

**Eskaylab Limited**  
**(Registered Number 99025)**

**Annual Report and Financial Statements**

**For the Year Ended 31st December 2003**

**Registered office address:**

980 Great West Road  
Brentford  
Middlesex  
TW8 9GS



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**Eskaylab Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31st December 2003**

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## **Eskaylab Limited**

### **Directors' Report for the Year Ended 31st December 2003**

The Directors submit their report and the audited financial statements for the year ended 31st December 2003.

#### **Principal activities**

The Company is an investment holding company. 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 £795,000 (2002 - £616,000). 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 £795,000 will be transferred to reserves (2002 - retained profit for the year of £616,000 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. The Directors propose that no dividend be paid to the holders of Ordinary Shares in respect of the year ended 31st December 2003 (2002 - £nil).

#### **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.

Save as disclosed, no arrangements to which the Company was a party existed at the end of the year, or at any time during the year, which would enable the Directors to acquire benefits through the acquisition of shares, or debentures of the Company, or any body corporate within the Group.

At 31st December 2003 none of the Directors have beneficial interests in the shares of any other Group company, except where such a beneficial interest may arise in the ordinary course of business.

## **Eskaylab Limited**

### **Directors' Report for the Year Ended 31st December 2003**

#### **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.

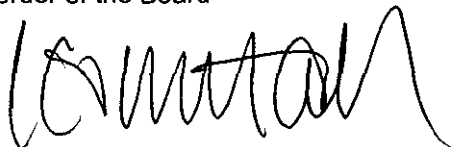
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking *reasonable steps for the prevention and detection of fraud and other irregularities.*

*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.*

#### **Auditors**

Elective resolutions to dispense with holding Annual General Meetings, the laying of accounts before the Company in general meetings and the appointment of Auditors annually are currently in force. The Auditors, PricewaterhouseCoopers LLP, will therefore be deemed to have been re-appointed 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 393 of the Companies Act to the effect that their re-appointment be brought to an end.

By order of the Board



L Nuttall

**For and on behalf of Edinburgh Pharmaceutical Industries Limited**

**Secretary**

5th March 2004

## **Eskaylab Limited**

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

#### **Respective responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 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. The other information comprises only the Directors' report.

#### **Basis of audit 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 at 31st December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
5 March 2004

**Eskaylab Limited**

**Profit and Loss Account  
For the Year Ended 31st December 2003**

	<i>Notes</i>	<b>2003 £'000</b>	<b>2002 £'000</b>
Income from shares in group undertakings	2	543	454
Profit before interest		543	454
Net interest receivable	3	360	351
<b>Profit on ordinary activities before taxation</b>		<b>903</b>	<b>805</b>
Taxation	4	(108)	(189)
<b>Profit on ordinary activities after taxation</b>		<b>795</b>	<b>616</b>
<b>Retained profit</b>	9	<b>795</b>	<b>616</b>

The results disclosed above relate entirely to continuing operations.

*There is no difference between the profit on ordinary activities before taxation and the retained profit 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 6-9 form part of these financial statements

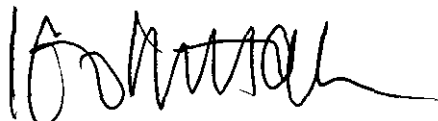
**Eskaylab Limited**

**Balance Sheet**

**As at 31st December 2003**

	<b>Notes</b>	<b>2003 £'000</b>	<b>2002 £'000</b>
Investments	5	726	726
<b>Fixed Assets</b>		<b>726</b>	<b>726</b>
Debtors	6	96	140
Cash at bank		8,026	7,258
<b>Current assets</b>		<b>8,122</b>	<b>7,398</b>
<b>Creditors: amounts due within one year</b>	7	<b>(206)</b>	<b>(279)</b>
<b>Net current assets</b>		<b>7,916</b>	<b>7,119</b>
<b>Total assets less current liabilities</b>		<b>8,642</b>	<b>7,845</b>
<b>Capital and reserves</b>			
Called up share capital	8	2,192	2,192
Profit and loss account	9	6,448	5,653
<b>Equity shareholders' funds</b>	10	<b>8,640</b>	<b>7,845</b>

The accounts on pages 4-9 were approved by the Board of Directors on 5th March 2004 and were signed on its behalf by:



L Nuttall

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

The notes on pages 6-9 form part of these financial statements

## **Eskaylab Limited**

### **Notes to the Financial Statements for the Year Ended 31st December 2003**

#### **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 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 translation**

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 receivable**

Dividends receivable from subsidiaries are included in the profit and loss account in the period in respect of which the related dividend is declared.

##### **(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.

#### **2 Income from shares in group undertakings**

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>Dividends</b>	<b>543</b>	<b>454</b>

#### **3 Investment income**

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest income on bank deposits</b>	<b>360</b>	<b>351</b>

## **Eskaylab Limited**

### **Notes to the Financial Statements for the Year Ended 31st December 2003**

#### **4 Taxation**

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>Taxation charge based on profits for the period</b>		
UK corporation tax at 30% (2003: 30%)	<b>362</b>	321
Double Taxation Relief	<b>(254)</b>	(215)
Overseas Tax	-	68
Prior year adjustment	-	15
	<b>108</b>	189
<b>Reconciliation of current taxation charge</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities at the UK statutory rate 30%	<b>271</b>	242
Double Tax Relief	<b>(254)</b>	(215)
Overseas Tax	-	68
Underlying Tax on overseas dividends	<b>91</b>	79
Prior year adjustments to current tax	-	15
<b>Current tax charge for the period</b>	<b>108</b>	189

No provision is required for deferred tax.

#### **5 Investments held as fixed assets**

	<b>Total</b>
	<b>£'000</b>
At 1st January and 31st December 2003	<b>726</b>

The investment consists entirely of a 7.89% holding of the ordinary share capital of GlaxoSmithKline Pharmaceuticals Limited, a company incorporated in India whose main activities are marketing and production.

#### **6 Debtors**

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts due within one year</b>		
Amounts owed by group undertakings	-	46
Other debtors	<b>96</b>	94
	<b>96</b>	140

**Eskaylab Limited**

**Notes to the Financial Statements for the Year Ended 31st December 2003**

**7 Creditors**

	<b>2003 £'000</b>	<b>2002 £'000</b>
<b>Amounts due within one year</b>		
Amounts owed to group undertakings	<b>105</b>	<b>181</b>
Taxation	<b>101</b>	<b>98</b>
	<b>206</b>	<b>279</b>

**8 Called up share capital - equity interests**

	<b>2003 Number of shares</b>	<b>2002 Number of shares</b>	<b>2003 £'000</b>	<b>2002 £'000</b>
<b>Authorised</b>				
Ordinary Shares of 10p each	<b>40,000,000</b>	<b>40,000,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Issued and fully paid</b>				
Ordinary Shares of 10p each	<b>21,920,000</b>	<b>21,920,000</b>	<b>2,192</b>	<b>2,192</b>

**9 Reserves - equity interests**

	<b>Profit &amp; Loss account £'000</b>
At 1st January 2003	<b>5,653</b>
Retained profit for the financial year	<b>795</b>
At 31st December 2003	<b>6,448</b>

**10 Reconciliation of movement in shareholders' funds**

	<b>2003 £'000</b>	<b>2002 £'000</b>
Profit for the financial year	<b>795</b>	<b>616</b>
Net addition to shareholders' funds	<b>795</b>	<b>616</b>
Opening shareholders' funds	<b>7,845</b>	<b>7,229</b>
Closing shareholders' funds – equity interests	<b>8,640</b>	<b>7,845</b>

## **Eskaylab Limited**

### **Notes to the Financial Statements for the Year Ended 31st December 2003**

#### **11 Contingent liabilities/assets**

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.

#### **12 Employees**

There are no employees of the Company as all personnel are employed by other group companies.

#### **13 Directors' Remuneration**

Corporate Directors received no remuneration during the year, either as executives of the GlaxoSmithKline group or in respect of their services to the Company (2002 - £nil).

#### **14 Auditors' Remuneration**

The auditors' remuneration has been borne by the GlaxoSmithKline Group.

#### **15 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 Financial Reporting Standard 1 (Revised 1996) not to prepare a cash flow statement.

#### **16 Ultimate parent undertaking**

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

#### **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 Financial Reporting Standard 8 not to disclose any related party transactions within the Group. There are no other related party transactions.