

Glaxochem (UK) Unlimited
(Registered number: 4299472)

Directors' report and financial statements

for the year ended 31 December 2013

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Brentford
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Glaxochem (UK) Unlimited

Directors' report and financial statements

for the year ended 31 December 2013

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Glaxochem (UK) Unlimited
(Registered number: 4299472)

Strategic report for the year ended 31 December 2013

The Directors submit their strategic report for the year ended 31 December 2013

Principal activities and future developments

Glaxochem (UK) Unlimited (the "Company") provides funding to other group undertakings. The Company is a member of the GlaxoSmithKline Group (the "Group"). During the year its surplus funds were deposited on arm's length terms with GlaxoSmithKline Finance plc, an affiliated finance company within 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 £6,645,000 (2012 profit of £8,123,000). 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 £6,645,000 will be transferred to reserves (2012 profit for the year of £8,123,000 transferred to reserves).

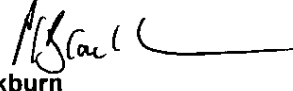
Key Performance Indicators (KPIs)

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 2013 Annual Report which does not form part of this report.

Principal risks and uncertainties

The Directors of GlaxoSmithKline plc manage the risks of 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 2013 Annual Report which does not form part of this report.

By order of the Board



P Blackburn
For and on behalf of Glaxo Group Limited
Corporate Director
06 May 2014

Glaxochem (UK) Unlimited
(Registered number 4299472)

Directors' report for the year ended 31 December 2013

The Directors submit their report and the audited financial statements for the year ended 31 December 2013

The profit for the year of £6,645,000 will be transferred to reserves (2012 profit for the year of £8,123,000 transferred to reserves)

Results and dividends

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

No dividend is proposed to the holders of Ordinary, Ordinary B or Ordinary C Shares in respect of the year ended 31 December 2013 (2012 £nil)

Directors

The Directors of the Company who were in office during the year and up to the date of signing of 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 Director in the execution and discharge of his or its duties.

In addition, each of the Directors that are individuals, benefit 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 reason of his engagement in the business of the Company.

Statement of Directors' responsibilities

The Directors are responsible for preparing the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

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

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



B Kelly-Bisla
For and on behalf of Edinburgh Pharmaceutical Industries Limited
Company Secretary
06 May 2014

Glaxochem (UK) Unlimited

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Glaxochem (UK) Unlimited, comprise

- the Balance sheet as at 31 December 2013,
- the Profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

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

In addition, we read all the financial and non-financial information in the Directors' report and the Strategic report for the year ended 31 December 2013 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 Directors' report and the Strategic 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and 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.

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
6 May 2014

Glaxochem (UK) Unlimited

**Profit and loss account
for the year ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
Other operating expenses		(14)	(16)
Operating loss	2	(14)	(16)
Interest receivable and similar income	3	8,670	10,774
Profit on ordinary activities before taxation		8,656	10,758
Tax on profit on ordinary activities	4	(2,011)	(2,635)
Profit for the financial year	8	6,645	8,123

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 taxation and the profit for the financial year stated above and their historical cost equivalents

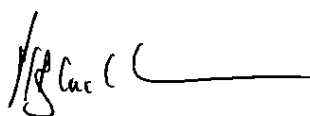
The Company has no recognised gains and losses during either the current year or the prior year other than those included in the results above, and therefore no separate statement of recognised gains and losses has been

Glaxochem (UK) Unlimited

**Balance sheet
as at 31 December 2013**

	Notes	2013 £'000	2012 £'000
Current assets			
Debtors	5	2,399,064	2,431,756
		2,399,064	2,431,756
Creditors amounts falling due within one year	6	(2,023)	(41,360)
Net current assets		2,397,041	2,390,396
Net assets		2,397,041	2,390,396
Capital and reserves			
Called up share capital	7	2,278,880	2,278,880
Share premium account	8	70,349	70,349
Profit and loss account	8	47,812	41,167
Total shareholders' funds	9	2,397,041	2,390,396

The financial statements on pages 6 to 10 were approved by the Board of Directors on 6 May 2014 and were signed on its behalf by



P Blackburn
For and on behalf of Glaxo Group Limited – Director

Glaxochem (UK) Unlimited

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

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

(a) Basis of accounting

These financial statements have been prepared on the going concern basis under the historical cost convention, the accounting policies set out below, which have been applied consistently, throughout the year, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards

(b) Interest

Interest receivable and similar income and interest payable and similar charges are accounted for on an accruals basis

(c) Taxation

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

2 Operating loss

	2013 £'000	2012 £'000
The following items have been charged in operating loss		
Management fee	(14)	(16)

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Included in the management fee is a charge for auditors' remuneration of £10,208 (2012 £9,911)

3 Interest receivable and similar income

	2013 £'000	2012 £'000
On loans with Group undertakings	8,670	10,774
	8,670	10,774

4 Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Tax (credit)/charge based on profits/(losses) for the financial year		
Current tax		
UK corporation tax at 23.25% (2012 24.5%)	2,011	2,635
Total current tax	2,011	2,635
Tax on profit on ordinary activities	2,011	2,635

The tax assessed for the year is lower (2012 no change) than the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012 24.5%). The differences are explained below

Glaxochem (UK) Unlimited

Notes to the financial statements for the year ended 31 December 2013

Reconciliation of current tax charge	£'000	£'000
Profit on ordinary activities at the UK statutory rate 23 25% (2012 24 5%)	2,012	2,635
Effects of Expenses not deductible for tax purposes	(1)	-
Current tax charge for the year	2,011	2 635

Factors that may effect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the Company's future current tax charge accordingly

No provision is required for deferred taxation

5 Debtors

	2013 £'000	2012 £'000
Amounts due within one year		
Amounts owed by Group undertakings	2,399,064	2,431,756
	2,399,064	2,431,756

Amounts owed by Group undertakings include call account balance with GlaxoSmithKline Finance plc which is unsecured with interest charged at 0 36% per annum and repayable on demand

6 Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	12	38,725
Corporation tax	2,011	2,635
	2,023	41,360

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand

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

7 Called up share capital

	2013 Number of shares	2012 Number of shares	2013 £'000	2012 £'000
Authorised				
Ordinary Shares of £1 each (2012 £1 each)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
Ordinary B Shares of £1 each (2012 £1 each)	800,000,000	800,000,000	800,000	800,000
Ordinary C Shares of £1 each (2012 £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 (2012 £1 each)	925,744,482	925,744 482	925,744	925,744
Ordinary B Shares of £1 each (2012 £1 each)	597,059,782	597,059,782	597,060	597,060
Ordinary C Shares of £1 (2012 £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

8 Reserves

	Profit and loss account £'000	Share premium account £'000	Total reserves £'000
At 1 January 2013	41,167	70,349	111,516
Profit for the financial year	6,645	-	6,645
At 31 December 2013	47,812	70,349	118,161

Glaxochem (UK) Unlimited

Notes to the financial statements for the year ended 31 December 2013

9 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	6,645	8,123
Net addition to shareholders' funds	6,645	8,123
Opening shareholders' funds	2,390,396	2,382,273
Closing shareholders' funds	2,397,041	2,390,396

10 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 2013 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

11 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 2).

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 (2012: £nil). Corporate Directors received no remuneration during the financial year, either as executives of the Group or in respect of their services to the Company (2012: £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 1 'Cash flow statements' (revised 1996) not to prepare a cash flow statement.

14 Ultimate parent undertaking

GlaxoSmithKline plc, a company registered in England and Wales, is the Company's ultimate parent undertaking and controlling party. The largest and smallest group of undertakings for which group financial statements are prepared and which include the results of the Company, are the consolidated financial statements of GlaxoSmithKline plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertakings are GlaxoSmithKline SL LP and Setfirst Limited.

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 8 'Related party disclosures' not to disclose any related party transactions within the Group. There are no other related party transactions.