

Maxinutrition Limited
(Registered Number 3084288)

Annual Report and Financial Statements

For the year ended 30th April 2011



Registered office address.
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Swallowdale Lane
Hemel Hempstead
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HP2 7FZ

Maxinutrition Limited

Annual Report and Financial Statements

For the year ended 30th April 2011

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Maxinutrition Limited
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Directors' Report for the year ended 30th April 2011

The Directors submit their report and the audited financial statements for the year ended 30th April 2011

Principal activities

The principal activity of Maxinutrition Limited (the "Company") during the year under review was the marketing, distribution and sale of specialist health food and sports nutrition supplements

Review of business

The results for the year and financial position of the Company are as shown in the annexed financial statements

The directors are satisfied with the results and significant growth for the year and the state of affairs of the Company at the balance sheet date

The retained profit for the year of £1.2m will be transferred to reserves (2010 - retained profit for the year of £6.8m transferred to reserves)

Future Developments

Following acquisition of the entire share capital of Maxinutrition Group Holdings Limited by Glaxo Group Limited, Maxinutrition Limited's previous ultimate parent company on the 17th February 2011, consideration is being given to the simplification of the legal structure of the acquired business which may result in liquidation of Maxinutrition Limited in 2012

On the 22nd November 2011, the Company sold its assets, liabilities and trade to Glaxo Group Limited. From this date the Company was non-trading.

Principal risks and uncertainties

The Directors of GlaxoSmithKline plc ("GSK") manage the risks of GlaxoSmithKline and its subsidiaries at a group level, rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of GSK'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 GSK, which include those of the Company, are discussed in GSK's 2011 Annual Report which does not form part of this report.

Key performance indicators (KPIs)

The Directors of GSK manage its 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 GSK are discussed in GSK's 2011 Annual Report 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 5.

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 30th April 2011 (2010 - £nil).

Research and development

Research and development expenditure in the period was £267,984 (2010 - £239,000).

Payment policy

The Company operates procedures to ensure that suppliers are paid on time. In particular, the Company seeks

- to settle terms of payment with suppliers when agreeing the terms of the transaction,
- to ensure that suppliers are made aware of the agreed terms of payment, and
- to abide by the terms of payment.

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Directors' Report for the year ended 30th April 2011

The procedures include arrangements for accelerated payment of small suppliers

Payment Performance

Trade creditors at 30th April 2011 represented 30 days of annual purchases for the Company

Significant Events

During the year, the entire share capital of Maxinutrition Group Holdings Limited was purchased by Glaxo Group Limited. Maxinutrition Group Holdings Limited was the ultimate parent company of Maxinutrition Ltd until it was purchased by Glaxo Group Limited on 17th February 2011.

Going Concern

The directors confirm continued support from GlaxoSmithKline Finance plc and consider the Company has access to sufficient working capital to continue operations for the foreseeable future, a period of at least 12 months from the date of signing of this Report.

Following acquisition of the entire share capital of Maxinutrition Group Holdings Limited, Maxinutrition Limited's previous ultimate parent company, by Glaxo Group Limited on the 17th February 2011, management are considering simplifying the legal structure of the acquired business which may result in liquidation of Maxinutrition Limited in 2012. As a result these accounts are prepared on a non-going concern basis.

Auditor

On 17th February 2011 the Company appointed PricewaterhouseCoopers LLP as auditors and BDO LLP resigned.

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 (appointed 28th April 2011)
Edinburgh Pharmaceutical Industries Limited (appointed 28th April 2011)
Mr Derek Davies (appointed 18th August 2011)
Mr Mark Langley (appointed 18th February 2011)

The Directors of the Company who were in office during the year but resigned prior to the date of signing the financial statements were as follows:

Mr Michael C Doyle (resigned 29th July 2011)
Mr Peter A Boddy (resigned 13th May 2011)

Directors' Indemnity

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

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Directors' Report for the year ended 30th April 2011

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 judgments 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.

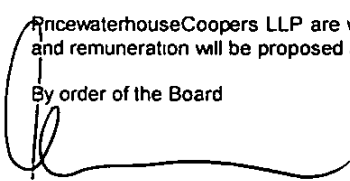
The Directors confirm that they have complied with the above requirements in preparing the financial statements. Further details on the basis of accounting are included in Note 1.

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.

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
30th January 2012

Maxinutrition Limited

Independent Auditors' Report to the members of Maxinutrition Limited

We have audited the financial statements of Maxinutrition Limited ("the Company") for the year ended 30 April 2011 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 Directors' Responsibilities Statement set out on page 3 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 April 2011 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.

Emphasis of Matter – Basis of accounting

Without modifying our opinion, we draw attention to the Basis of accounting included in Note 1 to the financial statements which explains that the Company has not prepared the financial statements under the going concern assumption. The directors have selected appropriate accounting policies under the circumstances identified in Note 1 and have applied them in the preparation of the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

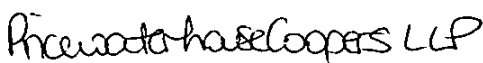
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 a resolution in accordance with Section 506 of the Companies Act 2006 and that the auditor's name should not be stated.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30th January 2012

Maxinutrition Limited
(Registered Number 3084288)

Profit and Loss Account
For the year ended 30th April 2011

	<i>Notes</i>	2011 £'000	2010 £'000
Turnover	2	38,331	36,937
Net Operating Costs	3	(37,303)	(29,682)
Operating profit	7	1,028	7,255
Interest receivable and similar income		4	6
Profit on ordinary activities before taxation		1,032	7,261
Taxation on profit on ordinary activities	8	122	(475)
Profit for the financial year	16, 17	1,154	6,786

The results disclosed above relate entirely to continuing operations

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

The Company had no recognised gains or losses during the year other than those reflected in the above profit and loss account

The notes on pages 7 to 14 form part of these financial statements

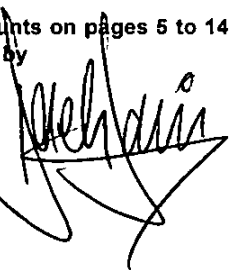
Maxinutrition Limited
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Balance Sheet
As at 30th April 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Intangible assets	9	199	16
Tangible assets	10	567	599
Investments	11	1	1
		767	616
Current assets			
Stocks	12	3,281	3,874
Debtors - amounts falling due within one year	13	24,511	7,539
Debtors - amounts falling due after one year	13	-	13,910
Cash at bank and in hand		1,973	2,143
		29,765	27,466
Creditors - amounts falling due within one year	14	(5,306)	(6,141)
Net current assets		24,459	21,325
Total assets less current liabilities		25,226	21,941
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	23,095	21,941
Other reserves	16	2,131	-
Total shareholders' funds	17	25,226	21,941

The accounts on pages 5 to 14 were approved by the Board of Directors on 30th January 2012 and were signed on its behalf by

D Davies
Director



Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below

(a) Basis of accounting

Following the acquisition of Maxinutrition Group Holdings Limited and its subsidiaries (the "Maxinutrition Group") on 17 February 2011 by Glaxo Group Limited, the directors intend to liquidate the Maxinutrition Group in order to simplify the Group structure. The first step of this process was completed on 22 November 2011 when the assets and liabilities of Maxinutrition Limited were sold to Glaxo Group Limited. The assets and liabilities were sold at book value and the Maxinutrition business continues as usual, now owned by Glaxo Group Limited. Accordingly, the financial statements of the Company have not been prepared on a going concern basis. As a result, fixed assets are stated at the lower of cost and net realisable value.

(b) Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

(c) Turnover

Turnover is recognised when the risks and rewards of the inventory have passed to the customer, which is at the point of despatch of goods. Turnover represents net invoiced sale of goods excluding VAT.

(d) Barter transactions

Barter transactions undertaken between the Company and sponsee clubs or individuals are included within turnover at the full recommended retail value of the products supplied. This is deemed to be equal to the fair value of the goods or services received.

(e) Research and development

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred. Tangible fixed assets used for research and development are depreciated in accordance with Group policy.

(f) Other intangible assets

Intangible assets are stated at cost less provisions for amortisation and impairments. The costs of acquiring and developing computer software for internal use and internet sites for external use are capitalised as intangible fixed assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset.

(g) 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 so as to write off the cost of an asset, less its estimated residual values over the expected useful lives. It is calculated at the following rates:

Leasehold property	Straight line over the length of the lease
Plant and machinery	Straight line over 5 years
Fixtures and fittings	Straight line over 5 years
Computer and website costs	Straight line over 3 years

(h) 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.

(i) Leases

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

(j) Stocks

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

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

Stock provisions are made against slow moving, obsolete or defective stock.

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

(k) Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 4 represents contributions payable by the Company to the fund.

(l) Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

(m) Consolidation exemption

The financial statements contain information about Maximuscle Sales Ltd, Maximuscle UK Ltd, Maximuscle com Ltd and Maximuscle Ltd as individual companies and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries undertakings are included by full consolidation in the consolidated financial statements of its parent, Maxinutrition Group Holdings Ltd.

(n) Share Based Payments

The Company operates a share-based award scheme. The fair value at the date at which the share-based awards are granted is recognised in the consolidated income statement (together with a corresponding increase in shareholders' equity) on the vesting date.

For equity-settled share-based awards, the services received from employees are measured by reference to the fair value of the awards granted. The vesting of all share-based awards was solely reliant upon non-market conditions, therefore no expense is recognised for awards that do not ultimately vest.

(o) Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

2 Segmental Information

The turnover and profit before tax are attributable to the principal activity of the Company.

The basis of segmental reporting below is on the geographical location of the customer. An analysis of turnover by geographical market is given below.

	2011 £'000	2010 £'000
United Kingdom	35,536	34,458
Europe	2,795	2,479
	38,331	36,937

Additional Segmental information is reported at a Group level.

3 Net Operating Costs

The following items have been charged/(credited) to operating profit.

	2011 £'000	2010 £'000
Staff costs (note 4)	5,143	2,885
Depreciation and other amounts written off tangible fixed assets	175	136
Amortization	11	1
Research and development expenditure	268	240

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

4 Employees

2011 **2010**
£'000 **£'000**

Staff costs consist of

Wages and Salaries	2,686	2,574
Social Security Costs	312	295
Share based incentive plans (note 21)	2,131	-
Other Pension Costs	14	16
	5,143	2,885

5 The average number of employees, including directors, were.

2011 **2010**

Administrative Staff	13	12
Sales and marketing staff	64	59

6 Directors' remuneration

2011 **2010**
£'000 **£'000**

Directors' remuneration consists of

Emoluments receivable	429	511
Share based incentive plans	1,028	-
Company contributions to money purchase pension schemes	11	13
	1,468	524

Highest paid director

Emoluments receivable	208	200
Share based incentive plans	521	-
Company contributions to money purchase pension schemes	11	9
	740	209

At 30th April, there was one Director accruing benefits under the defined contribution pension scheme

7 Operating Profit

2011 **2010**
£'000 **£'000**

The operating profit is stated after charging

Auditors remuneration	- audit fees	PricewaterhouseCoopers LLP	13	-
		BDO LLP	-	38
Operating lease costs	- plant and equipment		30	32
	- other		266	281
Exchange differences			-	237

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

8 Taxation on profit from ordinary activities

	£'000	£'000
	£'000	£'000
a) Analysis of charge in year		
Current tax		
UK corporate tax on results of the year	-	475
Adjustments in respect of prior periods	(122)	-
Total tax charge/(credit)	(122)	475

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for the year ended 30th April 2011 of 27.8% (2010: 28%). The differences are explained below

	2011 £'000	2010 £'000
b) Factors affecting current tax charge		
Profit on ordinary activities multiplied by the standard rate of corporate tax in the UK of 27.8% (2010: 28%)	287	2,033
Effects of		
Expenses not deductible for tax purposes	812	57
Depreciation in excess of capital allowances	14	(17)
Group relief	(1,324)	(1,805)
Transfer pricing adjustment	211	207
Adjustments to tax charge in respect of previous periods	(122)	-
Current tax charge for the year	(122)	475

The main rate of UK corporation tax reduced from 28% to 26% with effect from 1 April 2011. Legislation to further reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 was included in the Finance Act 2011. These tax changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively, and hence the effect of the changes on the deferred tax balances has been included in the figures above.

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 25 per cent to 23 per cent, if these applied to the deferred tax balance at 30 April 2011, would be to reduce the deferred tax asset by approximately £2,000.

The prior period adjustments arise from revision during the year of management's estimates.

9 Intangible fixed assets

	Website development £'000	Patents and licences £'000	Total £'000
<i>Cost</i>			
At 1st May 2010	-	33	33
Additions	194	-	194
At 30th April 2011	194	33	227
<i>Amortisation</i>			
At 1 May 2010	-	17	17
Charge for the year	10	1	11
At 30th April 2011	10	18	28
<i>Net Book Value</i>			
At 30th April 2011	184	15	199
At 30th April 2010	-	16	16

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

10 Tangible Assets

	Leasehold Property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer and website costs £'000	Total £'000
<i>Cost</i>					
At 1st May 2010	461	120	297	534	1,412
Additions	-	-	49	94	143
At 30th April 2011	461	120	346	628	1,555
<i>Depreciation</i>					
At 1st May 2010	109	110	195	399	813
Charge for the year	31	4	38	102	175
At 30th April 2011	140	114	233	501	988
<i>Net book value</i>					
At 30th April 2011	321	6	113	127	567
At 30th April 2010	352	10	102	135	599

11 Investments

<i>Cost</i>	£'000
At 30th April 2011 and at 30th April 2010	1

At 30 April 2011, the Company held an interest in 20% or more of the allotted share capital of the following undertakings, all of which make up financial statements to 30th April 2011 and have been included in the consolidated financial statements of the Maxinutrition Group Holdings Limited

The directors believe that the carrying value of the investments is supported by their underlying net assets

Subsidiary undertakings	Country of Incorporation	Class of shares held	Proportion held	Nature of Business
Maximuscle Sales Limited	England and Wales	Ordinary	100%	Dormant
Maximuscle UK Limited	England and Wales	Ordinary	100%	Dormant
Maximuscle com Limited	England and Wales	Ordinary	100%	Dormant
Maximuscle Limited	England and Wales	Ordinary	100%	Dormant

12 Stocks

	2011 £'000	2010 £'000
Finished goods and goods for resale	3,281	3,874

There is no material difference between the replacement cost of stock and the amounts stated above

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

13 Debtors

	2011 £'000	2010 £'000
Trade debtors	5,766	4,769
Amounts owed by group undertakings - due within one year	16,370	-
Amounts owed by group undertakings - due between one and five years	-	13,910
VAT recoverable	85	116
Other debtors	882	1,328
Prepayments	980	1,326
Corporate tax	428	-
	<u>24,511</u>	<u>21,449</u>

Amounts owed by group companies are unsecured, repayable on demand and interest free

14 Creditors amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	2,851	5,239
Corporate tax	-	173
Other taxation and social security	85	80
Accruals	2,370	649
	<u>5,306</u>	<u>6,141</u>

15 Share capital

Authorised	2011 Number	2011 £'000	2010 Number	2010 £'000
Ordinary shares of £1 each	100,000	100	100,000	100
Allotted, called up and fully paid	2011 Number	2011 £'000	2010 Number	2010 £'000
Ordinary shares of £1 each	2	-	2	-

16 Profit and loss account

	2011 £'000	2010 £'000
At 1st May 2010	21,941	15,155
Profit for the year	1,154	6,786
At 30th April 2011	<u>23,095</u>	<u>21,941</u>

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

17 Other reserves

	2011 £'000	2010 £'000
At 1st May 2010	-	-
Share based incentive plans	2,131	-
At 30th April 2011	<u>2,131</u>	<u>-</u>

18 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the year	1,154	6,786
Other reserves	2,131	-
Net increase in shareholders' funds	3,285	6,786
Opening shareholders' funds	21,941	15,155
Closing shareholders' funds	<u>25,226</u>	<u>21,941</u>

19 Commitments under operating leases

As at 30th April 2011, the Company had annual commitments under non-cancellable operating leases as set out below

	2011 Land and buildings	2011 Other	2010 Land and buildings	2010 Other
Operating leases which expire				
Within one year	-	12	-	7
In one to two years	-	-	-	12
In two to five years	-	18	-	13
Over five years	266	-	281	-
	<u>266</u>	<u>30</u>	<u>281</u>	<u>32</u>

20 Cash flow statement

A cash flow statement has been included in the consolidated financial statements of Maxinutrition Group Holdings Limited, the intermediate parent undertaking, which are publicly available. As a wholly owned subsidiary of the 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.

Maxinutrition Limited

Notes to the Financial Statements for the year ended 30th April 2011

21 Share based payments

The previous ultimate parent company, Maxinutrition Group Holdings Limited, had equity incentive plans under which share options were issued to employees of Maxinutrition Limited. These shares were purchased by employees under a share award scheme that require two vesting conditions but they only vest if

- i) Maxinutrition Group Holdings Limited is acquired, and
- ii) the employee is still an active employee at time of acquisition

If an employee left the Company, they were obliged to sell the shareholding to an Employee Benefit Trust. As a consequence there were 30,573 unallocated shares in the Employee Benefit Trust on the date Glaxo Group Limited acquired Maxinutrition Group Holdings Limited.

As at 30th April 2010, the fair value of these shares was deemed to be identical to the value they had been acquired by the employee being £1 per share.

On 17th February 2011, Glaxo Group Limited acquired the entire shareholding of Maxinutrition Group Holdings Limited for £69.85 per share. The difference between the fair value and price paid is charged to the profit and loss. Under the rules of the share award scheme, the unallocated shares of the acquisition have been assigned to the existing employee shareholders on the basis of the shares they already owned. This triggered the immediate recognition of the £2,131k charge in the Maxinutrition Limited and consolidated Maxinutrition Group Holdings Limited profit and loss accounts.

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 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 Glaxo Group Limited.

The 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 Maxinutrition Group Holdings Limited.

23 Post balance sheet events and going concern

On the 22nd November 2011 the trade and assets of the Company were acquired at book value by Glaxo Group Limited. From this date the Company was dormant.

These accounts have therefore been prepared on a non-going concern basis.

24 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.

Outside of the Group, the Company's related party transactions, as defined by FRS 8, are summarised below.

Mr Iain D MacRitchie, a Director of Maxinutrition Group Holdings Limited, the previous ultimate parent company of Maxinutrition Ltd, until his resignation on 17th February 2011, is also a director of MCR Holdings Ltd. Total purchases from MCR Holdings Ltd by the Company in the period were £91,500 (2010 - £65,630). Included in the creditors balance is an amount of £37,800 (2010 - £6,427) owed to MCR Holdings Ltd.

Darwin Private Equity LLP sold the entire share capital of Maxinutrition Group Holdings Ltd to Glaxo Group Ltd on 17th February 2011. Darwin Private Equity had a balance of £Nil (2010 - £22,062) included in the creditors balance at the year end. Total purchases from Darwin Private Equity LLP by the Company in the year were £62,500 (2010 - £75,000).