

Registration number: 01777819

Eli Lilly Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



Ernst & Young
City Quarter
Lapps Quay
Cork
Ireland

Eli Lilly Holdings Limited
Registration No: 01777819

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Eli Lilly Holdings Limited
Registration No: 01777819

Company Information

Directors	H Bennett J Haug R Morison
Company secretary	H Bennett
Registered office	Lilly House Priestley Road Basingstoke Hampshire RG24 9NL
Bankers	BNP Paribas 10 Harewood Avenue London NW1 6AA National Westminster Bank Plc 3 London Street Basingstoke Hampshire RG21 2NS
Auditors	Ernst & Young City Quarter Lapps Quay Cork Ireland

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Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

Results

The profit for the year, after taxation, amounted to £1,001,000 (2014: £1,324,000). There are no other key performance indicators.

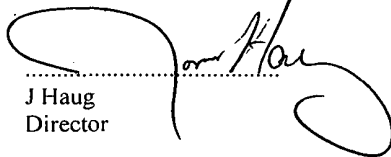
Principal activity, fair review of the business and principal risks and uncertainties

The principal activities of the company are to act as a regional office for strategic management and certain other regional activities. These regional costs are billed out to other group companies. The directors are satisfied with the Company's performance during the year.

The Company is not directly exposed to any financial risks.

The Company expects to continue operating as a regional office for strategic management and other regional activities.

Approved by the Board on Oct 14 2016 and signed on its behalf by:


.....
J Haug
Director

Eli Lilly Holdings Limited
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Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Directors of the Company

The directors who held office during the year were as follows:

J Haug (appointed 16 July 2015)

E Zinn (resigned 1 July 2015)

S Pezzack - Company secretary and director (resigned 2 May 2016)

The following directors were appointed after the year end:

H Bennett - Company secretary and director (appointed 2 May 2016)

R Morison (appointed 1 July 2016)

Dividends

There was no dividend declared or paid in the year (2014: nil)

Employment of disabled persons

It is the policy of this company that disabled persons, whether registered disabled or not, should receive full and fair consideration for all job vacancies, company training and development programmes and promotion opportunities for which these persons are suitable and qualified applicants. Employees who become disabled during their working life with the company will be retrained in employment wherever practicable and will be given reasonable assistance with any necessary retraining.

Employee involvement

The company has continued to maintain and develop its policy of involving and communicating with its employees, as appropriate to the various components of its organisation, and has continued its policy of providing annually a detailed report to each employee of its performance and business progress.

Going concern

The company's business activities, the factors likely to affect its future development and its financial position are discussed in the 'Principal activity and uncertainties' section of the Strategic report.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

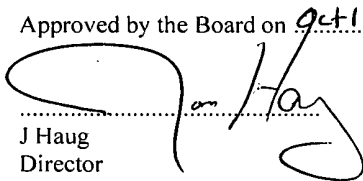
Eli Lilly Holdings Limited
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Directors' Report for the Year Ended 31 December 2015 (continued)

Appointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the appointment of Ernst & Young as auditor of the Company.

Approved by the Board on 9th 14 2016 and signed on its behalf by:


.....
J Haug
Director

Eli Lilly Holdings Limited
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Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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. They 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.

J Haug
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELI LILLY HOLDINGS LIMITED

We have audited the financial statements of Eli Lilly Holdings Limited for the year ended 31 December 2015, set out on pages 8 to 20. These financial statements comprise the Income statement, the statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELI LILLY HOLDINGS LIMITED
(Continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Anne O'Leary (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Cork
Ireland

20 October 2016

Eli Lilly Holdings Limited
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Income Statement for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Other expenses		(36,481)	(48,124)
Other operating income		<u>37,765</u>	<u>49,567</u>
Operating profit	3	<u>1,284</u>	<u>1,443</u>
Other interest receivable and similar income	4	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>
Profit before tax		1,285	1,444
Taxation	7	<u>(284)</u>	<u>(120)</u>
Profit for the financial year		<u><u>1,001</u></u>	<u><u>1,324</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements.

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Statement of Comprehensive Income for the Year Ended 31 December 2015

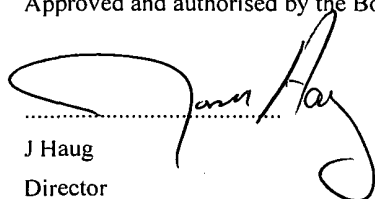
	Note	2015 £ 000	2014 £ 000
Profit for the year		<u>1,001</u>	<u>1,324</u>
Total comprehensive income for the year		<u><u>1,001</u></u>	<u><u>1,324</u></u>

Eli Lilly Holdings Limited
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Statement of Financial Position as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Current assets			
Debtors	8	33,383	34,642
Creditors: Amounts falling due within one year	9	<u>(17,776)</u>	<u>(21,319)</u>
Total assets less current liabilities		15,607	13,323
Provisions for liabilities	10	<u>273</u>	<u>429</u>
Net assets		<u>15,880</u>	<u>13,752</u>
Capital and reserves			
Profit and loss account		<u>15,880</u>	<u>13,752</u>
Total equity		<u>15,880</u>	<u>13,752</u>

Approved and authorised by the Board on Oct 14 2016 and signed on its behalf by:



 J Haug
 Director

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Statement of Changes in Equity for the Year Ended 31 December 2015

	Profit and loss account £ 000	Total £ 000
At 1 January 2015	13,752	13,752
Profit for the year	1,001	1,001
Total comprehensive income	1,001	1,001
Share based payment transactions	1,127	1,127
At 31 December 2015	15,880	15,880
	Profit and loss account £ 000	Total £ 000
At 1 January 2014	11,438	11,438
Profit for the year	1,324	1,324
Total comprehensive income	1,324	1,324
Share based payment transactions	990	990
At 31 December 2014	13,752	13,752

Eli Lilly Holdings Limited
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Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The company is a private company limited by share capital incorporated in United Kingdom.

The address of its registered office is:

Lilly House
Priestley Road
Basingstoke
Hampshire
RG24 9NL
United Kingdom

These financial statements were authorised for issue by the Board on Oct 14 2016

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £'000.

Summary of disclosure exemptions

The company have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes [FRS 102.1]
- exposure to and management of financial risks [FRS 102.11]

Eli Lilly Holdings Limited
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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Exemption from preparing group accounts

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group. The financial statements contain information about Eli Lilly Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400/401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the results of the company are included in the consolidated financial statements of Eli Lilly and Company Limited, a company incorporated in US and based at Lilly Corporate Centre, Indianapolis, Indiana, US.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Share based payments

FRS 102 section 26 'Share based payment' requires the recognition of the fair value of share-based compensation within the company's operating expenses, and a corresponding entry is made through equity. Share based payments comprise performance awards, shareholder value awards and restricted stock units; all received in shares of the ultimate parent company Eli Lilly and Company. Grants are accounted for at the fair value (determined using an appropriate pricing model) at the date of grant and recognised evenly over the vesting period. Where employer national insurance liabilities arise on the issuance of share awards, this liability is accrued.

Performance Awards:

Performance awards are accounted for at fair value based upon the closing stock price on the date of grant and are spread equally across the vesting period. The fair values of performance awards granted during the year ended 31 December 2015 was \$70.34 (2014: \$48.81). Approximately 13,000 Performance awards were granted in 2015 (2014: 15,000). The number of shares ultimately issued for the Performance award program is dependent upon the earnings achieved during the vesting period.

Shareholder Value Awards:

Shareholder values awards are granted to directors and key employees and are payable in shares of the ultimate parent company; these vest across a three year period from the date of grant. The number of shares actually issued, if any, varies depending on the share price at the end of the three year vesting period compared to pre-established target share prices. The corresponding expense for shareholder value awards is accounted for at fair value and spread evenly over the vesting period. We measure the fair value of the shareholder value awards on the grant date using a Monte Carlo simulation model. The Monte Carlo Simulation model uses multiple input variables that determine the probability of satisfying the market condition stipulated in the award grant and calculates the fair value of the award. Expected volatilities utilized in the model are based on implied volatilities from traded options on our stock, historical volatility of our stock price, and other factors. Similarly, the dividend yield is based on historical experience and our estimate of future dividend yields. The risk-free interest rate is derived from the U.S. Treasury yield curve in effect at the time of grant.

Restricted Stock Unit:

Restricted stock units are granted to certain employees and are payable in shares of the ultimate parent company. Restricted stock units are accounted for at fair value based upon the closing stock price on the date of grant. The corresponding expense is spread evenly over the vesting period, typically 3 years. The fair values of restricted stock units granted during the year ended 31 December 2015 was \$71.69 (2014: \$48.81). Approximately 5,500 restricted stock units were granted in 2015 (2014: 5,000).

3 Operating profit

All audit fees are paid by Eli Lilly and Company Limited.

4 Other interest receivable and similar income

	2015	2014
	£ 000	£ 000
Group Deposits	<u>1</u>	<u>1</u>

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £ 000	2014 £ 000
Wages and salaries	10,747	11,605
Social security costs	1,248	1,240
Share-based payment expenses	1,127	990
Other pension costs	<u>(1,844)</u>	<u>(763)</u>
	<u>11,278</u>	<u>13,072</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	<u>95</u>	<u>103</u>

6 Directors' remuneration

Directors' remuneration has been borne by Eli Lilly and Company Limited. The directors of the company are also directors or officers of other companies within the Eli Lilly and Company group and these directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2015, 31 December 2014 and 31 December 2013.

7 Taxation

Tax charged/(credited) in the income statement

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax	132	522
UK corporation tax adjustment to prior periods	<u>(5)</u>	<u>27</u>
	127	549
Deferred taxation		
Arising from origination and reversal of timing differences	<u>157</u>	<u>(429)</u>
Tax expense in the income statement	<u>284</u>	<u>120</u>

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

7 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)

The timing difference relating to the deferred tax on the share based payments during 2015 is £157,000 (2014: £429,230). The deferred tax balance on shared based payments was established in 2014, where as the 2015 charge represents 2015 movement only.

	2015 £ 000	2014 £ 000
Profit before tax	<u>1,285</u>	<u>1,444</u>
Corporation tax at standard rate	260	310
Effect of expense not deductible in determining taxable profit (tax loss)	21	212
UK deferred tax expense (credit) relating to changes in tax rates or laws	8	-
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	-	(429)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	<u>(5)</u>	<u>27</u>
Total tax charge	<u><u>284</u></u>	<u><u>120</u></u>

The rate of corporation tax was reduced to 20% effective from 1 April 2015.

The timing difference relating to the deferred tax on the share based payments during 2015 is included in 'Effect of expense not deductible in determining taxable profit'.

8 Debtors

	2015 £ 000	2014 £ 000
Amounts owed by group undertakings	<u>33,383</u>	<u>34,642</u>

Of the amount above, £242,000 (2014: £242,000) relates to a group cash pooling agreement, which attracts interest at LIBOR +0.25%. The remainder of the balance does not attract interest and is repayable on demand.

9 Creditors

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

9 Creditors (continued)

		2015	(As restated) 2014
	Note	£ 000	£ 000
Due within one year			
Amounts owed to group undertakings		17,466	20,641
Corporation Tax	7	<u>310</u>	<u>678</u>
		<u>17,776</u>	<u>21,319</u>

The above amount owed to group undertakings does not attract interest and is repayable upon request.

10 Deferred tax and other provisions

	2015	2014
	£'000	£'000
The movements in deferred taxation during the current year are as follows:		
Opening Balance	429	-
Charge for the year	(148)	429
Rate Change (2015: 20% to 18%)	<u>(8)</u>	<u>-</u>
Closing Balance	<u>273</u>	<u>429</u>

Full provision has been made for deferred taxation at 18% (2014: 20%) on share based payments

11 Pension and other schemes

The principal activities of the company are to act as a regional office for strategic management and certain other regional activities. The regional office employee costs including pension related expenses are transferred from Eli Lilly and Company Ltd to Eli Lilly Holdings Ltd at the end of the year. Eli Lilly and Company Ltd operate both a defined contribution and defined benefit pension scheme. The assets of the scheme are held separately from those of Eli Lilly and Company. The pension scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Pension scheme assets are measured using market values at the balance sheet date.

Eli Lilly & Company fund shows a net pension asset and therefore the credit to pension costs represents the company's share of a pension holiday credit attributable to the company.

Asset allocations are intended to achieve a total asset return target over the long term. Expected rates of return detailed below are based on historical data and future long-term expectations. The assumed rate of return on pension scheme assets is consistent with the scheme's long-term investment return objective.

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

12 Share capital

Authorised

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each of £1 each	700,000	700,000	700,000	700,000

Allotted, called up and fully paid

	2015		2014	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each of £1 each	1		1	

13 Share-based payments

FRS 102 section 26 'Share based payment' requires the recognition of the fair value of share-based compensation within the company's operating expenses, and a corresponding entry is made through equity. Share based payments comprise performance awards, shareholder value awards and restricted stock units; all received in shares of the ultimate parent company Eli Lilly and Company.

Performance Awards

Performance awards are granted to directors and key employees and are payable in shares of the ultimate parent company; these vest at the end of the financial year following the year of grant. The number of shares actually issued, if any, varies depending on the achievement of certain pre-established earnings-per-share targets over a 2 year period. Performance awards are accounted for at fair value based upon the closing stock price on the date of grant and are spread equally across the vesting period. The fair values of performance awards granted during the year ended 31 December 2015 was \$70.34 (2014: \$48.81). Approximately 13,000 performance awards were granted in 2015 (2014: 15,000).

Shareholder Value Awards

Shareholder values awards are granted to directors and key employees and are payable in shares of the ultimate parent company; these vest across a three year period from the date of grant. The number of shares actually issued, if any, varies depending on the share price at the end of the three year vesting period compared to pre-established target share prices. The corresponding expense for shareholder value awards is accounted for at fair value and spread evenly over the vesting period. We measure the fair value of the shareholder value awards on the grant date using a Monte Carlo simulation model. The Monte Carlo Simulation model uses multiple input variables that determine the probability of satisfying the market condition stipulated in the award grant and calculates the fair value of the award. Expected volatilities utilized in the model are based on implied volatilities from traded options on our stock, historical volatility of our stock price, and other factors. Similarly, the dividend yield is based on historical experience and our estimate of future dividend yields. The risk-free interest rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The weighted-average fair values of the shareholder value awards granted during the year ended 31 December 2015 was \$54.81 (2014: \$41.97). The following assumptions were used to calculate the fair values:

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

	-2015-	-2014-
Expected dividend yield	2.50%	3.50%
Risk-free interest rate	'0.79	'0.08-0.71
Range of volatilities	'20.37	18.87-21.56

Approximately 11,000 shareholder value awards were granted in 2015 (2014: 13,000)

Restricted Stock Units

Restricted stock units are granted to certain employees and are payable in shares of the ultimate parent company. Restricted stock units are accounted for at fair value based upon the closing stock price on the date of grant. The corresponding expense is spread evenly over the vesting period, typically 3 years. The fair values of restricted stock units granted during the year ended 31 December 2015 was \$71.69 (2014: \$48.81). Approximately 5,500 restricted stock units were granted in 2015 (2014: 5,000)

The ultimate parent undertaking is Eli Lilly & Company which is incorporated in the United States of America. The consolidated financial statements of Eli Lilly & Company are those of the smallest and largest group of which the company is a member and for which consolidated financial statements are prepared. The consolidated financial statements can be obtained from Eli Lilly & Company, Lilly Corporate Center, Indianapolis, Indiana, USA.

The immediate parent undertaking is Eli Lilly Group Limited which is incorporated in the United Kingdom. The company has utilised the exemption under section 33 of Financial Reporting Standard 102 whereby a subsidiary undertaking does not have to disclose transactions with other entities that are wholly owned subsidiaries of the Eli Lilly & Company Group.

14 Ultimate parent undertaking and related party transactions

The company's immediate parent is Eli Lilly International Corporation, incorporated in United States of America.

The ultimate parent is Eli Lilly and Company, incorporated in United States of America.

The consolidated financial statements of Eli Lilly & Company are those of the smallest and largest group of which the company is a member and for which consolidated financial statements are prepared. The consolidated financial statements can be obtained from Eli Lilly & Company, Lilly Corporate Center, Indianapolis, Indiana, USA.

The company has utilised the exemption under section 33 of Financial Reporting Standard 102 whereby a subsidiary undertaking does not have to disclose transactions with other entities that are wholly owned subsidiaries of the Eli Lilly & Company Group.

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Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

15 Transition to FRS 102

The company transitioned from previously extant UK GAAP to FRS 102 on 1 January 2015.

A complete review of the company was carried out upon transition however the transition has not resulted in any material changes to the reported financial position or performance of Eli Lilly Holdings Ltd.