

SmithKline Beecham (SWG) Limited
(Registered number: 190223)

Directors' report and financial statements
for the year ended 31 December 2013

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SmithKline Beecham (SWG) Limited
Directors' report and financial statements
for the year ended 31 December 2013

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SmithKline Beecham (SWG) Limited
(Registered number: 190223)

Directors' report for the year ended 31 December 2013

The Directors submit their report and the audited financial statements for the year ended 31 December 2013

Principal activities

SmithKline Beecham (SWG) Limited's (the "Company") principal activity is the receipt of interest on loans. The Company is a member of 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 profit for the financial year of £6,000 (2012 profit of £457,000). 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 profit for the year of £6,000 will be transferred to reserves (2012 profit for the year of £457,000 transferred to reserves).

Results and dividends

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

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31 December 2013 (2012 £nil).

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Glaxo Group Limited
Edinburgh Pharmaceutical Industries Limited
P F Blackburn

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 the Corporate Directors, where such an interest may arise in the ordinary course of business.

Directors' indemnity

Each of the Directors benefit 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.

SmithKline Beecham (SWG) Limited
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Directors' report for the year ended 31 December 2013

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Disclosure of information to auditors

As far as each of 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.

Independent 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.

This report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006.

By order of the Board



P Williamson
For and on behalf of Edinburgh Pharmaceutical Industries Limited
Company Secretary
6 May 2014

SmithKline Beecham (SWG) Limited

Independent auditors' report to the members of SmithKline Beecham (SWG) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by SmithKline Beecham (SWG) Limited, comprise

- the Balance sheet as at 31 December 2013,
- the Profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Directors' report for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

SmithKline Beecham (SWG) Limited

Independent auditors' report to the members of SmithKline Beecham (SWG) Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to

- prepare financial statements in accordance with the small companies' regime,
- take advantage of the small companies' exemption in preparing the Directors' Report, and
- take advantage of the small companies exemption from preparing a Strategic Report

We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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

The Company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 May 2014

SmithKline Beecham (SWG) Limited

Profit and loss account for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Other operating expenses		(16)	(16)
Exceptional items			
Other income	2	-	448
Operating (loss)/profit	3	(16)	432
Profit before interest and taxation		(16)	432
Interest receivable and similar income	4	24	28
Profit on ordinary activities before taxation		8	460
Tax on profit on ordinary activities	5	(2)	(3)
Profit for the financial year	9	6	457

The results disclosed above for both the current year and prior year relate entirely to continuing operations

There is no difference in either the current year or prior year between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The Company has no recognised gains or losses during either the current year or the prior year other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented

SmithKline Beecham (SWG) Limited

Balance sheet as at 31 December 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Debtors	6	7,101	7,070
Cash at bank and in hand		-	6
Creditors amounts falling due within one year	7	(53)	(34)
Net current assets		7,048	7,042
Net assets		7,048	7,042
Capital and reserves			
Called up share capital	8	5,000	5,000
Profit and loss account	9	2,048	2,042
Total shareholders' funds	10	7,048	7,042

The financial statements on pages 5 to 9 were approved by the Board of Directors on 6 May 2014 and were signed on its behalf by


P. Williamson

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

SmithKline Beecham (SWG) Limited

Notes to the financial statements for the year ended 31 December 2013

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 under the historical cost convention, the accounting policies set out below, which have been applied consistently, throughout the year, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards

(b) Taxation

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

(c) Interest

Interest receivable and similar income is recognised on an accruals basis

2 Exceptional items

	2013 £'000	2012 £'000
Other income	-	448

The exceptional item in 2012 related to a correction and write off of an intercompany balance relating to prior periods. The item was significant to the prior comparative financial statements of the Company but was not considered to be a fundamental error as the profit and loss result (which was a profit for the financial year) and balance sheet position (which showed net assets at the year end) would not have changed had the write off been posted in 2011. Therefore the correction was posted in the year 2012 as an exceptional item. No exceptional items were posted in 2013.

3 Operating (loss)/profit

	2013 £'000	2012 £'000
The following items have been (charged)/credited in operating (loss)/profit		
Management fee	(16)	(16)
Exceptional items (Note 2)	-	448
	(16)	432

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 auditors' remuneration of £10,208 (2012: £9,911).

4 Interest receivable and similar income

	2013 £'000	2012 £'000
On loans with Group undertakings	24	28

5 Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Tax charge based on profits for the financial year		
Current tax		
UK corporation tax at 23.25% (2012: 24.5%)	2	3

There are no differences between the tax assessed for the year from the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012: 24.5%). The differences for 2012 are explained below:

	2013 £'000	2012 £'000
Reconciliation of current tax charge		
Profit on ordinary activities at the UK statutory rate 23.25% (2012: 24.5%)	2	113
Income not taxable	-	(110)
Current tax charge for the year	2	3

Factors that may effect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly.

No provision is required for deferred taxation.

SmithKline Beecham (SWG) Limited

Notes to the financial statements for the year ended 31 December 2013

6 Debtors

	2013 £'000	2012 £'000
Amounts due within one year		
Amounts owed by Group undertakings	7,101	7,070

The amounts owed by Group undertakings are unsecured and are repayable on demand

7 Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	51	31
Corporation tax	2	3
	53	34

Amount owed to Group undertakings are unsecured, interest free and are repayable on demand. The corporation tax creditor contains amounts which will be paid to fellow Group companies.

8 Called up share capital

	2013 Number of shares	2012 Number of shares	2013 £'000	2012 £'000
Authorised				
Ordinary Shares of £1 each (2012: £1 each)	5,000,000	5,000,000	5,000	5,000
Issued and fully paid				
Ordinary Shares of £1 each (2012: £1 each)	5,000,000	5,000,000	5,000	5,000

9 Reserves

	Profit and loss account £'000
At 1 January 2013	2,042
Profit for the financial year	6
At 31 December 2013	2,048

10 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	6	457
Net addition to shareholders' funds	6	457
Opening shareholders' funds	7,042	6,585
Closing shareholders' funds	7,048	7,042

SmithKline Beecham (SWG) Limited

Notes to the financial statements for the year ended 31 December 2013

11 Contingent liabilities

Group banking arrangement

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bank. 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 as at 31 December 2013 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

12 Employees

All employees are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee is charged by GlaxoSmithKline Services Unlimited for services provided to the Company (see Note 3).

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 (2012: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2012: £nil).

14 Cash flow statement

A cash flow statement has been included in the consolidated financial statements of GlaxoSmithKline plc, the ultimate parent undertaking, which are publicly available. 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 Ultimate parent undertaking

GlaxoSmithKline plc, a company registered in England and Wales, is the Company's ultimate parent undertaking and controlling party. 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 Limited.

16 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.