

**Dealcyber Limited**  
**(Registered Number 3541898)**

**Annual Report and Financial Statements**

**For the year ended 31st December 2006**

**Registered office address**  
980 Great West Road  
Brentford  
Middlesex  
TW8 9GS



**Dealcyber Limited**

**Annual Report and Financial Statements**

**For the year ended 31st December 2006**

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## **Dealcyber Limited**

### **Directors' Report for the year ended 31st December 2006**

The Directors submit their report and the audited financial statements for the year ended 31st December 2006

#### **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 profit on ordinary activities after taxation of £115,000 (2005 - £4,972,000 loss). 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 £115,000 will be transferred to reserves (2005 - retained loss for the year of £4,972,000 transferred from reserves).

#### **Principal risks and uncertainties**

The directors of GlaxoSmithKline plc (the Group) manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 44 to 47 of the Group's 2006 Annual Report which does not form part of this report.

#### **Key performance indicators (KPIs)**

The directors of the Group manage the Group's operations on a business sector basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The development, performance and position of the Group are discussed on pages 2 to 3 and 7 to 43 of the Group's 2006 Annual Report which does not form part of this report.

#### **Results and dividends**

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

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31st December 2006 (2005 - £ nil).

## **Dealcyber Limited**

### **Directors' Report for the year ended 31st December 2006**

#### **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 GlaxoSmithKline Group (the Group)

At 31st December 2006 none of the Directors had beneficial interests in the shares of any other Group company, except where such a beneficial 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 its duties.

#### **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.

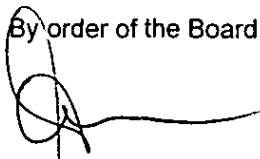
## **Dealcyber Limited**

### **Directors' Report for the year ended 31st December 2006**

#### **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 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 393 of the Companies Act 1985 to the effect that their reappointment be brought to an end.

By order of the Board

A handwritten signature in black ink, appearing to be 'P Williamson', with a long horizontal flourish extending to the right.

**P Williamson**

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

**Company Secretary**

10th April 2007

## **Dealcyber Limited**

### **Independent Auditors' Report to the shareholders of Dealcyber Limited**

We have audited the financial statements of Dealcyber Limited for the year ended 31st December 2006 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 given in 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**

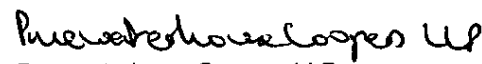
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2006 and of its profit 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  
10th April 2007

## Dealcyber Limited

### Profit and Loss Account

For the year ended 31st December 2006

		2006	2005
	Notes	£'000	£'000
Turnover		11,362	11,375
Gross profit		11,362	11,375
Administrative expenses		(4,738)	(7,443)
Other operating income		44	32
Other operating expense		(13)	(6)
<b>Operating profit</b>	2	<b>6,655</b>	3,958
Net interest payable	3	(6,909)	(8,397)
<b>Loss on ordinary activities before taxation</b>		<b>(254)</b>	(4,439)
Taxation	4	369	(533)
Profit/(Loss) on ordinary activities after taxation		115	(4,972)
<b>Retained Profit/(Loss)</b>	10	<b>115</b>	(4,972)

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

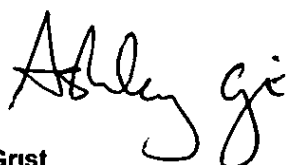
The Company had no recognised gains or losses during the year other than those reflected in the above retained profit / (loss) account

The notes on pages 7 to 11 form part of these financial statements

**Dealcyber Limited****Balance Sheet****As at 31st December 2006**

		2006	2005
	Notes	£'000	£'000
<b>Fixed assets</b>			
Property, plant and equipment	5	177,018	181,779
Debtors	6	10,360	10,801
Cash at bank		11	-
<b>Current assets</b>		<b>10,371</b>	<b>10,801</b>
<b>Creditors, amounts due within one year</b>	7	<b>(152,280)</b>	<b>(156,673)</b>
<b>Net current liabilities</b>		<b>(141,909)</b>	<b>(145,872)</b>
<b>Total assets less current liabilities</b>		<b>35,109</b>	<b>35,907</b>
<b>Provisions for liabilities and charges</b>	8	<b>(4,974)</b>	<b>(5,887)</b>
<b>Net assets</b>		<b>30,135</b>	<b>30,020</b>
<b>Capital and reserves</b>			
Called up share capital	9	27,538	27,538
Profit and loss account	10	2,597	2,482
<b>Equity shareholders' funds</b>	11	<b>30,135</b>	<b>30,020</b>

The accounts on pages 5 to 11 were approved by the Board of Directors on 10 April 2007 and were signed on its behalf by:



**A Grist**

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

The notes on pages 7 to 11 form part of these financial statements



## **Dealcyber Limited**

### **Notes to the Financial Statements for the year ended 31st December 2006**

#### **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 rental services are supplied to other group subsidiaries. Turnover represents rental of property plant and equipment to other group subsidiaries recognised on an accruals basis

##### **(c) Tangible fixed assets**

Tangible fixed assets are stated at cost less provisions 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

##### **(d) 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

##### **(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 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

Current tax is provided at the amounts expected to be paid applying tax rates that have been enacted or substantially enacted by the balance sheet date

# Dealcyber Limited

## Notes to the Financial Statements for the year ended 31st December 2006

### 2 Operating profit

	2006 £'000	2005 £'000
<b>The following items have been charged in operating profit</b>		
Depreciation of tangible fixed assets		
Owned assets	4,738	5,053
Tangible fixed asset write offs	-	2,390
Management fee	13	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 this charge is Auditor Remuneration of £8,000 (2005 - £7,500)

### 3 Net interest payable

	2006 £'000	2005 £'000
<b>Interest payable</b>		
On loans with group undertakings	(6,913)	(8,617)
<b>Interest receivable</b>		
Interest income on bank deposits	4	220
	(6,909)	(8,397)

### 4 Taxation

	2006 £'000	2005 £'000
<b>Taxation charge/(credit) based on profits for the period</b>		
<b>Current Tax</b>		
UK corporation tax at 30% (2005 30%)	542	(165)
Over provision in previous years	2	(100)
Current tax charge/(credit) for the period	544	(265)
Deferred taxation (credit)/charge	(913)	798
Total tax (credit)/charge	(369)	533
<b>Reconciliation of current taxation credit</b>		
	2006 £'000	2005 £'000
Loss on ordinary activities at the UK statutory rate 30%	(76)	(1,332)
Expenses not deductible for tax purposes	831	1,965
Capital allowances in excess of depreciation	(220)	(798)
Loss on disposal of non qualifying assets	7	-
Prior year adjustments to current tax	2	(100)
Current tax charge/(credit) for the period	544	(265)

# Dealcyber Limited

## Notes to the Financial Statements for the year ended 31st December 2006

### 5 Tangible fixed assets

	Land and buildings £'000	Plant and equipment £'000	Assets in construction £'000	Total £'000
Cost at 1st January 2006	164,938	32,456	3,111	200,505
Reclassifications	1,307	1,781	(3,088)	-
Disposals	-	-	(23)	(23)
Cost at 31st December 2006	166,245	34,237	-	200,482
Depreciation at 1st January 2006	(11,400)	(7,326)	-	(18,726)
Provision for the year	(2,850)	(1,888)	-	(4,738)
Depreciation at 31st December 2006	(14,250)	(9,214)	-	(23,464)
Net book value at 1st January 2006	153,538	25,130	3,111	181,779
Net book value at 31st December 2006	151,995	25,023	-	177,018

The net book value at 31st December 2006 of the Company's land and buildings comprises freehold properties of £151.9 million (at 1st January 2006 - £153.5 million)

### 6 Debtors

	2006 £'000	2005 £'000
<b>Amounts due within one year</b>		
Amounts owed by group undertakings	10,360	10,610
Taxation	-	164
Other debtors	-	27
	<b>10,360</b>	<b>10,801</b>

### 7 Creditors

	2006 £'000	2005 £'000
<b>Amounts due within one year</b>		
Amounts owed to group undertakings	151,725	156,585
Taxation	544	22
Accruals and deferred income	11	66
	<b>152,280</b>	<b>156,673</b>

# Dealcyber Limited

## Notes to the Financial Statements for the year ended 31st December 2006

### 8 Provisions for liabilities and charges

	Deferred taxation £'000
At 1st January 2006	5,887
Credit for the year	(913)
At 31st December 2006	4,974

### 9 Called up share capital - equity interests

	2006	2005	2006	2005
	Number of shares	Number of shares	£'000	£'000
<b>Authorised</b>				
Ordinary Shares of £1 each	40,000,000	40,000,000	40,000	40,000
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each	27,537,839	27,537,839	27,538	27,538

### 10 Reserves - equity interests

	Profit & Loss account £'000	Total Reserves £'000
At 1st January 2006	2,482	2,482
Retained profit for the financial year	115	115
At 31st December 2006	2,597	2,597

### 11 Reconciliation of movement in shareholders' funds

	2006 £'000	2005 £'000
Profit/(Loss) for the financial year	115	(4,972)
Net additon/(reduction) to shareholders' funds	115	(4,972)
Opening shareholders' funds	30,020	34,992
Closing shareholders' funds – equity interests	30,135	30,020

## **Dealcyber Limited**

### **Notes to the Financial Statements for the year ended 31st December 2006**

#### **12 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.

#### **13 Employees**

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

#### **14 Directors' remuneration**

The Corporate Directors of the Company received no remuneration in respect of their service to the Company (2005 - £ nil).

#### **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 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. 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 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 FRS 8 'Related Party Disclosures' not to disclose any related party transactions within the Group. There are no other related party transactions.