

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

Directors' report and financial statements
for the year ended 31 December 2021



Registered office address:
980 Great West Road
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 2021

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SmithKline Beecham Marketing and Technical Services Limited
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Directors' report for the year ended 31 December 2021

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 2021.

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 United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex, TW8 9GS.

The principal activity of the Company is holding inter-company loans in Group undertakings. 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 £27,000 (2020: loss of £540,000). 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 £27,000 will be transferred from reserves (2020: loss of £540,000 transferred from reserves).

Results and dividends

The Company's results for the financial year are shown in the statement of comprehensive income on page 4.

No dividend is proposed to the holders of ordinary shares in respect of the year ended 31 December 2021 (2020: £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
D Jackson

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.

SmithKline Beecham Marketing and Technical Services Limited
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Directors' report for the year ended 31 December 2021 (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.

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 the potential risks related to services provided by the Company. The Directors have taken into account that as part of the Group, 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.

Risks associated with COVID-19

The potential impact of the COVID-19 pandemic on the Group's performance and all its principal risks has been assessed with mitigations plans put in place. For further disclosures detailing how, during the year, the COVID-19 pandemic has impacted the Group can be found on page 54 of the consolidated financial statements of the Group. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

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Directors' report for the year ended 31 December 2021 (continued)

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 2021.

In accordance with Section 414B of the Companies Act 2006, the Company is exempt from preparing a strategic report.

On behalf of the Board



D Jackson
Director
30 March 2022

SmithKline Beecham Marketing and Technical Services Limited
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Statement of comprehensive income
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Administrative expenses		(12)	(12)
Other operating expenses		(12)	(493)
Operating loss	4	(24)	(505)
Loss before interest and taxation		(24)	(505)
Finance expense	6	(3)	(22)
Loss before taxation		(27)	(527)
Taxation	7	-	(13)
Loss for the financial year		(27)	(540)

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 2021

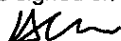
	Notes	2021 £'000	2020 £'000
Current assets			
Trade and other receivables	8	2,300	15,454
Corporation tax		-	-
Total current assets		2,300	15,454
Total assets		2,300	15,454
Current liabilities			
Trade and other payables	9	(6)	(13,133)
Net current assets		2,294	2,321
Total assets less current liabilities		2,294	2,321
Net assets		2,294	2,321
Equity			
Share capital	10	2,010	2,010
Retained earnings		284	315
Other reserves	11	-	(4)
Shareholder's equity		2,294	2,321

For the year ended 31 December 2021, 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 of the Companies Act 2006; 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 4 to 13 were approved by the Board of Directors on 30 March 2022 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 2021

	Share capital £'000	Retained earnings £'000	Other reserves £'000	Total £'000
At 1 January 2020	2,010	855	(4)	2,861
Loss and total comprehensive loss for the financial year	-	(540)	-	(540)
At 31 December 2020	2,010	315	(4)	2,321
Loss and total comprehensive loss for the financial year	-	(27)	-	(27)
Transfer of realised loss		(4)	4	-
At 31 December 2021	2,010	284	-	2,294

SmithKline Beecham Marketing and Technical Services Limited
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Notes to the financial statements for the year ended 31 December 2021

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 principal activity of the Company is holding inter-company loans in Group undertakings. 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 the potential risks related to services provided by the Company. The Directors have taken into account that as part of the Group, 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 2021

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 2021

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 expense

Finance 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 statement of comprehensive income. 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 2021

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

	2021	2020
	£'000	£'000
The following items have been charged / (credited) in operating loss:		
Management fee	12	12
Inter-company balances written-off	12	487
Old balances written back	-	(21)

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

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Notes to the financial statements for the year ended 31 December 2021

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 (2020: nil).

6 Finance expense

	2021 £'000	2020 £'000
On loans to Group undertakings	(3)	(5)
Inter-company interest balances written-off	-	(17)
	(3)	(22)

7 Taxation

	2021 £'000	2020 £'000
Income tax charge on loss		
Current tax:		
UK corporation tax at 19.00% (2020: 19.00%)	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	15
Change in tax rate - impact on deferred tax	-	(2)
Total deferred tax	-	13
Total tax charge for the year	-	13

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £'000	2020 £'000
Reconciliation of total tax charge		
Loss on ordinary activities before tax	(27)	(527)
Tax on ordinary activities at the UK standard rate 19.00% (2020: 19.00%)	(5)	(100)
Effects of:		
Expenses not deductible for tax purposes	2	106
Group relief surrender	3	9
Remeasurement of deferred tax for changes in tax rates	-	(2)
Total tax charge for the year	-	13

Factors that may affect future tax charges:

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

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Notes to the financial statements for the year ended 31 December 2021

8 Trade and other receivables

	2021	2020
	£'000	£'000
Amounts due within one year		
Amounts owed by Group undertakings	2,300	15,454
	2,300	15,454

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand except for call account balance with GlaxoSmithKline IHC Limited of £2,244,000 (2020: payable balance of £13,129,000) respectively which is unsecured and repayable on demand with interest received at LIBOR rate less 0.125% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate less 0.05% per annum (2020: interest paid at LIBOR rate plus 0.25% per annum).

9 Trade and other payables

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Amounts owed to Group undertakings	6	13,133
	6	13,133

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand. The amount owed as at 31 December 2020 included an interest bearing balance with GlaxoSmithKline IHC Limited of £13,129,000 which was unsecured with interest paid at LIBOR rate plus 0.25% per annum and repayable on demand.

10 Share capital

	2021	2020	2021	2020
	Number of	Number	£'000	£'000
	shares	of shares		
Issued and fully paid				
Ordinary Shares of £1 each (2020: £1 each)	2,010,000	2,010,000	2,010	2,010

11 Other reserves

	Other
	reserves
	£'000
At 1 January 2020 and 31 December 2020	(4)
Transfer of realised loss	4
At 31 December 2021	-

The other reserves relate to the foreign exchange loss that arose on the translation of the Company's branches' functional currency to the Company's presentation currency in prior years. The loss is considered to be realised, and hence the Directors have decided to transfer the other reserve into retained earnings during the 2021 financial year.

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Notes to the financial statements for the year ended 31 December 2021

12 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 2021 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

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 (2020: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2020: £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 with other wholly owned members of the Group, or information around remuneration of key management personnel compensation.