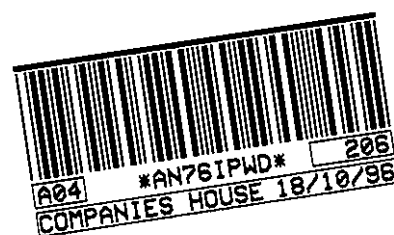


SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

COMPANY REGISTRATION NO. 210520

REPORT AND ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 1995



**SMITHKLINE BEECHAM LIAISON SERVICES LIMITED**

**Directors**

P.M. Barrett  
A.R. Curl  
A.A. Luckham  
R.M. Whittaker  
I.B. Hunter  
S.J. Hurst (Resigned 18/10/95)  
B.J. Dolbear (Appointed 18/10/95)

**Secretary**

C.A. McClintock

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995**

The directors submit their report and accounts for the year ended 31st December 1995.

**Principal Activity and Future Developments**

In 1995 the principal activity of the company was to provide liaison and technical services for SmithKline Beecham International in Istanbul, Turkey and Nicosia, Cyprus where SmithKline Beecham Liaison Services has branches. The branch in Cyprus was opened during 1995 and the branch in Turkey has been closed in early 1996.

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

**Dividends**

The directors do not recommend the payment of a dividend (1994: NIL). The proposed transfer from reserves is £14,759. (1994: £189)

**Fixed Assets**

The decrease in fixed assets relates to the depreciation charge for the year of £24,816 slightly exceeding the additions of £24,386 in office & residence furniture and fittings, office machinery, and motor vehicles. The majority of capital additions were incurred in setting up the Cyprus branch office, with only £505 capital additions in Turkey.

**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.

SmithKline Beecham Plc  
Ordinary A Shares

	<u>31.12.95</u>	<u>31.12.94</u> <u>or date of appt.</u>
P.M. Barrett	14,599	3,969
A.R. Curl	10,569	6,426
A.A. Luckham	17,773	6,034
R.M. Whittaker	14,309	17,298
I.B. Hunter	15,119	14,161
B.J. Dolbear	707	627

SmithKline Beecham p.l.c.  
Options over A Shares

	<u>31.12.94</u>	<u>Granted</u>	<u>Exercised</u>	<u>31.12.95</u> <u>or date of app.</u>
P.M. Barrett	85,184	25,170	19,622	90,732
A.R. Curl	92,364	11,638	19,622	84,380
A.A. Luckham	117,157	11,638	40,856	87,939
R.M. Whittaker	75,759	9,306		85,065
I.B. Hunter	106,779	25,170	27,312	104,637
B.J. Dolbear	-	8,095		8,095

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

A handwritten signature in cursive script, appearing to read "C. McClintock", followed by a horizontal line.

CA McClintock,  
Secretary

26 September 1996

**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 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.

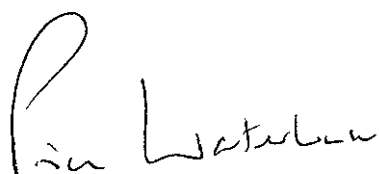
**Basis of Opinion :**

We conducted our audit in accordance with Accounting 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 1995 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

10 October 1996

**SMITHKLINE BEECHAM LIAISON SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1995**

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
Turnover	2	663,927	537,670
Admin. Expenses		<u>(663,927)</u>	<u>(537,670)</u>
Profit before Tax	4	-	-
Taxation	5	<u>(14,759)</u>	<u>( 189)</u>
Loss Retained	9	<u>(14,759)</u>	<u>( 189)</u>

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

**SMITHKLINE BEECHAM LIAISON SERVICES LIMITED**

**BALANCE SHEET AT 31ST DECEMBER 1995**

	<u>Note</u>	<u>31.12.95</u> £	£	<u>31.12.94</u> £	£
FIXED ASSETS	8		83,806		84,236
CURRENT ASSETS					
Cash at Bank & in hand			35,097		78,630
CREDITORS : Amounts falling due within one year:					
Amounts owed to group undertakings			(103,724)		(84,862)
Other creditors including taxation & social security			<u>(30,319)</u>		<u>(78,385)</u>
NET CURRENT LIABILITIES			<u>(98,946)</u>		<u>(84,617)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(15,140)</u>		<u>(381)</u>
<u>CAPITAL AND RESERVES</u>					
SHARE CAPITAL	7		402		402
PROFIT & LOSS ACCOUNT	9		<u>(15,542)</u>		<u>(783)</u>
			<u>(15,140)</u>		<u>(381)</u>

The financial statements were approved by the directors on

26 September 1996



AA Luckham  
Director

The notes on pages 8 to 10 form a part of these financial statements.

# SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### 1. Accounting Policies

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 Fixtures & Fittings .....	12.5%
Residence 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.

Group accounts have not been prepared as group accounts are prepared by the ultimate parent undertaking SmithKline Beecham Plc. The company has not prepared a statement of cashflow as a cashflow statement is included in the financial statements of SmithKline Beecham Plc.

### 2. Turnover

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

### 3. Employees

The company has two employees (1994 :3)

### 4. Profit for the year is stated after charging :

	1995	1994
	£	£
Wages and Salaries	152,102	131,126
Depreciation	24,815	21,164



# SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### 5. Tax

	1995 £	1994 £
Under / (Over) provision in prior year	11,168	(3,519)
UK Corporation Tax @ 33% on profit for the year (1993: 33%)	<u>3,591</u>	<u>3,708</u>
Taxation Charge	<u>14,759</u>	<u>189</u>

### 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

	31.12.95 £	31.12.94 £
Authorised : Ordinary shares of £1 each	500	500
Issued and fully paid : Ordinary shares of £1 each	402	402

### 8. Fixed Assets

	Office fixtures & fittings £	Residence furniture & fittings £	Office Machinery £	Motor Vehicles £	TOTAL £
<u>Costs</u>					
Opening Balance at 1 January 1995	13,341	44,273	30,297	45,580	133,491
Additions	<u>6,868</u>	<u>1,614</u>	<u>2,467</u>	<u>13,437</u>	<u>24,386</u>
Closing Balance at 31 December 1995	<u>20,209</u>	<u>45,887</u>	<u>32,764</u>	<u>59,017</u>	<u>157,877</u>
<u>Depreciation</u>					
Opening Balance at 1 January 1995	2,951	10,433	13,990	21,881	49,255
Charge for year	<u>2,021</u>	<u>4,589</u>	<u>6,403</u>	<u>11,803</u>	<u>24,816</u>
Closing Balance at 31 December 1995	<u>4,972</u>	<u>15,022</u>	<u>20,393</u>	<u>33,684</u>	<u>74,071</u>
<u>Net Book Value</u>					
At 31 December 1995	<u>15,237</u>	<u>30,865</u>	<u>12,371</u>	<u>25,333</u>	<u>83,806</u>
At 31 December 1994	<u>10,390</u>	<u>33,840</u>	<u>16,307</u>	<u>23,699</u>	<u>84,236</u>

# SMITHKLINE BEECHAM LIAISON SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### 8. Fixed Assets continued

No fixed assets have been acquired under finance lease.

### 9. Reserves

	<u>Profit and Loss account</u> £
At 31 December 1994	(783)
Loss Retained	<u>(14,759)</u>
At 31 December 1995	<u>(15,542)</u>

### 10. Reconciliation of Movements in Shareholders' Equity

	1995 £	1994 £
Loss for the financial year	(14,759)	(189)
Opening shareholders' equity	<u>(381)</u>	<u>(192)</u>
Closing shareholders' equity	<u>(15,140)</u>	<u>(381)</u>

### 11. Ultimate Parent Undertaking

The Company's ultimate parent undertaking at the year end was SmithKline Beecham Plc registered in England. SmithKline Beecham Plc 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 9EP.

### 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.