

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Directors' report and financial statements

for the year ended 31 December 2015



Registered office address:
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Brentford
Middlesex
TW8 9GS
England

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Directors' report and financial statements
for the year ended 31 December 2015

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GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Strategic report for the year ended 31 December 2015

The Directors present their Strategic report on the Company for the year ended 31 December 2015.

Principal activities and future developments

GlaxoSmithKline Holdings (One) Limited (the "Company") is an investment holding company. The Company is a member of the GlaxoSmithKline Group (the "Group"). The Directors do not envisage any change to the nature of the business in the foreseeable future.

Review of business

The Company made a profit for the financial year of £18,132,000 (2014: loss of £612,000). The Directors are of the opinion that the current level of activity and the year end financial position are sustainable and the Company remains a going concern due to support from GlaxoSmithKline Finance plc.

The profit for the financial year of £18,132,000 will be transferred from reserves (2014: loss for the year of £612,000 transferred from 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 statutory entity 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 2015 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 an operating segment 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 2015 Annual Report which does not form part of this report.

Group restructuring

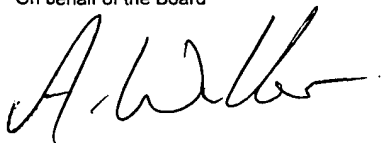
On 2 March 2015, the Group completed a transaction with Novartis AG ("Novartis") involving its Consumer Healthcare, Vaccines and Oncology businesses. As part of this transaction, the Group and Novartis have created a new Consumer Healthcare business over which the Group has control with an equity interest of 63.5%. In addition, the Group has acquired Novartis' global Vaccines business (excluding influenza vaccines) and divested its marketed Oncology portfolio, related R&D activities and also granted commercialisation partner rights for future oncology products to Novartis.

As part of the transaction, certain Group companies have been involved in divestment or acquisition activities. This did not have any material impact on the financial statements of this Company.

First time adoption of FRS 100 and 101

In the current year the Company has adopted Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). In previous years the financial statements were prepared in accordance with applicable UK accounting standards. This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with applicable accounting standards, the details of the adjustments are disclosed in Note 16.

On behalf of the Board



A Walker
Director
22 September 2016

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Directors' report for the year ended 31 December 2015

The Directors present their report on the Company and the audited financial statements for the year ended 31 December 2015.

Results and dividends

The Company's results for the financial year are shown in the Income statement and Statement of comprehensive income on pages 6-7.

No dividend is proposed to the holders of Ordinary shares in respect of the year ended 31 December 2015 (2014: £nil).

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Glaxo Group Limited
Edinburgh Pharmaceutical Industries Limited
P F Blackburn
A Walker

(Resigned on 1 March 2016)
(Appointed on 14 September 2015)

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 Directors in the execution and discharge of their 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.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Directors' report for the year ended 31 December 2015

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 'Reduced disclosure framework' ("FRS 101") and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of in the preparation of 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.

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

- principal activities and future developments;
- review of business; and
- 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.

Going concern

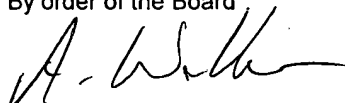
The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of GlaxoSmithKline Finance plc. The Directors have received confirmation that GlaxoSmithKline Finance plc intends to support the Company for at least one year after these financial statements are signed. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Independent auditors

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

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

By order of the Board



A Walker
Director

22 September 2016

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Independent auditors' report to the members of GlaxoSmithKline Holdings (One) Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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 properly prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Balance sheet as at 31 December 2015;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

In addition, we read all the financial and non-financial information in the Directors' report for the year ended 31 December 2015 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.

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.

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.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Independent auditors' report to the members of GlaxoSmithKline Holdings (One) Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the 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 and Ireland). An audit involves obtaining evidence about amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in the 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 that 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
22 September 2016

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Income Statement
for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Other operating expenses		(155)	(9)
Operating loss	4	(155)	(9)
Income from available-for-sale investment	6	19,310	-
Profit/(loss) before interest and taxation		19,155	(9)
Finance expense	7	(1,322)	(770)
Profit/(loss) on ordinary activities before income tax		17,833	(779)
Income tax credit on profit/(loss) on ordinary activities	8	299	167
Profit/(loss) for the financial year		18,132	(612)

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Statement of comprehensive income
for the year ended 31 December 2015

	2015	2014
	£'000	£'000
Profit/(loss) for the financial year	18,132	(612)
Items that may be subsequently reclassified to the income statement:		
<i>Fair value losses on available-for-sale investment</i>	(63,053)	(24,837)
Other comprehensive loss for the year	(63,053)	(24,837)
Profit/(loss) and total comprehensive loss for the year	(44,921)	(25,449)

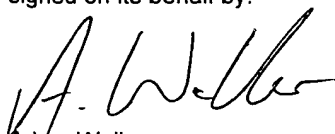
The results disclosed above for both the current year and prior year relate entirely to continuing operations.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Balance sheet
as at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Available-for-sale investment	9	147,949	115,229
Current assets			
Trade and other receivables	10	684	385
Creditors: amounts falling due within one year	11	(185,451)	(107,511)
Net current liabilities		(184,767)	(107,126)
Total assets less current liabilities		(36,818)	8,103
Net (liabilities)/assets		(36,818)	8,103
Capital and reserves			
Called up share capital	12	18,000	18,000
Other reserves		(66,481)	(3,428)
Shareholder's deficit		11,663	(6,469)
Total shareholder's (deficit)/funds		(36,818)	8,103

The financial statements on pages 6 to 17 were approved by the Board of Directors on 22 September 2016 and were signed on its behalf by:



Adam Walker
Director

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Statement of changes in equity
for the year ended 31 December 2015

	Share capital £'000	Other reserves £'000	Shareholder's deficit £'000	Total £'000
At 1 January 2014	18,000	21,409	(5,857)	33,552
Loss for the year	-	-	(612)	(612)
Fair value losses on available-for-sale investment	-	(24,837)	-	(24,837)
Total comprehensive loss for the year	-	(24,837)	(612)	(25,449)
At 31 December 2014	18,000	(3,428)	(6,469)	8,103
Profit for the year	-	-	18,132	18,132
Fair value losses on available-for-sale investment	-	(63,053)	-	(63,053)
Total comprehensive loss for the year	-	(63,053)	18,132	(44,921)
At 31 December 2015	18,000	(66,481)	11,663	(36,818)

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Notes to the financial statements for the year ended 31 December 2015

1 Presentation of the financial statements

General information

GlaxoSmithKline Holdings (One) Limited (the "Company") is an investment holding company. The Company is a member of the GlaxoSmithKline Group (the "Group"). The Directors do not envisage any change to the nature of the business in the foreseeable

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

2 Summary of significant accounting policies

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

(a) Basis of Preparation

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

These financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of available-for-sale investments, and in accordance with the Companies Act 2006.

First time application of FRS 100 and 101

In the current year the company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with applicable accounting standards. Consequently the principal accounting policies are changed from the prior year. In addition, there were comparative figures that required changing as a result of the current year adoption of FRS 101 "Reduced Disclosure Framework" as described in Note 16.

The change in basis of preparation has enabled the company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with applicable accounting standards.

Disclosure exemptions adopted

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

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

Notes to the financial statements for the year ended 31 December 2015

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- 16 (statement of compliance with all IFRS),
- 38A (requirements for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 40A-D (requirements for a third balance sheet),
- 111 (cash flow statement information), and
- 134 - 136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

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

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

(b) Ultimate and parent undertaking

The Company is a wholly owned subsidiary of the ultimate parent company, GlaxoSmithKline plc, a company registered in England and Wales, is the Company's ultimate and immediate 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. These financial statements are separate financial statements.

(c) Foreign currency transactions

Foreign currency transactions are booked in functional currency of the company at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in statement of comprehensive income.

(d) Dividends paid and received

Interim dividends received are included in the income statement in the year in which the right to receive the payment is established. Interim dividends paid are included in reserves in the year in which they are paid. Final dividends are recorded in the reserves upon shareholder approval. Dividends in specie are recognised at their fair value at the date of receipt and recognised as other comprehensive income.

(e) Finance income and expense

Finance income and expenses are recognised on an accruals basis using the effective interest method.

(f) Impairment of non-financial assets

The carrying values of all non-financial assets are reviewed for impairment, either on a standalone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Any provision for impairment is charged to the Statement of comprehensive income in the year concerned.

Impairment losses on other non-financial assets are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortisation, had no impairments been recognised.

Notes to the financial statements for the year ended 31 December 2015

2 Summary of significant accounting policies (continued)

(g) Financial assets

Classification

The Company classifies its financial assets in the following categories: available-for-sale or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Available-for-sale investment

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise receivables in the balance sheet.

Recognition and measurement

Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale investments are initially recorded at fair value plus transaction costs and then remeasured at subsequent reporting dates to fair value. Unrealised gains and losses on available-for-sale investments are recognised directly in other comprehensive income. Impairments arising from the significant or prolonged decline in fair value of an equity investment reduce the carrying amount of the asset directly and are charged to the income statement.

On disposal or impairment of the investments, any gains and losses that have been deferred in other comprehensive income are reclassified to the income statement. Dividends on equity investments are recognised in the income statement when the Company's right to receive payment is established. Equity investments are recorded in non-current assets unless they are expected to be sold within one year.

Purchases and sales of equity investments are accounted for on the trade date and purchases and sales of other available-for-sale investments are accounted for on settlement date.

(h) Trade and other receivables

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

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

(i) Trade and other payables

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

(j) Taxation

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

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date.

3 Key accounting judgements and estimates

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

Notes to the financial statements for the year ended 31 December 2015

3 Key accounting judgements and estimates (continued)

(a) Taxation

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

(b) Valuation of available-for-sale investment

The Company's investment is classified as an available-for-sale investment and consist entirely of a 10% holding of the ordinary share capital of GlaxoSmithKline Beteiligungs GmbH ("available-for-sale investment"), a company incorporated in Germany.

Management have calculated the fair value of the investment based on future discounted cash flows. The fair value movements of the available for sale investment is accounted for in revaluation reserves. The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Company.

4 Operating loss

	2015 £'000	2014 £'000
The following items have been charged in operating loss:		
Management fee	(9)	(9)
Exchange loss on foreign currency transactions	(146)	-

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee of £9,277 (2014: £9,041) is charged. Included in the management fee is a charge for auditors' remuneration of £4,031 (2014: £3,913).

5 Employees

All personnel are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee is charged by GlaxoSmithKline Services Unlimited for services provided to the Company (see Note 4). This Company has no employees.

6 Income from investment

	2015 £'000	2014 £'000
Dividend	19,310	-

On 31 July 2015, GSK Holdings(One) Limited received a dividend of £19,310,000 (2014: £Nil) from GlaxoSmithKline Beteiligungs GmbH.

7 Finance expense

	2015 £'000	2014 £'000
On loans with Group undertakings	(1,322)	(770)

8 Tax on loss on ordinary activities

	2015 £'000	2014 £'000
Income tax credit on ordinary activities		
Current tax:		
UK corporation tax at 20.25% (2014: 21.49%)	(299)	(167)
Total current tax credit	(299)	(167)
Income tax credit on ordinary activities	(299)	(167)

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Notes to the financial statements for the year ended 31 December 2015

8 Tax on loss on ordinary activities (continued)

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.25% (2014: 21.49%). The differences are explained below:

	2015 £'000	2014 £'000
Reconciliation of current tax credit		
Profit/(loss) on ordinary activities before tax	17,833	(779)
Tax on ordinary activities at the UK statutory rate 20.25% (2014: 21.49%)	3,611	(167)
Effects of:		
Income not taxable for tax purposes	(3,910)	-
Total tax credit for the year	(299)	(167)

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

Factors that may effect future tax charges:

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was enacted in 2013. Further reductions to 19% (effective 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted as part of the Finance Act 2016 on 15 September 2016. This will impact the Company's future current tax charge accordingly. Deferred taxes have been measured using appropriate rates substantively enacted at the balance sheet date.

9 Available-for-sale investment

	Available-for-sale investment At fair value £'000
Cost	
At 1 January 2014 and 31 December 2014	118,657
Revaluation reserve	
At 1 January 2014	21,409
Movement in the year	(24,837)
At 31 December 2014	(3,428)
Carrying value at 31 December 2013	140,066
Carrying value at 31 December 2014	115,229
Cost	
At 1 January 2015	118,657
Additions	95,773
At 31 December 2015	214,430
Revaluation reserve	
At 1 January 2015	(3,428)
Movement in the year	(63,053)
At 31 December 2015	(66,481)
Carrying value at 31 December 2014	115,229
Carrying value at 31 December 2015	147,949

The company made capital injection in its investments in GlaxoSmithKline Beteiligungs GmbH on 3 March 2015 for £95,773,000. There has been no change in the shareholding percentages of GlaxoSmithKline Beteiligungs GmbH.

The revaluation movement in the year for equity investments relates to the adjustment in the fair value of GlaxoSmithKline Beteiligungs GmbH for £63,053,000 (2014: £24,837,000) because it is considered to be a temporary diminution in value which will be recovered in the proceeding year.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Notes to the financial statements for the year ended 31 December 2015

10 Trade and other receivables

	2015 £'000	2014 £'000
Amounts due within one year		
Amounts owed by Group undertakings	385	218
Corporation tax	299	167
	684	385

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand. The corporation tax debtor contains amounts which will be received from fellow Group companies.

11 Creditors

	2015 £'000	2014 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	185,451	107,511

Amounts owed to Group undertakings are unsecured and are repayable on demand.

12 Share capital

	2015 Number of shares	2014 Number of shares	2015 £'000	2014 £'000
Authorised				
Ordinary Shares of £1 each (2014: £1 each)	25,000,000	25,000,000	25,000	25,000
Issued and fully paid				
Ordinary Shares of £1 each (2014: £1 each)	18,000,000	18,000,000	18,000	18,000

13 Contingent liabilities

Group banking arrangement

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bank. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability as at 31 December 2015 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

14 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 (2014: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2014: £nil).

15 Related party transactions

As a wholly owned subsidiary of the ultimate parent company, GlaxoSmithKline plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions and disclosure of key management personnel compensation within the Group. There are no other related party transactions.

Notes to the financial statements for the year ended 31 December 2015

16 First-time adoption of FRS 100 and FRS 101

The following tables and explanatory notes outline the impact of the first-time adoption of FRS 100 and FRS 101 on the Company. Under FRS 100 and FRS 101, the date of transition is 1 January 2014, being the beginning of the earliest reported financial year in the financial statements. The impact on equity as at the date of transition is summarised below:

	Share capital £	Other reserves £	Shareholder's deficit £	Shareholder's equity £
Reconciliation of equity at 1 January 2014				
At 1 January 2014 as previously reported under previous GAAP	18,000	-	(9,609)	8,391
Adjustment 1- Reversal of prior impairment charges	-	-	3,752	3,752
Fair value gains on available for sale investments	-	21,409	-	21,409
As at 1 January 2014 in accordance with FRS 101	18,000	21,409	(5,857)	33,552

Notes to the reconciliation of equity at 1 January 2014:

On transition to FRS 101, certain fixed asset investments that were held at cost under previous GAAP were reclassified to available-for-sale investments. As a result, an adjustment is included in the reconciliation of opening shareholders' equity to measure these investments to their fair value. The fair value movement has been included within other reserves.

A further adjustment is made to reverse the prior impairments from 1 January 2014. This has been included in retained earnings.

Reconciliation of total comprehensive income for the year ended 31 December 2014:

	Under previous GAAP 2014 £'000	Effect of transition to FRS 101 £'000	FRS 101 2014 £'000
Statement of comprehensive income			
Other operating expenses	(9)	-	(9)
Exceptional items:			
Impairment charge for amounts written off investments	(3,883)	3,883	-
Operating loss	(3,892)	3,883	(9)
Loss on ordinary activities before interest and taxation	(3,892)	3,883	(9)
Finance expenses	(770)	-	(770)
Loss on ordinary activities before taxation	(4,662)	3,883	(779)
Taxation	167	-	167
Loss for the year	(4,495)	3,883	(612)
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Fair value losses on available-for-sale investment	-	(24,837)	(24,837)
	-	(24,837)	(24,837)
Other comprehensive loss for the year	-	(24,837)	(24,837)
Total comprehensive loss for the year	(4,495)	(20,954)	(25,449)

Notes to the financial statements for the year ended 31 December 2015

16 First-time adoption of FRS 100 and FRS 101 (continued)

Reconciliation of balance sheet for the year ended 31 December 2014:

Notes to the statement of comprehensive income at 31 December 2014:

On transition to FRS 101, certain fixed asset investments that were held at cost under previous GAAP were reclassified to available-for-sale investments. As a result, an adjustment is included in the reconciliation of opening shareholders' equity to measure these investments to their fair value. The fair value movement has been included within other reserves.

A further adjustment is made to reverse the prior impairments from 1 January 2014.

	Under previous GAAP 2014 £'000	Effect of transition to FRS 101 £'000	FRS 101 2014 £'000
Balance sheet			
Fixed assets			
Available-for-sale investment	111,022	4,207	115,229
Current assets			
Trade and other receivables	385	-	385
Creditors: amounts falling due within one year	(107,511)	-	(107,511)
Net current liabilities	(107,126)	-	(107,126)
Total assets less current liabilities	3,896	4,207	8,103
Net assets	3,896	4,207	8,103
Equity			
Share capital	18,000	-	18,000
Other reserves	-	(3,428)	(3,428)
Shareholder's deficit	(14,104)	7,635	(6,469)
Shareholder's equity	3,896	4,207	8,103

Notes to the comparative period reconciliation:

On transition to FRS 101, certain fixed asset investments that were held at cost under previous GAAP were reclassified to available-for-sale investment. As a result, an adjustment is included in the reconciliation of opening shareholders' equity to measure this investment to its fair value. The fair value movement has been included within other reserves.

A further adjustment is made to reverse the prior impairments from 1 January 2014. This has been included in retained earnings.