

Setfirst Limited

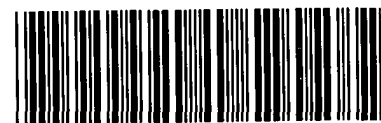
(Registered number: 02332323)

Annual report and financial statements

for the year ended 31 December 2019

Registered office address:
980 Great West Road
Brentford
Middlesex
TW8 9GS
England

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Setfirst Limited

Annual report and financial statements

for the year ended 31 December 2019

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Setfirst Limited
(Registered number: 02332323)

Strategic report for the year ended 31 December 2019

The Directors present their Strategic report on Setfirst Limited (the "Company") 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 Directors do not envisage any changes to the nature of the business in the foreseeable future.

The Company's principal activity during the year was to act as a holding company for the Group, including undertaking the following activities:

- acquiring investments;
- treasury-related activities, including the management of part of the Group's foreign exchange risk.

Review of business

The Company made a Loss for the financial year of £246,034,000 (2018: Loss for the year of £83,492,000). The Directors are of the opinion that the current level of activity and the year end financial position are sustainable and will remain so in the foreseeable future as the current year's loss is mainly due to investment impairments as a result of disposals and liquidations.

The loss for the year of £246,034,000 will be transferred from reserves (2018: Loss for the year of £83,492,000 transferred from reserves).

Principal risks and uncertainties

The Directors of GlaxoSmithKline plc manage the risks of the Group at a group level, rather than at an individual statutory entity level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2019 Annual Report, which does not form part of this report.

Key performance indicators (KPIs)

The Directors of the Group manage the Group's operations on an operating segment basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The development, performance and position of the Group are discussed in the Group's 2019 Annual Report, which does not form part of this report.

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 products 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 and its subsidiaries' access to capital and ability to lend remains uncertain. Up to the date of this Report, the outbreak has not had a material impact on the trading results of the Company. The pandemic has impacted the trading results of certain subsidiaries during the first half of 2020 primarily in demand for Vaccines as a result of containment measures impacting customers' ability and willingness to access vaccination services across all regions. We continue to monitor the situation closely, as this is clearly a very dynamic and uncertain situation with the ultimate severity, duration and impact unknown at this point including the potential impacts on trading results. The situation could change at any time and there can be no assurance that COVID-19 will not have a material adverse impact on the future results of the Company.

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.

Section 172 Companies Act 2006 statement

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

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

Matters identified that may effect the Company's performance in the long term are set out in the principle risks disclosed both above and in the Group's 2019 Annual Report.

On behalf of the Board



Adam Walker
Director
30 July 2020

Setfirst Limited
(Registered number: 02332323)

Directors' report for the year ended 31 December 2019

The Directors present their report on the Company and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The Company's results for the financial year are shown in the income statement on page 7.

A dividend in specie of £16,700,731,000 was paid in 2019 (2018:nil).

On 30 July 2020, an interim dividend of £5,000,000,000 is proposed to be declared to the holders of Ordinary shares.

Financial instruments

The Company has entered into foreign currency forward contracts and foreign currency swap contracts in order to mitigate foreign exchange exposure arising from intercompany loans (including the USD preference shares issued by the Company which are accounted for as an intercompany loan) and investments in subsidiaries. In addition, the Company has designated loans as fair value hedges of its investments in subsidiaries. The Company has also entered into an interest rate swap in order to swap floating interest payments on an intercompany loan from floating to fixed interest rate. Detailed disclosures are not provided in the financial statements as the Company has taken advantage of the exemption from disclosure under FRS 101. Details on financial risk management are disclosed in Note 2(m).

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
Simon Dingemans (resigned 1 May 2019)
Adam Walker
Iain MacKay (appointed 1 May 2019)

No Director had, during 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 his or her engagement in the business of the Company.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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' ("FRS 101") 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, including FRS101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Setfirst Limited
(Registered number: 02332323)

Directors' report for the year ended 31 December 2019

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.

The following items have been included in the Strategic report on page 1:

- principal activities and future developments;
- review of business;
- principal risks and uncertainties;
- key performance indicators;
- approach to brexit;
- risks associated with the coronavirus outbreak;
- post balance sheet events; and
- section 172 Companies Act 2006 Statement.

Modern Slavery

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

Stakeholder Engagement

The Company aims to build enduring relationships and works with its business partners in an honest, respectful and responsible way.

Disclosure of information to auditors

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and the Directors have taken all the steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 to asset valuations, including indicators of impairment and impacts on fair values. The Directors have taken into account that as part of the GSK Group of companies, the Company has already received the necessary letter of support from immediate parent company, GSK Finance plc and can take actions to ensure business continuity. 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.

Independent auditors

Deloitte LLP have been appointed to act as the Company's auditors by a resolution of the Board of Directors in accordance with s489(3) Companies Act 2006. Deloitte LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the Board



Adam Walker
Director
30 July 2020

Setfirst Limited
(Registered number: 2332323)

Independent auditor's report to the members of Setfirst Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Setfirst Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

We have audited the financial statements, which comprise:

- the income statement;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1-22 in the financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have reviewed the directors' statement of responsibilities in relation to the financial statements about whether they consider it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the company and its subsidiaries, its business model and related risks including where relevant the impact of COVID-19, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Setfirst Limited
(Registered number: 2332323)

Independent auditor's report to the members of Setfirst Limited (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the *strategic report or the directors' report*.

Matters on which we are required to report by exception

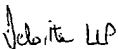
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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. The Company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated.



Deloitte LLP
Statutory Auditors
London
30 July 2020

Setfirst Limited

**Income Statement
for the year ended 31 December 2019**

	Notes	2019 £'000	2018 £'000
Other operating income/(expense)		(125,216)	(117,304)
Income from subsidiaries	5	2,046,092	668,621
Net gain/(loss) on disposal of investments		(301)	(3,716)
Impairment of investment in subsidiaries	10	(2,022,865)	(471,911)
Operating profit/(loss)	4	(102,290)	75,690
Profit/(loss) before interest and taxation		(102,290)	75,690
Finance income	6	99,343	93,279
Finance expense	7	(248,493)	(239,932)
Finance expense - net		(149,150)	(146,653)
Profit/(loss) before taxation		(251,440)	(70,963)
Taxation	8	5,406	(12,529)
Profit/(loss) for the year		(246,034)	(83,492)

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

Setfirst Limited

**Statement of comprehensive income
for the year ended 31 December 2019**

	Note	2019 £'000	2018 £'000
Profit/(loss) during the year		(246,034)	(83,492)
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Fair value movements on cash flow hedges	16	(560)	(2)
Deferred tax on fair value movements on cash flow hedges	16	95	-
Reclassification of cash flow hedges to the income statement	16	603	(274)
Deferred tax on reclassification of cash flow hedge to the income statement	16	(102)	47
		36	(229)
Total comprehensive income/(loss) for the year		(245,998)	(83,721)

Setfirst Limited

**Balance sheet
as at 31 December 2019**

	Notes	2019 £'000	2018 £'000
Non-current assets			
Investments	10	24,566,173	35,275,728
Derivative financial instruments	12	4,573	4,046
Trade and other receivables	11	-	88,000
		24,570,746	35,367,774
Current assets			
Trade and other receivables	11	8,520	9,863,247
Corporation tax	8	3,584	-
Derivative financial instruments	12	29,985	80,364
Cash and cash equivalents		15	11
Total current assets		42,104	9,943,622
Total assets		24,612,850	45,311,396
Current liabilities			
Trade and other payables	13	(6,328,001)	(11,097,323)
Borrowings	14	(1,654,684)	(11,577,450)
Corporation tax		-	(8,093)
Derivative financial instruments	12	(84,865)	(38,171)
Total current liabilities		(8,067,550)	(22,721,037)
Net current liabilities		(8,025,446)	(12,777,415)
Total assets less current liabilities		16,545,300	22,590,359
Non-current liabilities			
Borrowings	14	(8,644,174)	(6,798,705)
Derivative financial instruments	12	-	(1,151)
Deferred tax liabilities	8	(242)	(290)
Total non-current liabilities		(8,644,416)	(6,800,146)
Net assets		7,900,884	15,790,213
Capital and reserves			
Called up share capital	15	-	59,916
Share premium		-	2,930,093
Retained earnings		7,901,022	12,800,378
Other reserves	16	(138)	(174)
Total shareholders' funds		7,900,884	15,790,213

The financial statements on pages 7 to 28 were approved by the Board of Directors on 30 July 2020 and were signed on its behalf by:



A Walker
Director
30 July 2020

Setfirst Limited

**Statement of changes in equity
for the year ended 31 December 2019**

	Share capital	Share premium	Other reserves	Retained earnings /Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2018	59,916	2,930,093	55	12,883,870	15,873,934
Profit/(loss) for the year	-	-	-	(83,492)	(83,492)
Other comprehensive income/(loss)	-	-	(229)	-	(229)
Total comprehensive income/(loss) for the year	-	-	(229)	(83,492)	(83,721)
Ordinary shares issued	-	-	-	-	-
Dividends to shareholders (note 9)	-	-	-	-	-
At 31 December 2018	59,916	2,930,093	(174)	12,800,378	15,790,213
Profit/(loss) for the year	-	-	-	(246,034)	(246,034)
Other comprehensive income/(loss)	-	-	36	-	36
Total comprehensive income/(loss) for the year	-	-	36	(246,034)	(245,998)
Capital reduction	(10,553,051)	(2,930,093)	-	13,483,144	-
Ordinary shares issued	10,493,135	-	-	(1,435,735)	9,057,400
Dividends to shareholders (note 9)	-	-	-	(16,700,731)	(16,700,731)
At 31 December 2019	-	-	(138)	7,901,022	7,900,884

Setfirst Limited

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's principal activity during the year was to act as a holding company for the Group, including undertaking the following activities:

- acquiring investments;
- treasury-related activities, including the management of part of the Group's foreign exchange risk.

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 accounting

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 as modified by the revaluation of derivative financial assets and liabilities at fair value through profit and loss. The accounting policies are set out below, which have been applied consistently, throughout the year, and in accordance with the Companies Act 2006.

The Company has received a letter of support from its immediate parent company, GSK Finance Plc, which confirms its intention to provide financial support for at least twelve months from the date of signing the financial statements. As a result of continued financial support, the Directors of the Company are satisfied that the going concern basis remains appropriate.

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 to asset valuations, including indicators of impairment and impacts on fair values. 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. 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:

- 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';
- IFRS 7, 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a) (iv) of IAS 1;
- 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),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134 - 136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- 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 the Directors to exercise their 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.

2 Summary of significant accounting policies (continued)

(b) Consolidation

The Company is a wholly owned subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006. GlaxoSmithKline plc, a company registered in United Kingdom, 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 GlaxoSmithKline Finance plc. 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 income statement. The functional and 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. A provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

(e) Dividends paid and received

Interim dividends received are included in the income statement in the year in which the right to receive the payment is established. Interim dividends paid are deducted from reserves in the year in which they are paid. Final dividends paid are recorded in the reserves upon shareholder approval. Dividends in specie are recognised at their fair value at the date of receipt.

(f) Finance income and expense

Finance income and expenses are recognised on an accruals basis using the effective interest method. The change in fair value of derivative financial instruments is also recognised in Finance income/expense.

(g) Investment in subsidiaries

The majority of investments in subsidiaries are held at cost less accumulated impairment losses, however certain foreign currency investments in subsidiaries denominated in Euros or Singapore Dollars are designated as a hedged item in a fair value hedge of the exposure to changes in foreign currency rates under IFRS 9 'Financial instruments'. The hedged items are re-measured for changes in foreign currency rates even if it would otherwise have been recognised using a historical rate under IAS 21 'The effects of changes in foreign exchange rates'. In these circumstances, the historical foreign currency cost of the foreign currency investment would be retranslated at each balance sheet date at the closing rate and the exchange difference arising on the retranslation will be recognised in income statement/statement of comprehensive income to offset the change in the fair value of the hedging instruments. These foreign currency investments in subsidiaries are held at retranslated cost less accumulated impairment.

(h) Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The majority of investments in associates are held at cost less accumulated impairment losses, however certain foreign currency investments in associates denominated in Swiss Francs are designated as a hedged item in a fair value hedge of the exposure to changes in foreign currency rates under IFRS 9 'Financial instruments'. The hedged items are re-measured for changes in foreign currency rates even if it would otherwise have been recognised using a historical rate under IAS 21 'The effects of changes in foreign exchange rates'. In these circumstances, the historic foreign currency cost of the foreign currency investment would be retranslated at each balance sheet date at the closing rate and the exchange difference arising on the retranslation will be recognised in income statement to offset the change in the fair value of the hedging instruments. These foreign currency associates are held at retranslated cost less accumulated impairment.

(i) Impairment of non-financial assets

The carrying values of all non-current non-financial assets are reviewed for impairment, either on a standalone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Any provision for impairment is charged to the income statement against profit in the year concerned.

Impairment losses on non-financial assets are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortisation, had no impairments been recognised.

2 Summary of significant accounting policies (continued)

(j) Financial assets

Financial assets are measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Impairment of financial assets

Expected credit losses are recognised in the income statement on financial assets measured at amortised cost.

For financial assets a 12-month expected credit loss ("ECL") allowance is recorded on initial recognition. If there is evidence of a significant increase in the credit risk of an asset, the allowance is increased to reflect the full lifetime ECL. If there is no realistic prospect of recovery, the asset is written off.

(k) Trade and other receivables

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

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

(l) Cash and cash equivalents

Cash and cash equivalents comprise 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.

For cash balances, expected credit losses are measured as a function of individual counterparty credit ratings and associated 12 month default rates, unless there has been a significant increase in credit risk since initial recognition, when default rates are applied.

(m) Taxation

Current tax is provided at the amounts expected to be paid 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 on temporary differences arising on cash flow hedges. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date.

In the current financial year, corporation tax receivable/payable has been presented separately on the balance sheet which has resulted in the change of the comparatives on the balance sheet. The change was made to align with the requirements of the relevant financial standards.

(n) Derivative financial instruments and hedging

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

Derivative financial instruments are classified as held-for-trading and are measured at fair value. Derivatives designated as hedging instruments are classified on inception as cash flow hedges or fair value hedges.

Changes in the fair value of derivatives designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedges are effective. Ineffective portions are recognised in the income statement immediately. Amounts deferred in other comprehensive income are reclassified to the income statement when the hedged item affects the income statement.

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

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2 Summary of significant accounting policies (continued)

(o) Borrowings

All borrowings, which comprise Sterling, USD and Euro loans from Group undertakings, are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

(p) 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.

(q) 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 following are considered to be the critical accounting judgements and key sources of estimation uncertainty.

Critical accounting judgements

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.

Key sources of estimation uncertainty

(a) Additions to investments in subsidiaries

Additions to investments in subsidiaries are recognised at fair value. Where cash is paid for the investment this is deemed to be an indicator of the fair value. In other cases valuations are carried out to determine the appropriate value at which to record the addition.

(b) Impairment of investments in subsidiaries and associates

Investments in subsidiaries and associates are held at cost less accumulated impairment losses except for investments in subsidiaries and associates in a designated fair value hedging relationship, which are revalued to the closing foreign exchange rate on the reporting date. Impairment tests are carried out to ascertain if the carrying values of investments are impaired only when a triggering event for impairment is identified. These tests comprise a comparison between the carrying value of investment in subsidiaries and associates and the net asset value of the subsidiaries or associates. In some instances, the future estimated profit or loss are considered or valuations of subsidiaries or associate companies are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate interest rates. The valuation methodology applied is fair value less costs of disposal or value in use depending on which method yields the higher recoverable amount for each respective investment in accordance with IAS 36.

The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Company.

The impairments in the year are shown in Note 10.

4 Operating profit

	2019 £'000	2018 £'000
The following items have been (charged) / credited in operating profit:		
Exchange (Loss)/Gain on foreign currency transactions	(2,113)	11,031
Management fee	(49)	(47)
Fair value movements on hedges of preference shares	(45,197)	659,088
Revaluation of preference shares	43,297	(659,088)
Other expenses	(121,154)	(128,288)
Income from subsidiaries (Note 5)	2,046,092	668,621
Net gain/(loss) on disposal of investments	(301)	(3,716)
Amounts written off investments (Note 10)	(2,022,865)	(471,911)
Operating profit	(102,290)	75,690

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Included in the management fee is a charge for auditor remuneration for audit of the financial statements of £36,100 (2018: £36,100).

The loss on disposal in 2018 relates to fees incurred as part of the disposal of two Argentinian entities, and to fees incurred as part of a disposal planned for 2019. In 2019 the majority of the loss relates to the disposal of the Horlicks business.

5 Income from subsidiaries

Entity Name	2019 £'000	2018 £'000
GSK Investments Ireland Ltd	1,017,962	-
GSK CH Ireland IP Ltd	487,224	-
GlaxoSmithKline Beteiligungs GmbH	270,473	-
GlaxoSmithKline Biologicals SA	69,237	72,505
GlaxoSmithKline Inc	42,285	105,484
GlaxoSmithKline S.p.A (Italy)	30,846	61,208
GSK Export Panama	28,061	-
Stiefel Laboratories (Ireland) Ltd	26,194	-
GSK (SRL) Romania	14,988	-
GlaxoSmithKline S.A (Spain)	14,073	19,010
GlaxoSmithKline Consumer Healthcare Holdings Limited	-	318,770
GSK Vaccines S.r.l	-	61,947
Other	44,749	29,697
Total dividends	2,046,092	668,621

6 Finance income

	2019 £'000	2018 £'000
Finance income arising from :		
- financial asset held at FVTPL		
Swap interest income	50,760	36,156
Gains on derivative financial instruments	4,590	2,663
- financial asset held at amortized cost		
On loans to Group undertakings	43,993	54,460
Total finance income	99,343	93,279

7 Finance expense

	2019 £'000	2018 £'000
Finance expense arising from :		
- financial liability held at FVTPL		
Loss on derivative financial instruments	(73,218)	19,668
Swap interest income/(expense)	66,751	85,605
- financial liability held at amortized cost		
On loans from Group undertakings	(311,443)	(349,769)
IAS 21 retranslation gain	69,417	4,564
Total finance expense	(248,493)	(239,932)

The gain on derivative financial instruments and swap interest income is treated as a reduction in Finance expense because the derivative is in place to hedge interest payable on loans with Group undertakings.

8 Taxation

	2019 £'000	2018 £'000
Income tax charge/ (credit) on profit		
Current tax:		
UK corporation tax at 19% (2018: 19%)	(3,584)	8,649
Adjustments in respect of prior years	(7,812)	(2,343)
Double tax relief	-	(555)
Overseas tax	6,045	6,745
Total current tax	(5,351)	12,496
Deferred Tax		
Origination and reversal of timing differences	(55)	(39)
Adjustments in respect of previous years	-	72
Total deferred tax	(55)	33
Total tax charge/(credit) for the year	(5,406)	12,529

	2019 £'000	2018 £'000
Tax (expense)/credit included in other comprehensive income		
Current tax	-	-
Deferred tax:		
fair value movements in cash flow hedges	7	(47)
Total tax (expense)/credit included in other comprehensive income	7	(47)

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £'000	2018 £'000
Reconciliation of total tax charge/(credit)		
Profit/(loss) on ordinary activities before tax	(251,440)	(70,963)
Tax on ordinary activities at the UK standard rate 19.00% (2018: 19.00%)	(47,773)	(13,483)
Effects of:		
Expense not deductible for tax purposes	434,103	148,471
Overseas tax	6,045	6,745
Double tax relief	-	(555)
Income not taxable	(389,976)	(129,114)
Change in tax rate - impact on deferred tax	7	10
Over provision in previous years	(7,812)	(2,272)
Other differences	-	2,727
Total tax charge/(credit) for the year	(5,406)	12,529

Factors that may affect future tax charges:

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/(liability) 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 liability by £28k.

8 Taxation (continued)

Movement in deferred tax assets and liabilities

	Tax losses £'000	Other net temporary differences £'000	Total £'000
At 1 January 2018	88	(390)	(302)
Credit to income statement	(88)	53	(35)
Credit to other comprehensive income	-	47	47
At 31 December 2018	-	(290)	(290)
(Charge)/credit to income statement	-	55	55
(Charge)/credit to other comprehensive income	-	(7)	(7)
At 31 December 2019	-	(242)	(242)

Other net temporary differences include accrued expenses for which a tax deduction is only available on a paid basis

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

	2019 £'000	2018 £'000
Deferred tax liabilities classified as non-current liabilities	(242)	(290)
	(242)	(290)

9 Dividends paid and payable

	£'000
Dividends paid in 2019	
Dividend in specie paid to GSK Finance plc	(16,700,731)

The investment in GlaxoSmithKline Consumer Healthcare Holdings Ltd was transferred to GlaxoSmithKline Finance plc as a dividend in specie of £16,700,731,000. There was no dividend paid in 2018.

On 30 July 2020, an interim dividend of £5,000,000,000 is proposed to be declared to the holders of Ordinary shares.

10 Investments

	Associates £'000	Loans to subsidiary undertaking £'000	Subsidiary undertakings £'000	Total £'000
Cost				
At 1 January 2019	78,493	-	46,650,756	46,729,249
Additions	1,284	-	8,919,293	8,920,577
Reclassification	-	-	-	-
Disposals	-	-	(16,960,908)	(16,960,908)
Fair value changes in the year	-	-	-	-
Exchange movement due to hedge accounting for the year	-	-	(870,264)	(870,264)
At 31 December 2019	79,777	-	37,738,877	37,818,654
Accumulated impairment				
At 1 January 2019	(41,941)	-	(11,411,580)	(11,453,521)
Reclassification	-	-	-	-
Disposals	-	-	223,905	223,905
Impairment charge for the year	-	-	(2,022,865)	(2,022,865)
At 31 December 2019	(41,941)	-	(13,210,540)	(13,252,481)
Carrying value at 1 January 2019	36,552	-	35,239,176	35,275,728
Carrying value at 31 December 2019	37,836	-	24,528,337	24,566,173

10 Investments (continued)

	Associates £'000	Loans to subsidiary undertaking £'000	Subsidiary undertakings £'000	Total £'000
Cost				
At 1 January 2018	74,834	5,220	46,406,192	46,486,246
Additions	3,659	-	27,213	30,872
Reclassification	-	(5,220)	5,220	-
Disposals	-	-	(2,413)	(2,413)
Exchange movement due to hedge accounting for the year	-	-	214,544	214,544
At 31 December 2018	78,493	-	46,650,756	46,729,249
Accumulated impairment				
At 1 January 2018	(41,941)	(5,220)	(10,934,449)	(10,981,610)
Reclassification	-	5,220	(5,220)	-
Disposals	-	-	-	-
Impairment charge for the year	-	-	(471,911)	(471,911)
At 31 December 2018	(41,941)	-	(11,411,580)	(11,453,521)
Carrying value at 1 January 2018	32,893	-	35,471,743	35,504,636
Carrying value at 31 December 2018	36,552	-	35,239,176	35,275,728

The significant additions are shown in the table below.

	2019 £'000	2018 £'000
Additions		
GlaxoSmithKline Consumer Healthcare Finance Ltd	8,800,000	-
Zhejiang Tianyuan Bio-pharmaceutical Co., Ltd.	115,250	-
Tesaro Italy	3,924	-
Galvani Bioelectronics Limited	-	25,949
Others	-	5,000
	8,919,174	30,949

During the year the Company capitalised a loan receivable of £8,800,000,000 with GlaxoSmithKline Consumer Healthcare Holdings Ltd to increase its investment in the same entity. The entire investment was then transferred to GlaxoSmithKline Finance plc as a dividend in specie of £16,700,731,000.

During the year the Company injected capital into Zhejiang Tianyuan Bio-pharmaceutical Co., Ltd. of £115,250,000 and disposed of all its shareholding in this entity with no profit or loss to the Company. The impairment reversal of £223,905,000 relates to this disposal.

Impairments in the current year relate to the write down of the carrying value of investments in GlaxoSmithKline Investments (Ireland) Limited of £981,362,000, GlaxoSmithKline Consumer Healthcare Ireland IP Limited of £479,750,000, GlaxoSmithKline Beteiligungs GmbH of £403,370,000, Zhejiang Tianyuan Bio-pharmaceutical Co., Ltd. £78,978,000 and GlaxoSmithKline S.A. (Spain) of £79,405,000.

For other subsidiary undertakings with no impairment, the Directors believe that the carrying value of the investments is supported by their underlying net assets or by past recent financial performance of the investments.

The exchange movements on the investments are hedged using intercompany loans and foreign currency forward contracts and foreign currency swap contracts in a fair value hedge relationship.

Details of the subsidiaries and associates of the Company as at 31 December 2019 are given in Note 22.

11 Trade and other receivables

	2019 £'000	2018 £'000
Amounts due within one year		
Loans owed by Group undertakings	93	9,829,996
Amounts owed by Group undertakings	4,427	32,810
Other receivables	3,999	441
Amounts due after more than one year		
Loans owed by Group undertakings	-	88,000
	8,520	9,951,247

The reduction from last year is mainly due to the capitalisation of the £8,800,000,000 loan with GlaxoSmithKline Consumer Healthcare Holdings Limited and the repayment of the final balance of the call account with the same entity. The £88,000,000 loan with GlaxoSmithKline (China) Investment Co Limited got repaid during the year. The loan with Okairos AG was impaired by £2,700,000 as the entity is in liquidation and the remaining balance was repaid in June 2020. Amounts owed by Group undertakings are trade receivables from GlaxoSmithKline Algeria SPA. Other receivables relate to disposal projects.

12 Fair value of derivatives

The Company has derivatives with the following fair values at the end of the year:

	2019 Fair value £'000	2018 Fair value £'000
Derivative assets - foreign exchange contracts (current assets)	29,985	80,364
Derivative assets - foreign exchange contracts (non-current assets)	558	-
Derivative assets - options (non-current assets)	4,015	4,046
Derivative liabilities - foreign exchange contracts (current liabilities)	(84,865)	(38,171)
Derivative liabilities - interest rate swaps (non-current liabilities)	-	(1,151)
	(50,307)	45,088

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain exposures as follows:

- Forward foreign currency contracts are designated as fair value hedges to mitigate the foreign exchange exposure from certain foreign currency investments in subsidiaries.
- Forward foreign currency contracts designated as cash flow hedges to mitigate the exchange exposure from interest payable on certain amounts owed to other members of the Group.
- Forward foreign currency contracts not designated in a hedging relationship to mitigate the foreign exchange exposure from certain balances owing to or from members of the Group.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The valuations of forward exchange contracts are based on the present value of net contractual cash flows using market sourced data (exchange rates).

In addition the Company entered into an option in the prior year to purchase the remaining 25% of its investment in Glaxo Saudi Arabia Limited in 2032 at net asset value. The option is measured at fair value which is calculated using the discounted cash flows of future forecast cash flows and net assets. The Company also entered into an interest rate swap, designated as a cash flow hedge, to mitigate the interest rate exposure from having floating rate interest on certain amounts owed to other members of the Group.

The notional principal amounts of the outstanding derivative instruments at 31 December 2019 were £10,608 million (2018: £14,312 million). All outstanding contracts have a maturity of less than 12 months, with the exception of the option over the investment in GlaxoSmithKline Saudi Arabia Limited, which expires in 2032, and the interest rate swap, which matures in 2021.

13 Trade and other payables

	2019 £'000	2018 £'000
Current		
Amounts owed to Group undertakings	6,312,719	11,070,426
Accruals and deferred income	15,282	26,783
Other taxes payable	-	114
	6,328,001	11,097,323

Amounts owed to Group undertakings include an unsecured sterling call account balance with GlaxoSmithKline Finance plc of £5,163,393,000 (2018: £10,978,351,000) and with GlaxoSmithKline IHC Limited (Corp) of £1,021,476,000 (2018: nil) which are repayable on demand with interest charged at rates between 0.58% and 0.95%.

14 Borrowings

	2019 £'000	2018 £'000
Current		
Loans payable to Group undertakings	1,654,684	11,577,450
Total current borrowings	1,654,684	11,577,450
Non-current		
Loans payable to Group undertakings	8,644,174	6,798,705
Total non-current borrowings	8,644,174	6,798,705
Total borrowings	10,298,858	18,376,155

Current borrowings are the Euro loans from GlaxoSmithKline Capital plc that mature in 2020.

Non-current borrowings include unsecured Euro loans from GlaxoSmithKline Capital plc of £6,080,793,000 (2018: £5,285,281,000) and from GlaxoSmithKline Finance plc of £1,427,878,000 (2018: 1,513,421,000) which are repayable on dates between 2021 and 2030. Interest is charged on these loans at rates between 0% and 1.9%. In addition, Non-current borrowings include unsecured preference shares issued to GlaxoSmithKline Holdings Ltd. of USD1,500,000,000 (2018: USD 13,500,000,000 in current borrowings) with interest rate of 1.95%.

	2019 £'000	2018 £'000
Maturity of financial liabilities		
In one year or less, or on demand	1,654,684	22,555,801
In more than one year, but not more than two years	4,270,715	1,753,818
In more than two years, but not more than five years	1,263,102	1,513,421
In more than five years	3,110,356	3,531,466
Total borrowings	10,298,857	29,354,506

15 Called up share capital

Authorised

In accordance with a resolution of the members, the Company does not have a limit on authorised share capital.

	2019 Number of shares	2018 Number of shares	2019 £'000	2018 £'000
Issued and fully paid				
Ordinary Shares of £1 each (2018: £1 each)	100	59,915,484	-	59,916

During the year the Company capitalised USD11,500,000,000 (£9,057,400,000) of its preference shares which were transferred from GlaxoSmithKline Holdings Ltd to GlaxoSmithKline Finance plc. At the same time there was a bonus issue for £1,435,735,000 from reserves. There was also a capital reduction of 13,483,144,000 from share capital and premium to reserves.

16 Other reserves

	Cash flow hedge reserve £'000
At 1 January 2018	55
Fair value movements on cash flow hedges	(2)
Deferred tax on fair value movements on cash flow hedge	-
Reclassification of cash flow hedges to the income statement	(274)
Deferred tax on reclassification of cash flow hedge to the income statement	47
Effect of changes in tax rates	-
At 1 January 2019	(174)
Fair value movements	(560)
Deferred tax on fair value movements	95
Reclassification of cash flow hedges to the income statement	603
Deferred tax on reclassification of cash flow hedge to the income statement	(102)
Effect of changes in tax rates	-
At 31 December 2019	(138)

17 Contingent liabilities/assets

Group banking arrangement

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bankers. 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.

18 Employees

The Company has no employees. All 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).

19 Directors' remuneration

During the year the Directors of the Company, with the exception of the Corporate Directors, were remunerated as executives of the Group and received no remuneration in respect of their services to the Company (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).

20 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. Details of other material related party transactions are disclosed below.

During the year, the Company paid the non-executive directors' fees for Galvani Bioelectronics Limited (55% owned by the Company) in the amount of £59,000.

21 Events after the end of reporting period

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.

On 30 July 2020, an interim dividend of £5,000,000,000 is proposed to be declared to the holders of Ordinary shares.

22 Subsidiaries and associates

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	Indirect shares held (%)	Security	Address of the registered office
1506369 Alberta ULC	100.00%	-	Common Shares	3500 855-2nd Street SW, Calgary, AB, T2P 4J8, Canada
Allen Farmaceutica, S.A.	-	100.00%	Euro	Severo Ochoa, 2, Parque Tecnológico de Madrid, Tres Cantos, Madrid, 28760, Spain
Allen Pharmazeutika Gesellschaft m.b.H.	-	100.00%	Ordinary	Wagenseilgasse 3, Euro Plaza, Gebäude I, 4. Stock, Vienna, A-1120, Austria
Beecham Pharmaceuticals (Pte) Limited	-	100.00%	Ordinary	38 Quality Road, Jurong Industrial Estate, Jurong, 618809, Singapore
Beecham Portuguesa-Produtos Farmaceuticos e Quimicos, Lda,	100% 100%	-	Euro Quota 1,246.99; Euro Quota 503,750	Rua Dr Antonio Loureiro Borges No 3, Arquiparque, Miraflores, Alges, 1495-131, Portugal
Beecham S.A.	99.99%	-	Ordinary Euro	Parc de la Noire Epine, rue Fleming 20, 1300 Wavre, Belgium
Biddle Sawyer Limited	-	28.10%	Equity	252 Dr Annie Besant Road, Mumbai, 400030, India
Cascan GmbH & Co. KG	-	100.00%	Partnership Capital	Industriestrasse 32-36, Bad Oldesloe, 23843, Germany
Chiron Panacea Vaccines Private Limited (In Liquidation)	-	50.00%	Equity Shares	708/718, 7th Floor, A Wing, Sagar Tech Plaza, Saki Naka, Andheri East, Mumbai, Maharashtra, 400072, India
Desarrollo Energia Solar Alternativa S.L.	-	99.85%	Ordinary	Severo Ochoa, 2, Parque Tecnológico de Madrid, Tres Cantos, Madrid, 28760, Spain
Duncan Flockhart Australia Pty Limited	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
Duncan Pharmaceuticals Philippines Inc.	-	1.03%	Common	23rd Floor, The Finance Centre, 26th Street Corner 9th, Bonifacio Global City, Taguig City, 1634, Philippines
Fipar (Thailand) Ltd (In liquidation)	-	100.00%	Ordinary	12th Floor Wave Place, 55 Wireless Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Galvani Bioelectronics Inc.	-	100.00%	Common	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Galvani Bioelectronics Limited	100.00%	-	A Ordinary(100%); B Ordinary (0%)	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
Glaxo Laboratories (Nigeria) Limited	-	99.99%	Ordinary	82 Marine Road, Apapa, Lagos, Nigeria
Glaxo New Zealand Pension Plan Trustee Limited	-	100.00%	Ordinary	Level 11, Zurich House, 21 Queen Street, Auckland, 1010, New Zealand
Glaxo Properties BV	-	100.00%	Ordinary	Huis ter Heideweg 62, 3705 LZ, Zeist, Netherlands
Glaxo Saudi Arabia Limited	75.00%	-	Ordinary	PO Box 22617, Area No 56 to 73, Warehouse City, First Stage Al Khomrah, Jeddah 21416, Saudi Arabia
Glaxo Verwaltungs GmbH	-	100.00%	Ordinary	Industriestrasse 32-36, Bad Oldesloe, 23843, Germany
Glaxo Wellcome Australia Pty Ltd	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
Glaxo Wellcome Manufacturing Pte Ltd	100.00%	-	Ordinary	1 Pioneer Sector 1, Jurong Industrial Estate, Jurong, 628413, Singapore
Glaxo Wellcome Production S.A.S.	-	100.00%	Ordinary Euro	23 rue François Jacob, 92500, Rueil-Malmaison, France

22 Subsidiaries and associates (continued)

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	shares held (%)	Security	Address of the registered office
Glaxo Wellcome Vidhyasom Limited	99.99%	-	Ordinary	12th Floor Wave Place, 55 Wireless Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Glaxo Wellcome, S.A.	-	99.85%	Ordinary Euro	Poligono Industrial Allenduedero, Avenida de Extremadura, 3, Aranda de Duero, Burgos, 09400, Spain
Glaxo, S.A.	-	99.85%	Ordinary Euro	Severo Ochoa, 2, Parque Tecnológico de Madrid, Tres Cantos, Madrid, 28760, Spain
Glaxo-Allenburys (Nigeria) Limited	-	99.00%	Ordinary	41 Creek Road, Apapa, Lagos, PMB 1401, Nigeria
Glaxochem (UK) Unlimited	100.000% 90.40%	-	Ordinary C (100%); Ordinary B	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
GlaxoSmithKline - Produtos Farmaceuticos, Limitada	-	100%	Ordinary Euro Quota 100 Ordinary Euro	Rua Dr Antonio Loureiro Borges No 3, Arquiparque, Miraflores, Alges, 1495-131, Portugal
GlaxoSmithKline (Cambodia) Co., Ltd.	-	100.00%	Ordinary	5th Floor DKSH Building, No.797 Preah Monivong Boulevard (Corner of Street 484), Sangkat Phsar Deum Thakov, Khan Chamkarmon, Phnom Penh, Cambodia
GlaxoSmithKline (China) Investment Co Ltd	100.00%	-	Ordinary	Room 901 - 910, Building A, Ocean International Center, 56 Mid 4th East Ring Road, Beijing, Chaoyang District, China
GlaxoSmithKline (China) R&D Company Limited	-	100.00%	Equity	F1-3, No.18 Building, 999 Huanke Road, Pilot Free Trade Zone, Shanghai, 201210, China
GlaxoSmithKline (GSK) S.R.L.	100.00%	-	Ordinary RON	1-5 Costache Negri Street, Opera Center One, 5th and 6th floors, Zone 1, District 5, Bucharest, Romania
GlaxoSmithKline (Ireland) Limited	100.00%	-	Ordinary Euro Redenominated	12 Riverwalk Citywest Business Campus, Dublin, 24, Ireland
GlaxoSmithKline (Tianjin) Co. Ltd	-	90.00%	Ordinary	No. 65, the Fifth Avenue, Tai Feng Industrial Park, Tianjin Economic and Technological, Tianjin, 300457, China
GlaxoSmithKline AB	100.00%	-	Ordinary	Hemvamsg. 9, Solna, 171 54, Sweden
GlaxoSmithKline AG	32.20%	-	Ordinary	Talstrasse 3-5, 3053 Muenchenbuchsee, Switzerland
GlaxoSmithKline Algérie S.P.A.	99.99%	-	Ordinary	Zone Industrielle Est, Boudouaou, Wilaya de Boumerdes, Algeria
GlaxoSmithKline Angola Unipessoal Limitada	100.00%	-	Quotas	Luanda, Bairro Petrangol, Estrada de Cacucaco, no. 288, Angola
GlaxoSmithKline Argentina S.A.	15.80%	-	Ordinary	Tucumán 1, piso 4, Buenos Aires, C1049AAA, Argentina
GlaxoSmithKline AS	-	100.00%	Ordinary	Drammensveien 288, Oslo, 1326, Lysaker, Norway
GlaxoSmithKline Asia Pvt. Limited	-	99.99%	Equity	Patiala Road, Nabha 147201, Dist Patiala, Punjab, India
GlaxoSmithKline Australia Pty Ltd	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
GlaxoSmithKline B.V.	-	100.00%	Ordinary	Huis ter Heideweg 62, 3705 LZ, Zeist, Netherlands
GlaxoSmithKline Bangladesh Limited	81.98%	-	Ordinary	Fouzderhat Industrial Area, Dhaka Trunk Road, North Kattali, Chittagong - 4217, Bangladesh
GlaxoSmithKline Beteiligungs GmbH	100%	-	Ordinary (Nominal value 22,500 Euro) Ordinary (Nominal	Prinzregentenplatz 9, München, 81675, Germany
GlaxoSmithKline Biologicals (Shanghai) Ltd.	-	100.00%	Ordinary	No. 277 Niudun Road, Pilot-Free Trade Zone, Shanghai, China
GlaxoSmithKline Biologicals Kft.	100.00%	-	Ordinary	2100 Gödöllő, Homoki Nagy István utca 1, Hungary
GlaxoSmithKline Biologicals S.A.S.	-	70.24%	Ordinary	637 Rue des Aulnois, Saint-Amand Les Eaux, 59230, France
GlaxoSmithKline Biologicals SA	70.24% 100%	-	Ordinary; Preference	Rue de l'Institut 89, B-1330 Rixensart, Belgium
GlaxoSmithKline Brasil Limitada	-	29.01%	Quotas	Estrada dos Banderiantes, 8464, Rio de Janeiro, 22783-110, Brazil

22 Subsidiaries and associates (continued)

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	shares held (%)	Security	Address of the registered office
GlaxoSmithKline Chile Farmacéutica Limitada	73.53%	-	Social capital	Avenida Andres Bello No. 2687, Piso 19, Las Condes, Santiago, C.P. 7550611, Chile
GlaxoSmithKline Colombia S.A.	94.76%	-	Ordinary	Avenida El Dorado, #69B-45/Piso 9, Bogota, Colombia
GlaxoSmithKline Consumer Healthcare Ireland IP Limited	100.00%	-	Ordinary	Curragh, Carrigaline, County Cork, Ireland
GlaxoSmithKline Consumer Healthcare Limited	-	29.29%	Ordinary	Patiala Road, Nabha 147201, Dist Patiala, Punjab, India
GlaxoSmithKline Consumer Healthcare Vietnam Company Limited	-	100.00%	Equity Capital	Floor 16, Metropolitan, 235 Dong Khoi, Ben Nghe Ward, District 1, 7th Floor Unit 701, Ho Chi Minh City, Viet Nam
GlaxoSmithKline Consumer Holding B.V.	-	100.00%	Ordinary	Huis ter Heideweg 62, 3705 LZ, Zeist, Netherlands
GlaxoSmithKline Consumer Nigeria plc	27.31%	-	Ordinary	1 Industrial Avenue, Ilupeju, Ikeja, Lagos, PM B 21218, Nigeria
GlaxoSmithKline doo Beograd	100.00%	-	Ordinary	Omladinskih brigada 88, New Belgrade, City of Belgrade, 11070, Serbia
GlaxoSmithKline Ecuador S.A.	99.99%	-	Ordinary	Av 10 De Agosto N36-239, y Naciones Unidas, Edificio Electroelectrónica, 2do piso, Quito, Ecuador
GlaxoSmithKline Eesti OU	100.00%	-	Ordinary	Lõdtsa 8a, Tallinn, 11415, Estonia
GlaxoSmithKline El Salvador S.A. de C.V.	99.99%	-	Ordinary	Avenida El Boqueron y Calle Izalco No 7 y 8 Parque Industrial El Boqueron, Santa Elen, Antiguo Cuscatlan, La Libertad, El Salvador
GlaxoSmithKline Export Panama S.A.	100.00%	-	Ordinary	Panama City, Republic of Panama, Panama
GlaxoSmithKline Far East B.V.	-	100.00%	Ordinary Euro	Huis ter Heideweg 62, 3705 LZ, Zeist, Netherlands
GlaxoSmithKline GmbH & Co. KG	-	100.00%	Partnership Capital	Prinzregentenplatz 9, München, 81675, Germany
GlaxoSmithKline Guatemala S.A.	99.99%	-	Ordinary	Novena Avenida 0-09, Zona 4, Guatemala City, Guatemala
GlaxoSmithKline Holding AS	100.00%	-	Ordinary	Drammensveien 288, Oslo, 1326, Lysaker, Norway
GlaxoSmithKline Holdings (Ireland) Limited	100% 100%	-	Ordinary (100%); Deferred (100%)	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
GlaxoSmithKline Holdings Pty Ltd	100.00%	-	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
GlaxoSmithKline Honduras S.A.	100.00%	-	Ordinary	Tegucigalpa, MDC, Honduras
GlaxoSmithKline Inc.	100.00%	100%	Class A Common ; Class C Preference	7333 Mississauga Road North, Mississauga, ON, L5N 6L4, Canada
GlaxoSmithKline International Limited	-	73.52%	Ordinary (70.24%); Preference (100%)	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
GlaxoSmithKline Investigación y Desarrollo, S.L.	-	99.85%	Ordinary Euro	Severo Ochoa 2 Parque Tecnológico de Madrid, Tres Cantos, Madrid, 28760, Spain
GlaxoSmithKline Investment Holdings Limited	100.00%	-	Ordinary	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
GlaxoSmithKline Investment Services Limited	100.00%	-	Ordinary	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
GlaxoSmithKline Investments (Ireland) Limited	100.00%	-	Ordinary	12 Riverwalk Citywest Business Campus, Dublin, 24, Ireland
GlaxoSmithKline Investments Pty Ltd	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
GlaxoSmithKline Korea Limited	-	4.98%	Ordinary	9F LS Yongsan Tower 92, Hangangdae-ro Yongsan-gu, Seoul, 140-702, Republic of Korea
GlaxoSmithKline Landholding Company, Inc	-	0.41%	Common	23rd Floor, The Finance Centre, 26th Street Corner 9th, Bonifacio Global City, Taguig City, 1634, Philippines

22 Subsidiaries and associates (continued)

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	shares held (%)	Security	Address of the registered office
GlaxoSmithKline Latin America, S.A.	100.00%	-	Ordinary	Panama City, Republic of Panama, Panama
GlaxoSmithKline Limited	100.00%	-	Ordinary	23/F, Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon, Hong Kong
GlaxoSmithKline Manufacturing SpA	-	100.00%	Ordinary	Via Alessandro Fleming 2, Verona, 37135, Italy
GlaxoSmithKline Maroc S.A.	99.99%	-	Ordinary	42-44 Angle Bd, Rachidi et Abou Hamed El Glaza, Casablanca, Morocco
GlaxoSmithKline Medical and Healthcare Products Limited	100.00%	-	Ordinary Business Quotas	H-1124, Csorsz utca 43, Budapest, Hungary
GlaxoSmithKline NZ Limited	100.00%	-	Ordinary	Level 11, Zurich House, 21 Queen Street, Auckland, 1010, New Zealand
GlaxoSmithKline Oy	100.00%	-	Ordinary	Piispansilta 9A, P.O. Box 24, Espoo, FIN-02230, Finland
GlaxoSmithKline Pakistan Limited	-	82.59%	Ordinary	The Sykes Building, 35 Dockyard Road, West Wharf, Karachi, 74000, Pakistan
GlaxoSmithKline Peru S.A.	99.99%	-	Ordinary	Av. Javier Prado Oeste, 995, San Isidro, LIMA 27, Peru
GlaxoSmithKline Pharma A/S	100% 100% 100%	-	Ordinary A; Ordinary B; Ordinary C;	Nykaer 68, Brondby, DK-2605, Denmark
GlaxoSmithKline Pharma GmbH	100.00%	-	Ordinary	Wagenseilgasse 3, Euro Plaza, Gebäude I, 4. Stock, Vienna, A-1120, Austria
GlaxoSmithKline Pharmaceutical Nigeria Limited	100.00%	-	Ordinary	1 Industrial Avenue, Ilupeju, Ikeja, Lagos, PM B 21218, Nigeria
GlaxoSmithKline Pharmaceuticals (Pvt) Ltd	100.00%	-	Ordinary	121 Galle Road, Kaldemulla, Moratuwa, Sri Lanka
GlaxoSmithKline Pharmaceuticals Costa Rica S.A	100.00%	-	Ordinary	300 metros al este de la Rotonda de la Betania, Mercedes de Montes de Oca, Sabanilla, Montes de Oca, San Jose, Costa Rica
GlaxoSmithKline Pharmaceuticals Limited	-	28.10%	Equity	252 Dr Annie Besant Road, Mumbai, 400030, India
GlaxoSmithKline Pharmaceuticals SA	100.00%	-	Euro Ordinary	Site Apollo, Avenue Pascal 2-4-6, Wavre, 1300, Belgium
GlaxoSmithKline Philippines Inc	-	1.03%	Ordinary	23rd Floor, The Finance Centre, 26th Street Corner 9th, Bonifacio Global City, Taguig City, 1634, Philippines
GlaxoSmithKline Pte Ltd	100.00%	-	Ordinary	23 Rochester Park, 139234, Singapore
GlaxoSmithKline Republica Dominicana S.A.	100.00%	-	Ordinary	Blue Mall Tower, Floor 23 Ave., Winston Churchill 95, Santa Domingo, Dominican Republic
GlaxoSmithKline S.A.	99.66%	0.19%	Ordinary Euro	Severo Ochoa, 2, Parque Tecnologico de Madrid, Tres Cantos, Madrid, 28760, Spain
GlaxoSmithKline S.p.A.	100.00%	-	Ordinary	Via Alessandro Fleming 2, Verona, 37135, Italy
GlaxoSmithKline s.r.o.	100.00%	-	Ordinary	Hvezdova 1734/2c, Prague, 4 140 00, Czech Republic
GlaxoSmithKline Services GmbH & Co. KG	-	100.00%	Partnership Capital	Prinzregentenplatz 9, München, 81675, Germany
GlaxoSmithKline Slovakia s.r.o.	100.00%	-	Ordinary	Galvaniho 7/A, Bratislava, 821 04, Slovakia
GlaxoSmithKline Trading Services Limited	100.00%	-	Ordinary	12 Riverwalk Citywest Business Campus, Dublin, 24, Ireland
GlaxoSmithKline Tunisia S.A.R.L.	100.00%	-	Ordinary	Immeuble Les Quatres R, Rue du Lac Lochness, Berges du Lac, Tunis, Tunisia
GlaxoSmithKline Uruguay S.A.	100.00%	-	Registered shares provisory stock	Salto 1105, CP 11.200 Montevideo, Uruguay
GlaxoSmithKline Venezuela C.A.	100.00%	-	Ordinary	Urbanizacion La Trinidad, Calle Luis De Camoens, Edif No 115-117 Apatado Posta, Caracas, 1010, Venezuela
GlaxoSmithKline Vietnam Limited Liability Company	-	100.00%	Equity Capital	The Metropolitan, 235 Dong Khoi Street, District 1, 7th Floor Unit 701, Ho Chi Minh City, Viet Nam

22 Subsidiaries and associates (continued)

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	shares held (%)	Security	Address of the registered office
GlycoVaxyn AG	100% 100% 100% 100%	-	Common; Preferred A; Preferred B; Preferred C	Grabenstrasse 3, 8952 Schlieren, Switzerland
Groupe GlaxoSmithKline S.A.S.	100.00%	-	Ordinary	23 rue François Jacob, 92500, Rueil-Malmaison, France
GSK CH Argentina S.A.	15.80%	0.00%	Nominative non endorseable ordinary shares	Tucumán 1, piso 4, Buenos Aires, C1049AAA, Argentina
GSK CH Kazakhstan LLP	-	100.00%	Charter Capital	32 A Manasa Str., Bostandyk District, Almaty, 050008, Kazakhstan
GSK Kazakhstan LLP	100.00%	-	Participation Interest	273, N. Nazarbayev ave., Almaty, Medeu District, 050059, Kazakhstan
GSK Pharmaceutical Trading SA (formerly called Europharm S.A.)	65.02%	-	Ordinary	5 Poienelor Street, Brasov, Romania
GSK Vaccines GmbH	-	100.00%	Ordinary	Emil-von-Behring-Str.76, 35041 Marburg, Germany
GSK Vaccines Institute for Global Health S.r.l.	100.00%	-	Quotas	Via Fiorentina 1, Siena, 53100, Italy
GSK Vaccines S.r.l.	100.00%	-	Euro Quotas	Via Fiorentina 1, Siena, 53100, Italy
GSK Vaccines Vertriebs GmbH	-	100% 100%	Ordinary Ordinary (400)	Rudolf-Diesel-Ring 27, Holzkirchen, 83607, Germany
ID Biomedical Corporation of Quebec	-	100.00%	Common	2323 boul. du Parc Technologique, Québec, PQ, G1P 4R8, Canada
Instituto Luso Farmaco, Limitada	100% 100%	-	Euro Quota 500; Euro Quota 9,500	Rua Dr Antonio Loureiro Borges No 3, Arquiparque, Miraflores, Alges, 1495-131, Portugal
InterPharma Dienstleistungen GmbH	100.00%	-	Quotas	Wagenseilgasse 3, Euro Plaza, Gebäude I, 4. Stock, Vienna, A-1120, Austria
Laboratoire GlaxoSmithKline	-	100.00%	Ordinary Euro	23 rue François Jacob, 92500, Rueil-Malmaison, France
Laboratoire Pharmaceutique Algérie LPA Production SPA	-	99.99%	Ordinary	Zone Industrielle Est, Boudouaou, Boumerdes, Algeria
Laboratoire Pharmaceutique Algérie SPA	-	99.56%	Ordinary	Zone Industrielle Est, Boudouaou, Boumerdes, Algeria
Laboratorios Dermatologicos Darier, S.A de% C.V.	99	99.99% 0.89%	Ordinary A (100%); Ordinary B (100%)	Calzada Mexico Xochimilco, 4900 San Lorenzo Huipulco, District Federal Mexico, 14370, Mexico
Laboratorios Farmaceuticos Stiefel (Portugal) LTDA	-	99.99%	Ordinary	Rua Dr Antonio Loureiro Borges No 3, Arquiparque, Miraflores, Alges, 1495-131, Portugal
Laboratorios Stiefel de Venezuela SA	-	99.98%	Ordinary: B5-F	Calle Luis De Camoems, Edificio GlaxSmithKline, No. 115-117, Urb. La Trinidad, Caracas, Venezuela
Laboratorios Stiefel Ltda.	-	96.24%	Ordinary	Rua Professor Joao Cavalheiro Salem 1077, Guarulhos, Sao Paulo, Brazil
Modern Pharma Trading Company L.L.C.	-	80.00%	Quotas	Amoun Street, PO Box 3001, El Salam City, Cairo, 11491, Egypt
GSK Australia NVD Pty Ltd	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
Okairos AG (in liquidation)	100% 100% 100%	-	Common shares; Preferred A; Preferred B	c/o OBC Suisse AG, Aeschenvorstadt 71, 4051, Basel, Switzerland
P.T. SmithKline Beecham Pharmaceuticals	100% 0%	-	A Ordinary (100%); B Ordinary (0%)	Jl. Pulobuaran Raya, Kav. III DD/2,3,4, Kawasan Industri Pulogadung, Jakarta, 13930, Indonesia
PT Glaxo Wellcome Indonesia	100% 0%	-	A Shares (100%); B Shares (0%)	Jl Pulobuaran Raya Kav III DD/, Kawasan Industri Pulogadung, Timur, Jakarta, 13930, Indonesia

22 Subsidiaries and associates (continued)

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	shares held (%)	Security	Address of the registered office
Qualivax Pte. Limited	-	50.00%	Ordinary	80 Robinson Road, #02-00, 068898, Singapore
S.R. One International B.V.	100.00%	-	Ordinary	Huis ter Heideweg 62, 3705 LZ, Zeist, Netherlands
Smith Kline & French Portuguesa-Produtos Farmaceuticos, LDA	-	100% 100%	Ordinary Euro (75%) Ordinary Euro (25%)	Rua Dr Antonio Loureiro Borges No 3, Arquiparque, Miraflares, Alges, 1495-131, Portugal
SmithKline Beecham (Cork) Limited	-	100% 100%	Ordinary Euro (100%); Ordinary USD (100%)	Currabinny, Carrigaline, County Cork, Ireland
SmithKline Beecham (Investments) Limited	-	33.05%	Ordinary	980 Great West Road, Brentford, Middlesex, TW8 9GS, England
SmithKline Beecham (Manufacturing) Limited	100.00%	-	Ordinary Euro 125	12 Riverwalk Citywest Business Campus, Dublin, 24, Ireland
SmithKline Beecham Biologicals US Partnership	-	36.76%	Partnership Interest	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States
SmithKline Beecham Egypt L.L.C.	100.00%	-	Quotas	Amoun Street, El Salam City, Cairo, Egypt
SmithKline Beecham Farma, S.A.	-	99.85%	Ordinary Euro	Severo Ochoa, 2, Parque Tecnologico de Madrid, Tres Cantos, Madrid, 28760, Spain
SmithKline Beecham Pharma GmbH & Co KG	-	100.00%	Partnership Capital	Prinzregentenplatz 9, München, 81675, Germany
SmithKline Beecham Pharma Verwaltungs GmbH	-	100.00%	Ordinary	Prinzregentenplatz 9, München, 81675, Germany
SmithKline Beecham Port Louis Limited	100.00%	-	Ordinary	C/o CIM Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius
SmithKline Beecham-Biomed O.O.O.	97.00%	-	Participation Interest	LeningradSkiy Prospect 37A, Building 4, Floor 3, Premises XV, Room 1, Moscow, 125167, Russia
Stiefel Distributors (Ireland) Limited	-	100.00%	Ordinary	Finisklin Business Park, Sligo, Ireland
Stiefel Egypt LLC	-	99.00%	Quotas	3 Amoun Street, El Salam City, Cairo, Egypt
Stiefel Farma, S.A.	-	99.85%	Ordinary Euro	Severo Ochoa, 2, Parque Tecnologico de Madrid, Tres Cantos, Madrid, 28760, Spain
Stiefel GmbH & Co. KG	-	100.00%	Partnership Capital	Industriestrasse 32-36, Bad Oldesloe, 23843, Germany
Stiefel Laboratories (Maidenhead) Ltd	-	100.00%	Ordinary	Eurasia Headquarters, Concorde Road, Maidenhead, Berkshire, SL6 4BY, England
Stiefel Laboratories (U.K.) Ltd	-	62.82%	Ordinary	Eurasia Headquarters, Concorde Road, Maidenhead, Berkshire, SL6 4BY, England
Stiefel Laboratories Legacy (Ireland) Limited (former named: Stiefel Laboratories (Ireland) Limited)	100.00%	-	Ordinary	Finisklin Business Park, Sligo, Ireland
Stiefel Laboratories Limited	-	62.82%	Ordinary	Eurasia Headquarters, Concorde Road, Maidenhead, Berkshire, SL6 4BY, England
Stiefel Laboratories Pte Limited	-	100.00%	Ordinary	103 Gul Circle, 629589, Singapore
Stiefel Maroc SARL	-	100.00%	Ordinary	275 Boulevard Zerktouni, Casablanca, Morocco
Wellcome Developments Pty Ltd	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
Wellcome Operations Pty Ltd	-	100.00%	Ordinary	1061 Mountain Highway, Boronia, VIC, 3155, Australia
Winster Pharmaceuticals Limited	-	27.31%	Ordinary	2A Association Avenue, Ilupeju Industrial Estate, Lagos, PO Box 3199, Nigeria
GSK Vaccines BV	-	100.00%	Ordinary	Hullenbergweg 85, Amsterdam, 1101 CL, Netherlands

22 Subsidiaries and associates (continued)

The subsidiaries and associated undertakings of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	shares held (%)	Security	Address of the registered office
Burroughs Wellcome & Co (Bangladesh) Limited	99.99%		Ordinary Shares	Sweden Tower, 1, Harinnachala, Konabari, Gazipur, Bangladesh
Tesaro Bio Germany GmbH		100.00%	Shares	Leopoldstrasse 37A, Munich, 80802, Germany
Tesaro Bio France SAS		100.00%	Shares	235 Avenue le Jour Se Leve, Boulogne, 92100, France
Novartis Vaccines and Diagnostics AG	100.00%		Ordinary	c/o OBC Suisse AG, Aeschenvorstadt 71, 4051, Basel, Switzerland