



GlaxoSmithKline

11 November, 2002

International Accounting Standards Board  
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EC4M 6XH

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Dear Sir,

**Comments on the Exposure Draft of a Proposed IFRS 'First-time Application of International Financial Reporting Standards'**

We welcome this opportunity to comment on the Exposure Draft of a Proposed IFRS on 'First-time Application of International Financial Reporting Standards'. Our responses to the questions set out in the preface to the Exposure Draft are given below.

Question 1

***The proposed IFRS would apply when an entity first adopts International Financial Reporting Standards (IFRSs) as its new basis of accounting, by an explicit and unreserved statement of compliance with all IFRSs.***

***Is this an appropriate description of the circumstances when this proposed IFRS should apply? If not, what changes would you suggest, and why?***

Yes, this is an appropriate description,

Question 2

***The proposed IFRS proposes a requirement that an entity shall prepare its opening IFRS balance sheet using accounting policies that comply with each IFRS effective at the reporting date for its first IFRS financial statements. Paragraphs 13-24 propose limited exemptions from this requirement.***

***Are all these exemptions appropriate? Should the Board amend any of these exemptions or create any further exemptions? If so, why?***

The exemptions appear to be appropriate.

Question 3

***Paragraphs 28-37 of the proposed IFRS deal with presentation and disclosure requirements (see also paragraphs BC90-BC97). Are all of these disclosures appropriate? Should the Board require any further disclosures or eliminate or amend any of the proposed disclosure requirements? If so, why?***

We do believe that all the disclosures are appropriate. We fully support the need to provide reconciliations from previous GAAP to IFRSs to assist users of financial statements in understanding the impact of the transition to IFRSs (paragraph 31 of the exposure draft).

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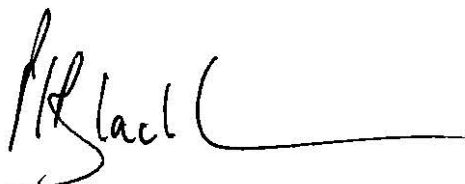
However, we are also concerned that the reconciliation requirements for interim financial reports (paragraph 37) will be onerous for those entities which publish quarterly results announcements. A practical timing issue arises from the requirement to publish, in the first quarterly results announcement under IAS 34, a reconciliation between previous GAAP and IFRSs of the reported profit or loss for the latest period in the entity's most recent annual financial statements and of its equity at the previous year-end date.

Question 4

***Do you have any other comments on the Exposure Draft?***

We do not have any other comments on the Exposure Draft.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P Blackburn', followed by a long horizontal line.

Mr PF Blackburn  
Corporate Financial Controller  
GlaxoSmithKline plc