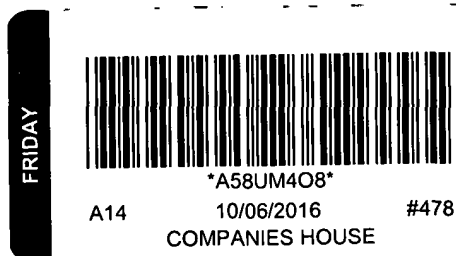


Glaxochem (UK) Unlimited
(Registered number: 4299472)

Annual Report

for the year ended 31 December 2015



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

Glaxochem (UK) Unlimited

Annual Report

for the year ended 31 December 2015

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Glaxochem (UK) Unlimited
(Registered number: 4299472)

Strategic report for the year ended 31 December 2015

The Directors present their Strategic report on Glaxochem (UK) Unlimited (the "Company") for the year ended 31 December 2015.

Principal activities and future developments

The Company is a member of the GlaxoSmithKline Group of companies (the "Group") and the principal activity is to hold loans with GlaxoSmithKline group companies, from which the Company earns interest. The Directors do not envisage any changes to the nature of the business in the foreseeable future.

Review of business

The Company made a profit for the financial year of £6,906,000 (2014: profit of £6,495,000). 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 profit for the year of £6,906,000 will be transferred to reserves (2014: profit for the year of £6,495,000 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 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 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 2015 Annual Report which does not form part of this report.

First time adoption of FRS 100 and FRS 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 not materially altered the recognition and measurement requirements previously applied in accordance with applicable accounting standards.

Glaxochem (UK) Unlimited
(Registered number: 4299472)

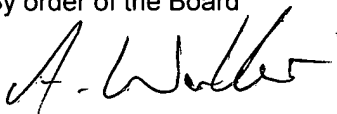
Strategic report for the year ended 31 December 2015

Group restructuring

On 2 March 2015, the Group completed a transaction with Novartis AG 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.

By order of the Board



A Walker

For and on behalf of Glaxo Group Limited
Corporate Director
2 June 2016

Glaxochem (UK) Unlimited
(Registered number: 4299472)

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 Statement of comprehensive income on page 7.

No dividend is proposed to the holders of Ordinary, Ordinary B and Ordinary C 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:

S P Dingemans
Edinburgh Pharmaceutical Industries Limited
Glaxo Group Limited

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business 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.

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 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), 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;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- 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.

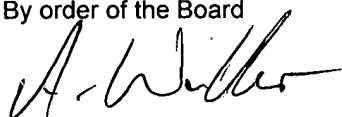
Disclosure of information to auditors

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 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.

By order of the Board



A Walker

For and on behalf of Glaxo Group Limited

Corporate Director

2 June 2016

Glaxochem (UK) Unlimited

Independent auditors' report to the members of Glaxochem (UK) Unlimited

Report on the financial statements

Our opinion

In our opinion, Glaxochem (UK) Unlimited'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 other 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.

Opinion on other matters 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 are 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.

Glaxochem (UK) Unlimited

Independent auditors' report to the members of Glaxochem (UK) Unlimited

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) ("ISA (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The 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 ISA (UK & 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 Annual Report 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
2 June 2016

Glaxochem (UK) Unlimited

**Statement of comprehensive income
for the year ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
Other operating expenses		(17)	(17)
Operating loss	4	(17)	(17)
Finance income	6	8,677	8,290
Profit on ordinary activities before income tax		8,660	8,273
Income tax expense on ordinary activities	7	(1,754)	(1,778)
Profit for the financial year		6,906	6,495

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 profit on ordinary activities before income tax and the profit for the financial year stated above and their historical cost equivalents.

The Company has no other comprehensive income during either the current year or prior year, and therefore no separate statement of other comprehensive income has been presented.

Glaxochem (UK) Unlimited

**Balance sheet
as at 31 December 2015**

	Notes	2015 £'000	2014 £'000
Current assets			
Other receivables	8	2,413,993	2,407,342
Creditors: amounts falling due within one year	9	(3,551)	(3,806)
Net current assets		2,410,442	2,403,536
Total assets less current liabilities		2,410,442	2,403,536
Capital and reserves			
Called up share capital	10	2,278,880	2,278,880
Share premium account		70,349	70,349
Retained earnings		61,213	54,307
Total shareholders' funds		2,410,442	2,403,536

The financial statements on pages 7 to 13 were approved by the Board of Directors on 2 June 2016 and signed on its behalf by:



A Walker
For and on behalf of Glaxo Group Limited
Corporate Director

Glaxochem (UK) Unlimited

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

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholders' funds £'000
At 1 January 2014	2,278,880	70,349	47,812	2,397,041
Profit and total comprehensive income for the year	-	-	6,495	6,495
At 31 December 2014	2,278,880	70,349	54,307	2,403,536
Profit and total comprehensive income for the year	-	-	6,906	6,906
At 31 December 2015	2,278,880	70,349	61,213	2,410,442

Glaxochem (UK) Unlimited

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

1 Presentation of the financial statements

General information

The principal activity of Glaxochem (UK) Unlimited ("the Company") is to hold loans with GlaxoSmithKline group companies, from which the Company earns interest.

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, 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 not materially altered the recognition and measurement requirements previously applied in accordance with applicable accounting standards. Consequently, the principal accounting policies are unchanged from the prior year and there were no comparative figures that required changing as a result of the current year adoption of FRS 101 "Reduced Disclosure Framework".

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:

- 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;
- 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);
 - 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); and
- 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.

Glaxochem (UK) Unlimited

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

(b) Ultimate and immediate 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 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 Setfirst Limited. These financial statements are separate financial statements.

(c) Other operating expenses

Management service fees are recognised in other operating expenses on an accruals basis.

(d) Finance income and expense

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

(e) Financial assets

Classification

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

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 amounts owed by Group undertakings.

Recognition and measurement

Loans and receivables are recognised at amortised cost using the effective interest method.

(f) Other payables

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.

(g) Taxation

Current tax is provided at the amounts expected to be paid applying the rates 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.

(a) Taxation

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

4 Operating loss

	2015 £'000	2014 £'000
The following items have been charged in operating loss:		
Management fee	(17)	(17)

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged of £17,000 in 2015 compared with £17,000 in 2014. Included in the management fee is a charge for auditor remuneration of £10,830 (2014: £10,515).

5 Employees

All employees 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).

6 Finance income

	2015 £'000	2014 £'000
On loans with Group undertakings	8,677	8,290

Glaxochem (UK) Unlimited

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

7 Taxation

	2015 £'000	2014 £'000
Income tax expense on ordinary activities		
Current tax:		
UK corporation tax at 20.25% (2014: 21.49%)	1,754	1,778
Total current tax	1,754	1,778
Income tax expense on ordinary activities	1,754	1,778

There are no items required to reconcile the profit on ordinary activities before taxation at the statutory rate of 20.25% (2014: 21.49%) to the total taxation charge.

No instance of 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 substantively enacted as part of the Finance Act 2013 on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted as part of the Finance (No 2) Act 2015 on 26 October 2015. This will reduce the Company's future current tax charge accordingly.

8 Other receivables

	2015 £'000	2014 £'000
Amounts owed by Group undertakings	2,413,993	2,407,342

The amounts owed by Group undertakings relates to a call account balance with GlaxoSmithKline IHC Ltd which is unsecured with interest charged at 0.36% per annum and repayable on demand.

9 Creditors

	2015 £'000	2014 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	1,797	2,028
Corporation tax	1,754	1,778
	3,551	3,806

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

The corporation tax creditor contains amounts which will be paid to fellow Group companies.

10 Share capital

	2015 Number of shares	2014 Number of shares	2015 £'000	2014 £'000
Authorised				
Ordinary Shares of £1 each (2014: £1 each)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
Ordinary B Shares of £1 each (2014: £1 each)	800,000,000	800,000,000	800,000	800,000
Ordinary C Shares of £1 each (2014: £1 each)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
	2,800,000,000	2,800,000,000	2,800,000	2,800,000
Issued and fully paid				
Ordinary Shares of £1 each (2014: £1 each)	925,744,482	925,744,482	925,744	925,744
Ordinary B Shares of £1 each (2014: £1 each)	597,059,782	597,059,782	597,060	597,060
Ordinary C Shares of £1 each (2014: £1 each)	756,075,935	756,075,935	756,076	756,076
	2,278,880,199	2,278,880,199	2,278,880	2,278,880

11 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.

Glaxochem (UK) Unlimited

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

12 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).

13 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 101 "Reduced Disclosure Framework" not to prepare a cash flow statement.

14 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 within the Group and disclosure of key management personnel compensation. *There are no other related party transactions.*