. Barrett   | 55,681                           | 29,503         | -                | 85,184          |
| A.R. Curl      | 55,048                           | 37,316         | -                | 92,364          |
| S.J. Hurst     | 17,580                           | 10,223         | -                | 27,803          |
| A.A. Luckham   | 83,233                           | 33,924         | -                | 117,157         |
| R.M. Whittaker | 48,715                           | 27,044         | -                | 75,759          |
| I.B. Hunter    | 77,276                           | 29,503         | -                | 106,779         |

The options for the purchase of shares are exercisable at a variety of prices. Details of option prices are disclosed in the Group accounts.

### Directors' responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards which they consider to be applicable have been followed, subject to any explanations and material departures disclosed in the notes to the financial statements.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors 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.

#### Auditors

The Company has adopted an elective resolution permitting it to dispense with the requirement to re-appoint auditors annually. Accordingly, Price Waterhouse, the Company's auditors, will remain in office until the Company or the auditors otherwise determine.

BY ORDER OF THE BOARD



CA McClintock,  
Secretary

31 August

1995

**AUDITORS' REPORT TO THE MEMBERS OF SMITHKLINE BEECHAM LIAISON SERVICES LIMITED.**

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention, as per the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors :**

As described in the Directors' Report the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

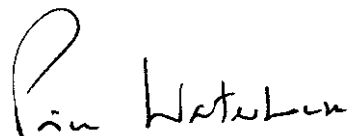
**Basis of Opinion:**

We conducted our audit in accordance with Auditing Standards 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.

**Opinion:**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse  
Chartered Accountants  
and Registered Auditors

4 October 1995

SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1994

|                         | <u>Note</u> | <u>1994</u><br>£     | <u>1993</u><br>£     |
|-------------------------|-------------|----------------------|----------------------|
| TURNOVER                | 2           | 537,670              | 570,094              |
| ADMINISTRATIVE EXPENSES |             | <u>(537,670)</u>     | <u>(570,094)</u>     |
| PROFIT BEFORE TAX       | 4           | -                    | -                    |
| TAXATION                | 5           | <u>( 189)</u>        | <u>( 985)</u>        |
| LOSS RETAINED           | 9           | <u><u>( 189)</u></u> | <u><u>( 985)</u></u> |

All gains and losses have been recognised in the profit and loss account for the year.

All of the turnover and profit before tax arises from continuing activities.

SMITHKLINE BEECHAM LIAISON SERVICES LIMITEDBALANCE SHEET AT 31ST DECEMBER 1994

|  | <u>Note</u> | <u>31.12.94</u><br>£                      £ | <u>31.12.93</u><br>£                      £ |
|--|-------------|---|---|
| FIXED ASSETS   | 8           | 84,236                                      | 93,733                                      |
| CURRENT ASSETS   |             |   |   |
| Other Debtors  |             | -   | 113,242                                     |
| Cash at Bank & in hand                                     |             | 78,630                                      | 56,535                                      |
|  |             | <u>78,630</u>                               | <u>169,777</u>                              |
| CREDITORS : Amounts<br>falling due within<br>one year:     |             |   |   |
| Amounts owed to group<br>undertakings                      |             | (84,862)                                    | (117,842)                                   |
| Other creditors including<br>taxation & social<br>security |             | <u>(78,385)</u>                             | <u>(145,860)</u>                            |
| NET CURRENT LIABILITIES                                    |             | <u>(84,617)</u>                             | <u>(93,925)</u>                             |
| TOTAL ASSETS LESS CURRENT<br>LIABILITIES                   |             | <u>(381)</u>                                | <u>(192)</u>                                |
| <u>CAPITAL AND RESERVES</u>                                |             |   |   |
| SHARE CAPITAL  | 7           | 402   | 402   |
| PROFIT & LOSS ACCOUNT                                      | 9           | <u>(783)</u>                                | <u>(594)</u>                                |
|  |             | <u>(381)</u>                                | <u>(192)</u>                                |

The financial statements were approved by the directors on 31 August 1995

A. A. Luckham

AA Luckham  
Director

SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

NOTES TO THE ACCOUNTS

1. Basis of Accounting

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

Depreciation was charged on a straight line basis at the following annual rates :

|                            |       |
|----------------------------|-------|
| Office Machinery .....     | 12.5% |
| Furniture & Fittings ..... | 10 %  |
| Motor Vehicles .....       | 20 %  |
| Computer Equipment .....   | 25 %  |

Profit and Loss account items in foreign currencies are recorded at the rate at which they are received. Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the balance sheet date. Differences arising from changes in exchange rates during the year are taken to the profit and loss account.

2. Turnover

Turnover represents service fee income from group companies, for promotional services and arises wholly within Turkey.

3. Employees

The company has three employees (1993 :2)

4. Profit for the year is stated after charging :

|                    |         |
|--------------------|---------|
|                    | £       |
| Wages and Salaries | 131,126 |
| Depreciation       | 21,164  |

5. Tax

|  | 1994<br>£    | 1993<br>£  |
|--|--------------|------------|
| (Over)provision in prior year                                  | (3,519)      | -          |
| UK Corporation Tax @ 33% on profit<br>for the year (1993: 33%) | <u>3,708</u> | <u>985</u> |
| Taxation Charge  | <u>189</u>   | <u>985</u> |



SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

NOTES TO THE ACCOUNTS

6. Emoluments of Directors

The directors do not perform any executive function for the company and consequently receive no remuneration.

7. Called up Share Capital

|                            | 31.12.94<br>£ | 31.12.93<br>£ |
|----------------------------|---------------|---------------|
| Authorised :               |               |               |
| Ordinary shares of £1 each | 500           | 500           |
| Issued and fully paid :    |               |               |
| Ordinary shares of £1 each | 402           | 402           |

8. Fixed Assets

|                             | <u>Office<br/>fixtures<br/>&amp; fittings</u><br>£ | <u>Residence<br/>furniture<br/>&amp; fittings</u><br>£ | <u>Office<br/>machinery</u><br>£ | <u>Motor<br/>vehicles</u><br>£ | <u>TOTAL</u><br>£ |
|-----------------------------|--|--|----------------------------------|--------------------------------|-------------------|
| <u>Costs</u>                |  |  |                                  |                                |                   |
| Opening balance<br>@ 1.1.94 | 13,341   | 37,500   | 25,403                           | 45,580                         | 121,824           |
| Additions                   | -  | 6,773  | 4,894                            | -                              | 11,667            |
| At 31.12.94                 | 13,341   | 44,273   | 30,297                           | 45,580                         | 133,491           |
| <u>Depreciation</u>         |  |  |                                  |                                |                   |
| Opening balance<br>@ 1.1.94 | 1,617  | 6,006  | 7,703                            | 12,765                         | 28,091            |
| Charge for year             | 1,334  | 4,427  | 6,287                            | 9,116                          | 21,164            |
| At 31.12.94                 | 2,951  | 10,433   | 13,990                           | 21,881                         | 49,255            |
| <u>Net Book Value</u>       |  |  |                                  |                                |                   |
| At 31.12.94                 | 10,390   | 33,840   | 16,307                           | 23,699                         | 84,236            |
| At 31.12.93                 | 11,724   | 31,494   | 17,700                           | 32,815                         | 93,733            |

SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

NOTES TO THE ACCOUNTS

9. Reserves

|                     | <u>Profit and<br/>Loss account</u><br>£ |
|---------------------|---|
| At 31 December 1993 | (594)                                   |
| Loss Retained       | <u>(189)</u>                            |
| At 31 December 1994 | <u>(783)</u>                            |

10. Reconciliation of Movements in Shareholders' Equity

|                              | 1994<br>£    | 1993<br>£    |
|------------------------------|--------------|--------------|
| Loss for the financial year  | (189)        | (985)        |
| Opening shareholders' equity | <u>(192)</u> | <u>793</u>   |
| Closing shareholders' equity | <u>(381)</u> | <u>(192)</u> |

11. Ultimate Parent Undertaking

The Company's ultimate parent undertaking at the year-end was SmithKline Beecham p.l.c. registered in England and Wales. SmithKline Beecham p.l.c. is the smallest and largest group to consolidate the accounts of the company. Copies of the consolidated accounts are available from One New Horizons Court, Brentford, Middlesex TW8 9EF.

12. Support of the Parent Undertaking

The parent company has undertaken to provide continuing financial support to enable the company to continue trading and meet its liabilities as they fall due.