GlaxoSmithKline Finance plc
(Registered number: 00242686)

Annual Report and Financial Statements

for the year ended 31 December 2015

Registered office address:
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Brentford
Middlesex
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GlaxoSmithKline Finance plc

Annual Report and Financial Statements

for the year ended 31 December 2015

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GlaxoSmithKline Finance plc
(Registered number: 00242686)

Strategic report for the year ended 31 December 2015

The Directors present their strategic report on GlaxoSmithKline Finance plc (the "Company") for the year ended 31 December 2015.

Principal activities

The Company is a member of the GlaxoSmithKline Group of companies (the "Group") and provides financial services to other companies within the Group, including borrowing through the issue of short term securities and investing in short term securities in order to manage the liquidity requirements of Group undertakings. The Company also uses a variety of derivative financial instruments to manage the Group's foreign exchange and interest rate risks.

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 £1,252,081,000 (2014: profit of £53,764,000), which will be transferred to reserves. 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.

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 materially altered the recognition and measurement requirements previously applied in accordance with applicable accounting standards. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the notes to the financial statements.

On behalf of the Board

A. Walker

A Walker
For and on behalf of Glaxo Group Limited
Corporate Director
28 June 2016

GlaxoSmithKline Finance plc
(Registered number: 00242686)

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.

Future Developments

Details of expected future developments of the Company have been included in the Strategic Report on page 1.

Results and dividends

The Company's results for the financial year are shown in the Income statement on page 6.

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

Financial instruments

The Company has entered into foreign currency swaps and foreign exchange forward contracts in order to swap intercompany loans and deposits into the Company's functional currency. Details of financial risk management are disclosed in Note 4.

Post balance sheet events

On 10 March 2016, the Company received a dividend from its subsidiary, GlaxoSmithKline Holdings (Americas) Inc., of US$1,500,000,000 (£1,053,324,000). Further information on dividends received during the financial year is detailed in Note 7 to the financial statements "Income from subsidiaries".

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:

Edinburgh Pharmaceutical Industries Limited
Glaxo Group Limited
The Wellcome Foundation Limited
Mr S Dingemans
Dr S Vicentini

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 Finance plc
(Registered number: 00242686)

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 willing to continue in office as auditors and resolutions dealing with their reappointment and remuneration will be proposed at a General Meeting of the Company.

On behalf of the Board

A Walker
For and on behalf of Glaxo Group Limited
Corporate Director
28 June 2016

GlaxoSmithKline Finance plc

Independent auditors' report to the members of GlaxoSmithKline Finance plc

Report on the financial statements

Our opinion

In our opinion, GlaxoSmithKline Finance plc'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 prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 December 2015;
- the Income Statement for the year then ended;
- 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.

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 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 Finance plc

Independent auditors' report to the members of GlaxoSmithKline Finance plc

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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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 parent 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 & 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.

We primarily focus our work in these 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.

Other matter

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
28 June 2016

GlaxoSmithKline Finance plc

Income statement
for the year ended 31 December 2015

	Notes	2015 £'000	Restated 2014 £'000
Turnover	5	**71,035**	64,172
Gross profit		**71,035**	64,172
Other operating expense		**(5,909)**	(4,380)
Operating profit	6	**65,126**	59,792
Income from subsidiaries	8	**1,226,167**	-
Profit before interest and taxation		**1,291,293**	59,792
Finance income	9	**501,811**	488,094
Finance expense	10	**(535,418)**	(474,665)
Net Finance (expense) / income		**(33,607)**	13,429
Profit on ordinary activities before income tax		**1,257,686**	73,221
Income tax expense on ordinary activities	11	**(5,605)**	(19,457)
Profit for the financial year		**1,252,081**	53,764

The restatement of the 2014 financial statements reflects adjustments made due to the adoption of FRS 100 and FRS 101. An explanation of the first time application of FRS 100 and 101 is detailed in Note 24.

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 notes on pages 10 to 25 are an integral part of these financial statements.

GlaxoSmithKline Finance plc

Statement of comprehensive income
for the year ended 31 December 2015

	Note	2015 £'000	Restated 2014 £'000
Profit for the financial year		**1,252,081**	53,764
Items that may be subsequently reclassified to the income statement:			
Reclassification of cash flow hedges to the income statement		**(1,266)**	2,863
Items that will not be reclassified to the income statement:			
Non-realised dividend in kind	12	**2,920,846**	1,246,197
Total comprehensive income for the financial year		**4,171,661**	1,302,824

The restatement of the 2014 financial statements reflects adjustments made due to the adoption of FRS 100 and FRS 101. An explanation of the first time application of FRS 100 and 101 is detailed in Note 24.

The notes on pages 10 to 25 are an integral part of these financial statements.

GlaxoSmithKline Finance plc

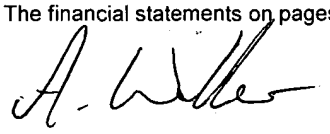
Balance sheet
as at 31 December 2015

	Notes	2015 £'000	Restated 2014 £'000
Fixed assets			
Investments	12	**46,875,633**	43,954,787
Total fixed assets		**46,875,633**	43,954,787
Current assets			
Other receivables	13	**60,951,869**	51,378,484
- including £2,696,947,000 (2014: £2,541,611,000) due after more than one year			
Cash and cash equivalents	19	**2,445,334**	916,989
Total current assets		**63,397,203**	52,295,473
Creditors: amounts falling due within one year	14	**(49,022,267)**	(39,297,968)
Net current assets		**14,374,936**	12,997,505
Total assets less current liabilities		**61,250,569**	56,952,292
Creditors: amounts falling due after more than one year	14	**(6,280,344)**	(6,153,728)
Net assets		**54,970,225**	50,798,564
Capital and reserves			
Called up share capital	20	**17,870,000**	17,870,000
Capital reserve		**4,167,043**	1,246,197
Other reserves		**-**	1,266
Retained earnings		**32,933,182**	31,681,101
Total shareholders' funds		**54,970,225**	50,798,564

The restatement of the 2014 financial statements reflects adjustments made due to the adoption of FRS 100 and FRS 101. An explanation of the first time application of FRS 100 and 101 is detailed in Note 24.

The notes on pages 10 to 25 are an integral part of these financial statements.

The financial statements on pages 6 to 25 were approved by the Board of Directors on 28 June 2016 and signed on its behalf by:



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

GlaxoSmithKline Finance plc

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

	Called up share capital £'000	Capital reserve £'000	Other reserves £'000	Retained earnings £'000	Total shareholders' funds £'000
At 1 January 2014 (restated)	17,870,000	-	(1,597)	31,627,337	49,495,740
Profit for the financial year	-	-	-	53,764	53,764
Other comprehensive income for the financial year	-	1,246,197	2,863	-	1,249,060
At 31 December 2014 (restated)	17,870,000	1,246,197	1,266	31,681,101	50,798,564
Profit for the financial year	-	-	-	1,252,081	1,252,081
Other comprehensive income for the financial year	-	2,920,846	(1,266)	-	2,919,580
At 31 December 2015	17,870,000	4,167,043	-	32,933,182	54,970,225

The restatement of the 2014 financial statements reflects adjustments made due to the adoption of FRS 100 and FRS 101. An explanation of the first time application of FRS 100 and 101 is detailed in Note 24.

The notes on pages 10 to 25 are an integral part of these financial statements.

1 Presentation of the financial statements

General Information

The Company is a member of the GlaxoSmithKline Group of companies (the "Group") and provides financial services to other companies within the Group, including borrowing through the issue of short-term securities and investing in short term securities in order to manage the liquidity requirements of Group undertakings. The Company also uses a variety of derivative financial instruments to manage the Group's foreign exchange and interest rate risks.

The company is a public 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"). The principal accounting policies adopted in the preparation of the financial statements are set out below.

These financial statements have been prepared on the going concern basis, under the historical cost convention (as modified by the revaluation of derivative financial assets and liabilities at fair value through profit and loss and available for sale financial assets), 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. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in Note 24.

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 some of the disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- 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); and
  - 111 (cash flow statement information)
- 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.

(b) Consolidation

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. 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 GlaxoSmithKline Holdings Limited. These financial statements are separate financial statements.

(c) Foreign currency transactions

Foreign currency transactions are recorded in the 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 the income statement. The functional and presentation currency of the Company is Pounds Sterling.

(d) Turnover
Turnover represents margins made on Treasury activities in relation to derivative financial instruments used to manage foreign exchange and interest rate risks.

(e) Other operating expense
Management service fees are recognised in other operating expense on an accruals basis.

(f) 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 in the Statement of comprehensive income.

(g) Finance income and expense
Finance income and expenses on short-term loans, overdrafts and commercial paper and on loans with Group undertakings are recognised on an accruals basis using the effective interest method.

(h) Financial assets

Classification
The company classifies its financial assets in the following categories: at fair value through profit or loss, and 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.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges (see Note 2(n) Derivative financial instrument and hedging accounting policy). Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

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. The Company's loans and receivables comprise cash, commercial paper held by Group undertakings and amounts owed by Group undertakings in the Balance sheet.

Recognition and measurement
Regular way purchases and sales of financial assets are recognised in the trade-date, being the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. 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. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within finance income or expense in the period in which they arise.

(i) Impairment of financial assets
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(j) Investment in subsidiaries
Investments in subsidiaries are held at cost less accumulated impairment losses.

(k) 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 income statement 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.

(l) Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

(m) 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.

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 probably that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the Balance sheet date.

(n) Derivative financial instruments and hedging

Derivative financial instruments are used to manage the exposure to market risks. The principal derivative instruments used by the Company are foreign currency swaps, foreign exchange forward contracts and foreign exchange option contracts. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Derivative financial instruments are classified as held-for-trading and are carried in the balance sheet at fair value. Derivatives designated as hedging instruments are classified on inception as cash flow hedges or fair value hedges.

Changes in the fair value of derivatives designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedges are effective. Ineffective portions are recognised in profit or loss immediately. Amounts deferred in other comprehensive income are reclassified to the income statement when the hedged item affects profit or loss.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

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) Turnover

Turnover represents margins made on Treasury activities in relation to derivative financial instruments used to manage foreign currency risks. Details of financial risk management are disclosed in Note 4. Turnover is recognised in the income statement on the settlement date of the foreign exchange contract.

(b) Taxation

Current tax is provided at the amounts expected to be paid, and deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted by the Balance sheet date.

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, based on management's assumptions relating to the amounts and timing of future taxable profits.

(c) Impairment of investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses. Annual impairment tests are carried out to ascertain if the carrying value of investments are impaired. These tests comprise a comparison between the carrying value of investment in subsidiary and the net asset value of the subsidiary. In some instances, valuations of subsidiary companies are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate interest rates.

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 Financial risk management

Risk management is carried out by Corporate Treasury under policies and procedures approved by the Group's Board of Directors on 8 July 2015. The role of Corporate Treasury is to monitor and manage the Group's external and internal funding requirements and financial risks, covering foreign exchange, interest rate, liquidity, and credit risks, in support of the Group's strategic objectives. A Treasury Management Group meeting, chaired by the Group's Chief Financial Officer, also takes place on a monthly basis to review treasury activities.

(a) Capital management

GlaxoSmithKline's financial strategy supports the Group's strategic priorities and is regularly reviewed by the Board, of which the capital structure of the Group is managed through an appropriate mix of debt and equity.

The capital structure of the Company consists of net cash of £5.5 billion (see Note 19, "Net cash") and shareholders' equity of £55.0 billion (see Statement of changes in equity). Total capital is £49.5 billion.

The Company's short-term credit rating with Standard and Poor's is A-1 and with Moody's Investor Services is P-1.

(b) Market risk

(i) Foreign exchange risk

Foreign currency exposures arise from the translation of financial assets and liabilities which are not in the functional currency of the Company and consists of cash and cash equivalents, bank overdrafts, intercompany loans and deposits, other receivables and payables and derivative financial instruments hedging the Company's non Sterling intercompany loans and deposits.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily from the Euro and US dollar. This arises as a result of short-term notes issued under the Group's $10 billion (£6.8 billion) US commercial paper programme and the Group's internal funding requirements predominately made in Euro.

The Company uses derivative financial instruments to manage the foreign exchange risks arising from these financing activities. These derivatives, principally comprising forward foreign exchange contracts, are used to swap intercompany loan and deposits into the Company's functional currency in order to manage exposure to financial risk from changes in foreign exchange rates. On this basis, as all of the Company's intercompany loans and deposits were fully hedged to maturity using foreign exchange currency contracts, foreign exchange risk is not considered material and the Company has not prepared a sensitivity analysis.

(ii) *Interest rate risk*

The Group's objective is to minimise the effective net interest cost and to balance the mix of debt at fixed and floating interest rates over time. The policy on interest rate risk management limits the amount of floating interest payments to a prescribed percentage of operating profit.

The Company's interest rate risk arises from short-term borrowings and the provision of internal funding for the Group. Borrowings issued at variable rates expose the Company to interest rate risk which is partially offset by cash held at variable rates. The Company has amounts owed to Group undertakings which are at fixed rates and expose the Company to fair value interest rate risk.

(iii) *Credit risk*

Credit risk is managed on a Group basis and arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group sets global counterparty limits for each of its banking and investment counterparties based on long-term credit ratings from Standard and Poor's and Moody's Investor Services ('Moody's). Usage of these limits is monitored daily and Corporate Treasury actively manages its exposure to credit risk, reducing surplus cash balances wherever possible.

There are no financial assets that are past due or impaired as at 31 December 2015 (2014: £nil).

The Company did not hold any collateral as security or obtained other credit enhancements as at 31 December 2015 (2014: £nil).

The Company considers its maximum exposure to credit risk at 31 December 2015, without taking into account any collateral held or other credit enhancements, to be £63,390,934,000 (2014: £52,294,383,000) which is the total of the Company's financial assets, see Note 15.

2015	**AAA/Aaa £'000**	**AA/Aa £'000**	**A/A £'000**	**BBB/Baa and below £'000**	**Unrated £'000**	**Total £'000**
Bank balances and deposits	-	526	1,392,647	-	-	1,393,173
Liquidity funds	1,052,161	-	-	-	-	1,052,161
Third party financial derivatives	-	44,162	64,004	2,564		110,730
Amounts owed by Group undertakings	-	-	-	-	60,834,870	60,834,870
Total	1,052,161	44,688	1,456,651	2,564	60,834,870	63,390,934

2014	AAA/Aaa £'000	AA/Aa £'000	A/A £'000	BBB/Baa and below £'000	Unrated £'000	Total £'000
Bank balances and deposits	-	117,257	799,600	-	-	916,857
Liquidity funds	132	-	-	-	-	132
Third party financial derivatives	-	48,211	97,188	-	-	145,399
Amounts owed by Group undertakings	-	-	-	-	51,231,995	51,231,995
Total	132	165,468	896,788	-	51,231,995	52,294,383

The credit ratings in the above tables are as assigned by Standard and Poor's and Moody's respectively. Where the opinion of the two rating agencies differ, the lower rating of the two is assigned to the counterparty.

The Company's greatest concentration of credit risk was £418,140,000 with Mizuho Bank Ltd (A/A1) (2014: £440,000,000 with Mizuho Bank Ltd (A+/A1)).

There are no financial assets that are past due or impaired as at 31 December 2015.

The Company did not hold any collateral as security or obtained other credit enhancements as at 31 December 2015.

(iv) *Liquidity risk*

Liquidity is managed centrally by the Group by borrowing in order to meet anticipated funding requirements and investing centrally managed liquid assets in bank deposits and "Aaa/AAA" rated US Treasury and Treasury repo only money market funds and liquidity funds. Group cash flow forecast and funding requirements are monitored on a monthly basis by the Treasury Management Group and the strategy is to have diversified liquidity sources using a range of facilities and to maintain broad access to funding markets.

5 Turnover

Turnover of £71,035,000 (2014: £64,172,000) is not analysed by segment because the Company operates within one business sector (finance sector) and geographical sector (United Kingdom).

6 Operating profit

	2015 £'000	Restated 2014 £'000
The following item has been charged in operating profit:		
Management fee	(5,877)	(4,380)

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee was charged of £5,877,000 in 2015 compared with £4,380,000 in 2014. Included in the management fee is a charge for auditor remuneration of £10,830 (2014: £10,515) and non-audit fees of £5,689 (2014: £5,689) which relate to services charged in 2014. A fee of £17,041 relating to the audit of the Company will be chargeable in the next financial year.

7 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 6).

8 Income from subsidiaries

	2015 £'000	Restated 2014 £'000
Dividends	1,226,167	-

During the year, the Company received a dividend from GlaxoSmithKline Holdings (Americas) Inc. totalling £1,226,167,000 on 2 March 2015.

9 Finance income

	2015 £'000	Restated 2014 £'000
Interest income arising from:		
cash and cash equivalents	14,456	2,060
on loans with Group undertakings	360,765	400,587
derivatives at fair value through profit or loss	3,662	4,826
Fair value adjustments on derivatives at fair value through profit or loss	122,928	80,621
Total finance income	501,811	488,094

10 Finance expense

	2015 £'000	Restated 2014 £'000
Interest expense from:		
on loans with Group undertakings	(489,595)	(441,083)
financial liabilities at amortised cost	(3,981)	(5,093)
derivatives at fair value through profit or loss	(41,842)	(28,489)
Total finance expense	(535,418)	(474,665)

11 Taxation

Income tax expense on ordinary activities	2015 £'000	Restated 2014 £'000
Current tax:		
UK corporation tax at 20.25% (2014: 21.50%)	6,823	18,926
Double tax relief	(10)	-
Overseas tax	10	-
(Over) / under provision in previous years	(1,424)	1,616
Total current tax	5,399	20,542
Deferred tax:		
Origination and reversal of timing differences	98	(1,085)
Change in tax rate - impact on deferred tax	108	-
Total deferred tax	206	(1,085)
Total tax charge for the year	5,605	19,457

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: 21.50%). The differences are explained below:

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.

Taxation (continued)

Reconciliation of total tax charge	2015 £'000	Restated 2014 £'000
Profit on ordinary activities before tax	1,257,686	73,221
Profit on ordinary activities at the UK statutory rate 20.25% (2014: 21.50%)	254,639	15,743
Effects of:		
Expenses not deductible for tax purposes	-	12
Income not taxable	(248,257)	-
Other differences	1,328	1,618
Deemed interest deduction	(777)	(40)
Adjustments to tax charge in respect of previous periods	(1,424)	2,018
Change in tax rate - impact on deferred tax	96	106
Total tax charge for the year	5,605	19,457

Factors that may affect future tax charges:

The UK corporation tax rate reduced from 21% to 20% (effective 1 April 2015) were enacted in 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 impact the Company's future current tax charge accordingly. Deferred taxes have been measured using appropriate rates substantively enacted at the Balance sheet date.

The Chancellor also proposed changes to further reduce the main rate of UK corporation tax from 18% to 17% from 1 April 2020. These changes have not yet been substantively enacted and therefore are not included in the figures above.

The overall effect of the further changes from 18% to 17%, if these applied to the deferred tax balance at 31 December 2015, would be to reduce the deferred tax asset by approximately £67,000.

Movement in deferred tax assets

	Other net temporary differences £'000	Total £'000
At 1 January 2015	1,085	1,085
Charge to income statement	(206)	(206)
At 31 December 2015	879	879

After offsetting deferred tax assets and liabilities where appropriate, the net deferred tax asset comprises:

	2015 £'000	Restated 2014 £'000
Deferred tax assets	879	1,085

12 Investments

	Subsidiary undertakings Shares at cost £'000	Total £'000
Cost		
At 1 January 2014	42,708,590	42,708,590
Additions	1,246,197	1,246,197
At 31 December 2014	43,954,787	43,954,787
Additions	5,841,692	5,841,692
Disposals	(2,920,846)	(2,920,846)
At 31 December 2015	46,875,633	46,875,633
Carrying value at 1 January 2014	42,708,590	42,708,590
Carrying value at 31 December 2014	43,954,787	43,954,787
Carrying value at 31 December 2015	46,875,633	46,875,633

Details of the subsidiary undertakings, participating interests and joint ventures of the Company as at 31 December 2015 are given in Note 25.

The Directors believe that the carrying value of the investments are supported by their underlying net assets.

Additions to subsidiary undertakings represent transfers within the Group.

Additions during the year totalling £5,842 million, comprised of £2,921 million for GlaxoSmithKline Consumer Healthcare Holdings (US) LLC on 26 February 2015 and £2,921 million for Setfirst Limited on 2 March 2015. The investment in GlaxoSmithKline Consumer Healthcare Holdings (US) LLC was exchanged for the equivalent value of shares in Setfirst Limited.

13 Other receivables

	2015 £'000	Restated 2014 £'000
Amounts due within one year		
Amounts owed by Group undertakings - loans	57,957,622	48,509,679
Amounts owed by Group undertakings - current accounts	42,596	57,486
Prepayments and accrued income	5,390	5
Derivative financial instruments (Note 15)	249,314	269,703
	58,254,922	48,836,873
Amounts due after more than one year		
Amounts owed by Group undertakings - loans	2,696,068	2,540,526
Deferred tax (Note 11)	879	1,085
	2,696,947	2,541,611
	60,951,869	51,378,484

The amounts owed by Group undertakings due within one year are unsecured and are repayable on demand.

The amounts owed by Group undertakings due after more than one year relate to the proceeds of two US$ Loan Notes that have been advanced as loans totalling £2,696,068,000 (2014: £2,540,526,000), which are unsecured with interest charged at between 1.76% and 3.19% per annum and repayable at maturity dates between 2017 and 2022.

14 Creditors

	2015 £'000	Restated 2014 £'000
Amounts falling due within one year		
Bank loans and overdrafts	1,978	2,003
Commercial Paper	-	656,380
Amounts owed to Group undertakings - loans	48,626,950	38,154,870
Amounts owed to Group undertakings - current accounts	222,553	158,605
Corporation tax	8,431	20,544
Other payables	405	-
Derivative financial instruments (Note 15)	161,950	305,566
	49,022,267	39,297,968
Amounts falling due after more than one year		
Amounts owed to Group undertakings - loans	6,280,344	6,153,728
	55,302,611	45,451,696

Amounts owed to Group undertakings falling due within one year are unsecured and repayable on demand.

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

Maturity of financial liabilities falling due after more than one year	2015 £'000	Restated 2014 £'000
In more than one year, but not more than two years		
1.77% US$ Loan Notes 2017	1,350,898	-
	1,350,898	-
In more than two years, but not more than five years		
1.77% US$ Loan Notes 2017	-	1,272,962
	-	1,272,962
In more than five years		
3.09% US$ Loan Notes 2022	1,345,170	1,267,564
4.30% € Loan Notes 2025	533,064	561,990
3.72% £ Loan Notes 2027	590,118	590,118
6.50% £ Loan Notes 2039	693,161	693,161
5.45% £ Loan Notes 2042	980,405	980,405
4.47% £ Loan Notes 2045	787,528	787,528
	4,929,446	4,880,766
	6,280,344	6,153,728

The loans due after more than one year are repayable at their stated maturity.

15 Fair value of financial assets and liabilities

The fair values of the financial assets and liabilities are included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents - approximates to the carrying amount
- Short-term loans, overdrafts and commercial paper – approximates to the carrying amount because of the short maturity of these instruments
- Foreign exchange forward contracts and swaps – based on the present value of contractual cash flows using market sourced data (exchange rates)
- Long-term loans with group undertakings – approximates to the carrying amount
- Receivables and payables – approximates to the carrying amount

The carrying amounts and the fair values of the Company's financial assets and liabilities at 31 December 2015 and 31 December 2014 are illustrated below.

	2015		Restated 2014	
	Carrying value £'000	Fair value £'000	Carrying value £'000	Fair value £'000
Cash and cash equivalents	2,445,334	2,445,334	916,989	916,989
Loans and receivables:				
Other receivables	42,596	42,596	57,486	57,486
Loans with group undertakings	60,653,690	60,693,540	51,050,205	51,067,205
	60,696,286	60,736,136	51,107,691	51,124,691
Financial assets at fair value through profit or loss:				
Derivatives designated as at fair value through profit or loss	-	-	2,151	2,151
Derivatives classified as held for trading under IAS 39	249,314	249,314	267,552	267,552
	249,314	249,314	269,703	269,703
Total financial assets	63,390,934	63,430,784	52,294,383	52,311,383
Financial liabilities measured at amortised cost:				
Commercial Paper	-	-	(656,380)	(656,380)
Bank loans and overdrafts	(1,978)	(1,978)	(2,003)	(2,003)
Loans with group undertakings	(54,907,294)	(55,710,248)	(44,308,598)	(45,279,847)
	(54,909,272)	(55,712,226)	(44,966,981)	(45,938,230)
Other payables	(222,553)	(222,553)	(158,605)	(158,605)
Financial liabilities at fair value through profit or loss:				
Derivatives classified as held for trading under IAS 39	(161,950)	(161,950)	(305,566)	(305,566)
Total financial liabilities	(55,293,775)	(56,096,729)	(45,431,152)	(46,402,401)
Net financial assets and liabilities	8,097,159	7,334,055	6,863,231	5,908,982

The total financial assets and liabilities at fair value through profit or loss disclosed in the table above are categorised as Level 2, where all significant inputs to the valuation model used are based on observable market data.

16 Interest rate sensitivity

The table below hypothetically shows the Company's sensitivity to interest rates on its floating rate Sterling, US dollar and Euro financial assets and liabilities The Company has considered movements in Sterling interest rates over the last three years and has concluded that a 1% (100 basis point) movement is a reasonable benchmark. If interest rates applicable to floating rate financial assets and liabilities were to have increased by 1% (100 basis points), and assuming all other variables had remained constant, it is estimated that the Company's net finance expense for 2015 would have reduced by approximately £112 million (2014: a £101 million increase in net finance income). A 1% (100 basis points) movement in interest rates is not deemed to have a material effect on equity.

	2015 Increase/ (decrease) in Income £'000	Restated 2014 Increase/ (decrease) in Income £'000
1% (100 basis points) increase in Sterling interest rates (2014: 1%)	111,284	99,347
1% (100 basis points) increase in US dollar interest rates (2014: 1%)	0	(3)
1% (100 basis points) increase in Euro interest rates (2014: 1%)	1,120	1,163

17 Contractual cash flows for non-derivative financial liabilities

The following table provides an analysis of the anticipated contractual cash flows including interest payable for the Group's non derivative financial liabilities on an undiscounted basis. For the purpose of this table, debt is defined as all classes of borrowings except for obligations under finance leases. Interest is calculated based on debt held at 31 December without taking account of future issuance. Floating rate interest is estimated using the prevailing interest rate at the Balance sheet date. Cash flows in foreign currencies are translated using spot rates at 31 December.

	At 31 December 2015		At 31 December 2014	
	Debt £'000	Interest on debt £'000	Debt £'000	Interest on debt £'000
Due in less than one year	(48,628,928)	(246,408)	(38,813,253)	(249,920)
Between one and two years	(1,350,898)	(232,084)	-	(241,509)
Between two and three years	-	(220,130)	(1,272,962)	(230,241)
Between three and four years	-	(220,130)	-	(218,976)
Between four and five years	-	(220,132)	-	(218,976)
Between five and ten years	(1,878,234)	(955,168)	(1,267,564)	(996,961)
Greater than ten years	(3,051,212)	(2,287,077)	(3,613,202)	(2,466,883)
Gross contractual cash flows	(54,909,272)	(4,381,129)	(44,966,981)	(4,623,466)

18 Contractual cash flows for derivative instruments

The table below provides an analysis of the anticipated contractual cash flows for the Company's derivative instruments using undiscounted cash flows. Cash flows in foreign currencies are translated using spot rates at 31 December. The gross cash flows of foreign exchange contracts are presented for the purposes of this table although, in practice, the Company uses standard settlement arrangements to reduce its liquidity requirements on these instruments.

	2015		Restated 2014	
	Receivables £'000	Payables £'000	Receivables £'000	Payables £'000
Due in less than one year	25,651,420	(25,693,040)	25,968,038	(26,016,804)
Between one and two years	40,212	(40,208)	-	-
Gross contractual cash flows	25,691,632	(25,733,248)	25,968,038	(26,016,804)

19 Net Cash

	2015 £'000	Restated 2014 £'000
Current assets:		
Cash at bank and in hand	540	977
Short-term deposits	2,444,794	916,012
Loans with Group undertakings	57,957,622	48,509,679
	60,402,956	49,426,668
Short-term borrowings:		
Bank loans and overdrafts	(1,978)	(2,003)
US dollar Commercial Paper	-	(656,380)
Loans with Group undertakings	(48,626,950)	(38,154,870)
	(48,628,928)	(38,813,253)
Long-term borrowings:		
Loans with Group undertakings	(6,280,344)	(6,153,728)
	(6,280,344)	(6,153,728)
Net cash	5,493,684	4,459,687

20 Share capital

	2015 Number of shares	2014 Number of shares	2015 £'000	Restated 2014 £'000
Authorised				
Ordinary Shares of £1 each (2014: £1 each)	20,300,000,000	20,300,000,000	20,300,000	20,300,000
Issued and fully paid				
Ordinary Shares of £1 each (2014: £1 each)	17,870,000,000	17,870,000,000	17,870,000	17,870,000

21 Contingent liabilities/assets

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.

22 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).

23 *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 with other wholly owned members of the Group, or information around remuneration of key management personnel compensation. Details of other material related party transactions are disclosed below.

	2015 £'000	Restated 2014 £'000
Sterling call account due to GlaxoSmithKline Consumer Healthcare Finance Limited	464,749	-

GlaxoSmithKline Consumer Healthcare Finance Limited is wholly owned by GlaxoSmithKline Consumer Healthcare Holdings Limited which is operated as a Joint Venture, 63.5% owned by Setfirst Limited (a member of the GlaxoSmithKline Group of companies), 33.85% by Novartis AG and 2.65% by Novartis Finance Corporation (both members of Novartis AG).

The call account is unsecured and is repayable to GlaxoSmithKline Consumer Healthcare Finance Limited on demand. The call account pays interest at LIBOR -0.125%; for the period to 31 December 2015, the interest expense was £1,196,000 (2014: £nil).

24 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:

Reconciliation of equity at 1 January 2014

	Called up share capital £'000	Capital reserve £'000	Other reserves £'000	Retained earnings £'000	Total shareholders' funds £'000
At 1 January 2014 as previously reported under previous GAAP	17,870,000	-	(1,597)	31,625,327	49,493,730
Adjustment 1 - Reinstate 2013 IAS 39 ineffectiveness	-	-	-	1,152	1,152
Adjustment 2 - Reverse 2013 SSAP 20 adjustments	-	-	-	858	858
As at 1 January 2014 in accordance with FRS 101	17,870,000	-	(1,597)	31,627,337	49,495,740

Notes to the reconciliation of equity at 1 January 2014:

1 These are transitional adjustments from the requirement to recognise derivative financial instruments at fair value at 31 December 2013.
2 This is the reversal of the SSAP 20 "Foreign Currency Translation" adjustment made on 31 December 2013 relating to the swap interest accruals.

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

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

	Notes	Under previous GAAP 2014 £'000	Effect of transition to FRS 101 £'000	Reclassification of exchange movements on financing activities £'000	FRS 101 2014 £'000
Turnover	a, b	65,023	635	(1,486)	64,172
Gross profit		65,023	635	(1,486)	64,172
Administrative expenses		(4,380)	-	-	(4,380)
Other operating expense			-	-	-
		(4,380)			(4,380)
Operating profit		60,643	635	(1,486)	59,792
Finance income	b, c	401,161	85,447	1,486	488,094
Finance costs	d	(381,146)	(93,519)	-	(474,665)
Profit before interest and taxation		80,658	(7,437)	-	73,221
Income tax expense on ordinary activities	e	(20,542)	1,085	-	(19,457)
Profit for the financial year		60,116	(6,352)	-	53,764
Other comprehensive income					
Items that may be subsequently reclassified to the income statement:					
Other movements in the year	f	1,597	1,266	-	2,863
		1,597	1,266	-	2,863
Items that will not be reclassified to the income statement:					
Non-realised dividend in kind	g	1,741,279	(495,082)	-	1,246,197
		1,741,279	(495,082)	-	1,246,197
Total comprehensive income for the financial year		1,802,992	(500,168)	-	1,302,824

Notes to the reconciliation of total comprehensive income for the year ended 31 December 2014:

a The £635,000 adjustment to turnover is to reinstate the spot to spot foreign exchange movement on cash flow hedges during the year.

b The £1,486,000 adjustment is to reclass foreign exchange movements incorrectly classified as turnover to finance income.

c The £85,447,000 adustment comprises of £4,826,000 to correctly gross up realised swap income that was previously shown net under previous UK GAAP and £80,621,000 to gross up the fair value movements on derivatives which were previously shown net against the exchange movements on the underlying hedged items.

d The £93,519,000 adjustment includes the contra entry of the adjustments totalling £85,447,000 (shown in note c) along with an adjustment of £2,825,000 to recognise fair value movements on derivatives and an adjustment for swap interest accruals of £5,247,000 as required under previous UK GAAP.

e The £1,085,000 adjustment is to recognise a deferred tax asset on adoption of FRS 101.

f The adjustment of £1,266,000 is to recognise movements on cash flow hedges which were not allowed under previous UK GAAP.

g The adjustment of £495,082,000 is a fair value adjustment to the non-realised dividend in kind that was received in 2014 and accounted for at book value under previous UK GAAP.

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

Reconciliation of equity at 31 December 2014

	Notes	Under previous GAAP 31 Dec 2014 £'000	Effect of transition to FRS 101 £'000	Reclassification of financial assets and liabilities £'000	FRS 101 31 Dec 2014 £'000
Fixed assets					
Investments	h	44,449,869	(495,082)	-	43,954,787
Total fixed assets		44,449,869	(495,082)	-	43,954,787
Current assets					
Trade and other receivables	i	51,371,444	7,040	-	51,378,484
- including £2,541,611,000 due after more than one year					
Investments	j	916,012	-	(916,012)	-
Cash and cash equivalents	j	977	-	916,012	916,989
Total current assets		52,288,433	7,040	-	52,295,473
Creditors: amounts falling due within one year	k, l	(45,441,580)	(10,116)	6,153,728	(39,297,968)
Net current assets		6,846,853	(3,076)	6,153,728	12,997,505
Total assets less current liabilities		51,296,722	(498,158)	6,153,728	56,952,292
Creditors: amounts falling due after more than one year	l	-	-	(6,153,728)	(6,153,728)
Net assets		51,296,722	(498,158)	-	50,798,564
Capital and reserves					
Called up share capital		17,870,000	-	-	17,870,000
Capital reserve	h	1,741,279	(495,082)	-	1,246,197
Other reserves	m	-	1,266	-	1,266
Retained earnings	n	31,685,443	(4,342)	-	31,681,101
Total shareholders' funds		51,296,722	(498,158)	-	50,798,564

Notes to the reconciliation of equity at 31 December 2014:

h The adjustment of £495,082,000 is a fair value adjustment to the non-realised dividend in kind that was received in 2014 and accounted at book value under previous UK GAAP.

i The adjustment of £7,040,000 comprises an adjustment of £4,054,000 to reverse swap interest accruals which were a requirement under previous UK GAAP, an adjustment of £1,901,000 to recognise fair value movements on cash flow hedges which were not allowed under previous UK GAAP.

j The adjustment of £916,012,000 is a reclassification of highly liquid current asset investments to cash and cash equivalents.

k The adjustment of £10,116,000 comprises an adjustment of £1,673,000 to recognise fair value movements on derivatives which were not allowed under previous UK GAAP and an adjustment of £8,443,000 to reverse swap interest accruals which were a requirement under previous UK GAAP.

l The adjustment of £6,153,728,000 is a reclassification of amounts previously reported as falling due within one year to amounts falling due after more than one year (see Note 14).

m The adjustment of £1,266,000 is to recognise movements on cash flow hedges which were not allowed under previous UK GAAP.

n The adjustment of £4,342,000 is the effect of the transition to FRS 101 impacting the total comprehensive income for the year ended 31 December 2014 of £6,352,000 less the effect on equity on 1 January 2014 of £2,010,000.

25 Subsidiaries and associated undertakings

The subsidiaries of the Company as at 31 December 2015 are as follows:

Name	Country of Incorporation	Effective % ownership	Security	% Directly held by Class of share	% Indirectly held by Class of share
1506369 Alberta ULC	Canada	100	Common	-	100
Action Potential Venture Capital Limited	England & Wales	100	Ordinary	-	100
Adechsa GmbH	Switzerland	100	Ordinary	-	100
Affymax Research Institute	United States	100	Common	-	100
Alenfarma – Especialidades Farmaceuticas, Limitada (i)	Portugal	100	Ordinary Quota	-	100
Allen & Hanburys Limited (i)	England & Wales	100	Ordinary	-	100
Allen & Hanburys Pharmaceutical Nigeria Limited	Nigeria	100	Ordinary	-	100
Allen Farmaceutica, S.A.	Spain	100	Ordinary	-	100
Allen Pharmazeutika Gesellschaft m.b.H.	Austria	100	Ordinary	-	100
Aners S.A (i)	Argentina	100	Non-endorsable Nominative Ordinary	-	100
Barrier Therapeutics, Inc.	United States	100	Common	-	100
Beecham Group p l c	England & Wales	100	20p Shares 'A'; 5p Shares B	-	100
Beecham Pharmaceuticals (Pte) Limited	Singapore	100	Ordinary	-	100
Beecham Pharmaceuticals S.A (i) (iii)	Ecuador	100	Nominative	-	100
Beecham Portuguesa-Produtos Farmaceuticos e Quimicos, Lda	Portugal	100	Ordinary Quota	-	100
Beecham S.A. (i)	Belgium	100	Ordinary	-	100
Biddle Sawyer Limited	India	100	Equity	-	100
Biovesta Ilaçları Ltd. Sti.	*Turkey*	*100*	*Nominative*	-	100
Burroughs Wellcome & Co (Australia) Pty Limited (i) (iii)	Australia	100	Ordinary	-	100
Burroughs Wellcome & Co (Bangladesh) Limited	Bangladesh	100	Ordinary	-	100
Burroughs Wellcome International Limited	England & Wales	100	Ordinary	-	100
Caribbean Chemical Company, Ltd. (Struck off 31 March 2016)	Cayman Islands	100	Ordinary	-	100
Cascan GmbH & Co. KG	Germany	100	Ordinary	-	100
Castleton Investment Ltd (iii)	Mauritius	100	Ordinary	-	100
Cellzome GmbH	Germany	100	Ordinary	-	100
Cellzome Limited	England & Wales	100	Ordinary	-	100
Cellzome Therapeutics, Inc. (i)	United States	100	Ordinary	-	100
Cellzome, Inc.	United States	100	Ordinary; Series A Preferred; Series B Preferred; Series C-1 Convertible Preferred; Series C-3 Convertible Preferred	-	100
Charles Midgley Limited (i)	England & Wales	100	Ordinary; Cumulative Preference	-	100
Clarges Pharmaceuticals Limited	England & Wales	100	Ordinary;	-	100
			Preference	-	99.97
Colleen Corporation	United States	100	Shares – No Par Value (Common)	-	100
Corixa Corporation	United States	100	Common	-	100
Coulter Pharmaceutical, Inc. (i)	United States	100	Common	-	100
Dealcyber Limited	England & Wales	100	Ordinary	-	100
Desarrollo Energia Solar Alternativa S.L.	Spain	100	Ordinary	-	100
Domantis Limited	England & Wales	100	Ordinary	-	100
Duncan Flockhart Australia Pty Limited (i) (iii)	Australia	100	Ordinary	-	100
Duncan Pharmaceuticals Philippines Inc.	Philippines	100	Common	-	100
Edinburgh Pharmaceutical Industries Limited	Scotland	100	Ordinary; Preference	-	100
Eskaylab Limited	England & Wales	100	10p Ordinary	-	100
Etex Farmaceutica Ltda	Chile	100	Social Capital	-	100
Europharm Holding S.A.	Romania	100	Nominative	-	100
Europharm S.A.	Romania	100	Nominative	-	100
Fedialis Medica S.A.S.	France	100	Ordinary	-	100
Fipar (Thailand) Ltd (In liquidation)	Thailand	100	Ordinary	-	100
Genelabs Technologies, Inc.	United States	100	Common	-	100
Glaxo AS (i)	Norway	100	Ordinary	-	100
Glaxo Group Limited	England & Wales	100	Ordinary	100	-
Glaxo Kabushiki Kaisha (i)	Japan	100	Ordinary	-	100
Glaxo Laboratories (Nigeria) Limited (i)	Nigeria	100	Ordinary	-	100
Glaxo Laboratories Limited (i)	England & Wales	100	Ordinary	-	100
Glaxo Operations UK Limited	England & Wales	100	Ordinary	-	100
Glaxo Properties BV	Netherlands	100	Ordinary	-	100
Glaxo Verwaltungs GmbH (iii)	Germany	100	Ordinary	-	100
Glaxo Wellcome Australia Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
Glaxo Wellcome Ceylon Limited	*Sri Lanka*	*100*	*Ordinary; Ordinary B*	-	100
Glaxo Wellcome Farmaceutica, Limitada	Portugal	100	Ordinary Quota	-	100
Glaxo Wellcome Holdings Limited (In liquidation)	England & Wales	100	Ordinary	-	100
Glaxo Wellcome International B.V. (ii)	Netherlands	100	Ordinary	-	100
Glaxo Wellcome Manufacturing Pte Ltd	Singapore	100	Ordinary	-	100
Glaxo Wellcome Production S.A.S.	France	100	Ordinary	-	100
Glaxo Wellcome PST Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
Glaxo Wellcome UK Limited	England & Wales	100	Ordinary	-	100
Glaxo Wellcome Vidhyasom Limited (i)	Thailand	100	Ordinary	-	100
Glaxo Wellcome, S.A.	Spain	100	Ordinary	-	100
Glaxo, S.A.	*Spain*	100	Ordinary	-	100
Glaxo-Allenburys (Nigeria) Limited (i)	Nigeria	100	Ordinary	-	100
Glaxochem (UK) Unlimited	England & Wales	100	Ordinary; Ordinary B; Ordinary C	-	100
Glaxochem Pte Ltd (ii)	Singapore	100	Ordinary	-	100
GlaxoSmithKline – Produtos Farmaceuticos, Limitada	Portugal	100	Ordinary Quota	-	100
GlaxoSmithKline (Cambodia) Co., Ltd.	Cambodia	100	Ordinary	-	100
GlaxoSmithKline (China) Investment Co Ltd	China	100	Ordinary	-	100
GlaxoSmithKline (China) R&D Company Limited	China	100	Equity	-	100
GlaxoSmithKline (Cyprus) Limited	Cyprus	100	Ordinary	-	100
GlaxoSmithKline (GSK) S.R.L.	Romania	100	Ordinary	-	100
GlaxoSmithKline (Ireland) Limited	Ireland	100	Ordinary	-	100
GlaxoSmithKline (Israel) Ltd	Israel	100	Ordinary	-	100
GlaxoSmithKline (Malta) Limited	Malta	100	Ordinary	-	100
GlaxoSmithKline (Private) Limited (i)	Zimbabwe	100	Ordinary	-	100
GlaxoSmithKline (Thailand) Limited	Thailand	100	Ordinary	-	100
GlaxoSmithKline A.E.B.E.	Greece	100	Ordinary	-	100
GlaxoSmithKline AB	Sweden	100	Ordinary	-	100
GlaxoSmithKline AG	Switzerland	100	Ordinary	-	100
GlaxoSmithKline Algérie S.P.A.	Algeria	100	Ordinary	-	100
GlaxoSmithKline Argentina S.A.	Argentina	100	Ordinary	-	100
GlaxoSmithKline AS	Norway	100	Ordinary	-	100
GlaxoSmithKline Asia Pvt. Limited	India	100	Equity	-	100
GlaxoSmithKline Australia Pty Ltd	Australia	100	Ordinary	-	100
GlaxoSmithKline B.V.	Netherlands	100	Ordinary	-	100
GlaxoSmithKline Beteiligungs GmbH	Germany	100	Ordinary	-	100
GlaxoSmithKline Biologicals (Shanghai) Ltd.	China	100	Ordinary	-	100
GlaxoSmithKline Biologicals (Shenzhen) Co., Ltd (i)	China	100	Ordinary	-	100
GlaxoSmithKline Biologicals Kft.	Hungary	100	Ordinary	-	100
GlaxoSmithKline Biologicals S.A.S.	France	100	Ordinary	-	100
GlaxoSmithKline Biologicals SA	Belgium	100	Ordinary; Preference	-	100
GlaxoSmithKline Brasil Limitada	Brazil	100	Ordinary	-	100
GlaxoSmithKline Business Services S.A. (i) (iii)	Costa Rica	100	Ordinary	-	100
GlaxoSmithKline Capital Inc.	United States	100	Ordinary	-	100
GlaxoSmithKline Capital plc	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Caribbean Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Chile Farmaceutica Limitada	Chile	100	Social Capital	-	100
GlaxoSmithKline Colombia S.A.	Colombia	100	Ordinary	-	100

Subsidiaries and associated undertakings (continued)

GlaxoSmithKline Consumer Healthcare Investments (Ireland) Limited (ii)	Ireland	100	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Ireland IP Limited (ii)	Ireland	100	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Pakistan Limited	Pakistan	100	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Sri Lanka Holdings Limited (i)	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Consumer Holding B.V.	Netherlands	100	Ordinary	-	100
GlaxoSmithKline d.o.o	Bosnia and Herzegovina	100	Euro Quota	-	100
GlaxoSmithKline d.o.o.	Croatia	100	Equity	-	100
GlaxoSmithKline doo Beograd	Serbia	100	Ordinary	-	100
GlaxoSmithKline Ecuador S.A.	Ecuador	100	Ordinary	-	100
GlaxoSmithKline Eesti OU	Estonia	100	Ordinary	-	100
GlaxoSmithKline ehf	Iceland	100	Ordinary	-	100
GlaxoSmithKline El Salvador S.A. de C.V.	El Salvador	100	Ordinary	-	100
GlaxoSmithKline EOOD	Bulgaria	100	Ordinary	-	100
GlaxoSmithKline Export Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Export Panama S.A.	Panama	100	Ordinary	-	100
GlaxoSmithKline Far East B.V.	Netherlands	100	Ordinary	-	100
GlaxoSmithKline GmbH & Co. KG	Germany	100	Partnership Capital	-	100
GlaxoSmithKline Guatemala S.A.	Guatemala	100	Ordinary	-	100
GlaxoSmithKline Holding AS	Norway	100	Ordinary	-	100
GlaxoSmithKline Holdings (Americas) Inc.	United States	100	Common	100	-
GlaxoSmithKline Holdings (Ireland) Limited	England & Wales	100	Ordinary; Deferred	-	100
GlaxoSmithKline Holdings Pty Ltd	Australia	100	Ordinary	-	100
GlaxoSmithKline Honduras S.A.	Honduras	100	Ordinary	-	100
GlaxoSmithKline IHC Limited	England & Wales	100	Ordinary	100	-
GlaxoSmithKline Ilaclari Sanayi ve Ticaret A.S.	Turkey	100	Nominative	-	100
GlaxoSmithKline Inc.	Canada	100	Class A Common; Class C Preference	-	100
GlaxoSmithKline Insurance Ltd.	Bermuda	100	Ordinary	-	100
GlaxoSmithKline Intellectual Property (No.2) Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Intellectual Property Development Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Intellectual Property Holdings Limited	England & Wales	100	A Ordinary; B Ordinary	-	100
GlaxoSmithKline Intellectual Property Limited	England & Wales	100	Ordinary; Deferred	-	100
GlaxoSmithKline Intellectual Property Management Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline International Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Investigación y Desarrollo, S.L.	Spain	100	Ordinary	-	100
GlaxoSmithKline Investment Holdings Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Investment Services Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Investments (Ireland) Limited (ii)	Ireland	100	Ordinary	-	100
GlaxoSmithKline Investments Pty Ltd	Australia	100	Ordinary	-	100
GlaxoSmithKline K.K.	Japan	100	Ordinary	-	100
GlaxoSmithKline Korea Limited	South Korea	100	Ordinary	-	100
GlaxoSmithKline Latin America, S.A.	Panama	100	Ordinary	-	100
GlaxoSmithKline Latvia SIA	Latvia	100	Ordinary	-	100
GlaxoSmithKline Lietuva UAB	Lithuania	100	Ordinary	-	100
GlaxoSmithKline Limited	Hong Kong	100	Ordinary	-	100
GlaxoSmithKline LLC	United States	100	LLC Interests	-	100
GlaxoSmithKline Manufacturing SpA	Italy	100	Ordinary	-	100
GlaxoSmithKline Maroc S.A.	Morocco	100	Ordinary	-	100
GlaxoSmithKline Medical and Healthcare Products Limited	Hungary	100	Ordinary Quotas	-	100
GlaxoSmithKline Mexico S.A. de C.V.	Mexico	100	Ordinary A; Ordinary B	-	100
GlaxoSmithKline NZ Limited	New Zealand	100	Ordinary	-	100
GlaxoSmithKline Oy	Finland	100	Ordinary	-	100
GlaxoSmithKline Peru S.A.	Peru	100	Ordinary	-	100
GlaxoSmithKline Pharma A/S	Denmark	100	Class A	-	100
GlaxoSmithKline Pharma GmbH	Austria	100	Ordinary	-	100
GlaxoSmithKline Pharmaceutical Kenya Limited	Kenya	100	Ordinary	-	100
GlaxoSmithKline Pharmaceutical Nigeria Limited	Nigeria	100	Ordinary	-	100
GlaxoSmithKline Pharmaceutical Sdn Bhd	Malaysia	100	Ordinary	-	100
GlaxoSmithKline Pharmaceuticals (Pvt) Ltd (i)	Sri Lanka	100	Ordinary	-	100
GlaxoSmithKline Pharmaceuticals (Suzhou) Limited	China	100	Ordinary	-	100
GlaxoSmithKline Pharmaceuticals Costa Rica S.A	Costa Rica	100	Ordinary	-	100
GlaxoSmithKline Pharmaceuticals S.A.	Poland	100	Ordinary A; Ordinary B; Ordinary C; Ordinary D	-	100
GlaxoSmithKline Pharmaceuticals SA	Belgium	100	Ordinary	-	100
GlaxoSmithKline Pharmaceuticals Ukraine LLC	Ukraine	100	Chartered Capital	-	100
GlaxoSmithKline Philippines Inc	Philippines	100	Common	-	100
GlaxoSmithKline Pte Ltd	Singapore	100	Ordinary	-	100
GlaxoSmithKline Puerto Rico Inc. (i)	Puerto Rico	100	Common	-	100
GlaxoSmithKline Republica Dominicana S.A.	Dominican Republic	100	Ordinary	-	100
GlaxoSmithKline Research & Development Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline S.A.	Spain	100	Ordinary	-	100
GlaxoSmithKline S.p.A.	Italy	100	Ordinary	-	100
GlaxoSmithKline s.r.o.	Czech Republic	100	Ordinary	-	100
GlaxoSmithKline Services GmbH & Co. KG (iii)	Germany	100	Partnership Capital	-	100
GlaxoSmithKline Services Inc. (i)	United States	100	Common	-	100
GlaxoSmithKline SL Holdings, LLC	United States	100	LLC Interests	-	100
GlaxoSmithKline SL LLC	United States	100	LLC Interests	-	100
GlaxoSmithKline SL LP (i)	England & Wales	100	Partnership	-	100
GlaxoSmithKline Slovakia s.r.o.	Slovakia	100	Ordinary	-	100
GlaxoSmithKline South Africa (Pty) Limited	South Africa	100	Ordinary	-	100
GlaxoSmithKline Superannuation Company Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
GlaxoSmithKline Trading Services Limited (ii)	Ireland	100	Ordinary	-	100
GlaxoSmithKline Trading ZAO	Russia	100	Ordinary	-	100
GlaxoSmithKline Tunisia S.A.R.L.	Tunisia	100	Ordinary	-	100
GlaxoSmithKline UK Limited	England & Wales	100	Ordinary	-	100
GlaxoSmithKline Uruguay S.A.	Uruguay	100	Registered Shares Provisory Stock	-	100
GlaxoSmithKline Venezuela C.A.	Venezuela	100	Ordinary	-	100
GlaxoSmithKline Vietnam Limited Liability Company (i)	Vietnam	100	Equity Capital	-	100
Glycovaxyn AG (i) (iii)	Switzerland	100	Common; Preferred A, Preferred B; Preferred C	-	100
Group Laboratories South Africa (Pty) Limited (i) (iii)	South Africa	100	Ordinary	-	100
Groupe GlaxoSmithKline S.A.S.	France	100	Ordinary	-	100
GSK Business Service Centre Sdn Bhd	Malaysia	100	Ordinary	-	100
GSK Commercial Sp. z o.o.	Poland	100	Ordinary	-	100
GSK d.o.o., Ljubljana	Slovenia	100	Ordinary	-	100
GSK Employee Share Plan Pty Ltd	Australia	100	Ordinary	-	100
GSK Kazakhstan LLP	Kazakhstan	100	Partnership Interest	-	100
GSK Services Sp z o.o.	Poland	100	Ordinary	-	100
GSK Vaccines GmbH	Germany	100	Ordinary	-	100
GSK Vaccines Institute for Global Health S.r.l.	Italy	100	Quota	-	100
GSK Vaccines S.r.l.	Italy	100	Quota	-	100
GSK Vaccines Vertriebs GmbH	Germany	100	Ordinary	-	100
Herbridge (i) (iii)	Ireland	100	Ordinary	-	100
HGS France S.a.r.l.	France	100	Ordinary	-	100
HGS Luxembourg LLC (i) (iii)	United States	100	Common Interests	-	100
Horlicks Limited	England & Wales	100	Ordinary	-	100
Human Genome Sciences Pacific Pty Ltd (iii)	Australia	100	Ordinary	-	100
Human Genome Sciences, Inc.	United States	100	Common	-	100
ID Biomedical Corporation of Quebec	Canada	100	Common	-	100
ID Biomedical Corporation of Washington (i)	United States	100	Common	-	100
Instituto Luso Farmaco, Limitada (i)	Portugal	100	Ordinary Quota	-	100
InterPharma Dienstleistungen GmbH	Austria	100	Quota	-	100
J&J Technologies, LC (i)	United States	100	Membership Interest	-	100
Laboratoire GlaxoSmithKline	France	100	Ordinary	-	100

Subsidiaries and associated undertakings (continued)

Laboratoire Pharmaceutique Algérien LPA Production SPA	Algeria	100	Ordinary	-	100
Laboratoire Pharmaceutique Algérien SPA	Algeria	100	Ordinary	-	100
Laboratoires Paucourt (i)	France	100	Ordinary	-	100
Laboratoires Saint-Germain (i)	France	100	Ordinary	-	100
Laboratorios Dermatologicos Darier, S.A de C.V.	Mexico	100	Ordinary A; Ordinary B	-	100
Laboratorios Farmaceuticos Stiefel (Portugal) LTDA (i)	Portugal	100	Ordinary Quota	-	100
Laboratorios Phoenix Sociedad Anonima Industrial Comercial Y Financiera	Argentina	100	Non-endorsable Nominative Ordinary Shares	-	100
Laboratorios Stiefel de Chile & CIA LTDA	Chile	100	Social Capital	-	100
Laboratorios Stiefel de Venezuela SA	Venezuela	100	Ordinary	-	100
Laboratorios Stiefel Ltda.	Brazil	100	Ordinary	-	100
Laboratorios Wellcome De Portugal Limitada (i)	Portugal	100	Ordinary Quota	-	100
Laboratorios Wellcome S.A. (In liquidation)	Uruguay	100	Ordinary	-	100
Maxinutrition Limited (In liquidation)	England & Wales	100	Ordinary	-	100
Mixis Genetics Limited	England & Wales	100	Ordinary; Ordinary Euro	-	100
Montrose Fine Chemical Company Ltd	Scotland	100	Ordinary	-	100
Montrose Pharma Company Limited	Hungary	100	Ordinary Quota	-	100
Montrose Pharma UAB (i)	Lithuania	100	Ordinary	-	100
Nanjing Meirui Pharma Co. Ltd	China	100	Ordinary	-	100
Novartis Vaccines and Diagnostics AG (iii)	Switzerland	100	Ordinary	-	100
Novartis Vaccines and Diagnostics Pty Ltd	Australia	100	Ordinary	-	100
Novartis Vaccines and Diagnostics S.L. (iii)	Spain	100	Ordinary	-	100
Okairos AG (i) (iii)	Switzerland	100	Common; Preferred A; Preferred B	-	100
Penn Labs Inc. (i)	United States	100	Common	-	100
S.R. One International B.V.	Netherlands	100	Ordinary	-	100
S.R. One, Limited	United States	100	Units (Common)	-	100
Setfirst Limited	England & Wales	100	Ordinary	100	-
Smith Kline & French Laboratories Limited	England & Wales	100	Ordinary	-	100
Smith Kline & French Portuguesa-Produtos Farmaceuticos, LDA (i)	Portugal	100	Ordinary Quota	-	100
SmithKline Beecham (Australia) Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
SmithKline Beecham (Bangladesh) Private Limited (i)	Bangladesh	100	Ordinary	-	100
SmithKline Beecham (Cork) Limited	Ireland	100	Ordinary	-	100
SmithKline Beecham (Export) Limited	England & Wales	100	Ordinary	-	100
SmithKline Beecham (H) Limited	England & Wales	100	Non-Cumulative Non-Redeemable; Ordinary	-	100
SmithKline Beecham (Investments) Limited	England & Wales	100	Ordinary	-	100
SmithKline Beecham (Manufacturing) Limited	Ireland	100	Ordinary	-	100
SmithKline Beecham (SWG) Limited	England & Wales	100	Ordinary	-	100
SmithKline Beecham Animal Health Company	Canada	100	Common	-	100
SmithKline Beecham Biologicals US Partnership	United States	100	Partnership Interests	-	100
SmithKline Beecham Egypt L.L.C.	Egypt	100	Quotas	-	100
SmithKline Beecham Farma, S.A.	Spain	100	Ordinary	-	100
SmithKline Beecham Holdings (Australia) Pty. Limited (i) (iii)	Australia	100	Ordinary A; Ordinary B	-	100
SmithKline Beecham Inter-American Corporation (i)	United States	100	Shares No par Value (Common)	-	100
SmithKline Beecham Limited	England & Wales	100	Ordinary 6.25p	100	-
SmithKline Beecham Marketing and Technical Services Limited	England & Wales	100	Ordinary	-	100
SmithKline Beecham Nominees Limited	England & Wales	100	Ordinary	-	100
SmithKline Beecham Overseas Limited	England & Wales	100	Ordinary	-	100
SmithKline Beecham Pension Plan Trustee Limited (i)	England & Wales	100	Ordinary	-	100
SmithKline Beecham Pension Trustees Limited (i)	England & Wales	100	Ordinary	-	100
SmithKline Beecham Pharma GmbH & Co KG	Germany	100	Partnership Capital	-	100
SmithKline Beecham Pharma Verwaltungs GmbH	Germany	100	Ordinary	-	100
SmithKline Beecham Pharmaceuticals (Pty) Limited (i) (iii)	South Africa	100	Ordinary	-	100
SmithKline Beecham Pharmaceuticals Co.	United States	100	Shares No par Value (Common)	-	100
SmithKline Beecham Port Louis Limited (iii)	Mauritius	100	Ordinary	-	100
SmithKline Beecham Retirement Plan (Nominees) Pty Limited (i) (iii)	Australia	100	Ordinary	-	100
SmithKline Beecham Senior Executive Pension Plan Trustee Limited (i)	England & Wales	100	Ordinary	-	100
Stiefel Distributors (Ireland) Limited (i)	Ireland	100	Ordinary	-	100
Stiefel Dominicana SRL (i)	Dominican Republic	100	Ordinary Quotas	-	100
Stiefel Farma, S.A	Spain	100	Ordinary	-	100
Stiefel GmbH & Co. KG	Germany	100	Partnership Capital	-	100
Stiefel India Private Limited	India	100	Equity	-	100
Stiefel Laboratories (Ireland) Limited	Ireland	100	Ordinary	-	100
Stiefel Laboratories (Maidenhead) Ltd	England & Wales	100	Ordinary	-	100
Stiefel Laboratories (Thailand) Ltd. (Liquidated 25 Jan 2016)	Thailand	100	Ordinary; Preference	-	100
Stiefel Laboratories (U.K.) Ltd	England & Wales	100	Ordinary	-	100
Stiefel Laboratories Limited (i)	England & Wales	100	Ordinary	-	100
Stiefel Laboratories Pte Limited	Singapore	100	Ordinary	-	100
Stiefel Laboratories Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
Stiefel Laboratories SA (Pty) Ltd (i) (iii)	South Africa	100	Ordinary	-	100
Stiefel Laboratories Taiwan Ltd (Liquidated 5 Jan 2016)	Taiwan	100	Ordinary	-	100
Stiefel Laboratories, Inc.	United States	100	Common	-	100
Stiefel Maroc SARL	Morocco	100	Ordinary	-	100
Stiefel Polska SP Z O.O. w likwidacji (In liquidation)	Poland	100	Ordinary	-	100
Stiefel Research (Australia) Holdings Pty Ltd (i)	Australia	100	Ordinary	-	100
Stiefel Research Australia Pty Ltd	Australia	100	Ordinary	-	100
Stiefel Research Institute, Inc. (iii)	United States	100	Common	-	100
Stiefel Sales, Inc. (i) (iii)	United States	100	Common	-	100
Stiefel West Coast LLC	United States	100	LLC Interests	-	100
Strebor Inc.	United States	100	USD 1 par value (Common)	-	100
Tempero Pharmaceuticals, Inc.	United States	100	Series A Preference; Series B Preference; Common	-	100
The Sydney Ross Co. (i)	United States	100	Ordinary	-	100
The Wellcome Foundation Limited	England & Wales	100	Ordinary	-	100
UCB Pharma (Thailand) Ltd (Liquidated 25 Jan 2016)	Thailand	100	Ordinary	-	100
UCB Pharma Asia Pacific Sdn Bhd (i)	Malaysia	100	Ordinary	-	100
Webderm, Inc. (i) (iii)	United States	100	Common	-	100
Wellcome Consumer Healthcare Limited (i)	England & Wales	100	Ordinary	-	100
Wellcome Consumer Products Limited (i)	England & Wales	100	Ordinary	-	100
Wellcome Developments Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
Wellcome Limited	England & Wales	100	Ordinary	100	-
Wellcome Operations Pty Ltd (i) (iii)	Australia	100	Ordinary	-	100
Amoun Pharmaceutical Industries Co. S.A.E.	Egypt	99.5	New Monetary Shares	-	99.5
Beecham Enterprises Inc. (i)	United States	55.9	Common	-	100
Block Drug Company, Inc.	United States	63.5	Common	-	100
British Pharma Group Limited	England & Wales	50	Capital	-	50
Block Drug Corporation (i)	United States	63.5	Common No Par Value	-	100
de Miclén a.s.	Slovakia	63.5	Ordinary	-	100
Duncan Consumer Healthcare Philippines Inc	Philippines	63.5	Common	-	100
Ex-Lax, Inc.	Puerto Rico	63.5	Common	-	100
Fondation Novartis Consumer Health Pour l'Avancement Des Sciences Medicales, Biologiques Et Pharmaceutiques	Switzerland	63.5	Capital	-	63.5
Glaxo Saudi Arabia Limited	Saudi Arabia	49	Ordinary	-	49
GlaxoSmithKline (Tianjin) Co. Ltd	China	90	Ordinary	-	90
GlaxoSmithKline Bangladesh Limited	Bangladesh	82	Ordinary	-	82
GlaxoSmithKline Brasil Produtos para Consumo e Saude Ltda	Brazil	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (China) Co. Ltd	China	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (Hong Kong) Limited	Hong Kong	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (Ireland) Limited	Ireland	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (Overseas) Limited	England & Wales	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (Thailand) Limited	Thailand	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (UK) IP Limited	England & Wales	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare (UK) Trading Limited	England & Wales	63.5	Ordinary	-	100

Subsidiaries and associated undertakings (continued)

GlaxoSmithKline Consumer Healthcare (US) IP LLC	United States	63.5	LLC Interests	-	100
GlaxoSmithKline Consumer Healthcare A/S	Denmark	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare AB	Sweden	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare AG	Switzerland	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Argentina S.A. (i)	Argentina	63.5	Nominative non endorseable Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Australia Pty ltd	Australia	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare B.V.	Netherlands	63.5	Ordinary A	-	100
GlaxoSmithKline Consumer Healthcare Canada Corp	Canada	63.5	Common	-	100
GlaxoSmithKline Consumer Healthcare Colombia SAS	Colombia	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Czech Republic s.r.o.	Czech Republic	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Finance Limited	England & Wales	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Finland Oy	Finland	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare GmbH	Austria	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare GmbH & Co. KG	Germany	63.5	Partnership Capital	-	100
GlaxoSmithKline Consumer Healthcare Greece Societe Anonyme	Greece	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Holdings (US) LLC	United States	63.5	LLC Interests	-	100
GlaxoSmithKline Consumer Healthcare Holdings Limited	England & Wales	63.5	Ordinary A	-	100
			Ordinary B	-	0
GlaxoSmithKline Consumer Healthcare Inc.	Canada	63.5	Common; Preferred	-	100
GlaxoSmithKline Consumer Healthcare Investments (Ireland) (No 2) (ii)	Ireland	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Investments (Ireland) (No 3) Limited (ii)	Ireland	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Japan K.K.	Japan	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Korea Co., Ltd.	Korea	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare L.L.C.	United States	63.5	LLC Interests	-	100
GlaxoSmithKline Consumer Healthcare Limited	India	72.5	Equity	-	72.5
GlaxoSmithKline Consumer Healthcare Mexico, S. De R.L. de C.V.	Mexico	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare New Zealand Limited	New Zealand	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Norway AS	Norway	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Philippines Inc	Philippines	63.5	Common	-	100
GlaxoSmithKline Consumer Healthcare Pte. Ltd.	Singapore	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare S.A.	Belgium	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare S.A.	Spain	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare S.p.A.	Italy	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Sdn. Bhd.	Malaysia	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Slovakia s. r. o.	Slovakia	63.5	Ownership Interest	-	100
GlaxoSmithKline Consumer Healthcare South Africa Pty (Ltd)	South Africa	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare Sp.z.o.o.	Poland	63.5	Common	-	100
GlaxoSmithKline Consumer Healthcare SRL	Romania	63.5	Ordinary	-	100
GlaxoSmithKline Consumer Healthcare, L.P.	United States	55.9	Partnership Interest	-	55.9
GlaxoSmithKline Consumer Healthcare, Produtos para a Saude e Higiene, Lda	Portugal	63.5	Ordinary Quota	-	100
GlaxoSmithKline Consumer Nigeria plc	Nigeria	46.4	Ordinary	-	46.4
GlaxoSmithKline Consumer Private Limited	India	63.5	Equity	-	100
GlaxoSmithKline Consumer Trading Services Limited	England & Wales	63.5	Ordinary	-	100
GlaxoSmithKline Costa Rica S.A.	Costa Rica	63.5	Ordinary	-	100
GlaxoSmithKline Dungarvan Limited	Ireland	63.5	Ordinary	-	100
GlaxoSmithKline Healthcare AO	Russia	63.5	Ordinary	-	100
GlaxoSmithKline Healthcare GmbH	Germany	63.5	Ordinary	-	100
GlaxoSmithKline Healthcare Ukraine O.O.O.	Ukraine	63.5	Ownership Interest	-	100
GlaxoSmithKline Landholding Company, Inc	Philippines	39.9	Common	-	100
GlaxoSmithKline Limited	Kenya	63.5	Ordinary	-	100
GlaxoSmithKline OTC (PVT.) Limited	Pakistan	63.5	Ordinary	-	100
GlaxoSmithKline Pakistan Limited	Pakistan	82.6	Ordinary	-	82.6
GlaxoSmithKline Panama S.A.	Panama	63.5	Ordinary	-	100
GlaxoSmithKline Paraguay S.A.	Paraguay	63.5	Ordinary	-	100
GlaxoSmithKline Pharmaceuticals Limited	India	75	Equity	-	75
GlaxoSmithKline S.A.E.	Egypt	91.2	Ordinary	-	91.2
GlaxoSmithKline Sante Grand Public SAS	France	63.5	Ordinary	-	100
GlaxoSmithKline Tuketici Sagligi Anonim Sirketi	Turkey	63.5	Nominative	-	100
GlaxoSmithKline-Consumer Hungary Limited Liability Company	Hungary	63.5	Membership	-	100
GSK Consumer Healthcare Singapore Pte. Ltd	Singapore	63.5	Ordinary	-	100
Iodosan S.p.A.	Italy	63.5	Ordinary	-	100
Kuhs GmbH	Germany	63.5	Equity	-	100
Modern Pharma Trading Company L.L.C.	Egypt	98.2	Quotas	-	98.2
Novartis Consumer Health Australasia Pty Ltd	Australia	63.5	Ordinary; Redeemable Preference	-	100
Novartis Consumer Health Canada Inc./Novartis Sante Familiale Canada, Inc.	Canada	63.5	Common	-	100
Novartis Consumer Health GmbH	Germany	38.1	Ordinary	-	100
Novartis Consumer Health LLC	Russia	63.5	Participation Interest	-	100
Novartis Consumer Health N.V.	Belgium	63.5	Ordinary	-	100
Novartis Consumer Health S.A.	Spain	63.5	Ordinary	-	100
Novartis Consumer Health S.A.	Switzerland	63.5	Ordinary	-	100
Novartis Consumer Health Schweiz AG	Switzerland	63.5	Ordinary	-	100
Novartis Consumer Health Services S.A.	Switzerland	63.5	Registered Shares	-	100
Novartis Consumer Health UK Limited	England & Wales	63.5	Ordinary	-	100
Novartis Consumer Health, Inc.	United States	63.5	Common	-	100
Novartis Consumer Health-Gebro GmbH	Austria	38.1	Ordinary	-	60
Novartis Sante Familiale S.A.S. (merged into GlaxoSmithKline Sante Grand Public SAS on 29 Jan 2016)	France	63.5	Ordinary	-	100
P.T. SmithKline Beecham Pharmaceuticals	Indonesia	99	A Shares; B Shares	-	100
P.T. Sterling Products Indonesia	Indonesia	63.5	A Shares; B Shares	-	100
Panadol GmbH	Germany	63.5	Ordinary	-	100
PT Glaxo Wellcome Indonesia	Indonesia	95	A Shares; B Shares	-	100
PT. Bina Dentalindo (In liquidation)	Indonesia	63.5	Ordinary	-	100
Sino-American Tianjin Smith Kline & French Laboratories Ltd	China	34.9	Ordinary	-	55
SmithKline Beecham (Private) Limited	Sri Lanka	99.6	Ordinary	-	99.6
SmithKline Beecham Research Limited	England & Wales	63.5	Ordinary	-	100
SmithKline Beecham S.A.	Spain	63.5	Ordinary	-	100
SmithKline Beecham-Biomed O.O.O.	Russia	97	Participation Interest	-	97
Stafford-Miller (Ireland) Limited	Ireland	63.5	Ordinary	-	100
Stafford-Miller Limited	England & Wales	63.5	Ordinary; Non-Cumulative Non Redeemable Preference	-	100
Sterling Drug (Malaya) Sdn Berhad	Malaysia	63.5	Ordinary	-	100
Sterling Products International, Incorporated (i)	United States	63.5	Common	-	100
Stiefel Consumer Healthcare (UK) Limited	England & Wales	63.5	Ordinary	-	100
Stiefel Egypt LLC (i)	Egypt	99	Quota	-	99
Stiefel Manufacturing (Ireland) Limited	Ireland	63.5	Ordinary	-	100
Winster Pharmaceuticals Limited	Nigeria	46.4	Ordinary	-	100
Zhejiang Tianyuan Bio-Pharmaceutical Co. Ltd	China	95	Ordinary	-	95
Chiron Panacea Vaccines Private Ltd (In liquidation)	India	50	Equity	-	50
Japan Vaccine Co., Ltd	Japan	50	Ordinary	-	50
Japan Vaccine Distribution Co., Ltd	Japan	50	Ordinary	-	50
Qualivax Pte. Limited	Singapore	50	Ordinary	-	50
Qura Therapeutics, LLC	United States	50	Units	-	50

Key
(i) Dormant company
(ii) Tax resident in the UK
(iii) Entity expected to be disposed of or removed in 2016