

Eskaylab Limited
(Registered number: 99025)

Directors' report and financial statements

for the year ended 31 December 2012

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Eskaylab Limited

Directors' report and financial statements

for the year ended 31 December 2012

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Eskaylab Limited
(Registered number: 99025)

Directors' report for the year ended 31 December 2012

The Directors submit their report and the audited financial statements for the year ended 31 December 2012

Principal activities

Eskaylab Limited (the "Company") is an investment holding company for GlaxoSmithKline plc and its subsidiaries (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 for the financial year of £3,169,000 (2011 profit of £3,234,000) 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 profit for the financial year of £3,169,000 will be transferred to reserves (2011 profit for the financial year of £3,234,000 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

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31 December 2012 (2011 £nil)

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows

Glaxo Group Limited
Edinburgh Pharmaceutical Industries Limited
D Davies (Resigned on 14 December 2012)
A Burns (Appointed on 3 December 2012)

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 with the exception of the Corporate Directors, 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 his or its duties

Eskaylab Limited
(Registered number 99025)

Directors' report for the year ended 31 December 2012

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

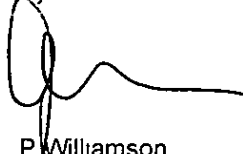
As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors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

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006.

By order of the Board



P. Williamson
For and on behalf of Edinburgh Pharmaceutical Industries Limited
Company Secretary
14 March 2013

Eskaylab Limited

Independent auditors' report to the members of Eskaylab Limited

We have audited the financial statements of Eskaylab Limited for the year ended 31 December 2012 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

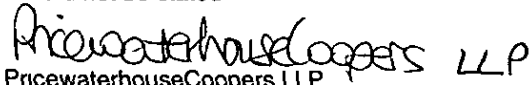
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

The Company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the auditor's name should not be stated.


PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 March 2013

Eskaylab Limited

Profit and loss account for the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Other operating expense		(7)	(8)
Operating loss	2	(7)	(8)
Income from shares in Group undertakings	3	3,125	3,196
Profit before interest and taxation		3,118	3,188
Interest receivable and similar income	4	66	59
Profit on ordinary activities before taxation		3,184	3,247
Tax on profit on ordinary activities	5	(15)	(13)
Profit for the financial year	10	3,169	3,234

The results disclosed above for both the current year and prior year relate entirely to continuing operations

There is no difference in either the current year or prior year between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The Company has no recognised gains or losses during either the current year or the prior year other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented

Eskaylab Limited**Balance sheet
as at 31 December 2012**

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	6	726	726
Current assets			
Debtors	7	16,506	13,375
Creditors, amounts falling due within one year	8	(32)	(70)
Net current assets		16,474	13,305
Total assets less current liabilities		17,200	14,031
Net assets		17,200	14,031
Capital and reserves			
Called up share capital	9	2,192	2,192
Profit and loss account	10	15,008	11,839
Total shareholders' funds	11	17,200	14,031

The financial statements on pages 4 to 9 were approved by the Board of Directors on 14 March 2013 and were signed on its behalf by



A Burns
Director

Eskaylab Limited

Notes to the financial statements for the year ended 31 December 2012

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 the going concern basis under the historical cost convention, the accounting policies set out below, which have been applied consistently, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards

(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 foreign exchange contract. Foreign currency monetary 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 operating profit.

(c) Dividends paid and received

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

(d) Fixed assets 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. Any provision for impairment is charged to the profit and loss account.

(f) Taxation

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

(g) Interest

Interest receivable and similar income is recognised on an accruals basis.

2 Operating loss

	2012	2011
	£'000	£'000
The following item has been charged in operating loss		
Management fee	(7)	(8)

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 £3,689 (2011: £3,581).

3 Income from shares in Group undertakings

	2012	2011
	£'000	£'000
Dividends	3,125	3,196

On 11 April 2012, Eskaylab Limited received a dividend of £3,124,520 (2011: £3,196,086) from GlaxoSmithKline Pharmaceuticals Limited.

4 Interest receivable and similar income

	2012	2011
	£'000	£'000
On loans with Group undertakings	66	59

Eskaylab Limited

Notes to the financial statements for the year ended 31 December 2012

5 Tax on profit on ordinary activities

	2012	2011
	£'000	£'000
Tax charge based on profits for the financial year		
Current tax		
UK corporation tax at 24.5% (2011: 26.5%)	15	13
Total current tax	15	13
Tax on profit on ordinary activities	15	13

The tax assessed for the year is lower (2011: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2012 of 24.5% (2011: 26.5%). The differences are explained below:

	2012	2011
	£'000	£'000
Reconciliation of current tax charge		
Profit on ordinary activities at the UK statutory rate 24.5% (2011: 26.5%)	780	860
Effects of:		
Income not taxable	(765)	(847)
Current tax charge for the year	15	13

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1st April 2012. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 24.5%.

No provision is required for deferred taxation.

6 Fixed asset investments

	Subsidiary undertakings
	Shares at cost
	£'000
Cost and net carrying value	
At 1 January 2012 and 31 December 2012	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.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

7 Debtors

	2012	2011
	£'000	£'000
Amounts due within one year		
Amounts owed by Group undertakings	16,506	13,375

Eskaylab Limited

Notes to the financial statements for the year ended 31 December 2012

8 Creditors

	2012	2011
	£'000	£'000
Amounts falling due within one year		
Amounts owed to Group undertakings	17	56
Corporation tax	15	13
Other creditors	-	1
	32	70

Amounts owed to Group undertakings are unsecured and are repayable on demand
The corporation tax creditor contains amounts which will be paid to fellow Group companies

9 Called up share capital

	2012	2011	2012	2011
	Number of	Number of	£'000	£'000
	shares	shares		
Authorised				
Ordinary Shares of 10p each (2011 10p each)	40,000,000	40,000,000	4,000	4,000
Issued and fully paid				
Ordinary Shares of 10p each (2011 10p each)	21,920,000	21,920,000	2,192	2,192

10 Reserves

	Profit and loss
	account
	£'000
At 1 January 2012	11,839
Profit for the financial year	3,169
At 31 December 2012	15,008

11 Reconciliation of movements in shareholders' funds

	2012	2011
	£'000	£'000
Profit for the financial year	3,169	3,234
Net addition to shareholders' funds	3,169	3,234
Opening shareholders' funds	14,031	10,797
Closing shareholders' funds	17,200	14,031

Eskaylab Limited

Notes to the financial statements for the year ended 31 December 2012

12 Contingent liabilities

Group banking arrangement

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bank. 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 as at 31 December 2012 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

13 Employees

All employees are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee is charged by GlaxoSmithKline Services Unlimited for services provided to the Company (see Note 2).

14 Directors' remuneration

During the year the Directors of the Company, with the exception of the Corporate Directors, were remunerated as executives of the Group and received no remuneration in respect of their services to the Company (2011: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2011: £nil).

15 Cash flow statement

A cash flow statement has been included in the consolidated financial statements of GlaxoSmithKline plc, the ultimate parent undertaking, which are publicly available. 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.

16 Group financial statements

The Company is a wholly owned subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006.

17 Ultimate parent undertaking

GlaxoSmithKline plc, a company registered in England and Wales, is the Company's ultimate parent undertaking and controlling party. 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 Limited.

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.