

Eskaylab Limited
(Registered Number 99025)

Annual Report and Financial Statements

For the year ended 31st December 2010

Registered office address.
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Eskaylab Limited

Annual Report and Financial Statements

For the year ended 31st December 2010

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Eskaylab Limited
(Registered Number 99025)

Directors' Report for the year ended 31st December 2010

The Directors submit their report and the audited financial statements for the year ended 31st December 2010

Principal activities

Eskaylab Limited (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 £2,604,000 (2009 - profit of £3,225,000) 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 retained profit for the year of £2,604,000 will be transferred to reserves (2009 - retained profit for the year of £3,225,000 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 31st December 2010 (2009 - £nil)

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

Mr A Grist

Resigned on 20/10/2010

Mr D Davies

Appointed on 16/08/2010

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 31st December 2010

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual 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 elected to prepare 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 year.

In preparing those 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,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

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 s386 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 s415A of the Companies Act 2006.

By order of the Board



P Williamson
For and on behalf of Edinburgh Pharmaceutical Industries Limited
Company Secretary
24th February 2011

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 2010 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.

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 31st December 2010 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 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.

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.

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
24 February 2011

Eskaylab Limited

Profit and Loss Account

For the year ended 31st December 2010

	Notes	2010 £'000	2009 £'000
Operating expense		(7)	(7)
Operating loss	2	(7)	(7)
Income from shares in Group undertakings	3	2,580	3,204
Profit before interest and taxation		2,573	3,197
Interest receivable and similar income	4	40	36
Profit on ordinary activities before taxation		2,613	3,233
Taxation on profit on ordinary activities	5	(9)	(8)
Profit for the financial year	10	2,604	3,225

The results disclosed above relate entirely to continuing operations

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year 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

Eskaylab Limited**Balance Sheet
As at 31st December 2010**

	<i>Notes</i>	2010 £'000	2009 £'000
Fixed assets			
Investments	6	726	726
Current assets			
Debtors	7	10,144	7,576
Creditors amounts falling due within one year	8	(73)	(109)
Net current assets		10,071	7,467
Total assets less current liabilities		10,797	8,193
Net assets		10,797	8,193
Capital and reserves			
Called up share capital	9	2,192	2,192
Profit and loss account	10	8,605	6,001
Total shareholders' funds	11	10,797	8,193

The accounts on pages 4 to 9 were approved by the Board of Directors on 24th February 2011 and were signed on its behalf by.



D Davies
Director

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2010

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 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 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. First year impairment reviews are conducted for acquired goodwill and intangible assets. Certain intangibles are considered to have an indefinite life and are therefore not amortised. Such intangibles are subject to annual impairment tests. 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 substantially enacted at the balance sheet date.

2 Operating loss

	2010 £'000	2009 £'000
The following item has been charged in operating loss		
Management fee	(7)	(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 auditor remuneration of £3,477 (2009 - £3,393).

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2010

3 Income from shares in Group undertakings

	2010 £'000	2009 £'000
Dividends	2,580	3,204

On 31st March 2010 Eskaylab Limited received a dividend of £2,580,064 from GlaxoSmithKline Pharmaceuticals Limited

4 Interest receivable and similar income

	2010 £'000	2009 £'000
On loans with Group undertakings	40	36

5 Taxation

	2010 £'000	2009 £'000
Taxation charge based on profits for the year		
UK corporation tax at 28% (2009 28%)	9	1,466
Double tax relief	-	(1,458)
	9	8

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2010 of 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Reconciliation of current taxation charge		
Profit on ordinary activities at the UK statutory rate 28% (2009 28%)	732	905
Income not taxable	(722)	-
Double tax relief	-	(1,458)
Underlying tax on overseas dividends	-	561
Current tax charge for the year	9	8

No provision is required for deferred taxation

6 Fixed asset investments

	Shares at cost and carrying value £'000	Total £'000
At 1st January 2010 and 31st December 2010	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

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2010

7 Debtors

	2010	2009
	£'000	£'000
Amounts due within one year		
Amounts owed by Group undertakings	10,144	7,576

8 Creditors

	2010	2009
	£'000	£'000
Amounts falling due within one year		
Bank loans and overdrafts	7	-
Amounts owed to Group undertakings	57	101
Taxation	9	8
	73	109

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

9 Called up share capital

	2010	2009	2010	2009
	Number of	Number of	£'000	£'000
	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

10 Reserves

	Profit and loss
	account
	£'000
At 1st January 2010	6,001
Profit for the financial year	2,604
At 31st December 2010	8,605

11 Reconciliation of movements in shareholders' funds

	2010	2009
	£'000	£'000
Profit for the financial year	2,604	3,225
Net addition to shareholders' funds	2,604	3,225
Opening shareholders' funds	8,193	4,968
Closing shareholders' funds – equity interests	10,797	8,193

Eskaylab Limited

Notes to the Financial Statements for the year ended 31st December 2010

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 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 as at 31st December 2010 is limited to the amount held on its account 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 employed by other Group companies (2009 - nil)

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 (2009 - £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2009 - £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 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.

17 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.