Profit on disposal of associates 29
Share of after tax profits of associates and joint ventures 18 10

Profit before taxation 2,699 3,385 (21)

Legal matters

The Group is involved in significant legal and administrative proceedings, principally product liability, intellectual property, tax, anti-trust and governmental investigations as well as related private litigation, which are more fully described in the 'Legal Proceedings' note in the Annual Report 2012.

At 30 June 2013, the Group's aggregate provision for legal and other disputes (not including tax matters described under 'Taxation' below) was £0.6 billion (31 December 2012: £0.5 billion). The Group may become involved in significant legal proceedings in respect of which it is not possible to make a reliable estimate of the expected financial effect, if any, that could result from ultimate resolution of the proceedings. In these cases, the Group would provide appropriate disclosures about such cases, but no provision would be made.

The ultimate liability for legal claims may vary from the amounts provided and is dependent upon the outcome of litigation proceedings, investigations and possible settlement negotiations. The Group's position could change over time, and, therefore, there can be no assurance that any losses that result from the outcome of any legal proceedings will not exceed by a material amount the amount of the provisions reported in the Group's financial accounts.

Significant developments since the Annual Report 2012 and for the quarter ended 30 June 2013 are as follows:

The Group has reached settlements in principle with the Attorneys General of eight states to resolve lawsuits relating to the development and marketing of Avandia, as well as the separate action brought by the Attorney General of the state of Louisiana relating to other of the Group's products. The total settlement amount, $229 million, is within existing net provisions.

On 11 July 2013, the Ministry of Public Security (PSB) in China confirmed an ongoing investigation into alleged serious economic crimes by GSK China's pharmaceutical operations. The Group is co-operating fully with the authorities in this enquiry. It is not possible at this time to make a reliable estimate of the financial effect, if any, that could result from this matter.

Developments with respect to tax matters are described in 'Taxation' below.

Taxation

Transfer pricing and other issues are as previously described in the 'Taxation' note in the Annual Report 2012. There have been no material changes to tax matters since the publication of the Annual Report.

In the quarter, tax on core profits amounted to £424 million and represented an effective tax rate of 24.0% (Q2 2012: 25.5%). The charge for taxation on total profits amounted to £204 million and represented an effective tax rate of 15.8% (Q2 2012: 14.8%).

In H1 2013, tax on core profits amounted to £818 million and represented an effective tax rate of 23.2% (H1 2012: 25.7%). The charge for taxation on total profits amounted to £586 million and represented an effective tax rate of 21.7% (H1 2012: 20.9%).

The expected core tax rate for the full year continues to be around 24%. The Group's balance sheet at 30 June 2013 included a tax payable liability of £1,308 million and a tax recoverable asset of £90 million.

GSK continues to believe that it has made adequate provision for the liabilities likely to arise from periods which are open and not yet agreed by tax authorities. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of agreements with relevant tax authorities.

Additional information

Accounting policies and basis of preparation

This unaudited Results Announcement contains condensed financial information for the three and six months ended 30 June 2013, is prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and IAS 34 'Interim financial reporting' and should be read in conjunction with the Annual Report 2012, which was prepared in accordance with