

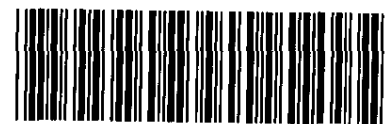
GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Annual Report
for the year ended 31 December 2021

Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS
England

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GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Annual Report
for the year ended 31 December 2021

Contents	Pages
Strategic report	1-2
Directors' report	3-5
Independent auditor's report	6-8
Income statement	9
Statement of other comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13-21

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Strategic report for the year ended 31 December 2021

The Directors present their strategic report on GlaxoSmithKline Holdings (One) Limited (the "Company") for the year ended 31 December 2021.

Principal activities and future developments

The Company is a member of the GSK Group (the "Group"). The Company is a private company limited by shares and is incorporated and domiciled in the UK (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex TW8 9GS, England.

The principal activity of the Company is to act as an investment holding company. The Directors do not envisage any change to the nature of the business in the foreseeable future.

The Company made a loss for the financial year of £272,000 (2020: profit of £33,469,000). During the year, the Company did not receive any dividends (2020: £33,868,000 received from GlaxoSmithKline Beteiligungs GmbH). The Directors are of the opinion that the current level of activity and year end financial position are sustainable, and will improve in the future. Additionally, the Directors have received confirmation that GlaxoSmithKline Finance plc will support the Company for at least one year after these financial statements are signed.

The loss for the financial year of £272,000 will be transferred from reserves (2020: profit for the year of £33,469,000 transferred to reserves).

Principal risks and uncertainties

The Directors of GSK plc manage the risks of the Group at a group level, rather than at an individual statutory entity level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2021 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 2021 Annual Report which does not form part of this report.

Risks associated with COVID-19

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

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Strategic report for the year ended 31 December 2021 (continued)

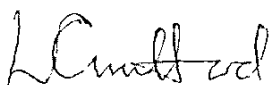
Section 172 Companies Act 2006 statement

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

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

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

On behalf of the Board



L. Guittard
Director
19 October 2022

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Directors' report for the year ended 31 December 2021

The Directors present their report on the Company and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The Company's results for the financial year are shown in the income statement page 9.

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

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:

Glaxo Group Limited	
Edinburgh Pharmaceutical Industries Limited	
L Guittard	(Appointed on 11 January 2022)
C Lynch	(Resigned on 11 January 2022)

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business with the exception of the Corporate Directors, where such an interest may arise in the ordinary course of business. A Corporate Director is a legal entity of the Group, as opposed to a natural person (an individual) Director.

Directors' indemnity

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

In addition, each of the Directors who is an individual benefits from an indemnity given by another Group company, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third party proceedings to which the Director is a party by virtue of their engagement in the business of the Company.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

Statement of Directors' responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- principal activities and future developments;
- review of business;
- principal risks and uncertainties;
- key performance indicators;
- risks associated with COVID-19; and
- section 172 Companies Act 2006 statement.

Stakeholder engagement

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

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

Disclosure of information to auditor

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 Group, the Company has already received the necessary letter of support from GlaxoSmithKline Finance plc and can take actions to ensure business continuity through operational channels, as well as the ability to manage variable costs. On the basis of those considerations, the Directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

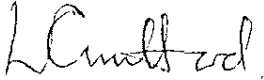
GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

Independent auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'L Guittard', with a stylized flourish at the end.

L Guittard
Director
19 October 2022

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Independent auditor's report to the members of GlaxoSmithKline Holdings (One) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GlaxoSmithKline Holdings (One) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 prepared in accordance with the requirements of the Companies Act 2006.

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 to 17.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Independent auditor's report to the members of GlaxoSmithKline Holdings (One) Limited
(continued)

Other information (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection requirements, Anti-bribery and corruption policy and the Foreign Corrupt Practices Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Independent auditor's report to the members of GlaxoSmithKline Holdings (One) Limited
(continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 and 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 that the senior statutory auditor's name should not be stated.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a bold, sans-serif font.

Deloitte LLP
Statutory Auditor
Reading, United Kingdom
20 October 2022

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Income statement
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Income from equity investment	6	-	33,868
Other operating expenses		(11)	(11)
Operating (loss) / profit	4	(11)	33,857
(Loss) / profit before interest and taxation		(11)	33,857
Finance income	7	2	42
Finance expense	8	(327)	(523)
Finance expense - net		(325)	(481)
(Loss) / profit before taxation		(336)	33,376
Taxation	9	64	93
(Loss) / profit for the year		(272)	33,469

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

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Statement of other comprehensive income
for the year ended 31 December 2021

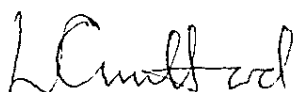
	2021	2020
	£'000	£'000
		(Restated)
(Loss) / profit for the year	(272)	33,469
Items that will not be reclassified to the income statement:		
Fair value movements on financial assets at fair value through other comprehensive income	13,372	(18,542)
Other comprehensive income/(loss) for the year	13,372	(18,542)
Total comprehensive income/(loss) for the year	13,100	14,927

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Balance sheet
as at 31 December 2021

	Notes	2021 £'000	2020 £'000 (Restated)
Non-current assets			
Equity investment	10	130,440	117,068
Current assets			
Trade and other receivables	11	52,472	52,388
Corporation tax		64	93
Total current assets		52,536	52,481
Total assets		182,976	169,549
Current liabilities			
Trade and other payables	12	(119,230)	(118,903)
Net current liabilities		(66,694)	(66,422)
Total assets less current liabilities		63,746	50,646
Net assets		63,746	50,646
Equity			
Share capital	13	18,000	18,000
Other reserves	14	(83,990)	(97,362)
Retained earnings		129,736	130,008
Shareholder's equity		63,746	50,646

The financial statements on pages 9 to 21 were approved by the Board of Directors on 19 October 2022 and signed on its behalf by:



L Guittard
Director

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

Statement of changes in equity
for the year ended 31 December 2021

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 January 2020	18,000	(114,844)	96,539	(305)
Restatement to fair value of equity investments (Note 17)	-	36,024	-	36,024
At 1 January 2020 (Restated)	18,000	(78,820)	96,539	35,719
Profit for the year	-	-	33,469	33,469
Other comprehensive loss for the year (Restated)	-	(18,542)	-	(18,542)
Total comprehensive profit for the year (Restated)	-	(18,542)	-	14,927
At 31 December 2020	18,000	(97,362)	130,008	50,646
Loss for the year	-	-	(272)	(272)
Other comprehensive profit for the year	-	13,372	-	13,372
Total comprehensive profit for the year	-	13,372	(272)	13,100
At 31 December 2021	18,000	(83,990)	129,736	63,746

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

1 Presentation of the financial statements

General information

The Company is a private Company limited by shares and is incorporated and domiciled in the United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex TW8 9GS,

The principal activity of the Company is to act as an investment holding company.

2 Summary of significant accounting policies

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

(a) Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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

These financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of equity investment designated as financial assets at fair value through other comprehensive income, and in accordance with the Companies Act 2006.

The financial statements are presented in Pounds Sterling.

Going concern

Having assessed the principal risks and other matters, including the potential impact of the COVID-19 pandemic, the Directors are of the opinion that the current level of activity remains sustainable. In relation to the challenges that arise from the COVID-19 pandemic, the considerations have included the potential risks to asset valuations, including indicators of impairment and impacts on fair values. The Directors have taken into account that as part of the Group, the Company has already received the necessary letter of support from GlaxoSmithKline Finance plc and can take actions to ensure business continuity through operational channels, as well as the ability to manage variable costs. On the basis of those considerations, the Directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure exemptions adopted

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, 'Business Combinations';

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

2 Summary of significant accounting policies (continued)

(a) Basis of Preparation (continued)

Disclosure exemptions adopted (continued)

- The requirements of paragraph 33(c) of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations';
- IFRS 7, 'Financial instruments: disclosures';
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a) (iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment';
 - (iii) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
 - (iv) paragraph 76 and 79(d) of IAS 40, 'Investment property'; and
 - (v) paragraph 50 of IAS 41, 'Agriculture'.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirements for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third balance sheet),
 - 111 (cash flow statement information), and
 - 134 - 136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16, 'Leases';
- The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group; and
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of Assets'.

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

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

2 Summary of significant accounting policies (continued)

(b) Consolidation

The Company is a wholly owned subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006. GSK plc, a company registered in United Kingdom (England), is the Company's ultimate and immediate parent undertaking and controlling party. The largest and smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of GSK plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GSK plc, 980 Great West Road, Brentford, Middlesex TW8 9GS, England. The immediate parent undertaking is GSK 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.

(e) Dividends received

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

(f) Finance income and expense

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

(g) 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.

The Company has elected to designate equity investments as measured at FVTOCI. They are initially recorded at fair value plus transaction costs and then remeasured at subsequent reporting dates to fair value. Unrealised gains and losses are recognised in other comprehensive income. On disposal of the equity investment, gains and losses that have been deferred in other comprehensive income are transferred directly to retained earnings.

Dividends on equity investments are recognised in the income statement when the Company's right to receive payment is established. Purchases and sales of equity investments are accounted for on the trade date.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

2 Summary of significant accounting policies (continued)

(h) Trade and other receivables

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

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

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

(i) 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.

(j) Taxation

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

(k) 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 key sources of estimation uncertainty made.

The Directors do not consider that there are any critical accounting judgements, apart from those involving estimations (which are dealt with separately below), 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.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Valuation of equity investment

Estimation

The Company's investment is classified as an equity investment and consist entirely of a 10% holding of the ordinary share capital of GlaxoSmithKline Beteiligungs GmbH ("equity investment"), an unlisted company incorporated in Germany whose main activities are discovery, development, and delivery of medicines, vaccines, and other healthcare products.

Management has estimated a fair value of the investment of £130,440,000 using a discounted future cash flow model. The fair value movements of the equity investment are accounted for in the fair value reserve. The assumptions relating to the future cash flows, growth rates and discount rates are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in the cash flow model to change which would result in a movement in the asset's fair value in the next accounting period. The increase in fair value recognised during the year was £13,372,000 (2020: decrease of £18,542,000). Sensitivity analysis is provided in note 10, Equity investment.

4 Operating profit

	2021	2020
	£'000	£'000
The following items have been charged / (credited) in operating profit:		
Management fee	11	11
Income from equity investment (note 6)	-	(33,868)

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee of £11,380 (2020: £11,039) is charged. Included in the management fee is a charge for auditor's remuneration of £4,800 (2020: £4,600).

5 Employees

All UK employees are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee is charged by GlaxoSmithKline Services Unlimited for services provided to the Company (see note 4). The Company has no employees (2020: nil).

6 Income from equity investment

	2021	2020
	£'000	£'000
Dividends from equity investment	-	33,868

The Company did not receive any dividends during the year (2020: £33,868,000 received from GlaxoSmithKline Beteiligungs GmbH).

7 Finance income

	2021	2020
	£'000	£'000
On loans with Group undertakings	2	42

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

8 Finance expense

	2021 £'000	2020 £'000
On loans with Group undertakings	(327)	(523)

9 Taxation

	2021 £'000	2020 £'000
Income tax credit on profit		
Current tax:		
UK corporation tax	(64)	(93)
Total current tax	(64)	(93)

The tax assessed for the year is the same as (2020: lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Reconciliation of total tax credit		
Profit on ordinary activities before tax	(336)	33,376
Tax on ordinary activities at the UK standard rate 19% (2020: 19%)	(64)	6,342
Effects of:		
Income not taxable	-	(6,435)
Total tax credit for the year	(64)	(93)

Factors that may effect future tax rates:

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

10 Equity investment (Restated)

	£'000
Cost	
Cost as at 1 January 2020, 31 December 2020 and 31 December 2021	214,430
Revaluation reserve	
At 1 January 2020	(114,844)
Restatement to fair value of equity investments (Note 17)	36,024
At 1 January 2020 (Restated)	(78,820)
Movement in the prior year (Restated)	(18,542)
At 31 December 2020 (Restated)	(97,362)
Movement in the current year	13,372
At 31 December 2021	(83,990)
Carrying value at 1 January 2020	99,586
Carrying value at 1 January 2020 (Restated)	135,610
Carrying value at 31 December 2020 (Restated)	117,068
Carrying value at 31 December 2021	130,440

The equity investment comprises of a 10% stake in GlaxoSmithKline Beteiligungs GmbH which is an unlisted entity. There is no movement in the cost of investment in this equity asset in the current year. There has been no change in the shareholding percentages of GlaxoSmithKline Beteiligungs GmbH.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

10 Equity investment (continued)

The carrying value of the equity instrument has been calculated based on discounted future cash flows. See note 3 for further detail.

The revaluation movement in 2021 for the equity investment relates to the upward movement in the fair value of GlaxoSmithKline Beteiligungs GmbH of £13,372,000.

The Directors believe that the carrying value of the investment is supported by its underlying net assets and future cash flows.

Sensitivity analysis:

Future cash flows used to assess the fair value of investment are discounted in the range of 6.15% to 6.30%. The table below shows on an indicative basis the statement of comprehensive income and balance sheet sensitivity to reasonably possible changes in key inputs to the valuations of its equity investment:

Increase/(decrease) in value of investment and gain/(loss) in the statement of other comprehensive income	£'000
2% increase in sales forecasts	30,276
2% decrease in sales forecasts	(30,158)
1.5% increase in discount rate	(28,631)
1.5% decrease in discount rate	48,601

11 Trade and other receivables

	2021	2020
	£'000	£'000
Amounts due within one year		
Amounts owed by Group undertakings	52,472	52,388
	52,472	52,388

The amounts owed by Group undertakings are unsecured, interest free and are repayable on demand, except for call account balances with GlaxoSmithKline IHC Limited of £52,472,000 (2020: £52,169,000) with interest received at LIBOR rate less 0.125% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate less 0.05% (2020: LIBOR rate less 0.125%) per annum and repayable on demand.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

12 Trade and other payables

	2021 £'000	2020 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	119,230	118,903
	119,230	118,903

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand, except for a call account balance with GlaxoSmithKline Finance plc of £119,230,000 (2020: £118,903,000) which is unsecured and repayable on demand with interest paid at LIBOR rate plus 0.25% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate plus 0.1% per annum (2020: LIBOR rate plus 0.25% per annum).

13 Share capital

	2021 Number of shares	2020 Number of shares	2021 £'000	2020 £'000
Issued and fully paid				
Ordinary Shares of £1 each (2020: £1 each)	18,000,000	18,000,000	18,000	18,000

14 Other reserves

	Fair value reserve £'000
At 1 January 2020	(114,844)
Restatement to fair value of equity investments (Note 17)	36,024
At 1 January 2020 (Restated)	(78,820)
Net fair value movements on equity investment (Restated)	(18,542)
At 31 December 2020 (Restated)	(97,362)
Net fair value movements on equity investment	13,372
At 31 December 2021	(83,990)

Other reserves relate to cumulative fair value movements on the equity investment. Equity investment as at 1 January 2020 has been restated to reflect increase in the fair value by £36,024,000 with corresponding impact in other reserves. Movement in equity investment for 2020 has been restated to £18,542,000 which reflects downward movement in the valuation with corresponding impact in other reserves.

15 Directors' remuneration

During the year the Directors of the Company, with the exception of the Corporate Directors, were remunerated as executives of the Group and received no remuneration in respect of their services to the Company (2020: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2020: £nil).

16 Related party transactions

As a wholly owned subsidiary of the ultimate parent company, GSK plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation.

GlaxoSmithKline Holdings (One) Limited
(Registered number: 04230101)

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

17 Prior Period Restatement

The financial results for the year ended 31 December 2020 have been restated to reflect prior year adjustment in respect of valuation of equity investment. Valuation of equity investment has been amended to reflect all assets and liabilities of the entity.

Equity investment as at 1 January 2020 has been restated to reflect increase in the fair value by £36,024,000 with corresponding impact in other reserves. Movement in equity investment for 2020 has been restated to £18,542,000 which reflects downward movement in the valuation with corresponding impact in other reserves.