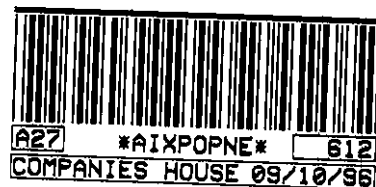


COUNTY LABORATORIES LIMITED

Registered Number: 302065

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995



COUNTY LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

The Directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 1995.

STATEMENT OF 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.

PRINCIPAL ACTIVITY

The Company did not trade during the financial year. The principal activity of the Company was the receipt of royalties from the manufacture of beverage products in Kenya. This activity ceased on 23 June 1993, following the reassignment of the agreement for receipt of royalties to SmithKline Beecham plc, trading as SmithKline Beecham Consumer Healthcare. No further change is anticipated in the foreseeable future.

REVIEW OF BUSINESS

The Company's loss for the year was £1,362 (1994: Profit of £7,927).

RESULTS AND DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 December 1995 (1994: £nil). The retained loss for the year of £1,362 has been transferred from reserves (1994: Profit of £7,927 transferred to reserves.)

COUNTY LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)

DIRECTORS

The Directors who held office during the year were as follows:

A. M. Horler

D. J. Stevens (resigned 10th March 1995)

C. McClintock (appointed 10th March 1995)

DIRECTORS' INTERESTS

Directors' and Officers' liability insurance, paid for by SmithKline Beecham plc, was in place during the year.

The beneficial interest of Directors in office in the shares of the ultimate parent undertaking SmithKline Beecham plc (and its subsidiary and associated undertakings) have been notified by Directors in accordance with the Companies Act 1985.

	SmithKline Beecham plc 'A' Ordinary Shares <u>31 December 1995</u>	SmithKline Beecham plc 'A' Ordinary Shares <u>31 December 1994*</u>
A. M. Horler	1,525	1,158
M. C. McClintock	1,213	1,089

The following represents the interest of Directors in options for the purchase of 'A' Shares in the ultimate parent undertaking:

	<u>31 December</u> <u>1994</u>	<u>'A' Shares</u> <u>Granted</u>	<u>Exercised</u>	<u>31 December</u> <u>1995</u>
A. M. Horler	30,698	5,568	4,876	31,390
M. C. McClintock	-	-	-	-

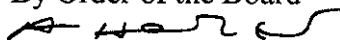
Full details of the SmithKline Beecham Executive Share Option Plans are disclosed in the accounts of SmithKline Beecham plc.

* Or at date of appointment, if later.

AUDITORS

The Company has adopted an elective resolution permitting it to dispense with the requirement to reappoint 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. M. Horler

Director

[12 / 9] 1996

**AUDITOR'S REPORT TO THE MEMBERS OF
COUNTY LABORATORIES LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 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 as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants and
Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY

30/9/1996

COUNTY LABORATORIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
Other operating income		<u>-</u>	<u>3,548</u>
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		-	3,548
Interest receivable and similar income		<u>-</u>	<u>8,283</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	11,831
Tax on profit on ordinary activities	3	<u>(1,362)</u>	<u>(3,904)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	8	<u>(1,362)</u>	<u>7,927</u>

All the above profits arose from discontinued operations.

There is no material difference between the reported profit and the historical cost profit on ordinary activities before taxation.

There are no recognised gains or losses other than the profit for the year shown above.

The notes on pages 6 to 8 form part of these financial statements.

COUNTY LABORATORIES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
CURRENT ASSETS			
Debtors : Amounts due after more than one year	4	939,529	940,891
CREDITORS: Amounts falling due within one year	5	<u>(5,618)</u>	<u>(5,618)</u>
NET CURRENT ASSETS		<u>933,911</u>	<u>935,273</u>
CAPITAL AND RESERVES			
Called up share capital	6	800,000	800,000
Profit and Loss account	8	133,911	135,273
		<u>933,911</u>	<u>935,273</u>

APPROVED BY THE BOARD ON

[3/9] 1996



A. M. HORLER
DIRECTOR

The notes on pages 6 to 8 form part of these financial statements.

COUNTY LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

(1) Accounting convention

The Company's financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) Cash flow statement

The Company is a wholly owned subsidiary undertaking of SmithKline Beecham plc which produces a consolidated cash flow statement in accordance with Financial Reporting Standard No1 (FRS 1). Consequently the Company has taken advantage of the exemption in FRS 1 from preparing a cash flow statement.

(3) Foreign currencies

Foreign currency income is translated into sterling at the average rate for the period or contracted forward rate where applicable. 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 period are taken to the profit and loss account.

(4) Auditors Remuneration

The auditors' remuneration has been borne by the ultimate parent undertaking.

2. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

The Directors are employees of SmithKline Beecham plc and are remunerated for their services by SmithKline Beecham plc. Directors' remuneration in respect of their services to the Company during the year were £Nil (1994:£Nil). The Company had no employees (1994:Nil).

3. TAXATION ON PROFITS ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
UK Tax charge on Profit at 33% (1994 : 33%)	-	3,904
Prior year adjustment	<u>1,362</u>	<u>—</u>
	<u>1,362</u>	<u>3,904</u>

COUNTY LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)

4. DEBTORS: Amounts due after more than one year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Amounts owed by parent undertaking	<u>939,529</u>	<u>940,891</u>

5. CREDITORS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Corporation tax	<u>5,618</u>	<u>5,618</u>

6. CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Authorised, issued and fully paid: 800,000 Ordinary shares of £1 each	<u>800,000</u>	<u>800,000</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Retained (loss)/ profit for the year	(1,362)	7,927
Opening shareholders' funds	<u>935,273</u>	<u>927,346</u>
Closing shareholders' funds	<u>933,911</u>	<u>935,273</u>

8. RESERVES

	<u>Share Capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January 1995	800,000	135,273	935,273
Retained loss for the year	-	(1,362)	(1,362)
At 31 December 1995	<u>800,000</u>	<u>133,911</u>	<u>933,911</u>

COUNTY LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

9. PARENT UNDERTAKING

SmithKline Beecham plc, a UK public limited company registered in England, is the ultimate parent undertaking. The largest and smallest group for which Group accounts are prepared and of which the Company is a member is SmithKline Beecham plc.

Copies of the Group accounts are available from:

New Horizons Court,
Brentford,
Middlesex,
TW8 9EP.