

**Company registration number: 2903288**

**W-L (SPAIN)**

**DIRECTORS' REPORT AND ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 1998**



**REPORT OF THE DIRECTORS**

Directors: R A Breden  
S A Mellino

Secretary: S J Wallcraft (appointed 1 December 1998)  
D M Willis (resigned 1 December 1998)

The directors have pleasure in submitting the Report and Accounts of the Company for the year ended 31 December 1998.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The Company was incorporated on 23 February 1994 and formed as an investment holding company.

**RESULTS AND DIVIDENDS**

The loss for the year was £ 3,454 (1997 – profit of £763,411) all of which has been transferred from reserves (1997 – loss of £1,506).

The directors do not propose a dividend for the year (1997 - £764,917).

**DIRECTORS**

The directors of the Company during the year ended 31 December 1998 were as listed above.

**DIRECTORS' INTERESTS**

Neither of the directors has an interest in the shares of the Company or in any contract to which the Company was a party during the year.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for the year. In preparing these statements the directors are required to select suitable accounting policies and 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 or explained in the financial statements; and prepare the statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

**REPORT OF THE DIRECTORS (Continued)****YEAR 2000**

The Directors are aware of the Year 2000 issue and are taking steps to address it by ensuring that internal systems are reviewed and seeking assurances from significant suppliers that they are formulating appropriate strategies to deal with the problem.

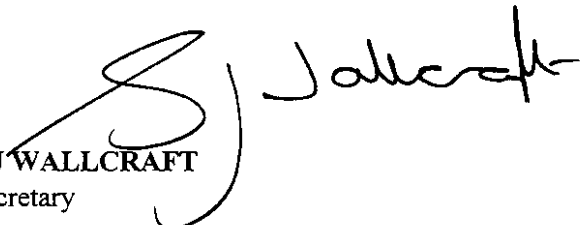
The Board has assessed the likely impact on activities of the Company and has considered the action required to address the issue.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain because at least some level of failure may still occur. However, the Board believes that an acceptable state of readiness will be achieved. The costs associated with implementing Year 2000 compliance have all been incurred by Parke Davis & Co Limited, a fellow subsidiary undertaking. Details of the expenditure incurred are disclosed in the Directors' Report of that Company.

**ANNUAL GENERAL MEETING**

In accordance with the provisions of S379A of the Companies Act 1985, the Company has elected to dispense with the laying of reports and accounts before the members in general meeting, the annual appointment of auditors and the holding of annual general meetings. Following the merger of Price Waterhouse and Coopers & Lybrand on 1 July 1998, Price Waterhouse resigned as auditors during the period and PricewaterhouseCoopers were appointed in their place.

By order of the Board.



**S J WALLCRAFT**  
Secretary

15 October 1999

**PricewaterhouseCoopers**  
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30 Channel Way  
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Southampton SO14 3QG  
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## **AUDITORS' REPORT TO THE MEMBERS OF W-L (SPAIN)**

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**

The directors are responsible for preparing the Annual Report, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

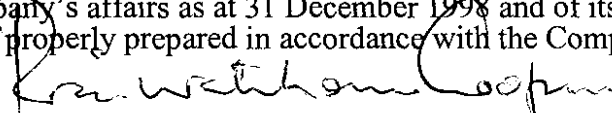
### **Basis of opinion**

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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors  
Southampton

15 October 1999

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Administrative expenses		(5)	(29)
Operating loss		(5)	(29)
Income from fixed asset investments		-	956,146
Interest receivable		100	133
Interest Payable		(3,549)	(1,610)
(Loss)/profit on ordinary activities before taxation		(3,454)	954,640
Tax on profit on ordinary activities	3	-	(191,229)
(Loss)/profit for the financial year		(3,454)	763,411
Dividends payable		-	(764,917)
Retained loss for the year	10	(3,454)	(1,506)

The results have all been derived from continuing operations.

There are no other recognised gains or losses other than those shown in the profit and loss account.

## BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Investments	5		289,404		289,404
CURRENT ASSETS					
Debtors	6	22	764,931		
Cash at bank and in hand		1,529	-		
		<u>1,551</u>	<u>764,931</u>		
CURRENT LIABILITIES (amounts due within one year)					
Creditors	7	-	(759,926)		
		<u>-</u>	<u>(759,926)</u>		
NET CURRENT ASSETS			1,551		5,005
			<u>1,551</u>		<u>5,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			290,955		294,409
			<u>290,955</u>		<u>294,409</u>
CAPITAL AND RESERVES					
Called up share capital	8		10,000		10,000
Share premium account	9		279,626		279,626
Profit and loss account	10		1,329		4,783
			<u>1,329</u>		<u>4,783</u>
SHAREHOLDERS' FUNDS	2		290,955		294,409
			<u>290,955</u>		<u>294,409</u>



R A Breden

Director

Approved by the Board on 15 October 1999

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1998

## 1. ACCOUNTING POLICIES

## (a) Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In accordance with Financial Reporting Standard 1 (revised) no cashflow statement has been prepared. Warner-Lambert Company, the ultimate holding company, prepares a cashflow statement.

## (b) Investments

Investments are stated at cost less provisions for permanent diminution in value.

2. MOVEMENT IN SHAREHOLDERS' FUNDS	1998 £	1997 £
(Loss)/profit for the financial year	(3,454)	763,411
Dividends	-	(764,917)
	<hr/>	<hr/>
Net decrease to shareholders' funds	(3,454)	(1,506)
Opening shareholders' funds	294,409	295,915
	<hr/>	<hr/>
Closing shareholders' funds	290,955	294,409
	<hr/>	<hr/>

All shareholders' funds relate to equity interests.

3. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	1998 £	1997 £
The charge for taxation based on the (loss)/profit for the year comprises:		
Tax credit on franked investment income	-	191,229
	<hr/>	<hr/>

There are no items which lead to any deferred tax liability or asset arising in the foreseeable future.

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (Continued)

## 4. EMOLUMENTS OF DIRECTORS

The only employees of the Company during the year were the directors, neither of whom received any remuneration (1997 - £nil).

## 5. INVESTMENTS

	Interest in Associated Undertaking £	Other Investments Other than Loans £	Total £
Opening and closing balance	9,902	279,502	289,404
Interest in Associated Undertaking:			

The Company holds 25.92% of the nominal value of the ordinary shares of W-L (Europe), an investment company which is registered in England and Wales.

The Company's share in the net assets and results of its associate are as follows:

	1998 £'000's	1997 £'000's
25.92% share of the profit before tax of W-L (Europe)	46	956
25.92% share of the tax charge of W-L (Europe)	12	193
25.92% share of the net profit of W-L (Europe)	35	763
25.92% share of the fixed assets of W-L (Europe)	337	337
25.92% share of the current assets of W-L (Europe)	744	695
25.92% share of the liabilities due within one year of W-L (Europe)	19	4

Other investments other than loans:

The Company holds 15.10% of the nominal value of the ordinary shares of Consumer Health Products (Minority Interests) Company which is registered in England and Wales.

6. DEBTORS	1998 £	1997 £
Called up share capital not paid	14	14
Amounts due from group companies	-	764,917
Other debtors	8	-
	<hr/>	<hr/>
	22	764,931
	<hr/>	<hr/>
7. CREDITORS	1998 £	1997 £
Bank overdraft	-	759,926
	<hr/>	<hr/>



## NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (Continued)

<b>8. CALLED UP SHARE CAPITAL</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Authorised and allotted: 100,000 Ordinary shares at 10 pence each	10,000	10,000
	—	—
Fully paid: 99,858 Ordinary shares at 10 pence each	9,986	9,986
	—	—
<b>9. SHARE PREMIUM ACCOUNT</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Opening and closing balance	279,626	279,626
	—	—
<b>10. PROFIT AND LOSS ACCOUNT</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Opening balance	4,783	6,289
Profit and loss account for the year	(3,454)	(1,506)
	—	—
Closing balance	1,329	4,783
	—	—

**11. AUDITORS' REMUNERATION**

The auditors' remuneration has been borne by a Warner-Lambert group company.

**12. ULTIMATE PARENT UNDERTAKING/RELATED PARTY TRANSACTIONS**

The ultimate parent and controlling undertaking is Warner-Lambert Company, the largest and smallest company for which group accounts are prepared. It is incorporated in the United States of America. Copies of the accounts can be obtained from 201 Tabor Road, Morris Plains, New Jersey, 07950, USA.

The results of the Company are consolidated in the results of Warner-Lambert Company, whose financial statements are publicly available. Accordingly, the Company is exempt from the requirement to disclose transactions with other companies which qualify as related parties within the Group.