

Glaxochem (UK) Unlimited
(Registered number: 04299472)

Annual Report and financial statements

for the year ended 31 December 2021

Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS
England

FRIDAY



AB6DOX1L

A08

17/06/2022

#66

COMPANIES HOUSE

Glaxochem (UK) Unlimited

Annual Report and financial statements

for the year ended 31 December 2021

Contents

Pages

Directors' report	1-2
Income statement	3
Balance sheet	4
Statement of changes in equity	5
Notes to the financial statements	6-10

Glaxochem (UK) Unlimited
(Registered number: 04299472)

Directors' report for the year ended 31 December 2021

The Directors present their report on Glaxochem (UK) Unlimited (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 on page 3.

No dividend is proposed to the holders of Ordinary, Ordinary B and Ordinary C shares in respect of the year ended 31 December 2021 (2020: £nil).

Principal activities and future developments

The Company is a member of the GSK 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 £96,000 (2020: profit of £2,223,000) 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.

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 A Davidson (appointed 17 September 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.

Glaxochem (UK) Unlimited
(Registered number: 04299472)

Directors' report for the year ended 31 December 2021

Statement of directors' responsibilities (continued)

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.

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.

Risks associated with COVID-19

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

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 potential risks related to services provided by the Company. The Directors have taken into account that as part of the Group, the Company has the ability to request support from the Group where necessary and can take actions to ensure business continuity through operational strategies as well as the ability to progress variable costs. On the basis of these considerations, the Directors believe that

Audit exemption

The Company has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2021.

In accordance with s414B of the Companies Act 2006, the Company is exempt from preparing a Strategic Report.

By order of the Board



Mr A Davidson
Director
19 May 2022

Glaxochem (UK) Unlimited

**Income statement
for the year ended 31 December 2021**

	Note	2021 £'000	2020 £'000
Other operating expense	5	(10)	(10)
Finance income	7	129	2,761
Finance expense	8	-	(6)
Operating profit		119	2,745
Profit before taxation		119	2,745
Taxation	9	(23)	(522)
Profit for the financial year		96	2,223

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 6 to 10 are an integral part of these Financial statements.

Glaxochem (UK) Unlimited**Balance sheet
as at 31 December 2021**

	Note	2021 £'000	2020 £'000
Non current assets			
Trade and other receivables	10	2,441,455	2,443,969
Total non current assets		2,441,455	2,443,969
Current liabilities			
Trade and other payables	11	(532)	(2,643)
Corporation Tax	11	(23)	(522)
Total current liabilities		(555)	(3,165)
Net current liabilities		(555)	(3,165)
Net assets		2,440,900	2,440,804
Equity			
Share capital	12	2,278,880	2,278,880
Share premium		70,349	70,349
Retained earnings		91,671	91,575
Shareholders' equity		2,440,900	2,440,804

For the year ended 31 December 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 3 to 10 were approved by the Board of Directors on 19 May 2022 and were signed on its behalf by:



Mr A Davidson
Director

Claxochem (UK) Unlimited**Statement of changes in equity
for the year ended 31 December 2021**

	Share capital £'000	Share premium £'000	Retained earnings £'000	Shareholders' equity £'000
At 1 January 2020	2,278,880	70,349	89,352	2,438,581
Profit for the year	-	-	2,223	2,223
At 31 December 2020	2,278,880	70,349	91,575	2,440,804
Profit for the year	-	-	96	96
At 31 December 2021	2,278,880	70,349	91,671	2,440,900

Glaxochem (UK) Unlimited

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

1 Presentation of the financial statements

General information

The Company is a member of the GSK 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 potential risks related to services provided by the Company. The Directors have taken into account that as part of the Group, the Company has the ability to request support from the Group where necessary and can take actions to ensure business continuity through operational channels, as well as the ability to manage variable costs. On the basis of those considerations, the Directors believe that it remains appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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 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, GSK plc, a company registered in England and Wales, which 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, GSK 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.

GlaxoSmithKline (UK) Unlimited

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

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.

(j) Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company had exposure to IBORs on certain financial instruments. These have been reformed as part of these market-wide initiatives. Where loans to or from Group undertakings are at floating rates of interest, these are referencing the new Risk Free Rates from 1 November 2021.

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 2021

5 Other operating expense

2021	2020
£'000	£'000

The following item has been charged in operating profit:

Management fee	(10)	(10)
----------------	------	------

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged of £9,889 (2020: £9,668). Included in the management fee is for the audit of the financial statements of £nil (2020: £nil). 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 2021 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 (2020: nil).

7 Finance income

2021	2020
£'000	£'000

Finance income arising from:

Interest income on loans with group undertakings measured at amortised cost	129	2,761
---	-----	-------

8 Finance expense

2021	2020
£'000	£'000

Finance expense arising on:

Interest expense on loans with group undertakings measured at amortised cost	-	(6)
--	---	-----

9 Taxation

2021	2020
£'000	£'000

Income tax expense on ordinary activities

Current tax:

UK corporation tax at 19.00% (2020: 19.00%)	(23)	(522)
Total current tax	(23)	(522)

Total tax charge for the year	(23)	(522)
-------------------------------	------	-------

There are no items required to reconcile the profit on ordinary activities before taxation at the statutory rate of 19.00% (2020: 19.00%) to the current taxation charge.

Factors that may affect future tax charges.

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

Glaxochem (UK) Unlimited

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

10 Trade and other receivables

	2021 £'000	2020 £'000
Amounts due after more than one year		
Amounts owed by Group undertakings	2,441,455	2,443,969

Amounts owed by Group undertakings are with GlaxoSmithKline Finance plc and are unsecured and repayable on demand with interest charged at 0.00% (2020: 0.00%) (based on benchmark risk free rates minus 0.05%) that is consistent with the Group's policy.

11 Trade and other payables

	2021 £'000	2020 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	(532)	(2,643)
Corporation tax	(23)	(522)
	(555)	(3,165)

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

12 Share capital

	2021 Number of shares	2020 Number of shares	2021 £'000	2020 £'000
Issued and fully paid				
Ordinary shares of £1 each (2019: £1 each)	925,744,482	925,744,482	925,744	925,744
Ordinary B shares of £1 each (2019: £1 each)	597,059,782	597,059,782	597,060	597,060
Ordinary C shares of £1 each (2019: £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 2021 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

Glaxochem (UK) Unlimited

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

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 (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).

15 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 within the Group and disclosure of key management personnel compensation. There are no other related party transactions.