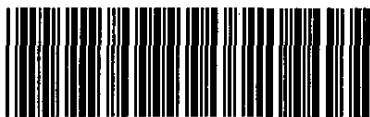


**Glaxo Wellcome UK Limited**  
(Registered number: 00480080)

**Annual report**

**for the year ended 31 December 2022**

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**Registered office address:**  
GSK Medicines Research Centre  
Gunnels Wood Road  
Stevenage  
United Kingdom  
SG1 2NY

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Annual report**

**for the year ended 31 December 2022**

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**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

## **Strategic report for the year ended 31 December 2022**

The Directors present their strategic report on Glaxo Wellcome UK Limited (the "Company") for the year ended 31 December 2022.

### **Principal activities and future developments**

The Company is a member of the GSK Group (the "Group"). The Company is a private company limited by shares and is incorporated and domiciled in the UK (England). The address of the registered office is GSK Medicines Research Centre, Gunnels Wood Road, Stevenage, United Kingdom, SG1 2NY.

The principal activities of the Company are the development, enhancement, maintenance, protection and exploitation of intellectual property assets owned by the Company which may include but are not limited to, licensing out intellectual property rights relating to pharmaceutical products to the Group companies and carrying out research and development activities. The Directors do not envisage any change to the nature of the business in the foreseeable future.

### **Review of business**

The Company made a loss for the year of £174,356,000 (2021: loss for the year £136,000). The Directors are of the opinion that the current level of activity and the year-end financial position are sustainable and will remain so in the foreseeable future.

The loss for the financial year of £174,356,000 will be transferred from reserves (2021: loss for the year of £136,000 transferred from reserves).

### **Principal risks and uncertainties**

The Directors of GSK plc manage the risks of the Group at a group level, rather than at an individual statutory entity 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 2022 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 an operating segment basis. The KPIs including but not limited to turnover, operating profit and research and development expenditure are reviewed at the Group level. 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 2022 annual report which does not form part of this report.

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**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Strategic report for the year ended 31 December 2019 (continued)**

**Section 172 Companies Act 2006 statement**

The Company's governance architecture and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Company's long-term priorities of Innovation, Performance and Trust.

The Board prioritises human capital as a key element in enhancing the positive influence within communities, with the Code of Conduct defining our purpose, culture, and performance commitments to ensure the realisation of the Company's aspirations while also ensuring fair treatment of shareholders.

In the performance of its duty to promote the success of the Company and the long-term priorities, the Board has agreed to a number of matters, including listening to and considering the views of shareholders and the Company's other stakeholders to build trust and ensure it fully understands the potential impacts of the decisions it makes for our stakeholders, the environment and the communities in which we operate.

Further disclosures detailing how, during the year, the Directors addressed the matters set out in Section 172(1) (a) to (f) of the Companies Act, can be found in the consolidated financial statements of the Group, of which the Company is a member and no additional considerations are deemed necessary for the Company as the relevant matters are all considered in the Group accounts. Copies of the consolidated financial statements can be obtained from the Company Secretary, GSK plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

On behalf of the Board



Jill Anderson  
Director  
27 July 2023

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Directors' report for the year ended 31 December 2022**

The Directors present their report on Glaxo Wellcome UK Limited (the "Company") and the financial statements of the Company for the year ended 31 December 2022.

**Results and dividends**

The Company's results for the financial year are shown in the statement of comprehensive income on page 5.

No dividend was proposed to the holders of ordinary shares in respect of the year ended 31 December 2022 (2021: £nil).

**Directors**

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

Jill Anderson

(appointed on 1 March 2023)

Ziba Shamsi

(appointed on 28 October 2022)

Graham Riers

(appointed on 18 July 2023)

Jerome Andries

(resigned on 1 March 2023)

Kate Priestman

(resigned on 28 October 2022)

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. A Corporate Director is a legal entity of the Group as opposed to a natural person (an individual) Director.

**Directors' indemnity**

Each of the Directors benefits from an indemnity given by the Company under its articles of association. This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of 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 their engagement in the business of the Company.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in 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. The Directors 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.

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**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Directors' report for the year ended 31 December 2022 (continued)**

The following items have been included in the strategic report on pages 1 to 2:

- principal activities and future developments;
- review of business;
- principal risks and uncertainties;
- key performance indicators (KPIs); and
- section 172 Companies Act 2006 statement.

**Modern Slavery**

The Company's approach to the Modern Slavery Act 2015 is set by the Group. Each year, as part of their governance arrangements, the Group formally reviews and approves the approach to the Modern Slavery Act 2015 and has confirmed that the approach is still valid for 2022.

**Stakeholder engagement**

The Company aims to build enduring relationships with all its stakeholders in the countries where it operates. The Company works with its business partners in an honest, respectful and responsible way and seeks to work with others who share the Company's commitments to safety, ethics and compliance.

On behalf of the Company, the Group participates in industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the Group works with governments on a range of issues that are relevant to its business and relating to regulatory compliance matters.

**Going concern**

Having assessed the principal risks of the Company and other matters the Directors are of the opinion that the current level of activity remains sustainable. The Directors in their considerations have included potential risks to demand and operational risks to supply throughout trade routes. The Directors have taken into account that as part of the Group, the Company has already received the necessary letter of support from the Group and can take actions to ensure business continuity through operational channels, as well as the ability to manage variable costs. On the basis of those considerations, the Directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**Audit and small company exemption**

The Company has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2022.

By order of the Board



Jill Anderson  
Director  
27 July 2023

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Statement of comprehensive income**  
**for the year ended 31 December 2022**

	Notes	2022 £'000	2021 £'000
Turnover	4	1,508,223	731,201
Cost of sales		(1,622,380)	(650,172)
<b>Gross (loss)/profit</b>		<b>(114,157)</b>	<b>81,029</b>
Administrative expenses		(4,839)	(15,930)
Research and development expenditure		(84,491)	(49,479)
Other operating expenses		(3,191)	(13,226)
<b>Operating (loss)/profit</b>	5	<b>(206,678)</b>	<b>2,394</b>
<b>(Loss)/profit before interest and taxation</b>		<b>(206,678)</b>	<b>2,394</b>
Finance expense	7	(12,559)	(614)
Finance expense - net		(12,559)	(614)
<b>(Loss)/profit before taxation</b>		<b>(219,237)</b>	<b>1,780</b>
Taxation	8	44,881	(1,916)
<b>Loss for the year</b>		<b>(174,356)</b>	<b>(136)</b>

The results disclosed above for both the current year and prior year relate entirely to continuing operations.

The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement to present other comprehensive income has been prepared.

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Balance sheet**  
**for the year ended 31 December 2022**

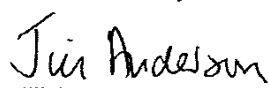
	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Intangible assets	9	667,184	732,992
Investments in subsidiaries	11	2,630	2,630
Deferred tax assets	8	7,316	-
Total non-current assets		677,130	735,622
<b>Current assets</b>			
Trade and other receivables	10	267,521	644,636
Prepayments and accrued income	13	2,384	-
Corporation tax		33,132	4,929
Derivative financial instruments	12	-	2,973
Total current assets		303,037	652,538
<b>Total assets</b>		980,167	1,388,160
<b>Current liabilities</b>			
Trade and other payables	15	(1,104,537)	(634,769)
Accruals and deferred income	14	(21,199)	(718,030)
Total current liabilities		(1,125,736)	(1,352,799)
<b>Net current liabilities</b>		(822,699)	(700,261)
<b>Total assets less current liabilities</b>		(145,569)	35,361
<b>Non-current liabilities</b>			
Deferred tax liabilities	8	-	(6,574)
Total non-current liabilities		-	(6,574)
<b>Total liabilities</b>		(1,125,736)	(1,359,373)
<b>Net (liabilities)/assets</b>		(145,569)	28,787
<b>Equity</b>			
Share capital	17	65,001	65,001
Accumulated losses		(210,570)	(36,214)
<b>Shareholder's (deficit)/equity</b>		(145,569)	28,787

For the year ended 31 December 2022, the Company was entitled to exemption for audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- the Directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and preparation of accounts.

The financial statements on pages 5 to 18 were approved by the Board of Directors on 27 July 2023 and were signed on its behalf by:

  
Jill Anderson  
Director



**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Statement of changes in equity**  
**for the year ended 31 December 2022**

	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 January 2021</b>	<b>65,001</b>	<b>(36,078)</b>	<b>28,923</b>
Total comprehensive loss for the year	-	(136)	(136)
<b>At 31 December 2021</b>	<b>65,001</b>	<b>(36,214)</b>	<b>28,787</b>
Total comprehensive loss for the year	-	(174,356)	(174,356)
<b>At 31 December 2022</b>	<b>65,001</b>	<b>(210,570)</b>	<b>(145,569)</b>

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Notes to the financial statements for the year ended 31 December 2022**

**1 Presentation of the financial statements**

**General information**

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom (England). The address of the registered office is GSK Medicines Research Centre, Gunnels Wood Road, Stevenage, United Kingdom, SG1 2NY.

The principal activities of the Company are the development, enhancement, maintenance, protection and exploitation of intellectual property assets owned by the Company which may include but are not limited to, licensing out intellectual property rights relating to pharmaceutical products to the Group companies and carrying out research and development activities. The Directors do not envisage any change to the nature of the business in the foreseeable future.

The principal activity of the Company is holding inter-company loans in Group undertakings.

**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 Company has received a letter of support from GSK Finance plc which confirms its intention to provide financial support for at least twelve months from the date of signing off the financial statements. As a result of continued financial support, the directors of the Company are satisfied that the going concern basis remains appropriate.

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The financial statements are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Company operates.

**Going concern**

Having assessed the principal risks of the Company and other matters the Directors are of the opinion that the current level of activity remains sustainable. The Directors in their considerations have included potential risks to demand and operational risks to supply throughout trade routes. The Directors have taken into account that as part of the Group, the Company has already received the necessary letter of support from the Group and can take actions to ensure business continuity through operational channels, as well as the ability to manage variable costs. On the basis of those considerations, the Directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**2 Summary of significant accounting policies (continued)**

**Disclosure exemptions adopted**

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101 to requirements set by the International Financial Reporting Standards (IFRS). Therefore these financial statements do not include:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
- The requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.
- IFRS 7, 'Financial instruments: disclosures'.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);
  - (iv) paragraph 76 and 79(d) of IAS 40 Investment property; and
  - (v) paragraph 50 of IAS 41 Agriculture.
- 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);
  - 111 (cash flow statement information); and
  - 134 - 136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16, 'Leases';
- The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- 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 and 18A of IAS 24, 'Related party disclosures' (key management compensation).
- 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; and
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

The financial statements of GSK plc can be obtained as described in note 2(q).

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.

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**2 Summary of significant accounting policies (continued)**

**(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. GSK plc, a company registered in United Kingdom (England), 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 GSK plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GSK plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS. The immediate parent undertaking is Glaxo Group Limited. These financial statements are separate financial statements.

**(c) Turnover**

The Company recognises turnover on the residual amount after accounting for all external income and expenses and inter-company expenses related to the supply and management of the pharmaceutical products for which it owns the intellectual property rights, and license income from other Group undertakings and third parties. The Company has authorised the supply and management of the pharmaceutical products to Group companies which act as principal in the overall process. The residual return is therefore recognised on a net basis. If the residual amount is an income, it is recorded in turnover. If the residual amount is a loss, it is recorded in cost of sales.

The residual return is a result of the overall supply and management of pharmaceutical products for combined output and not separately identifiable, hence it is considered a single performance obligation.

Turnover is recognised overtime as the supply and management of the pharmaceutical products is being performed, when the performance obligations are being fulfilled.

**(d) Expenditure**

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. A provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Expenditure is recognised in respect of services received when supplied in accordance with contractual terms.

**(e) Research and development**

Research and development expenditure is charged to the statement of comprehensive income in the year in which it is incurred. Development-expenditure is capitalised when the criteria for recognising an asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable. Property, plant and equipment used for research and development are capitalised and depreciated in accordance with the Company's policy.

**(f) Dividends paid**

Interim dividends received are included in the statement of comprehensive income in the year in which the right to receive the payment is established. Dividends in specie are recognised at their fair value at the date of receipt.

**(g) Finance income and expense**

Finance income and expense are recognised on an accruals basis using the effective interest method.

**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**2 Summary of significant accounting policies (continued)**

**(h) Intangible assets**

Intangible assets are stated at cost less a provision for amortisation and impairment.

Licences and patent rights separately acquired are amortised over their estimated useful lives, generally not exceeding 20 years, using the straight-line basis, from the time they are available for use. The estimated useful lives for determining the amortisation charge take into account patent lives, where applicable, as well as the value obtained from periods of non-exclusivity. Asset lives are reviewed, and where appropriate adjusted, annually. Contingent milestone payments are recognised at the point that the contingent event becomes probable. Any development costs incurred by the Company and associated with acquired licences, patents rights are written off to the statement of comprehensive income when incurred, unless the criteria for recognition of an internally generated intangible asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable.

**(i) Investment in subsidiaries**

Investments in subsidiaries are held at cost less accumulated impairment losses.

**(j) Impairment of non-current 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. Additionally, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the statement of comprehensive income in the year concerned.

Impairment losses on 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.

**(k) Trade and other receivables**

Trade and other receivables are carried at original invoice amount less allowance for expected credit losses. Expected credit losses are calculated in accordance with the approaches permitted by IFRS 9. For trade receivables, the simplified approach is used by using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether and the extent to which settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purpose of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key drivers of the loss rate are the nature of the business unit and the location and type of customer.

For other receivables, the general approach is used where the entity recognises the losses that are expected to result from all possible default events over the expected life of the receivable, when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the receivable has not increased significantly since initial recognition, the entity measures the expected loss allowance based on losses that are expected to result from default events that are possible within 12 months after the reporting date. When a trade and other receivable is determined to be uncollectable it is written off, firstly against any expected credit loss allowance available and then to the statement of comprehensive income.

Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income. Long-term receivables are discounted where the effect is material.

**(l) Trade and other payables**

Trade and other payables are initially recognised at fair value and then held at amortised cost using the effective interest method.

**(m) Taxation**

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

**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**2 Summary of significant accounting policies (continued)**

**(n) Derivative financial instruments**

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

Derivative financial assets and liabilities are classified as held-for trading and are measured at fair value. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

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 statement of comprehensive income when the hedged item affects profit or loss.

Changes in the fair value of derivatives designated as fair value hedges are recorded in the statement of comprehensive income, together with the changes in the fair value of the hedged asset or liability.

**(o) Share capital**

Ordinary shares are classified as equity.

**3 Critical accounting judgements and key sources of estimation uncertainty**

In preparing the financial statements, the Directors are 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 Directors do not consider that there are any critical accounting judgements that have been made in the process of applying the Company's accounting policies and that have had a significant effect on the amounts recognised in the financial statements. There have been no significant estimates or assumptions which are likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**4 Turnover**

Analysis of turnover by category:

	2022 £'000	2021 £'000
Royalties and licence income	<u>1,508,223</u>	<u>731,201</u>

**5 Operating (loss)/profit**

	2022 £'000	2021 £'000
<b>The following items have been (credited)/charged in operating (loss)/profit:</b>		
Amortisation of intangible assets (note 9)	9,704	4,822
Research and development expenditure	84,491	49,479
Gain on derivative financial instruments	(71,222)	(4,753)
Management fee	7	6
Impairment of intangible assets (note 9)	76,182	-
Administrative expenses	4,839	15,930
Exchange (gain)/losses on foreign currency transactions	<u>(11,480)</u>	<u>13,151</u>

**Glaxo Wellcome UK Limited**  
**(Registered number: 00480080)**

**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**5 Operating (loss)/profit (continued)**

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

**6 Employees**

All UK 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 5). The Company has no employees (2021: nil).

**7 Finance expense**

	<b>2022</b> <b>£'000</b>	2021 £'000
On loans with Group undertakings	<b>(12,559)</b>	(614)

**8 Taxation**

	<b>2022</b> <b>£'000</b>	2021 £'000
<b>Income tax (credit)/charge on (loss)/profit</b>		
<b>Current tax:</b>		
UK corporation tax at 19.00% (2021: 19.00%)	<b>(31,386)</b>	(4,464)
Overseas tax	<b>395</b>	(194)
Total current tax	<b>(30,991)</b>	(4,658)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<b>(13,890)</b>	6,175
Adjustments in respect of previous years	-	303
Change in tax rate - impact on deferred tax	-	96
Total deferred tax	<b>(13,890)</b>	6,574
Total tax (credit)/charge for the year	<b>(44,881)</b>	1,916

**Glaxo Wellcome UK Limited**  
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**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**8 Taxation (continued)**

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £'000	2021 £'000
<b>Reconciliation of total tax (credit)/charge (Loss)/profit on ordinary activities before tax</b>	<b>(219,237)</b>	<b>1,780</b>
Tax on ordinary activities at the UK standard rate 19.00% (2021: 19.00%)	<b>(41,655)</b>	338
Effects of:		
Expenses not deductible for tax purposes	-	-
R&D expenditure tax credits	<b>(287)</b>	(109)
Adjustments to tax charge in respect of previous years	<b>395</b>	(194)
Remeasurement of deferred tax - change in tax rate	<b>(3,334)</b>	1,541
Adjustments to tax charge in respect of previous periods - deferred tax	-	303
Other [to expand into separate categories if this is a large figure]	-	37
<b>Total tax (credit)/charge for the year</b>	<b>(44,881)</b>	<b>1,916</b>

Factors that may affect future tax charges:

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This may have an impact on Company's tax charge of future years accordingly. There is no impact of this change on the tax charge as there are no instances of deferred taxation recognised in the statement of comprehensive income or directly in equity in either the current or prior year.

**Movement in deferred tax assets**

	Intangible assets £'000	Total £'000
At 1 January 2022	(6,574)	<b>(6,574)</b>
Charge to statement of comprehensive income	13,890	<b>13,890</b>
At 31 December 2022	<b>7,316</b>	<b>7,316</b>

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

	2022 £'000	2021 £'000
Deferred tax liabilities classified as non-current liabilities	<b>7,316</b>	(6,574)



Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Intangible assets

	Licences & patents £'000
<b>Cost</b>	
At 1 January 2022	738,108
Additions	20,078
At 31 December 2022	758,186
<b>Accumulated amortisation</b>	
At 1 January 2022	(5,116)
Charge for the year	(9,704)
At 31 December 2022	(14,820)
<b>Accumulated impairment</b>	
At 1 January 2022	-
Charge for the year	(76,182)
At 31 December 2022	(76,182)
Total amortisation and impairment at 31 December 2022	(91,002)
Net book value at 1 January 2022	732,992
Net book value at 31 December 2022	667,184

10 Trade and other receivables

	2022 £'000	2021 £'000
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	4,184	553,917
Other receivables	263,337	90,719
	267,521	644,636

The amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

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**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**11 Investments in subsidiaries**

	Shares in Subsidiary at cost £'000
<b>Cost</b>	
At 1 January 2021	2,947
At 31 December 2021	2,947
At 31 December 2022	2,947
<b>Accumulated impairment</b>	
At 1 January 2021	-
At 31 December 2021	(317)
At 31 December 2022	(317)
Carrying value at 31 December 2021	2,630
Carrying value at 31 December 2022	2,630

Details of the subsidiary undertakings of the Company as at 31 December 2022 are given in Note 21. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

**12 Derivative financial instruments**

The Company had forward foreign exchange contracts with the following fair values at the end of the year:

	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Forward foreign exchange contracts - cash flow hedges	-	-	2,973	-
<b>Total</b>	-	-	2,973	-

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

**(a) Forward foreign exchange contracts**

The notional principal amounts of the outstanding derivative instruments at 31 December 2022 were £nil (2021: £145,400,000).

These derivative financial instruments are used to mitigate exposure to foreign exchange transactional risks. The derivative financial instruments are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The valuations of derivative financial instruments are based on the present value of net contractual cash flows using market sourced data (exchange rates).

All outstanding contracts have been matured during the year.

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**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**12 Derivative financial instruments (continued)**

These derivative financial instruments are used to mitigate exposure to foreign exchange transactional risks. The derivative financial instruments are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The valuations of derivative financial instruments are based on the present value of net contractual cash flows using market sourced data (exchange rates).

All outstanding contracts have a maturity of 12 months or less.

**13 Prepayments and accrued income**

	<b>2022</b> <b>£'000</b>	2021 £'000
Amounts due within one year	<b>2,384</b>	-
	<b>2,383</b>	-

**14 Accruals and deferred income**

	<b>2022</b> <b>£'000</b>	2021 £'000
Amounts falling due within one year	<b>21,199</b>	718,030

**15 Trade and other payables**

	<b>2022</b> <b>£'000</b>	2021 £'000
<b>Amounts falling due within one year</b>		
Amounts owed to Group undertakings	<b>1,104,537</b>	634,769
	<b>1,104,537</b>	634,769

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand except for a call account balance with GlaxoSmithKline IHC Limited of £980,900,000 (2021: £616,583,000 ) which is unsecured and repayable on demand with interest received at SONIA rate plus 0.1% per annum (2021: LIBOR rate plus 0.25% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate plus 0.1% per annum).

**16 Capital and other commitments (TBU)**

At 31 December 2022, the Company had the following capital commitments:

	<b>2022</b> <b>£'000</b>	2021 £'000
<b>Capital commitments</b>		
Contracted for but not provided in the financial statements		
Intangible assets	<b>1,585,181</b>	1,523,034

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**Notes to the financial statements for the year ended 31 December 2022 (continued)**

**16 Capital and other commitments (continued)**

A number of commitments were made in 2022 and in prior years under licensing and other agreements. The commitments related to intangible assets include milestone payments, which are dependent on successful clinical development or on meeting specified sales targets, and which represent the maximum that would be paid if all milestones, however unlikely, are achieved. As some of these agreements relate to compounds in the early stages of development, milestone payments will continue for a number of years if the compounds move successfully through the development process. Generally, the closer the product is to marketing approval, the greater the possibility of success.

**17 Share capital**

	2022 Number of shares	2021 Number of shares	2022 £	2021 £
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each (2021: £1 each)	<b>65,001,000</b>	65,001,000	<b>65,001,000</b>	65,001,000

**18 Contingent assets and/or liabilities**

**Group banking arrangement**

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bank. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability as at 31 December 2022 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

**19 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 (2021: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2021: £nil).

**20 Related party transactions**

As a wholly owned subsidiary of the ultimate parent company, GSK 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.

**21 Subsidiaries**

The subsidiaries of the Company as at 31 December 2022 are as follows:

Company	Direct shares held (%)	Security	Address of the registered office
Allen & Hanburys Limited	100%	Ordinary	980 Great West Road, Brentford, Middlesex, TW8 9GS, England.
Glaxo Laboratories Limited (dissolved on 1 February 2023)	100%	Ordinary	55 Baker Street London, W1U 7EU, United Kingdom