

**Eskaylab Limited**  
(Registered number: 99025)

**Directors' report and financial statements**  
**for the year ended 31 December 2013**

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Brentford  
Middlesex  
TW8 9GS  
England

# **Eskaylab Limited**

## **Directors' report and financial statements**

**for the year ended 31 December 2013**

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**Eskaylab Limited**  
**(Registered number: 99025)**

## **Directors' report for the year ended 31 December 2013**

The Directors submit their report and the audited financial statements for the year ended 31 December 2013

### **Principal activities**

Eskaylab Limited (the "Company") is an investment holding company. The Company is a member of 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 for the financial year of £3,588,000 (2012: profit of £3,169,000). 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 £3,588,000 will be transferred to reserves (2012: profit for the financial year of £3,169,000 transferred to reserves).

### **Results and dividends**

The Company's results for the financial year are shown in the profit and loss account on page 5.

### **Directors**

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  
A Burns

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 2013**

**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**

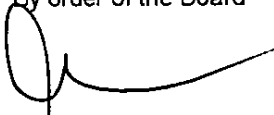
As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors 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  
1 April 2014

## **Eskaylab Limited**

### **Independent auditors' report to the members of Eskaylab Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

##### **What we have audited**

The financial statements, which are prepared by Eskaylab Limited, comprise

- the Balance sheet 31 December 2013,
- the Profit and loss account for the year then ended,
- and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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)

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") 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 for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

##### **Opinion on other matter 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

## **Eskaylab Limited**

### **Independent auditors' report to the members of Eskaylab Limited**

#### **Other matters on which we are required to report by exception**

##### *Adequacy of accounting records and information and explanations received*

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

##### *Directors' remuneration*

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

##### *Entitlement to exemptions*

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to

- prepare financial statements in accordance with the small companies' regime,
- take advantage of the small companies' exemption in preparing the Directors' Report, and
- take advantage of the small companies exemption from preparing a Strategic Report

We have no exceptions to report arising from this responsibility

#### **Responsibilities for the financial statements and the audit**

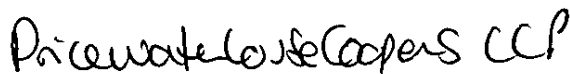
##### *Our responsibilities and those of the Directors*

As explained more fully in the Statement of Directors' responsibilities 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 ISAs (UK & 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

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



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
1 April 2014

## **Eskaylab Limited**

### **Profit and loss account for the year ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
Other operating expenses		(11)	(7)
<b>Operating loss</b>	2	(11)	(7)
Income from shares in Group undertakings	3	3,543	3,125
Profit before interest and taxation		3,532	3,118
Interest receivable and similar income	4	69	66
<b>Profit on ordinary activities before taxation</b>		3,601	3,184
Tax on profit on ordinary activities	5	(13)	(15)
<b>Profit for the financial year</b>	10	3,588	3,169

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 2013**

	Notes	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Investments	6	726	726
<b>Current assets</b>			
Debtors	7	20,115	16,506
Creditors: amounts falling due within one year	8	(53)	(32)
<b>Net current assets</b>		20,062	16,474
<b>Total assets less current liabilities</b>		20,788	17,200
<b>Net assets</b>		20,788	17,200
<b>Capital and reserves</b>			
Called up share capital	9	2,192	2,192
Profit and loss account	10	18,596	15,008
<b>Total shareholders' funds</b>	11	20,788	17,200

The financial statements on pages 5 to 10 were approved by the Board of Directors on 1 April 2014 and were signed on its behalf by



A Burns  
Director



## Eskaylab Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 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, throughout the year, 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 loss.

##### (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 approval.

##### (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.

##### (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

	2013 £'000	2012 £'000
<b>The following item has been charged in operating loss</b>		
Management fee	9	7

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 auditors' remuneration of £3,799 (2012: £3,689).

#### 3 Income from shares in Group undertakings

	2013 £'000	2012 £'000
Dividends	3,543	3,125

On 17 April 2013, Eskaylab Limited received a dividend of £3,543,022 (2012: £3,124,520) from GlaxoSmithKline Pharmaceuticals Limited.

#### 4 Interest receivable and similar income

	2013 £'000	2012 £'000
On loans with Group undertakings	69	66

# **Eskaylab Limited**

## **Notes to the financial statements for the year ended 31 December 2013**

### **5 Tax on profit on ordinary activities**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Tax charge based on profits for the financial year</b>		
<b>Current tax</b>		
UK corporation tax at 23 25% (2012 24 5%)	<b>13</b>	<b>15</b>
<b>Total current tax</b>	<b>13</b>	<b>15</b>
<b>Tax on profit on ordinary activities</b>	<b>13</b>	<b>15</b>

The tax assessed for the year is lower (2012 lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23 25% (2012 24 5%) The differences are explained below

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of current tax charge</b>		
Profit on ordinary activities at the UK statutory rate 23 25% (2012 24 5%)	<b>837</b>	<b>780</b>
Effects of Income not taxable	<b>(824)</b>	<b>(765)</b>
<b>Current tax charge for the year</b>	<b>13</b>	<b>15</b>

#### **Factors that may effect future tax charges**

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the Company's future current tax charge accordingly

No provision is required for deferred taxation

### **6 Fixed asset investments**

	<b>Subsidiary undertakings Shares at cost £'000</b>
<b>Cost and net carrying value</b>	
At 1 January 2013 and 31 December 2013	<b>726</b>

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**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	<b>20,115</b>	<b>16,506</b>

The amounts owed by Group undertakings are unsecured and are repayable on demand

# **Eskaylab Limited**

## **Notes to the financial statements for the year ended 31 December 2013**

### **8 Creditors**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Amounts owed to Group undertakings	<b>39</b>	17
Corporation tax	<b>13</b>	15
Other creditors	<b>1</b>	-
	<b>53</b>	32

Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand

The corporation tax creditor contains amounts which will be paid to fellow Group companies

### **9 Called up share capital**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Number of</b>	<b>Number of</b>	<b>£'000</b>	<b>£'000</b>
	<b>shares</b>	<b>shares</b>		
<b>Authorised</b>				
Ordinary Shares of 10p each (2012 10p each)	<b>40,000,000</b>	40,000,000	<b>4,000</b>	4,000
<b>Issued and fully paid</b>				
Ordinary Shares of 10p each (2012 10p each)	<b>21,920,000</b>	21,920,000	<b>2,192</b>	2,192

### **10 Reserves**

	<b>Profit and loss</b>
	<b>account</b>
	<b>£'000</b>
At 1 January 2013	<b>15,008</b>
Profit for the financial year	<b>3,588</b>
At 31 December 2013	<b>18,596</b>

### **11 Reconciliation of movements in shareholders' funds**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	<b>3,588</b>	3,169
Net addition to shareholders' funds	<b>3,588</b>	3,169
Opening shareholders' funds	<b>17,200</b>	14,031
Closing shareholders' funds	<b>20,788</b>	17,200

## **Eskaylab Limited**

### **Notes to the financial statements for the year ended 31 December 2013**

#### **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 2013 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**

The Company has no employees' as all personnel 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 (2012: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2012: £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.