

**Stafford-Miller Limited**  
**(Registered Number 318499)**

**Annual Report and Financial Statements**

**For the year ended 31st December 2008**

**Registered office address:**

980 Great West Road  
Brentford  
Middlesex  
TW8 9GS

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**Stafford-Miller Limited**

**Directors' Report and Financial Statements**

**For the year ended 31st December 2008**

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## **Stafford-Miller 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 activity is the receipt of interest on loans from other GlaxoSmithKline Group ("the Group") undertakings. 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 £169,000 (2007 - loss of £10,000). 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 profit for the year of £169,000 will be transferred to reserves (2007 - loss for the year of £10,000 transferred from 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 or preference 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.

#### **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.

## **Stafford-Miller Limited**

### **Directors' Report for the year ended 31st December 2008**

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 deemed to be re-appointed in accordance with an elective resolution made under s386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the Board



**P Williamson**  
**For and on behalf of Edinburgh Pharmaceutical Industries Limited - Director**  
13th March 2009

## **Stafford-Miller Limited**

### **Independent Auditors' Report to the members of Stafford-Miller Limited**

We have audited the financial statements of Stafford-Miller 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**

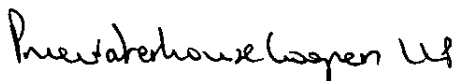
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 at 31st December 2008 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  
13th March 2009

**Stafford-Miller Limited****Profit and Loss Account****For the year ended 31st December 2008**

	<i>Notes</i>	<b>2008 £'000</b>	<b>2007 £'000</b>
Other operating expense	2	(7)	(7)
<b>Operating loss</b>		<b>(7)</b>	<b>(7)</b>
Interest receivable	3	244	282
<b>Profit on ordinary activities before taxation</b>		<b>237</b>	<b>275</b>
Taxation	4	(68)	(285)
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>169</b>	<b>(10)</b>
<b>Retained profit/(loss)</b>	8	<b>169</b>	<b>(10)</b>

The results disclosed above relate entirely to continuing operations.

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(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 8 form part of these financial statements

**Stafford-Miller Limited**

**Balance Sheet**

**As at 31st December 2008**

	<i>Notes</i>	<b>2008 £'000</b>	<b>2007 £'000</b>
Debtors	5	5,181	5,046
Cash at bank		1	-
<b>Current assets</b>		<b>5,182</b>	<b>5,046</b>
<b>Creditors: amounts due within one year</b>	6	<b>(161)</b>	<b>(194)</b>
<b>Net current assets</b>		<b>5,021</b>	<b>4,852</b>
<b>Total assets less current liabilities</b>		<b>5,021</b>	<b>4,852</b>
<b>Net assets</b>		<b>5,021</b>	<b>4,852</b>
<b>Capital and reserves</b>			
Called up share capital	7	4,600	4,600
Profit and loss account	8	421	252
<b>Equity shareholders' funds</b>	9	<b>5,021</b>	<b>4,852</b>

The accounts on pages 4 to 8 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 8 form part of these financial statements.

# Stafford-Miller 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 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) 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 Other operating expense

	2008 £'000	2007 £'000
Other operating expenses	(7)	(7)

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 £3,484 (2007 - £3,350). The portion of the management fee relating to staff costs cannot be separately ascertained.

### 3 Interest receivable

	2008 £'000	2007 £'000
Investment income		
On loans with group undertakings	244	282

### 4 Taxation

	2008 £'000	2007 £'000
<b>Taxation charged based on profits for the period</b>		
Current tax:		
UK corporation tax at 28.5% (2007: 30%)	68	83
Under provision in respect of prior year	-	202
	68	285
<b>Reconciliation of current taxation charge</b>		
	2008 £'000	2007 £'000
Profit on ordinary activities at the UK statutory rate - 28.5% (2007: 30%)	68	83
Prior year adjustments to current tax	-	202
Current tax charge for the period	68	285

The prior period adjustments were in respect of various periods and arose from revision during the period of management's estimates, following agreements with the tax authorities and the subsequent amendments to UK Group loss utilisation and payment allocation.

No provision is required for deferred taxation.



**Stafford-Miller Limited**

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

**5 Debtors**

	2008 £'000	2007 £'000
<b>Amounts due within one year</b>		
Amounts owed by group undertakings	5,181	5,046
	<b>5,181</b>	<b>5,046</b>

**6 Creditors**

	2008 £'000	2007 £'000
<b>Amounts due within one year</b>		
Amounts owed to group undertakings	10	7
Taxation	151	187
	<b>161</b>	<b>194</b>

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

**7 Called up share capital - equity interests**

	2008 Number of shares	2007 Number of shares	2008 £'000	2007 £'000
<b>Authorised</b>				
Ordinary Shares of £10 each	92,000	92,000	920	920
Non-Cumulative Non Redeemable Preference Shares of £10 each	368,000	368,000	3,680	3,680
<b>Issued and fully paid</b>				
Ordinary Shares of £10 each	91,980	91,980	920	920
Non-Cumulative Non Redeemable Preference Shares of £10 each	368,000	368,000	3,680	3,680
	<b>459,980</b>	<b>459,980</b>	<b>4,600</b>	<b>4,600</b>

Each ordinary share entitles its holder to cast one vote at general meetings. Preference shareholders are not entitled to vote. Dividends are payable at the option of the shareholders in general meeting. Dividends shall be paid in the first instance to the holders of preference shares. There is no fixed dividend rate. The dividends will be dependent on the annual profits of the Company during the year. Such dividends are non-cumulative. Hence, the preference shares were treated as equity. In the event of a dissolution of the Company, preference shareholders will be entitled to receive the last dividend accrued but unpaid and the return of the subscription price in priority over any payments to holders of any other class of shares.

**8 Reserves - equity interests**

	Profit & Loss account £'000	Total Reserves £'000
At 1st January 2008	252	252
Profit for the financial year	169	169
At 31st December 2008	421	421

## Stafford-Miller Limited

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

#### 9 Reconciliation of movement in shareholders' funds

	2008 £'000	2007 £'000
Profit/(loss) for the financial year	169	(10)
Opening shareholders' funds	4,852	4,862
Closing shareholders' funds – equity interests	5,021	4,852

#### 10 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 account with the bank at 31st December 2008. No loss is expected to accrue to the Company from the agreement.

#### 11 Employees

The Company has no employees as all personnel are employed by other Group companies (2007 - £nil).

#### 12 Directors' remuneration

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

#### 13 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.

#### 14 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 Block Drug Company, Inc.

#### 15 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.