

SmithKline Beecham Marketing and Technical Services Limited
(Registered Number 494385)

Annual Report and Financial Statements

For the year ended 31st December 2008



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

SmithKline Beecham Marketing and Technical Services Limited

Annual Report and Financial Statements

For the year ended 31st December 2008

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SmithKline Beecham Marketing and Technical Services 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 principal activity of the Company is the marketing of consumer healthcare products through representative offices in Croatia, Bulgaria, Kazakhstan and the Adriatic region. The Company did not undertake any activity in the UK during the year ended 31 December 2008. 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 £476,000 (2007 - profit of £84,000). 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 financial year of £476,000 will be transferred to reserves (2007 - retained profit for the year of £84,000 transferred to reserves).

Principal risks and uncertainties

The Directors of GlaxoSmithKline plc manage the risks of the 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 ("Corporate Governance" 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.

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.

Directors' Report for the year ended 31st December 2008 (continued)

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.

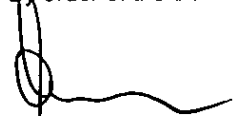
As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware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

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
26th March 2009

SmithKline Beecham Marketing and Technical Services Limited

Independent Auditors' Report to the members of SmithKline Beecham Marketing and Technical Services Limited

We have audited the financial statements of SmithKline Beecham Marketing and Technical Services Limited for the year ended 31st December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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

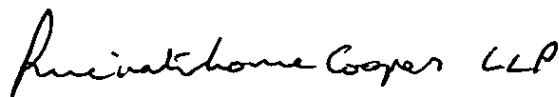
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 31 December 2008 and of its profit for the year 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
West London
26th March 2009

SmithKline Beecham Marketing and Technical Services Limited

Profit and Loss Account

For the year ended 31st December 2008

	<i>Notes</i>	2008 £000	2007 £000
Turnover		7,670	5,989
Cost of sales		(6,868)	(5,135)
Gross profit		802	854
Distribution costs		(48)	(40)
Administrative expenses		(579)	(529)
Other operating income / (expense)		624	(40)
Operating profit	2	799	245
Net interest receivable	3	35	34
Profit on ordinary activities before taxation		834	279
Taxation	4	(358)	(195)
Retained profit	10	476	84

The results disclosed above relate entirely to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit stated above and their historical cost equivalents.

The notes on pages 7 to 10 form part of these financial statements.

SmithKline Beecham Marketing and Technical Services Limited

Statement of Total Recognised Gains and Losses
For the year ended 31st December 2008

	2008 £000	2007 £000
Profit for the financial year	476	84
Exchange movement on overseas net assets	(115)	56
Total gains recognised	361	140

The notes on pages 7 to 10 form part of these financial statements.

SmithKline Beecham Marketing and Technical Services Limited

Balance Sheet

As at 31st December 2008

	Notes	2008 £000	2007 £000
Tangible assets	5	765	451
Fixed assets		765	451
Debtors	6	15,468	16,513
Cash at bank		1,777	606
Current assets		17,245	17,119
Creditors: amounts due within one year	7	(14,630)	(14,551)
Net current assets		2,615	2,568
Net assets		3,380	3,019
Capital and reserves			
Called up share capital	9	2,010	2,010
Profit and loss account	10	1,370	1,009
Equity shareholders' funds	11	3,380	3,019

The accounts on pages 4 to 10 were approved by the Board of Directors on 26th 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 7 to 10 form part of these financial statements.

SmithKline Beecham Marketing and Technical Services 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) Foreign currency transactions

Foreign currency transactions are booked in local currency at the exchange rate ruling on the date of the transaction. Foreign currency assets and liabilities are translated into local currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in operating profit. On consolidation, assets and liabilities of the overseas branch are translated into Sterling at rates of exchange ruling at the balance sheet date. The results of the overseas branch are translated into Sterling using average rates of exchange. Exchange adjustments arising when the opening net assets and profits for the year retained by the branch are translated into Sterling are recorded in reserves.

(c) Turnover

Turnover represents service fee income from Group companies for services rendered by the Company's representative offices and is recognised when services are performed.

(d) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. 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. Advertising expenditure is charged to the profit and loss account as incurred. Shipment costs on inter-company transfers are charged to cost of sales. Restructuring costs are recognised in respect of the direct expenditures of a business reorganisation where the plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken at the balance sheet date.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less provisions for depreciation or impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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:

Motor Vehicles	4 to 5 years
Plant and equipment	3 to 10 years

On disposal of a tangible fixed asset, the cost and related accumulated depreciation are removed from the financial statements and the net

The carrying value 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.

(f) 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.

2 Operating profit

	2008 £000	2007 £000
The following items have been charged/(credited) in operating profit:		
Depreciation of tangible fixed assets:		
Owned assets	310	180
Profit on disposal of fixed assets	(42)	(4)
Exchange (gain)/losses on foreign currency transactions	(589)	164
Management fee	8	8

Auditors' remuneration of £4,764 has been borne by GlaxoSmithKline Export Limited.

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged.

3 Net interest payable/receivable

	2008 £000	2007 £000
Interest payable		
On loans with group undertakings	(310)	(760)
Investment income		
On loans with group undertakings	345	794
	35	34

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2008 (continued)

4 Taxation

	2008 £000	2007 £000
Taxation charge based on profits for the period		
UK corporation tax at 28.5% (2007: 30%)	287	116
Under provision in previous year	26	103
Deferred taxation - current year	12	(13)
Deferred taxation - prior year	33	(10)
Change in UK corporation tax rate	-	(1)
	358	195

	2008 £000	2007 £000
Reconciliation of current taxation charge		
Profit on ordinary activities at the UK statutory rate 28.5% (2007: 30%)	238	84
Other permanent difference	17	19
Prior year adjustments to current tax	26	103
Capital allowances in excess of depreciation	32	13
	313	219
Current tax charge for the period		

The prior period's tax (charges) / credits were based on management's best estimates that were revised during the year following submission of the tax returns or agreement with the tax authorities.

5 Tangible fixed assets

	Plant, equipment and vehicles £000	Total £000
Cost at 1st January 2008	862	862
Exchange Adjustments	273	273
Additions	591	591
Disposals	(216)	(216)
Intra-group transfer	(231)	(231)
Cost at 31st December 2008	1,279	1,279
Depreciation at 1st January 2008	(411)	(411)
Exchange Adjustments	(120)	(120)
Provision for the year	(310)	(310)
Disposals	185	185
Intra-group transfer	142	142
Depreciation at 31st December 2008	(514)	(514)
Total depreciation and impairment at 31st December 2008	(514)	(514)
Net book value at 1st January 2008	451	451
Net book value at 31st December 2008	765	765

6 Debtors

	2008 £000	2007 £000
Amounts due within one year		
Amounts owed by group undertakings	14,809	15,714
Other debtors	659	723
Corporation tax	-	76
	15,468	16,513

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2008 (continued)

7	Creditors			2008	2007
				£000	£000
	Amounts due within one year				
	Trade creditors		4		16
	Amounts owed to group undertakings		13,664		13,586
	Taxation		194		-
	Other creditors		710		936
			14,572		14,538
	Amount due after one year				
	Deferred taxation		58		13
			14,630		14,551
	The taxation creditor contains amounts which will be paid to fellow group companies.				
8	Deferred Taxation Liability			2008	2007
				£000	£000
	Accelerated capital allowances		(58)		(13)
	Deferred Tax Liability				Total
					£000
	At 1st January 2008				(13)
	Charge for the year				(45)
	At 31st December 2008				(58)
9	Called up share capital - equity interests			2008	2007
		2008	2007	2008	2007
		Number of	Number of	£000	£000
		shares	shares		
	Authorised				
	Ordinary Shares of £1 each	2,010,000	2,010,000	2,010	2,010
	Issued and fully paid				
	Ordinary Shares of £1 each	2,010,000	2,010,000	2,010	2,010
10	Reserves - equity interests			Profit & Loss	Total
				account	Reserves
				£000	£000
	At 1st January 2008			1,009	1,009
	Exchange movement on overseas net assets			(115)	(115)
	Retained profit for the financial year			476	476
	At 31st December 2008			1,370	1,370
11	Reconciliation of movements in shareholders' funds			2008	2007
				£000	£000
	Profit for the financial year			476	84
	Exchange movement on overseas net assets			(115)	56
	Net (reduction) / addition to shareholders' funds			361	140
	Opening shareholders' funds			3,019	2,879
	Closing shareholders' funds – equity interests			3,380	3,019

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2008 (continued)

12 Employees

	2008	2007
Employee costs	£000	£000
Wages and salaries	1,621	1,248
The average number of persons employed by the Company (including Directors) during the year	2008	2007
Selling, general and administration	65	65

13 Directors' remuneration

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

14 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.

15 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.

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.