

GLAXO LABORATORIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS **Registered No. 239893**



YEAR ENDED 31 DECEMBER 1997

GLAXO LABORATORIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1997

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GLAXO LABORATORIES LIMITED - REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1997

In submitting the Accounts and the Auditors' Report for the year ended 31 December 1997, 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 AND FUTURE DEVELOPMENTS

The Directors are of the opinion that the Company's performance during the year was satisfactory and will be sustained for the foreseeable future.

DIRECTORS

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

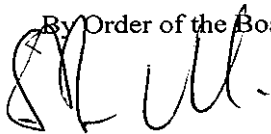
G J Morrow	Chairman Appointed 31 January 1997
J R Lapointe	Chairman Resigned 31 January 1997
M J Bailey	Managing Director Appointed 17 January 1997
J R Baxter	
Dr D A Jackson	
S J Powell	

Mr Morrow, Mr Bailey, Mr Baxter, 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.

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

Secretary

Date 2/7/98

GLAXO LABORATORIES LIMITED - BALANCE SHEET

	Note	31 December 1997 £	31 December 1996 £
CURRENT ASSETS			
Debtors			
Amount owed by parent company		66,555	66,555
NET ASSETS		66,555	66,555
CAPITAL AND RESERVES			
Called up share capital	7	39,000	39,000
Profit and loss account		27,555	27,555
Equity Shareholders' Funds		66,555	66,555

On behalf of the Board



Director

Approved by the Board on

2/7/98

GLAXO LABORATORIES LIMITED

NOTES ON THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1997

1 ULTIMATE 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 Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex, UB6 0NN.

2 ACCOUNTING CONVENTION

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

3 PROFIT AND LOSS ACCOUNT AND OTHER DISCLOSURES

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 cash flow 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 cash flow statement.

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

Auditors' remuneration is borne by the parent company.

4 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 subsidiaries, associates and joint ventures of the Group.

There were no balances outstanding with associates and joint ventures of the Group at 31 December 1997 (1996 - £nil).

5 REMUNERATION OF DIRECTORS

No Director received emoluments for services to the Company (1996 - £nil).

GLAXO LABORATORIES LIMITED

NOTES ON THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1997 (Continued)

6 STAFF NUMBERS AND COSTS

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

7 SHARE CAPITAL

	31 December 1997 £	31 December 1996 £
Authorised:		
Ordinary shares of £1 each	90,000	90,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	39,000	39,000

GLAXO LABORATORIES LIMITED

DIRECTORS' STATEMENT OF RESPONSIBILITY IN RELATION TO THE ACCOUNTS

The Directors are required by law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. The Directors confirm that suitable accounting policies have been consistently applied in the preparation of the accounts, supported by reasonable and prudent judgements and estimates as necessary; applicable accounting standards have been followed, and the accounts have been prepared on the going concern basis.

The Directors are responsible for ensuring the maintenance of proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and from which accounts can be prepared to comply with the UK Companies Act 1985. They are also responsible for ensuring the operation of systems of internal control for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

On behalf of the Board

Director:



Date:

21/7/98.

GLAXO LABORATORIES LIMITED - REPORT OF THE AUDITORS

TO THE MEMBERS OF GLAXO LABORATORIES LIMITED

We have audited the accounts on pages 2 to 4.

Respective responsibilities of Directors and Auditors

As described on page 5 the Directors of the Company are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and
Registered Auditors

London

Date: 24 July 1998