

Eskaylab Limited
(Registered Number 99025)

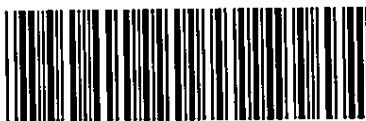
Annual Report and Financial Statements

For the year ended 31st December 2007

Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS

MONDAY



*LQVIA*PK*

LD3

03/03/2008

240

COMPANIES HOUSE

Eskaylab Limited

Annual Report and Financial Statements

For the year ended 31st December 2007

	Pages
Directors' Report	1-2
Independent Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6-10

Eskaylab Limited

Directors' Report for the year ended 31st December 2007

The Directors submit their report and the audited financial statements for the year ended 31st December 2007

Principal activities

The Company is an investment holding company in the GlaxoSmithKline Group ("the Group") 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 £2,295,000 (2006 - £2,231,000) 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

After the payment of an interim dividend the resulting loss for the year of £1,755,000 will be transferred from reserves (2006 - retained profit for the year of £2,231,000 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

An interim dividend of £4,050,000 has been paid to the holders of Ordinary Shares in respect of the year ended 31st December 2007 (2006 - £nil) No final dividend is proposed in respect of the year ended 31st December 2007

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

Directors' indemnity

Each of the Directors benefits from an indemnity given by the Company under its articles of association This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of its duties

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

As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

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

Eskaylab Limited

Directors' Report for the year ended 31st December 2007

Auditors

An elective resolution to dispense with the appointment of Auditors is currently in force. The Auditors, PricewaterhouseCoopers LLP, will therefore be deemed to have been reappointed 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 488 of the Companies Act 2006 to the effect that their reappointment be brought to an end.

By order of the Board

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line.

P Williamson

For and on behalf of Edinburgh Pharmaceutical Industries Limited
Company Secretary
29th February 2008

Eskaylab Limited

Independent Auditors' Report to the members of Eskaylab Limited

We have audited the financial statements of Eskaylab Limited for the year ended 31st December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs at 31st December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers UK

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
29th February 2008

Eskaylab Limited

Profit and Loss Account

For the year ended 31st December 2007

	Notes	2007 £'000	2006 £'000
Operating expense		(7)	(6)
Operating loss	2	(7)	(6)
Income from shares in group undertakings	3	2,131	2,076
Profit before interest		2,124	2,070
Interest receivable	4	240	228
Profit on ordinary activities before taxation		2,364	2,298
Taxation	5	(69)	(67)
Profit on ordinary activities after taxation		2,295	2,231
Dividends	6	(4,050)	-
(Loss) / Retained profit	11	(1,755)	2,231

The results disclosed above relate entirely to continuing operations

There is no difference between the profit on ordinary activities before taxation and the loss 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 10 form part of these financial statements

Eskaylab Limited

Balance Sheet

As at 31st December 2007

	Notes	2007 £'000	2006 £'000
Investments	7	726	726
Fixed assets		726	726
Debtors	8	3,944	5,629
Current assets		3,944	5,629
Creditors: amounts due within one year	9	(183)	(113)
Net current assets		3,761	5,516
Total assets less current liabilities		4,487	6,242
Net assets		4,487	6,242
Capital and reserves			
Called up share capital	10	2,192	2,192
Profit and loss account	11	2,295	4,050
Equity shareholders' funds	12	4,487	6,242

The accounts on pages 4 to 10 were approved by the Board of Directors on 29th February 2008 and were signed on its behalf by:



A Grist

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

The notes on pages 6 to 10 form part of these financial statements

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2007

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 on going concern basis, using the historical cost convention, and have been drawn up in accordance with UK generally accepted accounting principles and with UK accounting presentation

(b) Foreign currency transactions

Foreign currency transactions are booked in local currency at the exchange rate ruling on the date of the transaction, or at the forward rate if hedged by a forward exchange contract. Foreign currency assets and liabilities are translated into local currency at rates of exchange ruling at the balance sheet date, or at the forward rate. Exchange differences are included in trading profit.

(c) Dividends paid and received

Interim dividends paid and received are included in the profit and loss account in the period in which the related dividend is actually paid or received. Final dividends are recorded in the profit and loss account upon shareholder's approval.

(d) Fixed asset investments

Fixed asset investments are stated in the balance sheet at cost less any provision made for impairment in value. Such investments are classified as current assets when regarded as available for sale.

(e) Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment when there is an indication that the assets might be impaired. Any provision for impairment is charged against profit in the year concerned. Impairment is determined by reference to the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows.

(f) Taxation

Current tax is provided at the amounts expected to be paid applying tax rates that have been enacted or substantially enacted at the balance sheet date.

The Company accounts for taxation which is deferred or accelerated by reason of timing differences which have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits. Deferred tax on the retained earnings of overseas subsidiaries is only provided when there is a binding commitment to distribute past earnings in future periods.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax liabilities and assets are not discounted.

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2007

2 Operating loss

	2007 £'000	2006 £'000
The following items have been charged in operating loss		
Management charge	7	6

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Included in the management fee is a charge for auditor remuneration of £ 3,350 (2006 - £3,000)

3 Income from shares in group undertakings

	2007 £'000	2006 £'000
Dividends	2,131	2,076

4 Interest receivable

	2007 £'000	2006 £'000
Investment income		
Interest income on bank deposits	-	1
On loans with group undertakings	240	227
	240	228

5 Taxation

	2007 £'000	2006 £'000
Taxation charge based on profits for the period		
UK corporation tax at 30% (2006 - 30%)	1,017	1,038
Double Taxation Relief	(947)	(971)
Prior year adjustment	(1)	-
	69	67

	2007 £'000	2006 £'000
Reconciliation of current taxation charge		
Profit on ordinary activities at the UK statutory rate 30%	709	689
Double Tax Relief	(947)	(971)
Underlying Tax on overseas dividends	308	349
Prior year adjustments to current tax	(1)	-
Current tax charge for the period	69	67

No provision is required for deferred tax

The rate of UK corporation tax will be reduced from 30% to 28% with effect from 1st April 2008

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2007

6 Dividends paid

	pence per share	£'000
Dividends paid in 2007		
19th April 2007 interim dividend paid	18 50	4,050

7 Fixed asset investment

	Shares at cost and carrying value £'000	Total £'000
At 1st January 2007 and 31st December 2007	726	726

The Company's investment consists entirely of a 6.94% holding of the ordinary share capital of GlaxoSmithKline Pharmaceuticals Limited, a company incorporated in India, whose main activities are marketing and production of pharmaceutical products

8 Debtors

	2007 £'000	2006 £'000
Amounts due within one year		
Amounts owed by group undertakings	3,944	5,629

9 Creditors

	2007 £'000	2006 £'000
Amounts due within one year		
Amounts owed to group undertakings	119	52
Taxation	64	61
	183	113

The taxation creditor contains amounts which will be paid to fellow group companies

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2007

10 Called up share capital - equity interests

	2007	2006	2007	2006
	Number	Number of	£'000	£'000
	of shares	shares		
Authorised				
Ordinary Shares of 10p each	40,000,000	40,000,000	4,000	4,000
Issued and fully paid				
Ordinary Shares of 10p each	21,920,000	21,920,000	2,192	2,192

11 Reserves - equity interests

	Profit & Loss
	account
	£'000
At 1st January 2007	4,050
Retained loss for the financial year	(1,755)
At 31st December 2007	2,295

12 Reconciliation of movement in shareholders' funds

	2007	2006
	£'000	£'000
Profit for the financial year	2,295	2,231
Dividends	(4,050)	-
Net (reduction)/addition in shareholders' funds	(1,755)	2,231
Opening shareholders' funds	6,242	4,011
Closing shareholders' funds – equity interests	4,487	6,242

13 Contingent liabilities

The Company, together with fellow group undertakings has entered into a group banking arrangement with the Company's principal bankers. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability is limited to the amount held on its account with the bank. No loss is expected to accrue to the Company from the agreement.

14 Employees

The Company has no employees as all personnel are employed by other Group companies.

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2007

15 Directors' remuneration

The Corporate Directors of the Company received no remuneration during the year in respect of their services to the Company (2006 - £nil)

16 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 FRS 1 'Cash Flow Statements' (Revised 1996) not to prepare a cash flow statement.

17 Ultimate parent undertaking

GlaxoSmithKline plc, a company 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 Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertaking is SmithKline Beecham plc.

18 Related party transactions

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