

SmithKline Beecham (Investments) Limited
(Registered Number 302065)

Annual Report and Financial Statements

For the Year Ended 31st December 2003



Registered office address:
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SmithKline Beecham (Investments) Limited
Annual Report and Financial Statements
For the Year Ended 31st December 2003

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SmithKline Beecham (Investments) Limited

Directors' Report for the Year Ended 31st December 2003

The Directors submit their report and the audited financial statements for the year ended 31st December 2003.

Principal activities

The Company's principal activity during the year was the receipt of interest on cash deposits. The Directors do not envisage any change to the nature of the business in the foreseeable future.

Review of business

The Company made a profit on ordinary activities after taxation of £10,274,000 (2002 - £10,711,000). The Directors are of the opinion that the current level of activity, and the year end financial position are satisfactory and will remain so in the foreseeable future.

The retained profit for the year of £10,274,000 will be transferred to reserves (2002 - retained profit for the year of £10,711,000 transferred to reserves).

Results and dividends

The Company's results for the financial year are shown in the profit and loss account on page 4.

The Directors propose that no dividend be paid to the holders of Ordinary Shares in respect of the year ended 31st December 2003 (2002 - £nil).

Directors and their interests

The Directors of the Company who served during the year are as follows:

Glaxo Group Limited
Edinburgh Pharmaceutical Industries Limited

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business except where such an interest may arise in the ordinary course of business.

Save as disclosed, no arrangements to which the Company was a party existed at the end of the year, or at any time during the year, which would enable the Directors to acquire benefits through the acquisition of shares, or debentures of the Company, or any body corporate within the Group.

At 31st December 2003 none of the Directors have beneficial interests in the shares of any other Group company, except where such a beneficial interest may arise in the ordinary course of business.

SmithKline Beecham (Investments) Limited

Directors' Report for the Year Ended 31st December 2003

Statement of directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss for that year.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Auditors

Elective resolutions to dispense with holding Annual General Meetings, the laying of accounts before the Company in general meetings and the appointment of Auditors annually are currently in force. The Auditors, PricewaterhouseCoopers LLP, will therefore be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of this Report and Accounts are sent to members unless a resolution is passed under Section 393 of the Companies Act to the effect that their re-appointment be brought to an end.

By order of the Board



L Nuttall

For and on behalf of Edinburgh Pharmaceutical Industries Limited
Secretary

5th March 2004

SmithKline Beecham (Investments) Limited

Independent auditors' report to the members of SmithKline Beecham (Investments) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

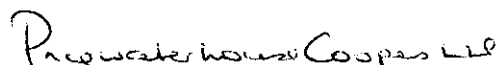
Basis of audit opinion

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 31st December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
5 March 2004

SmithKline Beecham (Investments) Limited

Profit and Loss Account

For the Year Ended 31st December 2003

	<i>Notes</i>	2003 £'000	2002 £'000
Interest receivable	2	14,677	15,301
Profit on ordinary activities before taxation		14,677	15,301
Taxation	3	(4,403)	(4,590)
Retained profit	7	10,274	10,711

The results disclosed above relate entirely to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit stated above and their historical cost equivalents.

The Company had no recognised gains or losses during the year other than those reflected in the above profit and loss account.

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

SmithKline Beecham (Investments) Limited

Balance Sheet

As at 31st December 2003

	Notes	2003 £'000	2002 £'000
Debtors	4	406,642	391,965
Current assets		406,642	391,965
Creditors: amounts due within one year	5	(24,560)	(20,157)
Net current assets		382,082	371,808
Total assets less current liabilities		382,082	371,808
Capital and reserves			
Called up share capital	6	1,454	1,454
Share premium account	7	333,477	333,477
Profit and loss account	7	47,151	36,877
Equity shareholders' funds	8	382,082	371,808

The accounts on pages 4 to 8 were approved by the Board of Directors on 5th March 2004 and were signed on its behalf by:



L Nuttall

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

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

SmithKline Beecham (Investments) Limited

Notes to the Financial Statements for the Year Ended 31st December 2003

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of accounting

These financial statements have been prepared using the historical cost convention, and have been drawn up in accordance with UK generally accepted accounting principles and with UK accounting presentation.

2 Interest receivable

	2003 £'000	2002 £'000
Investment income		
Interest income on bank deposits	-	10,350
On loans with group undertakings	14,677	4,951
	14,677	15,301

3 Taxation

	2003 £'000	2002 £'000
Taxation charge based on profits for the period		
UK corporation tax at 30% (2002: 30%)	4,403	4,590
	4,403	4,590

There are no items required to reconcile the profit before taxation at the statutory rate of 30% to the current taxation charge. No provision is required for deferred taxation.

4 Debtors

	2003 £'000	2002 £'000
Amounts due within one year		
Amounts owed by group undertakings	406,642	391,965
	406,642	391,965

5 Creditors

	2003 £'000	2002 £'000
Amounts due within one year		
Amounts owed to group undertakings	20,153	15,563
Taxation	4,407	4,594
	24,560	20,157

SmithKline Beecham (Investments) Limited

Notes to the Financial Statements for the Year Ended 31st December 2003

6 Called up share capital - equity interests

	2003 Number of shares	2002 Number of shares	2003 £'000	2002 £'000
Authorised				
Ordinary Shares of £1 each	2,000,000	2,000,000	2,000	2,000
Issued and fully paid				
Ordinary Shares of £1 each	1,453,542	1,453,542	1,454	1,454

7 Reserves - equity interests

	Profit & Loss account £'000	Share Premium £'000	Total Reserves £'000
At 1st January 2003	36,877	333,477	370,354
Retained profit for the financial year	10,274	-	10,274
At 31st December 2003	47,151	333,477	380,628

8 Reconciliation of movement in shareholders' funds

	2003 £'000	2002 £'000
Profit for the financial year	10,274	10,711
Net addition to shareholders' funds	10,274	10,711
Opening shareholders' funds	371,808	361,097
Closing shareholders' funds – equity interests	382,082	371,808

9 Employees

There are no employees of the Company as all personnel are employed by other group companies.

10 Directors' Remuneration

The Corporate Directors of the Company received no remuneration in respect of their service to the Company (2002 - £nil).

11 Auditors' Remuneration

The auditors' remuneration has been borne by the GlaxoSmithKline Group.

SmithKline Beecham (Investments) Limited

Notes to the Financial Statements for the Year Ended 31st December 2003

12 Cash flow statement

A cash flow statement has been included in the consolidated financial statements of GlaxoSmithKline plc, the ultimate parent undertaking. As a wholly owned subsidiary of the ultimate parent undertaking, advantage has been taken of the exemption afforded by Financial Reporting Standard 1 (Revised 1996) not to prepare a cash flow statement.

13 Ultimate parent undertaking

GlaxoSmithKline plc, registered in England and Wales, is the Company's ultimate parent undertaking. The largest and smallest group of undertakings for which group financial statements are prepared and which include the results of the Company, are the consolidated financial statements of GlaxoSmithKline plc. Copies of the consolidated financial statements can be obtained from The Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertaking is SmithKline Beecham plc.

14 Related party transactions

As a wholly owned subsidiary of the ultimate parent company, GlaxoSmithKline plc, advantage has been taken of the exemption afforded by Financial Reporting Standard 8 not to disclose any related party transactions within the Group. There are no other related party transactions.