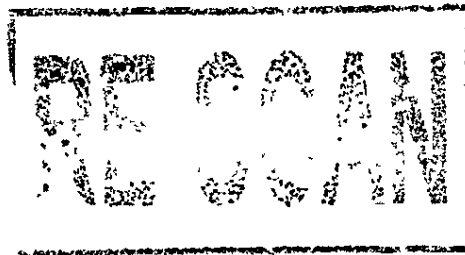


SmithKline Beecham Research Limited
(Registered Number 229017)

Annual Report and Financial Statements

For the year ended 31st December 2009



Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS

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SmithKline Beecham Research Limited
Annual Report and Financial Statements
For the year ended 31st December 2009

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SmithKline Beecham Research Limited
(Registered Number 229017)

Directors' Report for the year ended 31st December 2009

The Directors submit their report and the audited financial statements for the year ended 31st December 2009

Principal activities

The principal activity of the Company is the manufacture and supply of pharmaceutical products to GlaxoSmithKline Group ("the Group") companies in the Philippines

Review of business

The Company made a profit on ordinary activities after taxation of £4,083,000 (2008 - loss of £3,948,000) The Directors are of the opinion that the current level of activity and the year end financial position are sustainable, and that the Company remains a going concern due to support from GlaxoSmithKline Finance plc

The retained profit for the year of £4,083,000 will be transferred to reserves (2008 - loss for the year of £3,948,000 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 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 2009 Annual Report ("Corporate Governance" section) which does not form part of this report

Key performance indicators

The Directors of GlaxoSmithKline plc 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 2009 Annual Report ("Corporate Governance" section) which does not form part of this report

Results and dividends

The Company's results for the financial year are shown in the profit and loss account on page 4

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31st December 2009 (2008 - £nil)

Branches

Smithkline Beecham Research Limited - Philippines branch

Directors and their interests

The Directors of the Company who served during the year are as follows

Edinburgh Pharmaceutical Industries Limited
Glaxo Group Limited
Paul Blackburn (appointed 9 September 2009)

Directors' Indemnity

Each of the Directors benefits from an indemnity given by the Company under its articles of association This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of his, her or its duties

SmithKline Beecham Research Limited
(Registered Number 229017)

Directors' Report for the year ended 31st December 2009 (continued)

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

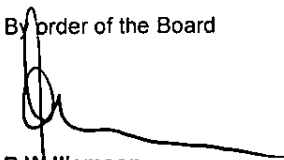
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed in accordance with an elective resolution made under s386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the Board



P Williamson
For and on behalf of Edinburgh Pharmaceutical Industries Limited - Secretary
3rd March 2010

SmithKline Beecham Research Limited

Independent Auditors' Report to the members of SmithKline Beecham Research Limited

We have audited the financial statements of SmithKline Beecham Research Limited for the year ended 31st December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of the Company's affairs at 31st December 2009 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 March 2010

SmithKline Beecham Research Limited

Profit and Loss Account

For the year ended 31st December 2009

	Notes	2009 £000	2008 £000
Turnover	2	4,637	3,776
Cost of sales		(4,136)	(4,055)
Gross profit/(loss)		501	(279)
Administrative expenses		(16)	(41)
Other operating income	3	463	422
Operating profit	4	948	102
Income from shares in group undertakings	5	5,934	-
Profit before interest and taxation		6,882	102
Net interest payable	6	(451)	(2,839)
Profit/(loss) on ordinary activities before taxation		6,431	(2,737)
Taxation	7	(2,348)	(1,211)
Retained profit/(loss) for the financial year	16	4,083	(3,948)

The results disclosed above relate entirely to continuing operations

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

SmithKline Beecham Research Limited

Statement of Total Recognised Gains and Losses
For the year ended 31st December 2009

	2009	2008
	£000	£000
Profit/(loss) for the financial year	4,083	(3,948)
Exchange movement on overseas net assets	(2,640)	4,562
Actuarial profits/(losses) on pension schemes	601	(653)
Tax effect of actuarial profits/(losses) on pension schemes	(168)	183
Total gains and losses recognised	1,876	144

SmithKline Beecham Research Limited

Balance Sheet

As at 31st December 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Tangible assets	8	4,151	4,639
Investments	9	13,702	15,000
		17,853	19,639
Current assets			
Current asset investments	10	201	218
Debtors	11	47,059	47,520
Cash at bank and in hand		3,083	8,063
		50,343	55,801
Creditors amounts falling due within one year	13	(60,432)	(69,027)
Net current liabilities		(10,089)	(13,226)
Total assets less current liabilities		7,764	6,413
Provisions for liabilities	14	(383)	(513)
Net pension asset	19	839	444
Net assets		8,220	6,344
Capital and reserves			
Called up share capital	15	1,616	1,616
Profit and loss account	16	6,604	4,728
Total shareholders' funds	17	8,220	6,344

The accounts on pages 4 to 14 were approved by the Board of Directors on 3rd March 2010 and were signed on its behalf by:



A Gnst

For and on behalf of Edinburgh Pharmaceutical Industries Limited – Director

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009

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, based on financial support from GlaxoSmithKline Finance plc, under the historical cost convention, the accounting policies set out below, which have been applied consistently, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards

(b) Foreign currency transactions

Foreign currency transactions are booked in local currency at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into local currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in operating profit. On consolidation, assets and liabilities of the overseas branch are translated into Sterling at rates of exchange ruling at the balance sheet date. The results of the overseas branch are translated into Sterling using average rates of exchange. Exchange adjustments arising when the opening net assets and profits for the year retained by the branch are translated into Sterling are recorded in reserves.

(c) Revenue

Revenue is recognised in the profit and loss account when goods or services are supplied to, or made available for collection by, external customers or other group subsidiaries against orders received. Turnover represents the net invoice value after the deduction of discounts given at the point of sale. Value added tax and other sales taxes are excluded from revenue.

(d) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Advertising expenditure is charged to the profit and loss account as incurred. Shipment costs on inter-company transfers are charged to cost of sales.

(e) Dividends paid and received

Interim dividends paid and received are included in the profit and loss account in the period in which the related dividend is actually paid or received. Final dividends are recorded in the profit and loss account upon shareholder approval.

(f) Retirement Benefits

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

The Philippines branch also operates a non-contributory defined benefit scheme based on final pensionable pay and total years of service. The scheme assets are held separately in a trustee administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the Company.

(g) Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less provisions for depreciation or impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets, excluding freehold land, in equal annual instalments over their expected useful lives. The normal expected useful lives of the major categories of tangible fixed assets are:

Land and buildings	20 to 50 years
Plant and machinery	3 to 10 years
Motor Vehicles	5 years

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

(h) Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment when there is an indication that the assets might be impaired. Any provision for impairment is charged against profit in the year concerned. First year impairment reviews are conducted for acquired goodwill and intangible assets. Certain intangibles are considered to have an indefinite life and are therefore not amortised. Such intangibles are subject to annual impairment tests. Impairment is determined by reference to the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows. Any provision for impairment is charged to the profit and loss account.

(i) Fixed asset investments

Fixed asset investments are stated in the balance sheet at cost less any provision made for impairment in value. Such investments are classified as current assets when regarded as available for sale.

(j) Leases

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

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

(k) Taxation

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

The Company accounts for taxation which is deferred or accelerated by reason of timing differences which have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits. Deferred tax on the retained earnings of overseas subsidiaries is only provided when there is a binding commitment to distribute past earnings in future periods.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax liabilities and assets are not discounted.

2 Segmental information

The Company's turnover was derived from the Pharmaceuticals business with customers located in the Philippines

3 Other operating income

	2009 £000	2008 £000
Third party royalties and other income	463	422

4 Operating profit

	2009 £000	2008 £000
The following items have been charged in operating profit		
Depreciation of tangible fixed assets		
Owned assets	621	553
Loss on disposal of fixed assets	-	2
Exchange losses on foreign currency transactions	(4)	4
Operating lease rentals		
Land and buildings	53	43
Plant, equipment and vehicles	31	27
Management fee	11	11
Audit fees		
Auditors' overseas firm	10	9

Auditors' remuneration of £7,455 has been borne by GlaxoSmithKline Export Limited

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged

5 Income from shares in group undertakings

	2009 £000	2008 £000
Dividends	5,934	-

On 18th August 2009 SmithKline Beecham Research Limited received a dividend of PHP 470,153,888.70 from GlaxoSmithKline Philippines Inc

6 Net interest payable

	2009 £000	2008 £000
Interest payable and similar charges		
On loans with group undertakings	(577)	(2,949)
Finance cost on pension schemes	(22)	(21)
	(599)	(2,970)
Interest receivable and similar income		
Other interest income	148	131
	(451)	(2,839)

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

7 Taxation

	2009 £000	2008 £000
Taxation charge based on profits for the period		
UK corporation tax at 28% (2008 28.5%)	321	(18)
Overseas tax	1,889	24
Double tax relief	(119)	-
Under provision in previous years	284	1,279
Current tax charge	2,375	1,285
Deferred taxation - current year charge/(credit)	(31)	(11)
Deferred taxation - prior year	4	(63)
Deferred taxation	(27)	(74)
Total tax charge	2,348	1,211
Reconciliation of current taxation charge		
	2009 £000	2008 £000
Profit/(loss) on ordinary activities at the UK statutory rate 28% (2008 28.5%)	1,801	(781)
Income not taxable	(1,661)	-
Overseas tax	1,889	24
Double tax relief	(119)	-
Permanent disallowable - interest treated as paid by ultimate parent	139	749
Prior year adjustments to current tax	284	1,279
Capital allowances in excess of depreciation	31	11
Other permanent differences	11	3
Current tax charge for the period	2,375	1,285

The prior period adjustments are in respect of various periods and arise from revision during the year of management's estimates following agreements with tax authorities and the subsequent amendments to UK group loss utilisation and payment allocation

The deferred tax charge of £31,000 includes a charge of £Nil in relation to the pension scheme surplus. The deferred tax liability in respect of the pension surplus is included as part of the pension scheme surplus in accordance with FRS 17

8 Tangible fixed assets

	Land and buildings £000	Plant equipment and vehicles £000	Total £000
Cost			
At 1st January 2009	1,888	8,872	10,760
Additions	28	515	543
Disposals	-	(125)	(125)
Exchange movement	(163)	(599)	(762)
At 31st December 2009	1,753	8,663	10,416
Accumulated depreciation			
At 1st January 2009	(769)	(5,352)	(6,121)
Provision for the year	(63)	(558)	(621)
Disposals	-	116	116
Exchange movement	67	294	361
At 31st December 2009	(765)	(5,500)	(6,265)
Net book value at 1st January 2009	1,119	3,520	4,639
Net book value at 31st December 2009	988	3,163	4,151

9 Fixed asset investments

	Subsidiary undertaking £000
Cost at 1st January 2009	16,000
Exchange adjustments	(1,298)
Cost at 31st December 2009	13,702

Details of the participating interests of the Company as at 31st December 2009 are given in Note 26

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

10 Current asset investments

	£000
Cost at 1st January 2009	218
Exchange adjustments	(17)
Cost at 31st December 2009	201

Current asset investments comprise entirely of unlisted investments

11 Debtors

	2009 £000	2008 £000
Amounts due within one year		
Amounts owed by group undertakings	46,174	48,081
Other debtors	885	1,158
Taxation	-	281
	47,059	47,500
Amount due after one year		
Deferred taxation	-	20
	47,059	47,520

The taxation debtor contains amounts which will be recovered by way of payments from fellow group companies

12 Deferred tax asset

	£000
At 1st January 2009	20
Prior year charge	(18)
Exchange movements	(2)
At 31st December 2009	-

13 Creditors

	2009 £000	2008 £000
Amounts falling due within one year		
Trade creditors	129	351
Amounts owed to group undertakings	58,659	67,501
Taxation	396	-
Other creditors	1,248	1,175
	60,432	69,027

14 Provisions for liabilities

Deferred tax liability	2009 £000	2008 £000
Accelerated capital allowances	383	513
	383	513

Deferred tax liability	£000
At 1st January 2009	513
Credit to profit and loss account	(31)
Exchange movements	(85)
Prior year credit	(14)
At 31st December 2009	383

The deferred tax liability in respect of the pension scheme surplus is included as part of the pension scheme surplus in accordance with FRS 17

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

15 Called up share capital - equity interests

	2009 Number of shares	2008 Number of shares	2009 £000	2008 £000
Authorised				
Ordinary Shares of 25p each	8,000,000	8,000,000	2,000	2,000
Issued and fully paid				
Ordinary Shares of 25p each	6,462,400	6,462,400	1,616	1,616

16 Reserves - equity interests

	Profit & Loss account £000
At 1st January 2009	4,728
Profit for the financial year	4,083
Exchange movement on overseas net assets	(2,640)
Actuarial gains/(losses) on pension schemes	601
Deferred tax on pension asset movement	(168)
At 31st December 2009	6,604

17 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit/(loss) for the financial year	4,083	(3,948)
Actuarial gains/(losses) on pension schemes	601	(653)
Tax effect of actuarial gains/(losses) on pension schemes	(168)	183
Exchange movement on overseas net assets	(2,640)	4,562
Net addition to shareholders' funds	1,876	144
Opening shareholders' funds	6,344	6,200
Closing shareholders' funds - equity interests	8,220	6,344

18 Commitments

At 31 December 2009, the Company had annual commitments under non-cancellable operating leases expiring as follows

	2009 £000	2008 £000
Operating leases on land and buildings which expire		
In one year or less	52	47
Between one and five years	8	-
	60	47
Operating leases on plant equipment and vehicles which expire		
In one year or less	8	2
Between one and five years	12	16
	20	18

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

19 Pensions

The Philippines branch operates a defined contribution scheme. The assets of the scheme are held separately in a trustee administered fund. Contributions to the fund are charged to the profit and loss account in the period to which the contributions relate. The charge for the period was £18,000 (2008 - £14,000). There was £Nil outstanding creditor balance in respect of the scheme as 31st December 2009 (2008 - £Nil).

The Philippines branch also operates a non-contributory defined benefit scheme based on final pensionable pay and total years of service. The scheme assets are held separately in a trustee administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the Company. The contributions are determined by an independent qualified actuary on the basis of valuations using the projected unit method. The most recent valuation was at 31 December 2009. The main assumptions used in this valuation were that the rate of return on investments would be 5.25% per annum and the rate of increase in salaries would be 6% per annum.

The total amount charged to the profit and loss statement during the period was £21,000 (2008 - charge of £97,000).

The Company accounts for pension arrangements in accordance with FRS17 'Retirement Benefits'. An Amendment to FRS 17, published in 2006 was adopted last year resulting in the restatement of certain comparative figures to reflect the change in the asset valuation methodology. Certain disclosures are required on the basis of the valuation methodology adopted by FRS 17. For defined benefit schemes the fair values of pension scheme assets at 31 December 2009 are compared with the future pension liabilities calculated under the projected unit method applying the following assumptions:

Principal financial assumptions

	2009 % pa	2008 % pa	2007 % pa
Rate of increase of future earnings	6.0	8.0	8.0
Discount rate	9.0	12.0	8.3
Expected pension increases	-	-	-
Inflation assumption	6.0	8.0	6.0

Mortality Assumptions

The mortality assumptions are based on 1983 Group Annuity Tables.

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

	Expected Rate of Return %	2009 £000	Expected Rate of Return %	2008 £000	Expected Rate of Return %	2007 £000
Cash in Bank	0%	-	0%	8	0%	68
Investments	7%	833	9%	230	8%	835
Land	4%	562	4%	583	4%	465
Fair value of assets		1,395		821		1,368
Present value of scheme liabilities		(230)		(204)		(307)
Surplus in the scheme		1,165		617		1,061
Related deferred tax liability		(326)		(173)		(297)
Net pension asset		839		444		764

The actual return on scheme assets was £634,000 (2008 - charge of £557,000).

The following amounts were recorded in the profit and loss account and statement of recognised gains and losses for the year ended 31st December 2009:

Amounts charged to operating profit	2009 £000	2008 £000
Current service cost	36	93
Curtailment/Settlement	-	72
Total operating charge	36	165
Amounts credited/(charged) to net interest	2009 £000	2008 £000
Expected return on pension scheme assets	37	89
Interest on pension scheme liabilities	(22)	(21)
Total credited to net interest	15	68
Amounts recorded in statement of total recognised gains and losses	2009 £000	2008 £000
Actual return less expected return on pension scheme assets	597	(646)
Experience (loss)/gain arising on the scheme liabilities	37	(88)
Changes in assumptions underlying the present value of scheme liabilities	(33)	81
Actuarial gain/(loss) recognised	601	(653)

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

19 Pensions (continued)

The cumulative actuarial gains recorded in the statement of recognised gains and losses amounted to £418,000 (2008 losses of £183,000)

Changes to the present value of the defined obligation are as follows	2009 £000	2008 £000
Obligation in scheme at beginning of the year	204	307
Effect on retranslation of surplus at 2009 exchange rates	(17)	61
Movement in year		
Charged to operating profit	36	93
Benefits paid	(11)	(285)
Interest cost	22	21
Actuarial (profit)/loss recognised in statement of total recognised gains and losses	(4)	7
Surplus in scheme at end of the year	230	204

Changes to the fair value of plan assets during the year are as follows	2009 £000	2008 £000
Assets in scheme at beginning of the year	821	1 368
Effect on retranslation of surplus at 2009 exchange rates	(70)	269
Movement in year		
Expected return on plan assets	37	89
Contributions by plan participants and employer	21	97
Benefits paid	(11)	(357)
Actuarial profit/(loss) recognised in statement of total recognised gains and losses	597	(645)
Assets in scheme at end of the year	1,395	821

History of experience adjustments	2009 £000	2008 £000	2007 £000
Experience adjustments on scheme assets	597	(646)	(2)
Percentage of scheme assets at 31st December	43%	(79%)	(0%)
Experience adjustments on scheme liabilities	37	(88)	461
Percentage of present value of scheme liabilities at 31st December	16%	(43%)	(150%)
Total amount recognised in statement of total recognised gains and losses (£'000)	601	(653)	489
Percentage of present value of scheme liabilities at 31st December	261%	(320%)	(159%)

History of experience adjustments	2006 £000	2005 £000
Experience adjustments on scheme assets	40	8
Percentage of scheme assets at 31st December	4%	1%
Experience adjustments on scheme liabilities	(90)	87
Percentage of present value of scheme liabilities at 31st December	(15%)	(21%)
Total amount recognised in statement of total recognised gains and losses (£'000)	(50)	93
Percentage of present value of scheme liabilities at 31st December	(9%)	(23%)

SmithKline Beecham Research Limited

Notes to the Financial Statements for the year ended 31st December 2009 (continued)

20 Employees

	2009 £000	2008 £000
Employee costs		
Wages and salaries	1,238	1,229
Social security costs	25	21
Pension and other post retirement costs	40	97
	1,303	1,347
The average monthly number of persons employed by the Company (including Directors) during the year	2009	2008
Manufacturing	109	100

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.

21 Directors' remuneration

The Corporate Directors of the Company received no remuneration in respect of their service to the Company (2008 - Nil). The remaining Director of the Company was remunerated as an executive of the Group and received no remuneration in respect of services to the Company.

22 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.

23 Group financial statements

The Company is a wholly owned subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under Section 400 of the Companies Act 2006.

24 Ultimate parent undertaking

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

25 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.

26 Principal subsidiary and associated undertakings

The principal subsidiary and associated undertakings of the Company as at 31st December 2009 are as follows:

Company	Percentage shares held	Class of shares held	Country of Incorporation
GlaxoSmithKline Philippine Inc	23.5%	Ordinary	Philippines

Held directly by SmithKline Beecham Research Limited