

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

Annual Report and Financial Statements

For the year ended 31st December 2010



Registered office address
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Middlesex
TW8 9GS

SmithKline Beecham Marketing and Technical Services Limited

Annual Report and Financial Statements

For the year ended 31st December 2010

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

Directors' Report for the year ended 31st December 2010

The Directors submit their report and the audited financial statements for the year ended 31st December 2010

Principal activities

The principal activity of SmithKline Beecham Marketing and Technical Services Limited ("the Company") is marketing of consumer healthcare products through representative offices in Croatia, Bulgaria, Kazakhstan, Slovenia and the Adriatic region. The Company did not undertake any activity in the UK during the year ended 31st December 2010.

Review of business

The Company made a profit on ordinary activities after taxation of £144,000 (2009 - loss of £143,000). 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 £144,000 will be transferred to reserves (2009 - retained loss for the year of £143,000 transferred from reserves).

The Company is planning to close the representative offices in Croatia and Kazakhstan in the current year.

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 Company'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 2010 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 2010 Annual Report ("Corporate Governance" 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 2010 (2009 - £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:

Edinburgh Pharmaceutical Industries Limited
Glaxo Group Limited
Paul Blackburn

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 their duties.

SmithKline Beecham Marketing and Technical Services Limited
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Directors' Report for the year ended 31st December 2010 (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). 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 year.

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,
- 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 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.

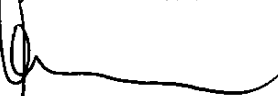
As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors 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 s415A of the Companies Act 2006.

By order of the Board



P Williamson

For and on behalf of Edinburgh Pharmaceutical Industries Limited - Company Secretary

18th May 2011

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 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

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). 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

PricewaterhouseCoopers LLP

18/05/11

SmithKline Beecham Marketing and Technical Services Limited

Profit and Loss Account

For the year ended 31st December 2010

	<i>Notes</i>	2010 £'000	2009 £'000
Revenue	2	4,130	7,237
Cost of sales		(3,402)	(6,296)
Gross profit		728	941
Selling and distribution costs		(64)	(45)
Administrative expenses		(536)	(959)
Other operating income	3	55	11
Operating profit/(loss)	4	183	(52)
Profit/(loss) before interest and taxation		183	(52)
Interest receivable and similar income	5	117	94
Interest payable and similar charges	6	(104)	(99)
Profit/(loss) on ordinary activities before taxation		196	(57)
Taxation on profit/(loss) on ordinary activities	7	(52)	(86)
Profit/(loss) for the financial year	13	144	(143)

The results disclosed above relate entirely to continuing operations

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents

SmithKline Beecham Marketing and Technical Services Limited

**Statement of Total Recognised Gains and Losses
For the year ended 31st December 2010**

	2010	2009
	£'000	£'000
Profit/(loss) for the financial year	144	(143)
Exchange movement on overseas net assets	(9)	(60)
Total gains and losses recognised	135	(203)

SmithKline Beecham Marketing and Technical Services Limited

**Balance Sheet
As at 31st December 2010**

	<i>Notes</i>	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	8	224	419
Current assets			
Debtors	9	16,089	17,190
Cash at bank and in hand		505	980
		16,594	18,170
Creditors amounts falling due within one year	10	(13,506)	(15,412)
Net current assets		3,088	2,758
Total assets less current liabilities		3,312	3,177
Net assets		3,312	3,177
Capital and reserves			
Called up share capital	12	2,010	2,010
Profit and loss account	13	1,302	1,167
Total shareholders' funds	14	3,312	3,177

The accounts on pages 4 to 11 were approved by the Board of Directors on 18th May 2011 and were signed on its behalf by



P Blackburn
Director

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31st December 2010

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 2006 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 monetary 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) Revenue

Revenue 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 made.

(e) Tangible fixed assets

Tangible fixed assets are stated at historic purchase 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 amount, less any proceeds, is taken to the profit and loss account.

(f) 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. Any provision for impairment is charged to the profit and loss account.

(g) 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 on the retained earnings of overseas subsidiaries is only provided when there is a binding commitment to distribute past earnings in future periods.

2 Segmental information

All revenue is derived from inter-company service fees in Europe.

3 Other operating income

	2010 £'000	2009 £'000
Other income	55	11

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

4 Operating profit/(loss)

	2010 £'000	2009 £'000
The following items have been charged/(credited) in operating profit/(loss):		
Depreciation of tangible fixed assets		
Owned assets	190	341
Loss/(profit) on disposal of fixed assets	4	(28)
Exchange losses/(gains) on foreign currency transactions	91	73
Management fee	1	1

Auditors' remuneration of £4,981 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

5 Interest receivable and similar income

	2010 £'000	2009 £'000
On loans with Group undertakings	117	94

6 Interest payable and similar charges

	2010 £'000	2009 £'000
On loans with Group undertakings	(104)	(99)

7 Taxation

	2010 £'000	2009 £'000
Taxation charge based on profits/(losses) for the year		
Current Tax		
UK corporation tax at 28% (2009 28%)	87	71
Under/(over) provision in previous years	(9)	98
Current tax charge	78	169
Deferred Tax		
Origination and reversal of timing differences	(21)	(62)
Deferred taxation - prior year	(7)	(21)
Change in tax rate-impact on deferred tax	2	-
Deferred Taxation	(26)	(83)
Total tax charge	52	86

The tax assessed for the year is higher (2009 higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2010 of 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Reconciliation of current taxation charge		
Profit/(loss) on ordinary activities at the UK statutory rate 28% (2009 28%)	55	(16)
Expenses not deductible for tax purposes	10	25
Capital allowances in excess of depreciation	22	62
Prior Year adjustments to current tax	(9)	98
Current tax charge for the year	78	169

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and hence the effect of the change on the deferred tax balances has been included in the figures above.

On 23 March 2011 the Chancellor announced an additional 1% reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. The effect of the change would create an additional adjustment of approximately £2k. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

Further changes to the rate are proposed to reduce the rate by one per cent per annum to 23 per cent by 1 April 2014, but have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further changes from 27 per cent to 23 per cent, if these applied to the deferred tax balance at 31 December 2010, would be to reduce the deferred tax asset by approximately £9k.

The prior period adjustments are in respect of various periods and arise from revision during the year of management's estimates and the subsequent amendments to UK group loss utilisation and payment allocation.

8 Tangible fixed assets

	Plant, equipment and vehicles £'000
Cost	
At 1st January 2010	894
Exchange Adjustments	(20)
Additions	67
Disposals	(228)
At 31st December 2010	713
Accumulated depreciation	
At 1st January 2010	(475)
Exchange Adjustments	11
Provision for the year	(190)
Disposals	165
At 31st December 2010	(489)
Net book value at 1st January 2010	419
Net book value at 31st December 2010	224

9 Debtors

	2010 £'000	2009 £'000
Amounts due within one year		
Amounts owed by Group undertakings	15,996	16,863
Other debtors	30	292
	16,026	17,155
Amount due after one year		
Deferred taxation (Note 11)	63	35
	16,089	17,190

The taxation debtor contains amounts which will be recovered by way of payments from fellow Group companies.

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

10 Creditors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	12,904	14,977
Taxation	87	71
Accruals and deferred income	515	364
	13,506	15,412

The taxation creditor contains amounts which will be paid to fellow Group companies. The Company has not provided any security in respect of amounts outstanding to creditors.

11 Deferred taxation asset

	2010 £'000	2009 £'000
Accelerated capital allowances	63	35
Reconciliation of deferred taxation asset		
At 1st January 2010	35	(58)
Deferred tax credit in profit and loss account (note 7)	27	83
Forex effect on deferred tax	3	10
Change of Rate on Deferred Tax	(2)	-
At 31st December 2010	63	35

12 Called up share capital

	2010 Number of shares	2009 Number of shares	2010 £'000	2009 £'000
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

13 Reserves

	Profit and loss account £'000
At 1st January 2010	1,167
Exchange movements on overseas net assets	(9)
Profit for the financial year	144
At 31st December 2010	1,302

14 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit/(loss) for the financial year	144	(143)
Exchange movements on overseas net assets	(9)	(60)
Net addition/(reduction) to shareholders' funds	135	(203)
Opening shareholders' funds	3,177	3,380
Closing shareholders' funds – equity interests	3,312	3,177

SmithKline Beecham Marketing and Technical Services Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

15 Employees

	2010	2009
Employee costs	£'000	£'000
Wages and salaries	1,298	1,830
The average number of persons employed by the Company (including Directors) during the year	2010	2009
Selling, general and administration	26	66

16 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 (2009 - £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2009 - £nil).

17 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.

18 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.

19 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.