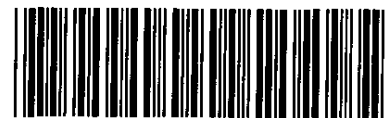


**Glaxochem (UK) Unlimited**  
(Registered number: 04299472)

**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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**Glaxochem (UK) Unlimited**  
**Annual Report and financial statements**  
**for the year ended 31 December 2019**

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**Glaxochem (UK) Unlimited**  
**(Registered number: 04299472)**

## **Strategic report for the year ended 31 December 2019**

The Directors present their Strategic report on Glaxochem (UK) Unlimited (the "Company") for the year ended 31 December 2019.

### **Principal activities and future developments**

The Company is a member of the GlaxoSmithKline Group of companies (the "Group") and its principal activity is to hold loans with entities within the Group from which interest is earned.

The Directors do not envisage any changes to the nature of the business in the foreseeable future.

### **Review of business**

The Company made a profit for the financial year of £11,224,000 (2018: profit of £8,866,000) which will be transferred to reserves. The Directors are of the opinion that the current level of activity and the year end financial position are satisfactory and will remain so in the foreseeable future.

### **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.

The Group 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 access to capital and ability to lend remains uncertain.

Up to the date these financial statements are signed, the outbreak has not had a material impact on the trading results of the Company. However, we continue to monitor the situation closely, including the potential impacts on trading results.

The situation could change at any time and there can be no assurance that the coronavirus outbreak will not have a material adverse impact on the future results of the Company.

**Glaxochem (UK) Unlimited**  
**(Registered number: 04299472)**

**Strategic report for the year ended 31 December 2019**

**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 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 affect the Company's performance in the long term are set out in the principal risks disclosed both above and in the Group's 2019 Annual Report.

By order of the Board



Ms C Lynch  
Director  
7 May 2020

**Glaxochem (UK) Unlimited**  
**(Registered number: 04299472)**

**Directors' report for the year ended 31 December 2019**

The Directors present their report on Glaxochem (UK) Unlimited (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 5.

No dividend is proposed to the holders of ordinary, ordinary B and ordinary C shares in respect of the year ended 31 December 2019 (2018: £nil).

**Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Mr S P Dingemans	(resigned 1 May 2019)
Mr C Panagiotidis	(resigned 2 March 2020)
Mrs C Lynch	(appointed 2 March 2020)
Edinburgh Pharmaceutical Industries Limited	
Glaxo Group Limited	

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 his or her engagement in the business of the Company.

**Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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 United Kingdom 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.

**Glaxochem (UK) Unlimited**  
**(Registered number: 04299472)**

**Directors' report for the year ended 31 December 2019**

**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 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.

**Governance**

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 its approach to the Modern Slavery Act 2015 and has confirmed that the approach is still valid for 2019.

**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 auditors are 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 auditors are aware of that information.

**Stakeholder Engagement**

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

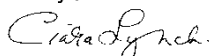
**Going concern basis**

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 accessibility of additional capital and the potential risk to liquidity. 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.

**Audit and small company exemption**

The Company has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2019.

By order of the Board



Ms C Lynch  
Director  
7 May 2020

**Glaxochem (UK) Unlimited**

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

	Note	2019 £'000	2018 £'000
Other operating expense	5	(9)	(22)
Finance income	7	13,866	10,969
Finance expense	8	-	(1)
<b>Operating profit</b>		<b>13,857</b>	<b>10,946</b>
<b>Profit before taxation</b>		<b>13,857</b>	<b>10,946</b>
Taxation	9	(2,633)	(2,080)
<b>Profit for the financial year</b>		<b>11,224</b>	<b>8,866</b>

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

The Company has no other comprehensive income during either the current year or prior year, and therefore, no separate statement to present other comprehensive income has been prepared.

The notes on pages 8 to 12 are an integral part of these Financial statements.

**Glaxochem (UK) Unlimited**

**Balance sheet  
as at 31 December 2019**

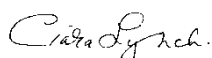
	Note	2019 £'000	2018 £'000
<b>Current assets</b>			
Trade and other receivables	10	2,443,303	2,430,160
Total current assets		2,443,303	2,430,160
<b>Current liabilities</b>			
Trade and other payables	11	(2,089)	(723)
Corporation Tax	11	(2,633)	(2,080)
Total current liabilities		(4,722)	(2,803)
<b>Net current assets</b>		2,438,581	2,427,357
<b>Total assets less current liabilities</b>		2,438,581	2,427,357
<b>Equity</b>			
Share capital	12	2,278,880	2,278,880
Share premium		70,349	70,349
Retained earnings		89,352	78,128
<b>Shareholders' equity</b>		2,438,581	2,427,357

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.  
The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 5 to 12 were approved by the Board of Directors on 7 May 2020 and signed on its behalf by:



Ms C Lynch  
Director



Glaxochem (UK) Unlimited

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

	Share capital £'000	Share premium £'000	Retained earnings £'000	Shareholders' equity £'000
<b>At 1 January 2018</b>	2,278,880	70,349	69,262	<b>2,418,491</b>
Profit for the year	-	-	8,866	<b>8,866</b>
<b>At 31 December 2018</b>	2,278,880	70,349	78,128	<b>2,427,357</b>
Profit for the year	-	-	11,224	<b>11,224</b>
<b>At 31 December 2019</b>	2,278,880	70,349	89,352	<b>2,438,581</b>

## Glaxochem (UK) Unlimited

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

#### 1 Presentation of the financial statements

##### *General information*

The Company is a member of the GlaxoSmithKline Group of companies (the "Group") and its principal activity is to hold loans with entities within the Group from which interest is earned.

The Company is a private unlimited company with share capital and is incorporated and domiciled in the UK (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex, TW8 9GS.

#### 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 101 Reduced Disclosure Framework ("FRS 101").

##### *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 accessibility of additional capital and the potential risk to liquidity. 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.

These financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

##### *Disclosure exemptions adopted*

In preparing these financial statements, the Company has taken advantage of some of the disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- 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:
  - paragraph 79(a) (iv) of IAS 1;
- The following paragraphs of IAS 1 "Presentation of financial statements":
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirements for minimum of two primary statements, including cash flow statements);
  - 111 (cash flow statement information); and
  - 134 - 136 (capital management disclosures);
- IAS 7 "Statement of cash flows";
- 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 of IAS 24 "Related party disclosures" (key management compensation); and
- 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.

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

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 and Note 4.

##### (b) Ultimate and immediate parent undertaking

The Company is a wholly owned subsidiary of the ultimate parent company. GlaxoSmithKline plc, a company registered in England and Wales, 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 undertakings are Setfirst Limited and GlaxoSmithKline SL LP. These financial statements are separate financial statements.

**Glaxochem (UK) Unlimited**

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

**2 Summary of significant accounting policies (continued)**

**(c) Other operating expense**

Management service fees are recognised in other operating expenses on an accruals basis.

**(d) Finance income and expense**

Finance income and expense is recognised on an accruals basis using the effective interest method.

**(e) Financial assets**

Financial assets are measured at amortised cost. 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.

**(f) Trade and other receivables**

For trade and other receivables, the general approach is used where the Company 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.

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

**(g) 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.

**(h) 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.

**(i) Share capital**

Ordinary shares are classified as equity.

**3 Critical accounting judgements**

The Directors do not consider that there are any critical accounting judgments 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.

**4 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 is considered to be the key sources of estimation uncertainty made.

**(a) Impairment of trade receivables**

The Company makes an estimate of the expected credit loss of trade and other receivables. When assessing allowance for expected credit losses of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables, historical experience and estimates of future conditions. See Note 10 for the net carrying amount of receivables and associated expected loss allowance (where this is applicable).

# Glaxochem (UK) Unlimited

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

### 5 Other operating expense

2019	2018
£'000	£'000

The following item has been charged in operating profit:

Management fee	(9)	(22)
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GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged of £9,455 (2018: £22,153). Included in the management fee is for the audit of the financial statements of £nil (2017: £13,800). The disclosure of fees payable to the auditor and its associates for other (non-audit) services has not been made and has been disclosed in the Group's 2019 Annual Report which does not form part of this report.

### 6 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 5). The Company has no employees (2018: nil).

### 7 Finance income

2019	2018
£'000	£'000

Finance income arising from:

Interest income on loans with group undertakings measured at amortised cost	13,866	10,969
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### 8 Finance expense

2019	2018
£'000	£'000

Finance expense arising on:

Interest expense on loans with group undertakings measured at amortised cost	-	(1)
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### 9 Taxation

2019	2018
£'000	£'000

#### Income tax expense on ordinary activities

Current tax:

UK corporation tax at 19.00% (2018: 19.00%)

Total current tax

(2,633)	(2,080)
(2,633)	(2,080)

Total tax charge for the year

(2,633)	(2,080)
---------	---------

The tax assessed for the year is the same (2018: the same) as the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%).

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. 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. There is no impact of this change on the tax charge as there are no instances of deferred taxation recognised in the statement of comprehensive income or directly in equity in either the current or prior year.

No instance of current or deferred taxation has been recognised in the statement of comprehensive income or directly in equity in either the current or prior year.

Glaxochem (UK) Unlimited

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

10 Trade and other receivables

	2019 £'000	2018 £'000
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	2,443,303	2,430,160

Amounts owed by Group undertakings are with GlaxoSmithKline Finance plc and is unsecured and repayable on demand with interest charged at 0.57% (2018: 0.58%) (based on one week LIBOR minus 0.125%) that is consistent with the Group's policy.

11 Trade and other payables

	2019 £'000	2018 £'000
<b>Amounts falling due within one year</b>		
Amounts owed to Group undertakings	(2,089)	(723)
Corporation tax	(2,633)	(2,080)
	(4,722)	(2,803)

The amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

The corporation tax creditor contains amounts which will be paid to fellow Group companies under Group relief.

12 Share capital

	2019 Number of shares	2018 Number of shares	2019 £'000	2018 £'000
<b>Authorised</b>				
Ordinary shares of £1 each (2017: £1 each)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
Ordinary B shares of £1 each (2017: £1 each)	800,000,000	800,000,000	800,000	800,000
Ordinary C shares of £1 each (2017: £1 each)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
	2,800,000,000	2,800,000,000	2,800,000	2,800,000
<b>Issued and fully paid</b>				
Ordinary shares of £1 each (2017: £1 each)	925,744,482	925,744,482	925,744	925,744
Ordinary B shares of £1 each (2017: £1 each)	597,059,782	597,059,782	597,060	597,060
Ordinary C shares of £1 each (2017: £1 each)	756,075,935	756,075,935	756,076	756,076
	2,278,880,199	2,278,880,199	2,278,880	2,278,880

13 Contingent liabilities

*Group banking arrangement*

The Company, together with fellow Group undertakings, has entered into a Group banking arrangement with the Company's principal bank. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability as at 31 December 2019 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

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**Glaxochem (UK) Unlimited**

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

**14 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).

**15 Related party transactions**

As a wholly owned subsidiary of the ultimate parent company, GlaxoSmithKline plc, advantage has been taken of the exemption afforded by FRS 101 "Reduced Disclosure Framework" not to disclose any related party transactions within the Group and disclosure of key management personnel compensation. There are no other related party transactions.

**16 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.