

Glaxo Venture Limited
(Registered Number 3013109)

Annual Report and Financial Statements

For the year ended 31st December 2007

Registered office address

980 Great West Road
Brentford
Middlesex
TW8 9GS

TUESDAY



A13

AIIWNY4V

18/03/2008

183

COMPANIES HOUSE

Glaxo Venture 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	6-9

Glaxo Venture 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 for 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 loss on ordinary activities after taxation of £5,053,000 (2006 - £5,533,000 profit) The Directors are of the opinion that the current level of activity and the year end financial position are sustainable due to financial support obtained from GSK Finance plc and the company remains a going concern

The loss for the year of £5,053,000 will be transferred from reserves (2006 - retained profit for year of £5,533,000 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 2007 (2006 - £nil)

Directors and their interests

The Directors of the Company who served during the year are as follows

Edinburgh Pharmaceutical Industries Limited

Mr J S Heslop

Glaxo Group 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 with the exception of Corporate Directors where such an interest may arise in the ordinary course of business

Glaxo Venture Limited

Directors' Report for the year ended 31st December 2007

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. In addition, each of the Directors who is an individual benefits from an indemnity given by another Group undertaking, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third party proceedings to which the Director is a party by reason of his engagement in the business of the Company.

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.

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


J S Heslop
Director
12th March 2008

Glaxo Venture Limited

Independent Auditors' Report to the members of Glaxo Venture Limited

We have audited the financial statements of Glaxo Venture 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 on 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

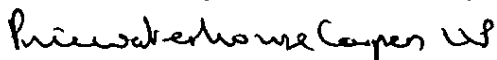
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 as at 31 December 2007 and of its loss 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 LLP
Chartered Accountants and Registered Auditors
London
12th March 2008

Glaxo Venture Limited

Profit and Loss Account

For the year ended 31st December 2007

	<i>Notes</i>	2007 £'000	2006 £'000
Operating expense		(7)	(6)
Operating loss	2	(7)	(6)
Income from shares in group undertakings	3	-	10,827
(Loss) / profit before interest		(7)	10,821
Net interest payable	4	(7,241)	(5,998)
(Loss) / profit on ordinary activities before taxation		(7,248)	4,823
Taxation	5	2,195	710
(Loss) / profit on ordinary activities after taxation		(5,053)	5,533
(Loss) / Retained profit	10	(5,053)	5,533

The results disclosed above relate entirely to continuing operations

There is no difference between the loss 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 period other than those reflected in the above profit and loss account

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

Glaxo Venture Limited

Balance Sheet

As at 31st December 2007

	Notes	2007 £'000	2006 £'000
Investments	6	234,560	234,560
Fixed assets		234,560	234,560
Debtors	7	5,848	3,660
Current assets		5,848	3,660
Creditors: amounts due within one year	8	(126,129)	(118,888)
Net current liabilities		(120,281)	(115,228)
Total assets less current liabilities		114,279	119,332
Net assets		114,279	119,332
Capital and reserves			
Profit and loss account	10	114,279	119,332
Equity shareholders' funds	11	114,279	119,332

The accounts on pages 4 to 9 were approved by the Board of Directors on 12th March 2008 and were signed on its behalf by



**J S Heslop
Director**

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

Glaxo Venture 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 the 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) 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

(c) 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

(d) 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

(e) 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 approval

2 Operating loss

	2007 £'000	2006 £'000
The following items have been charged in operating loss		
Management fee	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	-	10,827

The 2006 dividend was received from GlaxoSmithKline Biologicals S A

Glaxo Venture Limited

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

4 Net interest payable

	2007 £'000	2006 £'000
Interest payable		
On loans with group undertakings	7,241	6,001
Investment income		
Interest income on bank deposits	-	(3)
	7,241	5,998

5 Taxation

	2007 £'000	2006 £'000
Taxation credit based on (losses) / profits for the period		
UK corporation tax at 30% (2006 - 30%)	(2,174)	3,107
Prior year adjustments to current tax	(21)	-
Overseas tax	-	(4,884)
Less Double tax relief	-	1,067
	(2,195)	(710)

	2007 £'000	2006 £'000
Reconciliation of current taxation credit		
Tax on ordinary (losses) / profits at UK standard rate	(2,174)	1,446
Prior year adjustments to current tax	(21)	-
Underlying tax on overseas dividends	-	1,661
Overseas tax	-	1,067
Double tax relief	-	(4,884)
Current tax credit for the period	(2,195)	(710)

There is no provision for deferred taxation

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

6 Fixed asset investments

	Subsidiary undertakings Shares at cost £'000	Total £'000
Cost and carrying value at 1st January and at 31st December 2007	234,560	234,560

Details of the principal subsidiary and associated undertakings of the company as at 31st December 2007 are given in Note 18

Glaxo Venture Limited

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

7 Debtors

	2007 £'000	2006 £'000
Amounts due within one year		
Amounts owed by group undertakings	3,674	1,882
Taxation	2,174	1,778
	5,848	3,660

The corporation tax debtor contains amounts which will be recovered by way of payments from fellow group companies

8 Creditors

	2007 £'000	2006 £'000
Amounts due within one year		
Amounts owed to group undertakings	126,129	118,888

9 Called up share capital - equity interests

	2007 Number of shares	2006 Number of shares	2007 £	2006 £
Authorised				
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000
Issued and fully paid				
Ordinary Shares of £1 each	2	2	2	2

10 Reserves - equity interests

	Profit & Loss account £'000
At 1st January 2007	119,332
Loss for the financial year	(5,053)
At 31st December 2007	114,279

11 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Profit for the financial year	(5,053)	5,533
Net (reduction) / addition to shareholders' funds	(5,053)	5,533
Opening shareholders' funds	119,332	113,799
Closing shareholders' funds – equity interests	114,279	119,332

Glaxo Venture Limited

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

12 Employees

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

13 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 (2006 - £nil)
Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2006 - £nil)

14 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

15 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 228 of the Companies Act 1985

16 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 Glaxo Group 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

18 Principal subsidiaries and associated undertakings

The principal subsidiaries of the Company as at 31st December 2007 are as follows

Company	Percentage shares held	Class of shares held	Country of Incorporation
Affymax N V	100%	Common	Netherlands
GlaxoSmithKline Biologicals S A	100%	Class A & B	Belgium

These shareholdings are all held directly by the Company

Affymax N V is a holding company. The activities of GlaxoSmithKline Biologicals S A are development, exporting, marketing, production and research of vaccines