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**Companies House regrets that the microfiche record for this company contain some documents which are illegible.**

**This has been noted but unfortunately steps taken to improve them were unsuccessful.**

**Companies House would like to apologise for any inconvenience this may cause.**

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### **COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE**

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MACFARLAN SMITH LIMITED

REPORT OF THE DIRECTORS

FOR THE FIFTY TWO WEEKS ENDED 26th JUNE 1981

In submitting the Accounts of the Company and the Auditors' Report for the fifty two weeks ended 26th June 1981, the Directors report that the net profit of the Company for the period after providing for taxation was £1,769,229.

Dividend

The Directors recommend that a dividend is paid of £1,769,229. This compares with last period's distribution of £914,030.

Principal Activities

The principal activity of the Company is the manufacture and sale of Fine Chemicals. No change in the activity has occurred during the period.

The Company's activities are such that no meaningful distinction can be made between its classes of business, and the turnover and profitability of each class.

Ultimate Holding Company

The ultimate holding company is Glaxo Holdings Limited.

Subsidiary Companies

The Company has no subsidiaries.

Capital

The Company has issued no shares or debentures during the period, and its capital structure remains unchanged.

Fixed Assets

The Directors consider that no significant changes in fixed assets have occurred during the period.

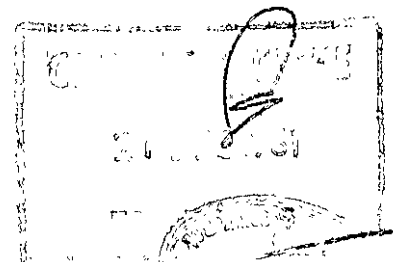
Exports

The value of goods exported by the Company from the United Kingdom during the period under review amounted to £3,432,360.

Directorate

The following were Directors of the Company during the period under review:

Mr. F.G.D. Back	(Chairman)
Mr. P. Mackenzie	(Managing Director)
Mr. K.G. Goodman	(appointed 8th May 1981)
Mr. F.A. Peake	
Mr. P. Bruton	(resigned 7th May 1981)
Dr. E.N. Taylor	



REPORT OF THE DIRECTORS (CONT'D)

FOR THE FIFTY TWO WEEKS ENDED 26th JUNE 1981

Directorate (Cont'd)

In accordance with Regulations 89 and 90 of Part 1 of Table A of the Companies Act 1948, Dr. E.M. Taylor the Director retiring by rotation, retires and, being eligible offers himself for re-election.

Mr. E.A. Goodman having been appointed a Director under the provisions of Regulation 95 of Part 1 of Table A of the Companies Act 1948, retires and, being eligible offers himself for re-election.

No Director had during the period or at the end of the period any material interest in any contract of significance to the Company's business.

No arrangements, to which the Company was a party, subsisted at the end of the period or at any time during the period which would enable Directors or their families to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

No Director or his family had any beneficial interest in shares or debentures of the Company, at 28th June 1980 and 26th June 1981. The interests of the Directors and their families in shares and stock of the ultimate holding company, Glaxo Holdings Limited, as at 28th June 1980 and 26th June 1981 are shown below:

	<u>Glaxo Holdings Limited</u>			
	<u>At 28th June 1980</u>		<u>At 26th June 1981</u>	
	<u>Ordinary</u>	<u>7½%</u>	<u>Ordinary</u>	<u>7½%</u>
	<u>Shares</u>	<u>Convertible</u>	<u>Shares</u>	<u>Convertible</u>
	<u>of 50p</u>	<u>Loan Stock</u>	<u>of 50p</u>	<u>Loan Stock</u>
	<u>each</u>	<u>1985</u>	<u>each</u>	<u>1985</u>
Mr. F.O.D. Back	10,000	£1,800	10,800	£1,800
Mr. P. Mackenzie	708	£126	708	£126
Mr. K.G. Goodman	* -	* -	-	-
Mr. F.A. Peake	1,614	-	1,614	-
Dr. E.N. Taylor	-	-	-	-

\*At date of appointment, 8th May 1981.

Auditors

The Auditors, Clark Pixley, retire in accordance with Section 14 of the Companies Act 1976 and offer themselves for re-appointment at the forthcoming Annual General Meeting at a fee to be agreed by the Directors.

By Order of the Board

*P.M. Phillips*  
2.11.81

P.M. PHILLIPS

Secretary

MACFARLAN SMITH LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE FIFTY TWO WEEKS ENDED  
26th JUNE 1981

	<u>Notes</u>	<u>1981</u>	<u>1980</u>
<u>TURNOVER</u>		<u>£8,326,539</u>	<u>£8,354,556</u>
<u>PROFIT BEFORE TAXATION</u>	2	1,363,629	1,545,065
<u>TAXATION</u>	4	(405,600)	762,100
<u>PROFIT AFTER TAXATION</u>		<u>1,769,229</u>	<u>782,965</u>
<u>DIVIDEND</u>		<u>1,769,229</u>	<u>914,030</u>
<u>DECREASE IN RESERVES</u>		<u>£ -</u>	<u>£ (131,065)</u>

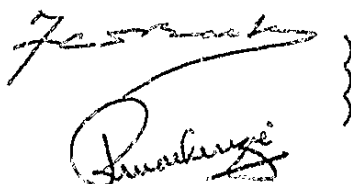
The notes on pages 6 to 9 form part of these Accounts.

MACFARLAN SMITH LIMITED

BALANCE SHEET

2<sup>nd</sup> th JUNE 1981

	<u>Notes</u>	<u>1981</u>	<u>1980</u>
<u>CAPITAL EMPLOYED</u>			
<u>SHARE CAPITAL</u>	5	100,000	100,000
<u>REVENUE RESERVES</u>		1,288,478	1,288,478
		1,388,478	1,388,478
<u>DEFERRED TAXATION</u>	6	57,000	1,099,600
<u>INVESTMENT AND DEVELOPMENT GRANTS</u>		130,052	150,402
		<u>£1,575,530</u>	<u>£2,632,480</u>
<u>EMPLOYMENT OF CAPITAL</u>			
<u>FIXED ASSETS</u>	7	1,086,303	978,680
<u>CURRENT ASSETS</u>			
Stocks	8	4,527,584	6,704,810
Debtors		1,198,383	1,101,911
Cash and Bank balances		3,934	29,413
Amounts due by other members of the Group		741,672	792,012
		<u>6,471,573</u>	<u>8,628,146</u>
<u>CURRENT LIABILITIES</u>			
Creditors		648,775	881,392
Bank Overdraft		742,141	3,056,493
Taxation	9	223,337	527,273
Amounts due to other members of the Group		2,598,864	2,503,188
Proposed Dividend		1,760,229	-
		<u>5,982,346</u>	<u>6,968,346</u>
<u>NET CURRENT ASSETS</u>		489,227	1,659,800
		<u>£1,575,530</u>	<u>£2,632,480</u>



} DIRECTORS

The notes on pages 6 to 9 form part of these Accounts.

WATERMAN SOUTH LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE FIFTY TWO WEEKS ENDED  
26th JUNE 1981

	<u>1981</u>	<u>1980</u>
<u>SOURCE OF FUNDS</u>		
Profit before taxation	1,363,629	1,545,065
Depreciation	51,036	111,650
Investment and Development Grants	(20,424)	(20,775)
	<u>1,394,241</u>	<u>1,635,940</u>
Disposals of Fixed Assets	1,725	6,487
Development Grants Received	74	35,296
	<u>1,799</u>	<u>41,783</u>
	<u>1,396,040</u>	<u>1,677,723</u>
<u>APPLICATION OF FUNDS</u>		
Taxation	940,936	2,102,527
Dividend paid	—	914,050
Purchase of Fixed Assets	160,384	205,572
	<u>1,101,320</u>	<u>3,222,129</u>
	<u>£ 294,720</u>	<u>£(1,544,406)</u>
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>		
Stocks	(2,177,226)	(896,642)
Debtors	96,472	(624,140)
Creditors	232,617	68,138
Group Companies	(146,016)	1,502,099
<u>INCREASE/(DECREASE) IN NET LIQUID FUNDS</u>		
Bank Overdraft	2,314,352	
Cash at Bank	(25,479)	
	<u>2,288,873</u>	<u>(1,593,861)</u>
	<u>£ 294,720</u>	<u>£(1,544,406)</u>

**MACFARLAN SMITH LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Accounting Policies**

**a) Turnover**

Turnover represents sales invoiced to customers excluding value added tax.

**b) Depreciation**

Depreciation is provided on fixed assets on a straight line basis over their estimated useful lives. Depreciation rates used are as follows:

Plant, Machinery and Vehicles	5% to 25%
Buildings	2%

The estimated useful life of buildings has been revised during the year from 33 years to 50 years. The effect of this change is shown in Note 7.

**c) Research and Development**

These costs are written off as incurred.

**d) Fixed Assets**

Fixed assets acquired from other U.K. members of the Group are recorded in the accounts at their original cost to the Group and the figure of depreciation includes amounts provided by other members of the Group on those assets prior to their transfer to the Company.

**e) Stocks**

Stocks are included in the accounts at the lower of cost (including manufacturing overheads, where appropriate) and net realisable value.

**f) Investment and Development Grants**

Investment and development grants received in respect of each financial year are credited to revenue equally over the estimated average life of the relevant fixed assets.

**g) Foreign Currencies**

Currency assets and liabilities have been converted at the rates ruling at the balance sheet date.

**h) Deferred Taxation**

Deferred taxation is calculated using the liability method on the basis set out in Statement of Standard Accounting Practice Number 15. Accordingly provision is made for taxation deferred as a result of timing differences only to the extent that a liability is expected to arise in the foreseeable future.

**2. Profit before Taxation**

Profit before taxation is arrived at after:

**a) charging**

	<u>1981</u>	<u>1980</u>
	£	£
Directors' Remuneration (Note 3)	57,388	46,135
Depreciation	51,036	111,650
Auditors' Remuneration	9,250	7,641
Bank Interest	304,258	49,267
	<u>          </u>	<u>          </u>

**b) crediting**

Investment and Development Grants	<u>20,424</u>	<u>20,775</u>
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MACFARLAN SMITH LIMITED  
NOTES TO THE ACCOUNTS (CONT'D)

<u>3. Directors' Remuneration</u>		<u>1981</u>	<u>1980</u>
Emoluments of Chairman		Nil	Nil
Highest Paid Director		£ 23,559	£ 19,260
Number of other Directors receiving:			
Nil		3	2
£15,001 - £20,000		-	1
£20,001 - £25,000		1	-
<u>4. Taxation on Profits</u>		<u>1981</u>	<u>1980</u>
(i) On profits of the period			
U.K. Corporation Tax at 52% (1980: 52%)		615,000	919,000
Deferred Taxation		(1,042,600)	(142,900)
		(427,600)	776,100
(ii) Prior year's adjustments		22,000	(14,000)
		£ (405,600)	£ 762,100

The charge for Corporation Tax includes an amount of £268,616 relating to a claw back of stock relief in 1980 which was deferred until this year under the provisions of the Finance Act 1980. Deferred Tax was provided for this amount in 1980 and this has now been released and included in the credit to profit and loss account.

<u>5. Share Capital</u>		<u>1981</u>	<u>1980</u>
Authorised, Issued and Fully Paid:			
100,000 Shares at £1 each		£ 100,000	£ 100,000



MACFARLAN SMITH LIMITED  
NOTES TO THE ACCOUNTS (CONT'D)

6. Deferred Taxation

a) Deferred Taxation Account

	<u>1981</u>	<u>1980</u>
Balance at 28th June 1980	1,099,600	1,242,500
Charge/(Credit) to Profit and Loss Account	(1,042,600)	(142,900)
Balance at 26th June 1981	<u>£ 57,000</u>	<u>£ 1,099,600</u>

b) Deferred Taxation balance comprises:

Stock Appreciation Relief	-	1,047,000
Other Timing Differences	57,000	52,600
	<u>£ 57,000</u>	<u>£ 1,099,600</u>

c) Calculated on the full liability method the provision would be:

Stock Appreciation Relief	2,003,000	2,023,000
Accelerated Capital Allowances	421,000	380,500
Other Timing Differences	57,000	52,600
	<u>£ 2,481,000</u>	<u>£ 2,456,100</u>

7. Fixed Assets

Cost

	<u>Freehold Land and Buildings</u>	<u>Plant, Equipment &amp; Vehicles</u>	<u>Total</u>
Balance at 28th June 1980	520,018	1,642,089	2,162,107
Additions at Cost	7,419	152,965	160,384
Disposals	-	(49,219)	(49,219)
Reclassification	24,419	(24,419)	-
Balance at 26th June 1981	<u>551,856</u>	<u>1,721,416</u>	<u>2,273,272</u>

Depreciation

Balance at 28th June 1980	208,576	974,851	1,183,427
Disposals	-	(47,494)	(47,494)
Provision for the period	10,870	111,082	121,952
Revision of Rates (Note 1b)	(70,916)	-	(70,916)
Balance at 26th June 1981	<u>148,530</u>	<u>1,038,439</u>	<u>1,186,969</u>

Net Book Value at 26th June 1981	<u>£ 403,326</u>	<u>682,977</u>	<u>1,086,303</u>
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Net Book Value at 28th June 1980	<u>£ 311,442</u>	<u>667,238</u>	<u>978,680</u>
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8. Stocks

Stocks are in the following categories:

	<u>1981</u>	<u>1980</u>
Raw Materials	342,412	1,061,734
Work-in-Progress	2,992,537	4,158,571
Finished Goods	1,090,857	1,395,363
Other Stocks	101,778	89,142
	<u>£ 4,527,584</u>	<u>£ 6,704,810</u>

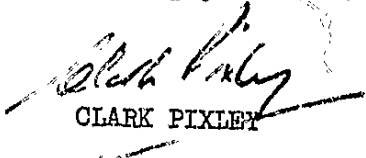
MACFARLAN SMITH LIMITED  
NOTES TO THE ACCOUNTS (CONT'D)

9. <u>Taxation</u>		<u>1981</u>	<u>1980</u>
U.K. Corporation Tax payable after 1st July 1982		£ 615,000	£ 930,000
10. <u>Capital Commitments</u>			
(i) Contracted for but not provided in the accounts		£ 10,505	£ 63,802
(ii) Authorised by the Directors but not contracted for		£ 13,162	£ 41,115
11. <u>Ultimate Holding Company</u>			
Glaxo Holdings Limited incorporated in Great Britain is the Company's ultimate holding company.			

REPORT OF THE AUDITORS TO THE MEMBERS OF  
MACFARLAN SMITH LIMITED

We have audited the accounts on pages 3 to 9 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention give a true and fair view of the state of affairs of the company at 26th June 1981 and of the profit and source and application of funds for the fifty two weeks ended on that date and comply with the Companies Acts 1948 to 1980.

  
CLARK PIXLEY

London

Chartered Accountants

2nd November 1981