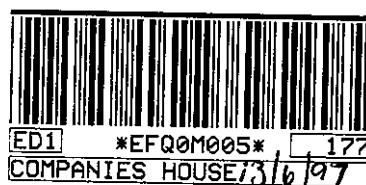


GLAXO LABORATORIES LIMITED

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1996

REGISTERED NUMBER: 239893



GLAXO LABORATORIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

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GLAXO LABORATORIES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1996

In submitting the Accounts and the Auditors' Report for the year ended 31 December 1996, the Directors report that no Profit and Loss Account has been prepared for the year because the benefit of the income has been taken by and the expenditure borne by the immediate parent company, Glaxo Wellcome UK Limited.

Principal Activities

The principal activity of the Company is the sale of pharmaceutical products, as agent for Glaxo Wellcome UK Limited and this is expected to continue for the foreseeable future.

Business Review

The Company's performance during the year was satisfactory.

Directors

The following have served as Directors of the Company during the year:

J R Lapointe	Chairman
	Resigned 31 January 1997
M J Bailey	Managing Director
Dr D A Jackson	
S J Powell	

Mr Lapointe, Mr Bailey, Dr Jackson and Mr Powell were during the year Directors of the immediate parent company and their notifiable interests are disclosed in the accounts of that company.

Directors' Responsibility Statement

The Directors are required by UK Company Law to prepare accounts 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 that period. The Directors confirm that in the preparation of the accounts, suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed and the accounts have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

GLAXO LABORATORIES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1996

Auditors

The Company has elected to dispense with the obligation to appoint Auditors annually. The auditors, Coopers & Lybrand, have expressed their willingness to continue in office and the Board is authorised to fix the remuneration of the Auditors in respect of the financial year just ended.

Registered Office:
Glaxo Wellcome House
Berkeley Avenue
Greenford
Middlesex
UB6 0NN

By Order of the Board



C L Christian
Secretary


Date 18.5.97

GLAXO LABORATORIES LIMITED

BALANCE SHEET

	Note	At 31.12.96 £	At 31.12.95 £
CURRENT ASSETS			
Debtors			
Amount owed by parent company		<u>66,555</u>	<u>66,555</u>
CAPITAL AND RESERVES			
Called up share capital	6	39,000	39,000
Profit and loss account		<u>27,555</u>	<u>27,555</u>
Equity Shareholders' Funds		<u>66,555</u>	<u>66,555</u>

On behalf of the Board



Director

Approved by the Board on

12/5/97

GLAXO LABORATORIES LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 1996

1 Parent Company

Glaxo Laboratories Limited is a wholly owned subsidiary of Glaxo Wellcome UK Limited. The ultimate parent company is Glaxo Wellcome plc. Glaxo Wellcome UK Limited and Glaxo Wellcome plc are both incorporated in Great Britain. The accounts of the ultimate parent company can be obtained via our company secretary at Lansdowne House, Berkeley Square, London W1X 6BQ.

2 Profit and Loss Account and Other Disclosures

The accounts have been prepared on a historical cost basis, and in accordance with applicable UK accounting standards.

No Profit and Loss Account has been prepared for the year because the benefit of the income has been taken by and the expenditure borne by the immediate parent company.

Consequently, a statement of recognised gains and losses has also not been presented. A cashflow statement has not been prepared because the Company's ultimate parent company is another company incorporated in Great Britain which is itself required to prepare a consolidated cashflow statement.

There being no movement in the Company's share capital and reserves, no statement of reconciliation of shareholders' funds has been presented.

3 Related Party Transactions and Balances

The ultimate controlling party of Glaxo Laboratories Limited is Glaxo Wellcome plc. The results of Glaxo Laboratories Limited are included in the consolidated accounts of Glaxo Wellcome plc. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 8 from disclosing transactions with associates and joint ventures of the Group.

There were no balances outstanding with associates and joint ventures of the Group at 31 December 1996 (1995 - £nil).

4 Remuneration of Directors

No Director received emoluments for services to the Company (1995 - £nil).

GLAXO LABORATORIES LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 1996 (CONTINUED)

5 Staff Numbers and Costs

There are no employees of the Company. Trading activities are performed by employees of the ultimate parent company.

6 Share Capital

	£
Authorised:	
90,000 Ordinary shares of £1 each	90,000
Allotted, called up and fully paid:	
39,000 Ordinary shares of £1 each	39,000

GLAXO LABORATORIES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GLAXO LABORATORIES LIMITED

We have audited the financial statements on pages 3 to 5.

Respective Responsibilities of Directors and Auditors

As described on page 1, 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 affairs of the Company at 31 December 1996 and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

Date: *14 May 1997*