

Dealcyber Limited
(Registered Number 3541898)

Annual Report and Financial Statements

For the Year Ended 31st December 2004

Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS



Dealcyber Limited

Annual Report and Financial Statements

For the Year Ended 31st December 2004

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Dealcyber Limited

Directors' Report for the Year Ended 31st December 2004

The Directors submit their report and the audited financial statements for the year ended 31st December 2004.

Principal activities

The Company's principal activities are property management and development.

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 £984,000 (2003 - profit of £9,200,000). 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 loss for the year of £984,000 will be transferred from reserves (2003 - profit for the year of £9,200,000 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 2004 (2003 - £ 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 2004 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.

Dealcyber Limited

Directors' Report for the Year Ended 31st December 2004

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.

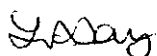
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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 A Day

For and on behalf of Edinburgh Pharmaceutical Industries Limited

Secretary

17 March 2005

Dealcyber Limited

Independent auditors' report to the members of Dealcyber 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.

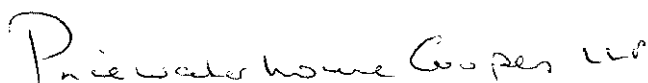
Basis of audit opinion

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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
17 March 2005

Dealcyber Limited

Profit and Loss Account

For the Year Ended 31st December 2004

		2004	2003
	Notes	£'000	£'000
Turnover		11,375	11,411
Gross profit		11,375	11,411
Administrative expenses		(4,623)	(4,625)
Trading profit		6,752	6,786
Other operating income		367	-
Other operating expense		(8)	-
Operating profit	2	7,111	6,786
Net interest payable	3	(7,341)	(6,183)
(Loss)/profit on ordinary activities before taxation		(230)	603
Taxation	4	(754)	8,597
(Loss)/profit on ordinary activities after taxation		(984)	9,200
Retained (loss)/profit	11	(984)	9,200

The results disclosed above relate entirely to continuing operations.

There is no difference between the loss on ordinary activities before taxation and the retained loss stated above and their historical cost equivalents.

The notes on pages 6 to 10 form part of these financial statements.

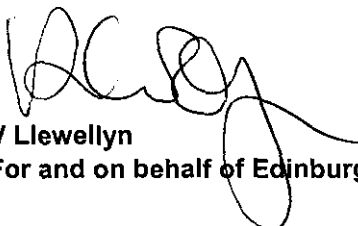
Dealcyber Limited

Balance Sheet

As at 31st December 2004

		2004	2003
	Notes	£'000	£'000
Fixed Assets			
Property, plant and equipment	5	187,717	191,152
Debtors	6	15,388	14,108
Cash at bank		-	10,968
Current assets		15,388	25,076
Creditors: amounts due within one year	7	(163,024)	(176,035)
Net current liabilities		(147,636)	(150,959)
Total assets less current liabilities		40,081	40,193
Provisions for liabilities and charges	8	(5,089)	(4,217)
Net assets		34,992	35,976
Capital and reserves			
Called up share capital	10	27,538	27,538
Profit and loss account	11	7,454	8,438
Equity shareholders' funds	12	34,992	35,976

The accounts on pages 4 to 10 were approved by the Board of Directors on 17 March 2005 and were signed on its behalf by:



V Llewellyn

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

The notes on pages 6 to 10 form part of these financial statements.

Dealcyber Limited

Notes to the Financial Statements for the Year Ended 31st December 2004

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) Revenue

Revenue is recognised in the profit and loss account when services are supplied to other group subsidiaries. Turnover represents the net invoice value, after deduction of discounts for services provided. Value added tax and other sales taxes are excluded from revenue.

(c) Expenditure

Expenditure is recognised in respect of services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less a provision for depreciation or impairment. Depreciation is calculated to write off the cost of tangible fixed assets, excluding freehold land, in equal annual instalments over their expected useful lives. The normal expected useful lives of the major categories of tangible fixed assets are:

Freehold buildings	50 years
Plant and machinery	10 to 25 years

On disposal of a tangible fixed asset, the cost and related accumulated depreciation are removed from the financial statements and the net amount, less any proceeds, is taken to the profit and loss account.

(e) Taxation

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.

Dealcyber Limited

Notes to the Financial Statements for the Year Ended 31st December 2004

2 Operating profit

	2004 £'000	2003 £'000
The following items have been charged in operating profit		
Depreciation of tangible fixed assets:		
Owned assets	4,623	4,643
Management service charges	8	-
	4,631	4,643

The auditors' remuneration has been borne by GlaxoSmithKline Services Unlimited. The Company bears an appropriate charge for management services provided to it by other group companies.

3 Net interest payable

	2004 £'000	2003 £'000
Interest payable		
On loans with group undertakings	(7,627)	(6,496)
Investment income		
Interest income on bank deposits	286	313
	(7,341)	(6,183)

4 Taxation

	2004 £'000	2003 £'000
Taxation charge/(credit) based on profits for the period		
Current Tax		
UK corporation tax at 30% (2003: 30%)	(98)	(290)
Over provision in previous years	(20)	(2,190)
Deferred taxation	872	(6,117)
	754	(8,597)
Reconciliation of current taxation credit		
	2004 £'000	2003 £'000
(Loss)/profit on ordinary activities at the UK statutory rate 30%	(68)	181
Expenses not deductible for tax purposes	1,151	869
Capital allowances in excess of depreciation	(1,181)	(1,340)
Prior year adjustments to current tax	(20)	(2,190)
Current tax credit for the period	(118)	(2,480)

Dealcyber Limited

Notes to the Financial Statements for the Year Ended 31st December 2004

5 Tangible fixed assets

	Land and buildings £'000	Plant and equipment £'000	Assets in construction £'000	Total £'000
Cost at 1st January 2004	133,907	66,048	418	200,373
Additions	-	-	1,188	1,188
Reclassifications	33,592	(33,592)	-	-
Cost at 31st December 2004	167,499	32,456	1,606	201,561
Depreciation at 1st January 2004	(4,408)	(4,813)	-	(9,221)
Provision for the year	(2,876)	(1,747)	-	(4,623)
Reclassifications	(1,344)	1,344	-	-
Depreciation at 31st December 2004	(8,628)	(5,216)	-	(13,844)
Net book value at 1st January 2004	129,499	61,235	418	191,152
Net book value at 31st December 2004	158,871	27,240	1,606	187,717

The net book value at 31st December 2004 of the Company's land and buildings comprises freehold properties of £158.9 million (at 1st January 2004 - £129.5 million).

6 Debtors

	2004 £'000	2003 £'000
Amounts due within one year		
Amounts owed by group undertakings	15,207	13,683
Taxation	98	290
Other debtors	83	135
	15,388	14,108

7 Creditors

	2004 £'000	2003 £'000
Amounts due within one year		
Amounts owed to group undertakings	162,587	175,097
Other creditors	-	(7)
Accruals and deferred income	437	945
	163,024	176,035

8 Provisions for liabilities and charges

	Deferred taxation £'000
At 1st January 2004	4,217
Credit for the year	872
At 31st December 2004	5,089

9 Deferred taxation liability

	2004 £'000	2003 £'000
Accelerated capital allowances	5,089	4,217

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Notes to the Financial Statements for the Year Ended 31st December 2004

10 Called up share capital - equity interests

	2004 Number of shares	2003 Number of shares	2004 £'000	2003 £'000
Authorised				
Ordinary Shares of £1 each	40,000,000	40,000,000	40,000	40,000
Issued and fully paid				
Ordinary Shares of £1 each	27,537,839	27,537,839	27,538	27,538

11 Reserves - equity interests

	Profit & Loss account £'000	Total Reserves £'000
At 1st January 2004	8,438	8,438
Retained loss for the financial year	(984)	(984)
At 31st December 2004	7,454	7,454

12 Reconciliation of movement in shareholders' funds

	2004 £'000	2003 £'000
(Loss)/profit for the financial year	(984)	9,200
Net (reduction)/addition to shareholders' funds	(984)	9,200
Opening shareholders' funds	35,976	26,776
Closing shareholders' funds – equity interests	34,992	35,976

13 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.

14 Employees

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

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Notes to the Financial Statements for the Year Ended 31st December 2004

15 Directors' remuneration

The Corporate Directors of the Company received no remuneration in respect of their service to the Company (2003 : £ nil).

16 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.

17 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 s.228 of the Companies Act 1985.

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

19 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.