

GlaxoSmithKline Caribbean Limited
(Registered number: 00522215)

Directors' report and financial statements

for the year ended 31 December 2014

Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS
England

TUESDAY



A24

A4G0DA0Q

15/09/2015

#384

COMPANIES HOUSE

GlaxoSmithKline Caribbean Limited

Directors' report and financial statements

for the year ended 31 December 2014

Contents

	Pages
Strategic report	1
Directors' report	2-3
Independent auditors' report	4-5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9-18

GlaxoSmithKline Caribbean Limited
(Registered number: 00522215)

Strategic report for the year ended 31 December 2014

The Directors submit their Strategic report for the year ended 31 December 2014.

Principal activities and future developments

GlaxoSmithKline Caribbean Limited (the "Company") is a member of GalaxoSmithKline Group (the "Group"). The principal activity of the 'Company' is the sale of pharmaceutical and consumer healthcare products through its branches in Trinidad & Tobago and Jamaica. The Directors do not envisage any change to the nature of the business in the foreseeable future.

Review of business

The Company made a loss for the financial year of £651,000 (2013: profit for the year of £2,594,000). 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 loss for the year of £651,000 will be transferred to reserves (2013: profit for the year of £2,594,000 transferred to reserves).

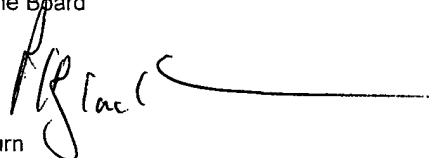
Principal risks and uncertainties

The Directors of GlaxoSmithKline plc manage the risks of 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 2014 Annual Report which does not form part of this report.

Key performance indicators (KPIs)

The Directors of the Group 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 2014 Annual Report which does not form part of this report.

By order of the Board


Paul Blackburn
Director
07 September 2015

GlaxoSmithKline Caribbean Limited
(Registered number: 00522215)

Directors' report for the year ended 31 December 2014

The Directors submit their report and the audited financial statements for the year ended 31 December 2014.

Results and dividends

The Company's results for the financial year are shown in the profit and loss account on page 6.

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31 December 2014 (2013: £nil).

Branches

GlaxoSmithKline Caribbean Limited - Jamaica
GlaxoSmithKline Caribbean Limited - Trinidad and Tobago

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
P 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 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 his, her or its duties.

In addition, 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.

Statement of Directors' responsibilities

The Directors are responsible for preparing Directors' report and 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;
- 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.

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.

GlaxoSmithKline Caribbean Limited
(Registered number: 00522215)

Directors' report for the year ended 31 December 2014

The following items have been included in the Strategic report on page 1:

- principal activities and future developments
- review of business
- principal risks and uncertainties

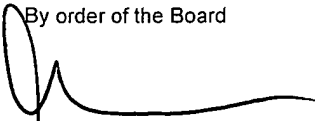
Disclosure of information to auditors

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.

By order of the Board

A handwritten signature in black ink, appearing to be 'F. Williamson', written over a horizontal line.

F. Williamson

For and on behalf of Edinburgh Pharmaceutical Industries Limited - Company Secretary
07 September 2015

GlaxoSmithKline Caribbean Limited

Independent auditors' report to the members of GlaxoSmithKline Caribbean Limited

Report on the financial statements

Our opinion

In our opinion, GlaxoSmithKline Caribbean Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs at 31 December 2014 and of its loss 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.

What we have audited

GlaxoSmithKline Caribbean Limited's financial statements comprise:

- the Balance sheet 31 December 2014;
- the Profit and loss account for the year then ended;
- the Statement of total recognised gains and losses 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

GlaxoSmithKline Caribbean Limited

Independent auditors' report to the members of GlaxoSmithKline Caribbean Limited

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.

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 & Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

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.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements 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.

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
07 September 2015

GlaxoSmithKline Caribbean Limited

**Profit and loss account
for the year ended 31 December 2014**

	Notes	2014 £'000	2013 £'000
Turnover	2	14,925	29,146
Cost of sales		(8,253)	(16,053)
Gross profit		6,672	13,093
Selling and distribution costs		(622)	(716)
Administrative expenses		(7,056)	(8,862)
Other operating income	3	787	15
Operating (loss)/profit	4	(219)	3,530
Interest receivable and similar income	5	42	43
Interest payable and similar charges	6	-	(8)
(Loss)/profit on ordinary activities before taxation		(177)	3,565
Tax on (loss)/profit on ordinary activities	7	(474)	(971)
(Loss)/profit for the financial year	15	(651)	2,594

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

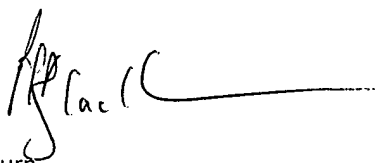
There is no difference in either the current year or prior year between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents.

GlaxoSmithKline Caribbean Limited

**Balance sheet
as at 31 December 2014**

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	8	193	238
Current assets			
Stocks	9	1,079	2,163
Debtors	10	34,141	28,439
Cash at bank and in hand		1,442	3,928
		36,662	34,530
Creditors: amounts falling due within one year	11	(4,214)	(2,728)
Net current assets		32,448	31,802
Total assets less current liabilities		32,641	32,040
Net pension asset	16	404	217
Net assets		33,045	32,257
Capital and reserves			
Called up share capital	13	5,300	5,300
Profit and loss account	14	27,745	26,957
Total shareholders' funds	15	33,045	32,257

The financial statements on pages 6 to 18 were approved by the Board of Directors on 07 September 2015 and were signed on its behalf by:



P Blackburn
Director

GlaxoSmithKline Caribbean Limited

**Statement of total recognised gains and losses
for the year ended 31 December 2014**

	2014	2013
	£'000	£'000
(Loss)/profit for the financial year	(651)	2,594
Exchange movement on overseas net assets	1,272	(1,236)
Actuarial gain/(loss) on pension schemes	209	(214)
Deferred tax effect of actuarial gain/(loss) on pension schemes	(42)	65
Total recognised gains and losses relating to the year	788	1,209

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

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) 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 branches are translated into Sterling at rates of exchange ruling at the balance sheet date. 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

Revenue is recognised in the profit and loss account when goods or services are supplied to, or made available for collection by, external customers against orders received. Turnover represents the net invoice value after the deduction of discounts given at the point of sale, and accruals for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored regularly in the light of historical information and past experience. Where the Company co-promotes a product and the third party records the sale, the Company records its share of revenue as co-promotion income within turnover. The nature of co-promotion activities is such that the Company records no cost of sales. Value added tax and other sales taxes are excluded from turnover.

(d) Other operating income

Royalty income is recognised in other operating income on an accruals basis. Other operating income is recorded as earned.

(e) 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. 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.

(f) 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 less estimated residual value, excluding freehold land, using the straight-line basis over their expected useful lives. The normal expected useful lives of the major categories of tangible fixed assets

Short leasehold improvements	5 years
Motor vehicles	4 to 5 years
Plant, office equipment and furniture	3 to 10 years

Depreciation on assets in construction does not commence until the asset has been completed and is available for use.

On disposal of a tangible fixed asset, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the profit and loss account.

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies (continued)

(g) 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. 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 in the year concerned.

(h) Leases

All leases are operating leases and the annual rentals are charged against profit on a straight-line basis over the lease term.

(i) Stocks

Stocks are included in the financial statements at the lower of cost (including manufacturing overheads, where appropriate) or net realisable value. Cost is generally determined on a first in, first out basis.

(j) 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.

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 recognised as recoverable and therefore only recognised when on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted. Deferred tax on the retained earnings of overseas subsidiaries is only provided when dividends have been accrued as receivable or there is a binding commitment to distribute past earnings in future periods.

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 based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax liabilities and assets are not discounted.

(k) Pensions

The Company participates in group operated hybrid pension schemes for the benefit of the majority of its employees, the assets of which are held separately from those of the Company in independently administered funds. As the Company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution scheme. Contributions are charged to the profit and loss account in the year to which they relate.

The Jamaica branch operates a defined benefit scheme based on final pensionable pay. The scheme assets are held separately in a trustee administered fund. The costs of providing pensions under the defined benefit scheme are calculated using the projected unit credit method and spread over the period during which benefit is expected to be derived from the employees' services, in accordance with the advice of qualified actuaries. Present obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the yields of high quality corporate bonds. Pension scheme assets are measured at fair value at the balance sheet date. Actuarial gains and losses, differences between the expected and actual returns of assets and the effect of changes in actuarial assumptions are recognised in the statement of total recognised gains and losses in the year in which they arise.

The Trinidad branch operates a defined contribution scheme, the assets of which are held separately in a trustee administered fund. Contributions to the fund are charged to the profit and loss account as incurred.

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

2 Segmental information

Analysis of turnover by business sector:

	2014 £'000	2013 £'000
Pharmaceuticals	6,143	6,334
Consumer Healthcare	8,782	22,812
	14,925	29,146

Analysis of turnover by location of customer:

	2014 £'000	2013 £'000
Jamaica	9,191	12,824
Trinidad & Tobago	5,734	16,322
	14,925	29,146

All other segmental information is included in the Annual Report of GlaxoSmithKline plc.

3 Other operating income

	2014 £'000	2013 £'000
Royalties income and other income from Group undertakings	787	15

Other operating income includes Inter-co fees and royalties

4 Operating profit

	2014 £'000	2013 £'000
The following items have been charged/(credited) in operating profit:		
Depreciation of tangible fixed assets:		
Owned assets	73	171
Profit on disposal of fixed assets	-	(37)
Exchange gains on foreign currency transactions	57	152
Stocks:		
Write-down of stocks	94	280
Operating lease rentals:		
Land and buildings	234	335
Plant, equipment and vehicles	6	88
Management fee	12	11
Audit fees		
Auditors' overseas firm	16	22

The Auditors' remuneration of £8,558 (2013: £8,338) has been borne by other Group companies and is not recharged.

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

	2014 £'000	2013 £'000
On loans with Group undertakings	42	43

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

6 Interest payable and similar charges

	2014 £'000	2013 £'000
On other loans	-	(8)

7 Tax on (loss)/profit on ordinary activities

	2014 £'000	2013 £'000
Tax charge based on (loss)/profits for the financial year		
Current tax		
UK corporation tax at 21.49% (2013: 23.25%)	(39)	838
Double tax relief	-	(828)
Overseas tax	513	978
Total current tax	474	988
Deferred tax		
Origination and reversal of timing differences	5	(19)
Adjustments in respect of previous years	(5)	1
Change in tax rate - impact on deferred tax	-	1
Total deferred tax charge/(credit)	-	(17)
Tax on profit on ordinary activities	474	971

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2014 of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Reconciliation of current tax charge		
(Loss)/profit on ordinary activities at the UK statutory rate 21.49% (2013: 23.25%)	(38)	828
Effects of:		
Overseas tax	513	978
Double tax relief	-	(828)
Other permanent differences	5	4
Depreciation in excess Capital allowances	-	16
Other timing differences	(6)	(10)
Current tax charge for the year	474	988

Factors that may affect tax charges:

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

8 Tangible assets

	Short leasehold improvements £'000	Motor vehicles £'000	Plant, equipment and furniture £'000	Assets in construction £'000	Total £'000
Cost					
At 1 January 2014	131	57	1,927	22	2,137
Additions	-	-	22	-	22
Disposals	-	-	(23)	-	(23)
Exchange adjustments	(1)	-	105	(1)	103
At 31 December 2014	130	57	2,031	21	2,239
Accumulated depreciation					
At 1 January 2014	(138)	(47)	(1,714)	-	(1,899)
Provision for the year	(5)	(9)	(59)	-	(73)
Disposals	-	-	21	-	21
Exchange adjustments	1	-	(96)	-	(95)
At 31 December 2014	(142)	(56)	(1,848)	-	(2,046)
Net book value at 1 January 2014	(7)	10	213	22	238
Net book value at 31 December 2014	(12)	1	183	21	193

9 Stocks

	2014 £'000	2013 £'000
Raw materials and consumables	1	1
Finished goods	1,078	2,162
	1,079	2,163

The replacement cost of stocks is not materially different from original cost.

10 Debtors

	2014 £'000	2013 £'000
Amounts due within one year		
Trade debtors	2,961	4,851
Amounts owed by Group undertakings	28,331	22,527
Corporation tax	607	8
Other debtors	2,197	1,005
	34,096	28,391
Amounts due after more than one year		
Other debtors	8	16
Deferred tax (Note 11)	37	32
	45	48
	34,141	28,439

The amounts owed by group undertakings include call account balance with GlaxoSmithKline Finance plc which is unsecured with interest charged at 0.030% per annum and repayable on demand.

The corporation tax debtor contains amounts which will be received from fellow Group companies.

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

11 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts falling due within one year		
Trade creditors	210	1,213
Amounts owed to Group undertakings	2,942	697
Other taxation and social security	81	76
Accruals and deferred income	981	742
	4,214	2,728

The amounts owed to group undertakings are unsecured and repayable on demand.

12 Reconciliation of Deferred tax asset

	2014 £'000	2013 £'000
Accelerated capital allowances	37	32
Reconciliation of deferred taxation asset		Total £'000
At 1 January 2014		32
Deferred tax credit in profit and loss account		5
At 31 December 2014		37

13 Called up share capital

	2014 Number of shares	2013 Number of shares	2014 £'000	2013 £'000
Authorised				
Ordinary Shares of £1 each (2013: £1 each)	5,300,000	5,300,000	5,300	5,300
Issued and fully paid				
Ordinary Shares of £1 each (2013: £1 each)	5,300,000	5,300,000	5,300	5,300

14 Profit and loss account

	£'000
At 1 January 2014	26,957
Loss for the financial year	(651)
Exchange movements on overseas net assets	1,272
Actuarial gain on pension schemes	209
Tax effect of actuarial gains on pension schemes	(42)
At 31 December 2014	27,745

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

15 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	(651)	2,594
Exchange movement on overseas net assets	1,272	(1,236)
Actuarial gain/(loss) on pension schemes	209	(214)
Tax effect of actuarial gain/(loss) on pension schemes	(42)	65
Net addition to shareholders' funds	788	1,209
Opening shareholders' funds	32,257	31,048
Closing shareholders' funds	33,045	32,257

16 Pensions

(a) Trinidad branch

The Trinidad and Tobago branch operates a defined contribution scheme. The assets of the scheme are held separately in a trustee administered fund. Contributions to the fund are charged to the profit and loss account in the period to which the contributions relate. The charge for the period was £50,239 (2013: £55,537). There was no outstanding credit balance in respect of the scheme as 31 December 2014 (2013: £nil).

(b) Jamaica branch

The Jamaica branch operates a defined benefit scheme based on final pensionable pay. The scheme assets are held separately in a trustee administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of annual valuations using the projected unit method. The most recent valuation was at 31 December 2014. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the expected investment returns would be 9.5% per annum, salary increases would be 7% and pension increases would be 4%.

The total amount charged to the profit and loss statement during the period was credit of £ 239,674 (2013: credit of £68,085).

The Company accounts for pension arrangements in accordance with FRS17 'Retirement Benefits'. Certain disclosures are required on the basis of the valuation methodology adopted by FRS17. For defined benefit schemes the fair values of pension scheme assets at 31 December 2014 are compared with the future pension liabilities calculated under the projected unit method applying the following assumptions:

Principal financial assumptions

	2014 % pa	2013 % pa	2012 % pa
Rate of increase of future earnings	7.0	7.0	7.0
Discount rate	9.5	9.5	10.5
Expected pension increases	4.0	4.0	4.0
Inflation rate	5.5	5.0	7.0

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

16 Pensions (continued)

Mortality Assumptions

The mortality assumptions are based on 1994 Group Annuity Tables (GAM 94) - Sex Distinct Rates.

The expected long-term rates of return on the assets determined based on actuarial advice and the fair values of the assets and liabilities of the defined benefit schemes are as follows:

	Expected rate of return%	2014 £'000	Expected rate of return %	2013 £'000	Expected rate of return %	2012 £'000
Equity	8.8%	356	8.7%	195	9.0%	129
Bonds	8.2%	1,052	8.2%	1,053	9.0%	634
Other	9.0%	455	6.9%	279	7.8%	868
Fair value of assets		1,863		1,527		1,631
Present value of funded scheme obligations		(1,358)		(1,256)		(1,113)
Surplus in the scheme		505		271		518
Deferred tax liability		(101)		(54)		(119)
Net pension surplus		404		217		399

The actual return/(loss) on scheme assets was £ 239,674 (2013: £(68,085))

The following amounts were recorded in the profit and loss account and statement of recognised gains and losses for the year ended 31 December 2014:

Amounts charged to operating profit	2014 £'000	2013 £'000
Current service cost	32	18
Amounts credited/(charged) to net interest	2014 £'000	2013 £'000
Expected return on pension scheme assets	136	114
Interest on pension scheme liabilities	(134)	(102)
Total	2	12
Amounts recorded in statement of total recognised gains and losses	2014 £'000	2013 £'000
Actual return less expected return on pension scheme assets	104	(46)
Experience gains and losses arising on the scheme liabilities	105	59
Changes in assumptions underlying the present value of the scheme liabilities	-	(227)
Actuarial gain/(loss) recognised	209	(214)

The cumulative actuarial gains recorded in the statement of recognised gains and losses amounted to £346,000 (2013: losses of £555,000).

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

16 Pensions (continued)

Changes to the present value of the defined obligation are as follows:	2014 £'000	2013 £'000	
Obligation in schemes at 1 January 2014	1,256	1,113	
Effect on retranslation of surplus at 2014 exchange rates	(14)	(164)	
Movement in year:			
Current service cost	32	18	
Contributions by plan participants	75	65	
Benefits paid	(20)	(46)	
Interest cost	134	102	
Actuarial loss/(gain) recognised in statement of total recognised gains and losses	(105)	168	
Obligation in schemes at 31 December 2014	1,358	1,256	
Changes to the fair value of plan assets during the year are as follows:	2014 £'000	2013 £'000	
Assets at 1 January 2014	1,527	1,631	
Effect on retranslation of surplus at 2014 exchange rates	(17)	(241)	
Movement in year:			
Expected return on plan assets	136	114	
Contributions by plan participants	75	65	
Contributions by plan employer	58	50	
Benefits paid	(20)	(46)	
Actuarial loss recognised in statement of total recognised gains and losses	104	(46)	
Assets at 31 December 2014	1,863	1,527	
History of experience adjustments	2014 £'000	2013 £'000	2012 £'000
Experience adjustments on scheme assets	104	(46)	(183)
Percentage of scheme assets at 31 December 2014	5.6%	(3.0%)	(11.2%)
Experience adjustments on scheme liabilities	105	59	411
Percentage of present value of scheme liabilities at 31 December 2014	7.7%	4.7%	36.9%
Fair value of assets	1,863	1,527	1,631
Present value of scheme obligations	(1,358)	(1,256)	(1,113)
Surplus in the schemes	505	271	518
History of experience adjustments		2011 £'000	2010 £'000
Experience adjustments on scheme assets		(41)	(34)
Percentage of scheme assets at 31 December 2014		(2.3%)	(2.0%)
Experience adjustments on scheme liabilities		55	(110)
Percentage of present value of scheme liabilities at 31 December 2014		3.3%	(8.0%)
Fair value of assets		1,764	1,544
Present value of scheme obligations		(1,682)	(1,368)
Surplus in the schemes		82	176

GlaxoSmithKline Caribbean Limited

Notes to the financial statements for the year ended 31 December 2014

17 Commitments

The Company had annual commitments under non-cancellable operating leases expiring as follows:	2014 £'000	2013 £'000
Operating leases on land and buildings which expire:		
In one year or less	241	317
Between one and five years	-	113
	241	430
Operating leases on plant, equipment and vehicles which expire:		
In one year or less	7	31
	7	31

18 Contingent liabilities

	2014 £'000	2013 £'000
Guarantees and letters of indemnity	35	37

Guarantees of £2,237 payable to the National Health fund, £30,899 to Commissioner of Customs and the Commissioner of General Consumption Tax and £1,685 to Kingston Container Terminal (KCT) undertaken by Citibank. The Company is liable to Citibank if default occurs to the full amount of the guarantee if the liability is in excess or to the amount paid if the liability is less. The amount payable to Citibank would be £34,822 and the Bank will give the beneficiary three months notice if the Company wishes to cancel the guarantee. There are no possibilities of reimbursement. The Company is liable up to the amount of the guarantee and, if in excess, the Company will have to pay outside of the guarantee agreement. No security is provided in respect of the Guarantees.

19 Employees

Employee costs	2014 £'000	2013 £'000
Wages and salaries	3,862	3,669
Social security costs	201	135
Pension and other post retirement costs	133	153
	4,196	3,957

The average monthly number of persons employed by the Company (including Directors) during the year

Selling, general and administration	85	96
-------------------------------------	----	----

20 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 (2013: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2013: £nil).

21 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.

22 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.

23 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.