

Dealcyber Limited
(Registered Number 3541898)

Annual Report and Financial Statements

For the year ended 31st December 2008

Registered office address:
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Brentford
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Dealcyber Limited

Annual Report and Financial Statements

For the year ended 31st December 2008

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Dealcyber Limited

Directors' Report for the year ended 31st December 2008

The Directors submit their report and the audited financial statements for the year ended 31st December 2008.

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 £1,576,000 (2007 - loss of £2,254,000). 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 GlaxoSmithKline Finance plc, and the company remains a going concern.

The retained loss for the year of £1,576,000 will be transferred from reserves (2007 - retained loss for the year of £2,254,000 transferred from reserves).

Principal risks and uncertainties

The Directors of GlaxoSmithKline plc manage the risks of GlaxoSmithKline Group ("the Group") 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 in the Group's 2008 Annual Report ("Outlook and risk factors" section) which does not form part of this report.

Key performance indicators (KPIs)

The Directors of GlaxoSmithKline Plc 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 in the Group's 2008 Annual Report ("2008 performance overview" section) 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 4.

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31st December 2008 (2007 - £ 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.

Dealcyber Limited

Directors' Report for the year ended 31st December 2008

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 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). The financial statements are required by law to 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 period.

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;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that 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 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.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

Auditors

PricewaterhouseCoopers LLP are willing to continue in office as auditors and resolutions dealing with their reappointment and remuneration will be proposed at a General Meeting of the Company.

By order of the Board



P Williamson

For and on behalf of Edinburgh Pharmaceutical Industries Limited

Company Secretary

13th March 2009

Dealcyber Limited

Independent Auditors' Report to the members of Dealcyber Limited

We have audited the financial statements of Dealcyber Limited for the year ended 31st December 2008 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.

In addition, we 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

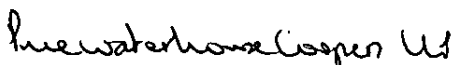
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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
13th March 2009

Dealcyber Limited**Profit and Loss Account****For the year ended 31st December 2008**

		2008	2007
	Notes	£'000	£'000
Turnover		11,361	11,361
Gross profit		11,361	11,361
Administrative expenses		(4,717)	(4,817)
Trading profit		6,644	6,544
Other operating income		41	40
Other operating expense		(14)	(14)
Operating profit	2	6,671	6,570
Net interest payable	3	(7,737)	(9,010)
Loss on ordinary activities before taxation		(1,066)	(2,440)
Taxation	4	(510)	186
Loss on ordinary activities after taxation		(1,576)	(2,254)
Retained loss	10	(1,576)	(2,254)

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 profit and loss account.

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

Dealcyber Limited

Balance Sheet

As at 31st December 2008

		2008	2007
	Notes	£'000	£'000
Property, plant and equipment	5	167,842	172,202
Fixed assets		167,842	172,202
Debtors	6	10,287	10,447
Current assets		10,287	10,447
Creditors: amounts due within one year	7	(147,275)	(150,088)
Net current liabilities		(136,988)	(139,641)
Total assets less current liabilities		30,854	32,561
Provisions for liabilities and charges	8	(4,549)	(4,680)
Net assets		26,305	27,881
Capital and reserves			
Called up share capital	9	27,538	27,538
Profit and loss account	10	(1,233)	343
Equity shareholders' funds	11	26,305	27,881

The accounts on pages 4 to 9 were approved by the Board of Directors on 13th March 2009 and were signed on its behalf by:



A Grist

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

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

Dealcyber Limited

Notes to the Financial Statements for the year ended 31st December 2008

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, due to ongoing support from GlaxoSmithKline Finance plc, under the historical cost convention, the accounting policies set out below, which have been applied consistently, and in accordance with the Companies Act 1985 and applicable UK Accounting Standards.

(b) Revenue

Revenue is recognised in the profit and loss account when rental services are supplied to other group subsidiaries. Revenue 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

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 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.

2 Operating profit

	2008 £'000	2007 £'000
The following items have been charged in operating profit		
Depreciation of tangible fixed assets:		
Owned assets	4,717	4,696
Tangible fixed asset write offs	-	120
Management fee	14	14

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 £9,360 (2007 - £9,000).

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Notes to the Financial Statements for the year ended 31st December 2008

3 Net interest payable

	2008 £'000	2007 £'000
Interest payable		
On loans with group undertakings	(7,737)	(9,010)
	(7,737)	(9,010)

4 Taxation

	2008 £'000	2007 £'000
Taxation charge / (credit) based on loss for the period		
Current Tax		
UK corporation tax at 28.5% (2007: 30%)	641	108
Current tax charge for the period	641	108
Deferred Tax		
Origination and reversal of timing differences	(133)	47
Prior year adjustment	-	(7)
Change in tax rate - impact on deferred tax	2	(334)
Total tax charge / (credit)	510	(186)
Reconciliation of current taxation charge	2008 £'000	2007 £'000
Loss on ordinary activities at the UK statutory rate 28.5% (2007: 30%)	(304)	(732)
Expenses not deductible for tax purposes	812	887
Capital allowances in excess of depreciation	133	(47)
Current tax charge for the period	641	108

5 Tangible fixed assets

	Land and buildings £'000	Plant and equipment £'000	Work in progress £'000	Total £'000
Cost at 1st January 2008	166,125	34,237	-	200,362
Additions	-	-	357	357
Reclassifications	-	357	(357)	-
Cost at 31st December 2008	166,125	34,594	-	200,719
Depreciation at 1st January 2008	(17,086)	(11,074)	-	(28,160)
Provision for the year	(2,848)	(1,869)	-	(4,717)
Depreciation at 31st December 2008	(19,934)	(12,943)	-	(32,877)
Net book value at 1st January 2008	149,039	23,163	-	172,202
Net book value at 31st December 2008	146,191	21,651	-	167,842

The net book value at 31st December 2008 of the Company's land and buildings comprises freehold properties of £146.2 million (at 1st January 2008 - £149.0 million).

Dealcyber Limited

Notes to the Financial Statements for the year ended 31st December 2008

6 Debtors

	2008 £'000	2007 £'000
Amounts due within one year		
Amounts owed by group undertakings	10,287	10,447
	10,287	10,447

7 Creditors

	2008 £'000	2007 £'000
Amounts due within one year		
Amounts owed to group undertakings	146,634	149,980
Taxation	641	108
	147,275	150,088

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

8 Provisions for liabilities and charges

	Deferred taxation £'000
At 1st January 2008	4,680
Tax credit for the year	(131)
At 31st December 2008	4,549

All the above balance relates to accelerated capital allowances.

9 Called up share capital - equity interests

	2008 Number of shares	2007 Number of shares	2008 £'000	2007 £'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

10 Reserves - equity interests

	Profit & loss account £'000	Total reserves £'000
At 1st January 2008	343	343
Loss for the financial year	(1,576)	(1,576)
At 31st December 2008	(1,233)	(1,233)

Dealcyber Limited

Notes to the Financial Statements for the year ended 31st December 2008

11 Reconciliation of movement in shareholders' funds

	2008 £'000	2007 £'000
Loss for the financial year	(1,576)	(2,254)
Net reduction to shareholders' funds	(1,576)	(2,254)
Opening shareholders' funds	27,881	30,135
Closing shareholders' funds – equity interests	26,305	27,881

12 Contingent liabilities

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 accounts 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 (2007 - nil).

14 Directors' remuneration

The Corporate Directors of the Company received no remuneration in respect of their service to the Company (2007 - £ 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.