

SmithKline Beecham Marketing and Technical Services Limited
(Registered number: 00494385)

Directors' report and financial statements
for the year ended 31 December 2019

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Registered office address:
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Brentford
Middlesex
TW8 9GS
England

SmithKline Beecham Marketing and Technical Services Limited
(Registered number: 00494385)

Directors' report and financial statements
for the year ended 31 December 2019

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SmithKline Beecham Marketing and Technical Services Limited
(Registered number: 00494385)

Directors' report for the year ended 31 December 2019

The Directors present their report on SmithKline Beecham Marketing and Technical Services Limited (the "Company") and the financial statements for the year ended 31 December 2019.

Principal activities and future developments

The Company is a member of the GlaxoSmithKline 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 980 Great West Road, Brentford, Middlesex TW8 9GS.

The Company did not undertake any trading activity during the financial year ended 31 December 2019. The Company now only holds intercompany loan balances. 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 financial year of £21,000 (2018: loss of £3,000). The Directors are of the opinion that the current level of activity and the year end financial position are sustainable and that the Company remains a going concern due to a net current asset position.

The loss for the year of £21,000 will be transferred from reserves (2018: loss of £3,000 transferred from reserves).

Results and dividends

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

No dividend is proposed to the holders of ordinary shares in respect of the year ended 31 December 2019 (2018: £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

| | |
|----------------|--|
| A Walker | (Resigned on 2 March 2020) |
| C Panagiotidis | (Appointed on 15 February 2019 and resigned on 2 March 2020) |
| D Jackson | (Appointed on 2 March 2020) |

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 his, her or its duties. In addition, each of the Directors who is an individual benefits from an indemnity given by another Group undertaking, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third party proceedings to which the Director is a party by reason of his or her engagement in the business of the Company.

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Directors' report for the year ended 31 December 2019 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the 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 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.

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 2019.

Corporate Governance

As a subsidiary company of the Group which is listed on the New York and London Stock Exchanges, the Company has developed governance practices and processes that are fit for purpose.

The Directors have applied an undocumented system of governance by:

- (a) Promoting the purpose of the Group to deliver manufacturing and distribution of medicines through its subsidiaries' operations.
- (b) Regularly reviewing its composition to ensure that it has an appropriately diverse balance of skills, backgrounds, experience and knowledge and that individual Directors have sufficient capacity to make a valuable contribution.
- (c) To support effective decision-making Directors take into account the System of Internal Control and the Code of Conduct when acting in their capacity as a Director of the Company.
- (d) In accordance with the governance practices and processes that it adopts, the Board is supported by Systems of Internal Control to identify opportunities to create and preserve value.
- (e) Having regard to and fostering good stakeholder relationships.

SmithKline Beecham Marketing and Technical Services Limited
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Directors' report for the year ended 31 December 2019 (continued)

Stakeholder Engagement

The Company aims to build enduring relationships with governments, regulators, patients, customers, partners, suppliers and communities 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.

The Company's activities affect a wide variety of individuals and organisations. The Company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making.

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, from regulatory compliance, to collaborating on community initiatives.

The Group seeks to engage with customers through social media, focus groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.

Going concern

Having assessed the principal risks and other matters, including the potential impact of the COVID- 19 pandemic, the Directors are of the opinion that the current level of activity remains sustainable. In relation to the challenges that arise from the COVID- 19 pandemic, the considerations have included potential risks related to the activities of the Company. The Directors have taken into account that as part of the GSK Group of companies, the Company has the ability to request support from the Group where necessary 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.

Approach to Brexit

In preparing for the UK's exit from the EU (BREXIT), our overriding priority has been to maintain continuity of supply of our medicines to people in the UK and EU. As a result, we have taken a risk based approach to planning and mitigation, in conjunction and complete alignment with the Group, whilst the negotiations on future relationships between the UK and the European Union is negotiated.

We have significant experience of maintaining resilient supply chains and have used existing processes to develop a new supply model based on the UK leaving the EU. Uncertainty remains about the new operating environment after the transition ends on 31 December 2020, but all preparations are being taken to minimise disruption to the supply of our products to consumers.

Risks associated with the coronavirus outbreak

The potential impact of the coronavirus outbreak on the Company's activities remains uncertain. Up to the date of this Report, the outbreak has not had a material impact on the results of the Company. The situation could change at any time and there can be no assurance that the coronavirus outbreak will not have a material adverse impact on the future results of the Company.

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Directors' report for the year ended 31 December 2019 (continued)

Post balance sheet events

The directors have considered the impact on the Company of the COVID-19 pandemic, which is a non-adjusting post balance sheet event. The Directors do not consider that there have been any material adverse changes to the carrying values of the Company's assets nor material adjustments to liabilities subsequent to the year-end which require disclosure in these 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 2019.

This report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006.

On behalf of the Board



D Jackson
Director
28 April 2020

SmithKline Beecham Marketing and Technical Services Limited
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Statement of comprehensive income
for the year ended 31 December 2019

| | Notes | 2019 £'000 | 2018 £'000 |
|--|-------|---------------|---------------|
| Administrative expenses | | (20) | (18) |
| Other operating (expenses) / income | | (23) | 6 |
| Operating loss | 4 | (43) | (12) |
| Loss before interest and taxation | | (43) | (12) |
| Finance income | 6 | 17 | 9 |
| Loss before taxation | | (26) | (3) |
| Taxation | 7 | 5 | - |
| Loss for the financial year | | (21) | (3) |

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.

SmithKline Beecham Marketing and Technical Services Limited
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Balance sheet
as at 31 December 2019

| | Notes | 2019 £'000 | 2018 £'000 |
|--|-------|---------------|---------------|
| Non-current assets | | | |
| Deferred tax assets | 7 | 13 | 13 |
| Current assets | | | |
| Trade and other receivables | 8 | 3,447 | 3,445 |
| Corporation tax | | 5 | - |
| Cash and cash equivalents | | 95 | 124 |
| Total current assets | | 3,547 | 3,569 |
| Total assets | | 3,560 | 3,582 |
| Current liabilities | | | |
| Trade and other payables | 9 | (699) | (700) |
| Net current assets | | 2,848 | 2,869 |
| Total assets less current liabilities | | 2,861 | 2,882 |
| Net assets | | 2,861 | 2,882 |
| Equity | | | |
| Share capital | 10 | 2,010 | 2,010 |
| Retained earnings | | 855 | 876 |
| Other reserves | | (4) | (4) |
| Shareholder's equity | | 2,861 | 2,882 |

For the year ending 31 December 2019, the Company was entitled to exemption from 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; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 5 to 14 were approved by the Board of Directors on 28 April 2020 and were signed on its behalf by:



D Jackson
Director

SmithKline Beecham Marketing and Technical Services Limited
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Statement of changes in equity
for the year ended 31 December 2019

| | Share capital £'000 | Other reserves £'000 | Retained earnings £'000 | Total £'000 |
|--|---------------------------|----------------------------|-------------------------------|----------------|
| At 1 January 2018 | 2,010 | (4) | 879 | 2,885 |
| Loss and total comprehensive loss for the financial year | - | - | (3) | (3) |
| At 31 December 2018 | 2,010 | (4) | 876 | 2,882 |
| Loss and total comprehensive loss for the financial year | - | - | (21) | (21) |
| At 31 December 2019 | 2,010 | (4) | 855 | 2,861 |

SmithKline Beecham Marketing and Technical Services Limited
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Notes to the financial statements for the year ended 31 December 2019

1 Presentation of the financial statements

General information

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 980 Great West Road, Brentford, Middlesex TW8 9GS.

The Company did not undertake any trading activity during the financial year ended 31 December 2019. The Company now only holds intercompany loan balances. The Directors do not envisage any change to the nature of the business in the foreseeable future.

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").

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.

Going concern

Having assessed the principal risks and other matters, including the potential impact of the COVID- 19 pandemic, the Directors are of the opinion that the current level of activity remains sustainable. In relation to the challenges that arise from the COVID- 19 pandemic, the considerations have included potential risks related to the activities of the Company. The Directors have taken into account that as part of the GSK Group of companies, the Company has the ability to request support from the Group where necessary 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.

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);

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Notes to the financial statements for the year ended 31 December 2019

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Disclosure exemptions adopted (continued)

- 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 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.

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Notes to the financial statements for the year ended 31 December 2019

2 Summary of significant accounting policies (continued)

(b) Ultimate and immediate parent company

The Company is a wholly owned subsidiary of the ultimate parent company. GlaxoSmithKline 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 GlaxoSmithKline plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertaking is SmithKline Beecham Limited. These financial statements are separate financial statements.

(c) Foreign currency transactions

Foreign currency transactions are booked 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 the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the statement of comprehensive income. The functional currency of the Company is US Dollar and the presentation currency of the Company is Pounds Sterling.

(d) Expenditure

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

(e) Finance income and expense

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

(f) 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 Company 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 Company 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 income statement. Long-term receivables are discounted where the effect is material.

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Notes to the financial statements for the year ended 31 December 2019

2 Summary of significant accounting policies (continued)

(g) 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.

(h) 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. Long-term payables are discounted where the effect is material.

(i) 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.

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 probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date.

(j) 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 Operating loss

| | 2019 | 2018 |
|--|--------------|--------------|
| | £'000 | £'000 |
| The following items have been charged/(credited) in operating loss: | | |
| Exchange loss/(gain) on foreign currency transactions | 23 | (6) |
| Management fee | 13 | 12 |
| Audit fees | - | 6 |
| Bank charges | 7 | - |

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Audit fees of £nil (2018: £6,400) were borne by GlaxoSmithKline Export Limited and recharged to the Company.

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Notes to the financial statements for the year ended 31 December 2019

5 Employees

All UK personnel 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 4). The Company has no employees (2018: nil).

6 Finance income

| | 2019 | 2018 |
|----------------------------------|--------------|-------|
| | £'000 | £'000 |
| On loans with Group undertakings | 17 | 9 |

7 Taxation

| | 2019 | 2018 |
|---|--------------|-------|
| | £'000 | £'000 |
| Income tax charge/(credit) on loss | | |
| Current tax: | | |
| UK corporation tax at 19.00% (2018: 19.00%) | (5) | - |
| Total current tax | (5) | - |
| Total tax charge/(credit) for the year | (5) | - |

There are no items required to reconcile the loss on ordinary activities before taxation at the statutory rate of 19.00% (2018: 19.00%) to the current taxation charge.

Factors that may affect future tax rates:

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £1,562.

Movement in deferred tax assets and liabilities

| | Accelerated capital allowances £'000 | Other net temporary differences £'000 | Total £'000 |
|---|---|--|------------------------|
| At 1st January 2018 | 14 | (1) | 13 |
| Deferred tax charged in the Statement of comprehensive income | - | - | - |
| At 1st January 2019 | 14 | (1) | 13 |
| Deferred tax charged in the Statement of comprehensive income | - | - | - |
| At 31 December 2019 | 14 | (1) | 13 |

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

| | 2019 | 2018 |
|--|--------------|-------|
| | £'000 | £'000 |
| Deferred tax assets classified as non-current assets | 13 | 13 |

SmithKline Beecham Marketing and Technical Services Limited
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Notes to the financial statements for the year ended 31 December 2019

8 Trade and other receivables

| | 2019 | 2018 |
|------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Amounts due within one year | | |
| Amounts owed by Group undertakings | 3,447 | 3,445 |
| | 3,447 | 3,445 |

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand except for call account balances with SmithKline Beecham Limited of £2,274,000 (2018: £2,308,000) with an interest received at LIBOR rate less 0.125% (2018: LIBOR rate less 0.125%) per annum and SmithKline Beecham (Export) Limited of £600,000 (2018: £596,000) with an interest received at LIBOR rate less 0.125% (2018: LIBOR rate less 0.125%) per annum.

In the current financial year, corporation tax assets has been presented separately on the balance sheet which has resulted in the change of the comparatives on the balance sheet.

9 Trade and other payables

| | 2019 | 2018 |
|--|--------------|-------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Amounts owed to Group undertakings | 678 | 679 |
| Other payables | 21 | 21 |
| | 699 | 700 |

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand, except for a call account balance with GlaxoSmithKline (Export) Limited of £nil (2018: £15,000) which is unsecured with interest paid at LIBOR rate plus 0.25% (2018: LIBOR rate plus 0.25%) per annum and repayable on demand.

10 Share capital

| | 2019 | 2018 | 2019 | 2018 |
|--|------------------|-----------|--------------|-------|
| | Number of | Number | £'000 | £'000 |
| | shares | of shares | | |
| Issued and fully paid | | | | |
| Ordinary Shares of £1 each (2018: £1 each) | 2,010,000 | 2,010,000 | 2,010 | 2,010 |

11 Contingent 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 2019 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

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Notes to the financial statements for the year ended 31 December 2019

12 Post balance sheet events

The directors have considered the impact on the Company of the COVID-19 pandemic, which is a non-adjusting post balance sheet event. The Directors do not consider that there have been any material adverse changes to the carrying values of the Company's assets nor material adjustments to liabilities subsequent to the year-end which *require disclosure in these financial statements*.

13 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 (2018: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2018: £nil).

14 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 within the Group, or information around remuneration of key management personnel compensation.