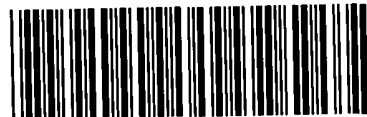


**Stafford-Miller Limited**  
(Registered number: 00318499)

**Directors' report and financial statements**

**for the year ended 31 December 2016**

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**Registered office address:**

980 Great West Road  
Brentford  
Middlesex  
TW8 9GS  
England

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Directors' report and financial statements**  
**for the year ended 31 December 2016**

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**Stafford-Miller Limited**  
**(Registered number: 00318499)**

## **Directors' report for the year ended 31 December 2016**

The Directors present their report on the Company and the audited financial statements for the year ended 31 December 2016.

### **Principal activities and future developments**

Stafford-Miller Limited (the "Company") provides funding to the GlaxoSmithKline Group (the "Group") in the form of interest bearing loans.

The Company is a member of 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 of £3,000 for the financial year (2015: profit of £7,000). 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 £3,000 will be transferred to reserves (2015: profit for the year of £7,000 transferred to reserves).

### **Results and dividends**

The Company's results for the financial year are shown in the statement of comprehensive income on page 6.

No dividend is proposed to the holders of ordinary shares or preference shares in respect of the year ended 31 December 2016 (2015: £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 Blackburn	(Resigned on 1 March 2016)
A Walker	(Resigned on 1 August 2016)
J Box	(Appointed on 17 June 2016)
M Foster-Hawes	(Appointed on 17 June 2016)

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 who is an individual benefits from an indemnity given by another Group company, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third party proceedings to which the Director is a party by virtue of his or her engagement in the business of the Company.

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Directors' report for the year ended 31 December 2016**

**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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 'Reduced disclosure framework' ("FRS 101") 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; and
- 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.

**Governance**

The Company's approach to the Modern Slavery Act 2015 is set by the Group. As part of their governance, the Group reviewed and approved the approach to the Modern Slavery Act 2015 during 2016.

**Disclosure of information to auditors**

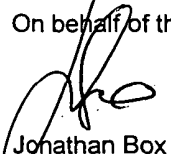
As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that

**Independent auditors**

PricewaterhouseCoopers LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

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

On behalf of the Board

  
Jonathan Box  
Director  
25 April 2017

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Independent auditors' report to the members of Stafford-Miller Limited**

**Report on the financial statements**

*Our opinion*

In our opinion, Stafford Miller Limited's financial statements, (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

*What we have audited*

The financial statements, included within the Directors' report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

**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.

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

## **Independent auditors' report to the members of Stafford-Miller Limited**

### **Other matters on which we are required to report by exception (continued)**

#### *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 International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, 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

#### *What an audit of financial statements involves*

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

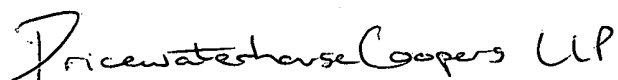
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Independent auditors' report to the members of Stafford-Miller Limited**

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

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.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
25 April 2017

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Statement of comprehensive income**  
**for the year ended 31 December 2016**

	Notes	2016 £'000	2015 £'000
Other operating expense		(10)	(9)
Finance income	6	14	18
<b>Operating profit</b>	<b>4</b>	<b>4</b>	<b>9</b>
<b>Profit before taxation</b>		<b>4</b>	<b>9</b>
Taxation	7	(1)	(2)
<b>Profit for the year</b>		<b>3</b>	<b>7</b>

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

The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement to present other comprehensive income has been prepared.



**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Balance sheet**  
**as at 31 December 2016**

	Notes	2016 £'000	2015 £'000
<b>Current assets</b>			
Trade and other receivables	8	5,102	5,102
<b>Total assets</b>		<b>5,102</b>	<b>5,102</b>
<b>Current liabilities</b>			
Trade and other payables	9	(11)	(14)
<b>Net current assets</b>		<b>5,091</b>	<b>5,088</b>
<b>Total assets less current liabilities</b>		<b>5,091</b>	<b>5,088</b>
<b>Net assets</b>		<b>5,091</b>	<b>5,088</b>
<b>Equity</b>			
Share capital	10	4,600	4,600
Retained earnings		491	488
<b>Shareholders' equity</b>		<b>5,091</b>	<b>5,088</b>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 25 April 2017 and signed on its behalf by:



Jonathan Box  
Director

**Stafford-Miller Limited**  
**(Registered number: 00318499)**

**Statement of changes in equity**  
**for the year ended 31 December 2016**

	Share capital £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2015</b>	4,600	481	5,081
Profit and total comprehensive income for the year	-	7	7
<b>At 31 December 2015</b>	4,600	488	5,088
Profit and total comprehensive income for the year	-	3	3
<b>At 31 December 2016</b>	4,600	491	5,091

**Notes to the financial statements for the year ended 31 December 2016**

**1 Presentation of the financial statements**

**General information**

Stafford-Miller Limited (the "Company") provides funding to the GlaxoSmithKline Group (the "Group") in the form of interest bearing loans. The Company is a member of the GlaxoSmithKline Group (the "Group").

The Company is a private company and is incorporated and domiciled in the United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex TW8 9GS.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

**(a) Basis of presentation**

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

**Disclosure exemptions adopted**

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7, 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period); and
  - (iv) paragraph 62(a) and (b) of IAS 40 Investment property;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows),
  - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements,
  - 16 (statement of compliance with all IFRS),
  - 38A (requirements for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third balance sheet),
  - 111 (cash flow statement information), and
  - 134 - 136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'

**Notes to the financial statements for the year ended 31 December 2016**

**2 Summary of significant accounting policies (continued)**

**(a) Basis of presentation (continued)**

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

The financial statements of GlaxoSmithKline plc can be obtained as described in note 2(b).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**(b) Ultimate and immediate parent undertaking**

The Company is a subsidiary of the ultimate parent company. 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 Block Drug Company, Inc. These financial statements are separate financial statements.

**(c) Foreign currency transactions**

Foreign currency transactions are booked in functional currency of the Company at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the Statement of comprehensive income. The functional and presentation currency of the Company is Pounds

**(d) Expenditure**

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. A 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.

**(e) Finance income**

Finance income is recognised on an accruals basis using the effective interest method.

**(f) Taxation**

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

Notes to the financial statements for the year ended 31 December 2016

**2 Summary of significant accounting policies (continued)**

**(g) Trade and other receivables**

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade or other receivable is determined to be uncollectable it is written off, firstly against any provisions available and then to the Statement of comprehensive

Subsequent recoveries of amounts previously provided for are credited to the Statement of comprehensive income. Long-term receivables are discounted where the effect is material.

**(h) Trade and other payables**

Trade and other payables are initially recognised at fair value and then held at amortised cost using the effective interest method. Long-term payables are discounted where the effect is material.

**3 Key accounting judgements and estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue and expenses reported in the financial statements. Actual amounts and results could differ from those estimates. The following are considered to be the key accounting judgements and estimates made.

**(a) Taxation**

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

**4 Operating profit**

	2016 £'000	2015 £'000
<b>The following item has been charged in operating profit:</b>		
Management fee	10	9

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 £4,109 (2015: £4,031).

**5 Employees**

All UK personnel 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 4). This Company has no employees.

**6 Finance income**

	2016 £'000	2015 £'000
On loans with Group undertakings	14	18

Notes to the financial statements for the year ended 31 December 2016

**7 Taxation**

	2016 £'000	2015 £'000
<b>Income tax expense on profit</b>		
<b>Current tax:</b>		
UK corporation tax at 20.00%(2015: 20.25%)	1	2
<b>Total current tax</b>	<b>1</b>	<b>2</b>
<b>Total tax charge for the year</b>	<b>1</b>	<b>2</b>

There are no items (2015: no items) required to reconcile the profit on ordinary activities before taxation at the statutory rate of 20.00% (2015: 20.25%) to the current taxation charge.

No instance of deferred taxation has been recognised in the Statement of comprehensive income or directly in equity in either the current or prior year.

*Factors that may effect future tax charges:*

The UK tax rate for the year ended 31 December 2016 is 20%. Further reductions to 19% (effective 1 April 2017) and to 17% (effective 1 April 2020) were enacted as part of the Finance Act 2016 on 15 September 2016. This will impact the Company's future current tax charge accordingly.

**8 Trade and other receivables**

	2016 £'000	2015 £'000
<b>Amounts owed by Group undertakings</b>	<b>5,102</b>	<b>5,102</b>

The amounts owed by Group undertakings relate to a call account balance with GlaxoSmithKline IHC Limited of £5,102,000 (2015: £5,102,000) which is unsecured with interest received at 0.26% (2015: 0.36%) per annum and repayable on demand.

**9 Trade and other payables**

	2016 £'000	2015 £'000
<b>Amounts owed to Group undertakings</b>	<b>10</b>	<b>12</b>
<b>Corporation tax</b>	<b>1</b>	<b>2</b>
	<b>11</b>	<b>14</b>

The amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

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

Notes to the financial statements for the year ended 31 December 2016

**10 Share capital**

	2016 Number of shares	2015 Number of shares	2016 £'000	2015 £'000
<b>Authorised</b>				
Ordinary Shares of £10 each (2015: £10 each)	92,000	92,000	920	920
Non-Cumulative Non Redeemable Preference Shares of £10 each (2015: £10 each)	368,000	368,000	3,680	3,680
	<b>460,000</b>	<b>460,000</b>	<b>4,600</b>	<b>4,600</b>
<b>Issued and fully paid</b>				
Ordinary Shares of £10 each (2015: £10 each)	91,980	91,980	920	920
Non-Cumulative Non Redeemable Preference Shares of £10 each (2015: £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>

**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 2016 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 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 (2015: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2015: £nil).

**13 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 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation. There are no other related party transactions.

