

ViiV Healthcare Limited
(Registered number: 06876960)

Annual Report and financial statements
for the year ended 31 December 2020

Registered office address:

980 Great West Road

Brentford

Middlesex

TW8 9GS

England

TUESDAY



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30/03/2021
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ViiV Healthcare Limited
(Registered number: 06876960)

**Annual report and financial statements
for the year ended 31 December 2020**

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ViiV Healthcare Limited
(Registered number: 06876960)
Strategic Report for the year ended 31 December 2020

The Directors present their Strategic Report for the year ended 31 December 2020.

Principal activities and future developments

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

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

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

Review of business

The Company made a profit for the financial year of £539m (2019: profit of £3,764m).

The Company is expected to have sufficient future dividend income from its subsidiaries to satisfy its liabilities as they fall due. There are no major commitments or liabilities outside of the ordinary course of business forecast in the next year. As a result, 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. Therefore, the Directors are of the opinion that the Company remains a going concern.

The profit for the year of £539m will be transferred to reserves (2019: profit of £3,764m transferred to reserves).

Principal risks and uncertainties

The principal risks and uncertainties relevant to the Company are managed at the ViiV Group level. The business is subject to certain risks inherent in the pharmaceutical industry and specific risks associated with being concentrated in a single therapeutic area.

Each year, the ViiV Executive Team reviews the risks facing the ViiV Group and agrees a list of the most significant risks (referred to as Enterprise Risks) that require particular attention from a ViiV Group perspective, including those that could cause actual results to differ materially from expected and historical results. A summary of ViiV Group's Enterprise Risks is set out below.

Patient Safety

- Failure to appropriately collect, review, follow up, or report adverse events from all potential sources, and to act on any relevant findings in a timely manner.

Commercial Practices

- Failure to manage risks related to commercialisation (including pricing and reimbursement) and business execution; failure to comply with laws related to the marketing and promotion of our products and interactions with Healthcare Professionals (HCPs).

Research Practices

- Failure to adequately conduct ethical and sound preclinical and clinical research. In addition, failure to engage in scientific activities that are consistent with the letter and spirit of the law, industry, or Company requirements.

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Non-Promotional Engagement

- The risk of engaging in non-promotional activities that are not consistent with external regulations, internal policies, and ViiV values regarding scientific engagement with healthcare professionals and patients, including i) communications relating to our medicines or associated disease areas; ii) appropriate conduct of interactions; and iii) legitimacy and transparency of those interactions.

Data Privacy

- Failure to appropriately manage the personal information that ViiV Healthcare holds on individuals – such as patients, healthcare professionals, consumers, employees and complimentary workers - in compliance with Company principles and standards, and all applicable legislation.

Anti-Bribery and Corruption (ABAC)

- Failure of ViiV Healthcare employees and third parties to comply with Company ABAC principles and standards, and all applicable legislation.

Supply Chain Continuity

- Failure to deliver a continuous supply of compliant finished product; inability to respond effectively to a crisis incident in a timely manner to recover and sustain critical operations.

Financial Controls and Reporting

- The failure to report accurate financial information in compliance with accounting standards and applicable legislation, and/or failure to comply with current tax law, and/or; incurring significant losses due to treasury activities.

Information Security

- The risk that unauthorised disclosure, theft, unavailability or corruption of ViiV Healthcare's information or key information systems may lead to harm to our patients, workforce and customers, disruption to our business and/or loss of commercial or strategic advantage, damage to our reputation or regulatory sanction.

Product Quality

- Failure by ViiV Healthcare, its contractors or suppliers to ensure appropriate controls and governance of quality in product development; compliance with the terms of VH product licences and supporting regulatory activities; compliance with good manufacturing practice or good distribution practice regulations in commercial or clinical trials manufacture and distribution activities.

The Enterprise Risks listed above are managed and mitigated through an escalation and governance framework, with Risk Management and Compliance Boards operating at ViiV Executive Team level and at the region, country and function level.

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Key performance indicators (KPIs)

The key performance indicators, relevant to the Company, are monitored at the ViiV Group level.

The key performance indicators for the ViiV Group are set out below. These indicators track progress to become the leading HIV business, through driving growth ahead of the wider HIV market.

Key Performance Indicator	2020	2019
Turnover growth (CER)	+1%	+1%
Turnover growth (AER)	+1%	+3%
Adjusted operating profit growth (CER)	-1%	NIL
ViiV Group turnover growth versus HIV market (value growth, AER)	-5% (ViiV Group +1% versus market +6%)	-2% (ViiV Group +3% versus market +5%)

Response to coronavirus epidemic (SARS-CoV-2)

The potential impact of the coronavirus outbreak on the Company's investment activities remains uncertain. Up to the date of this Report, the outbreak has not had a material impact on the results of the Company. We continue to monitor the situation closely, as this continues to be a dynamic and uncertain situation, with the ultimate severity, duration and impact unknown at this point including potential impacts on results, clinical trials, supply continuity and our employees. 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.

Impact of Brexit

The UK left the EU on 31 January 2020 and the Brexit transition period ended on 31 December 2020 with a Trade and Cooperation Agreement (TCA) in place between the UK and EU. Our overriding priority has been to maintain continuity of supply of our medicines to people in the UK and EU. Our post-Brexit operating model has been implemented, and we continue to work closely with Governments in both the UK and EU, as well as third parties, on the effective implementation of the TCA.

In line with the Group's new model, we conduct retesting and certification of our medicine products in Europe, where required, and are preparing to meet the phased-in requirements on retesting and certification in the UK. We have completed relevant marketing authorisation transfers and updated packaging.

Over the longer term, we continue to believe that Brexit will not have a material impact on our business.

Climate change

The Company's approach to climate change is set by the GSK Group, of which it is a member and no additional considerations are deemed necessary for ViiV Healthcare Limited. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

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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 ViiV'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.

The Company has engaged with its main stakeholder groups, including our patients, shareholders, consumers, customers and group employees, as further detailed in the stakeholder engagement statements in the Directors' Report and the feedback from the engagement has been considered by the directors during the decision-making process.

Matters identified that may affect the Company's performance in the long term are set out in the principle risks disclosed above.

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 GSK Group, of which the Company is a member and no additional considerations are deemed necessary for ViiV Healthcare Limited as the relevant matters are all considered in the GSK Group accounts. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

On behalf of the Board



D Waterhouse

Director

19 March 2021

ViiV Healthcare Limited
(Registered number: 06876960)
Directors' Report for the year ended 31 December 2020

The Directors present their report on the Company and the audited financial statements of the Company for the year ended 31 December 2020.

Results and dividend

The Company's results for the financial year are shown in the income statement on page 15. Full details of the Company's dividends paid and payable for the financial year are shown in Note 9 on page 24.

Directors and their interests

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:

M Gladstone
J Keller
J Lepore
S Luik
A Mackenzie
L Miels
D Redfern
R Simard
D Waterhouse
P Williams

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.

Directors' indemnity

Each of the Directors who are employees of the ViiV Group benefits from an indemnity given by ViiV Healthcare Limited. This indemnity is in respect of liabilities arising out of third-party proceedings to which the Director is a party by reason of his or her engagement in the business of the Company.

Political donations

The Company made no political donations during the year (2019: NIL).

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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.

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Directors' Report for the year ended 31 December 2020

In preparing the 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.

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 Company 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 3:

- principal activities and future developments;
- review of business;
- principal risks and uncertainties;
- key performance indicators;
- response to coronavirus epidemic (SARS-CoV-2);
- impact of Brexit;
- climate change; and
- section 172 Companies Act 2006 statement.

Modern Slavery

The Company's approach to the Modern Slavery Act 2015 is set by the GSK Group of which the Company is a member and no additional considerations are deemed necessary for ViiV Healthcare Limited. Each year, as part of their governance arrangements, the GSK Group formally reviews and approves the approach to the Modern Slavery Act 2015 and has confirmed that the approach is still valid for 2020. A copy of the GSK Group's statement on modern slavery can be found on the GSK website.

Corporate Governance

As a subsidiary company of GlaxoSmithKline plc which is listed on the New York and London Stock Exchanges, the Company has developed governance practices and processes that are fit for purpose.

The Directors have applied an undocumented system of governance by:

- (a) Promoting the purpose of the Company to "Leave no person living with HIV behind" through its subsidiaries' operations.
- (b) Regularly reviewing its composition to ensure that it has an appropriately diverse balance of skills, backgrounds, experience and knowledge and that individual directors have sufficient capacity to make a valuable contribution. The Board retains a minimum of 9 directors and promotes independent and objective challenge through the appointment of directors appointed from both within the GlaxoSmithKline group, the Pfizer group and the Shionogi group. The Board has also nominated a Chair to provide leadership of the Board.
- (c) To support effective decision-making Directors take into account the System of Internal Control and the Code of Conduct when acting in their capacity as a Director of the Company.

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Directors' Report for the year ended 31 December 2020

- (d) In accordance with the governance practices and processes that it adopts, the Board is supported by Systems of Internal Control to identify opportunities to create and preserve value.
- (e) Having regard to and fostering good stakeholder relationships.

Stakeholder engagement

The Company aims to build enduring relationships with governments, regulators, patients, customers, partners, suppliers and communities 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.

The Company's activities affect a wide variety of individuals and organisations. The Company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making.

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 governments on a range of issues that are relevant to its business, from regulatory compliance, to collaborating on community initiatives.

The ViiV Group seeks to engage with customers through social media, focus groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.

Employee engagement

Employees of the ViiV group are informed of information on matters of concern to them as employees through the employee intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, business updates and diversity.

There are a number of employee share plans in place at Group level. The Group operates ShareSave and ShareReward plans. The Group also operates group-wide discretionary share plans, which allow employee participation at different levels globally and is linked to the Group's performance.

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. 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 believe that preparing the financial statements on the going concern basis is appropriate as the Company is expected to have sufficient future dividend income from its subsidiaries to satisfy its liabilities as they fall due. There are no major commitments or liabilities outside of the ordinary course of business forecast in the next year. As a result, 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. Therefore, the Directors are of the opinion that the Company remains a going concern.

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Directors' Report for the year ended 31 December 2020

Independent auditor

Deloitte LLP were appointed to act as the Company's auditors pursuant to section 485(3) Companies Act 2006. Deloitte LLP were then appointed by the members in general meeting during the year in accordance with s485(4) Companies Act 2006.

On behalf of the Board

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

D Waterhouse

Director

19 March 2021

ViiV Healthcare Limited
(Registered number: 06876960)
Independent auditors' report to the members of ViiV Healthcare Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ViiV Healthcare Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) 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 balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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

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. 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.

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Independent auditors' report to the members of ViiV Healthcare Limited

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

We have nothing to report in 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; 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.

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Independent auditors' report to the members of ViiV Healthcare Limited

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.

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 and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Other Matters

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

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Independent auditors' report to the members of ViiV Healthcare Limited

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.

Deloitte LLP

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

19 March 2021

ViiV Healthcare Limited
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Income statement for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Other operating expense	6	(859)	(187)
Loss on disposal	10	-	(438)
Income from subsidiaries	4	1,406	4,412
Operating profit	6	547	3,787
Finance expense	7	(10)	(28)
Profit before taxation for the financial year		537	3,759
Taxation	8	2	5
Profit for the financial year		539	3,764

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 therefore no separate statement of other comprehensive income has been presented.

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Balance Sheet for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Non-current assets			
Investments in subsidiaries	10	6,640	6,640
Current assets			
Trade and other receivables	11	5	162
Corporation tax asset	12	5	8
Total assets		6,650	6,810
Current liabilities			
Preferential dividend liability	13, 14	(579)	(571)
Trade and other payables	13	(2,511)	(1,569)
Total assets less current liabilities		3,560	4,670
Non-current liabilities			
Preferential dividend liability	13, 14	(3,810)	(3,530)
Net (liabilities)/assets		(250)	1,140
Equity			
Share capital	15	-	-
Preferential dividend reserve	13, 14	(4,389)	(4,101)
Retained earnings		4,139	5,241
Shareholders' equity		(250)	1,140

The financial statements of the Company (Company registration number: 06876960) on pages 15 to 31 were approved by the Board of Directors on 19 March 2021 and signed on its behalf by:



D Waterhouse

Director

ViiV Healthcare Limited

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Statement of changes in equity for the year ended 31 December 2020

	Share capital	Share premium	Preferential dividend reserve	Retained earnings	Total
	£m	£m	£m	£m	£m
At 1 January 2019	-	-	(4,454)	3,260	(1,194)
Profit for the year	-	-	-	3,764	3,764
Transfer of other operating expense related to preferential dividend	-	-	(187)	187	-
Preferential dividend to shareholders	-	-	540	(540)	-
Ordinary dividend to shareholders	-	-	-	(1,430)	(1,430)
At 31 December 2019	-	-	(4,101)	5,241	1,140
Profit for the year	-	-	-	539	539
Transfer of other operating expense related to preferential dividend	-	-	(859)	859	-
Preferential dividend to shareholders	-	-	571	(571)	-
Ordinary dividend to shareholders	-	-	-	(1,929)	(1,929)
At 31 December 2020	-	-	(4,389)	4,139	(250)

The preferential dividend reserve represents the cumulative impact of the opening preferential dividend liability and subsequent re-measurement, which is transferred from retained earnings to other reserves. Preferential dividends are then reported as a reduction in retained earnings once paid. The preferential dividend reserve does not affect the calculation of the Company's realised profits available for distribution.

In 2016 the Company completed a series of steps, in order to create distributable reserves such that the Company is able to pay dividend on a timely basis in future years. This included establishing an internal financing structure to align intra-group financing with profit generation.

ViiV Healthcare Limited
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Notes to the financial statements for the year ended 31 December 2020

1. Presentation of the financial statements

General information

ViiV Healthcare Limited is the parent company of the ViiV Group and operates as a holding company.

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.

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.

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").

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The financial statements are presented in Pounds Sterling.

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';
- 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';
 - v. paragraph 50 of IAS 41 'Agriculture';
- The following paragraphs of IAS 1 'Presentation of financial statements':

ViiV Healthcare Limited

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Notes to the financial statements for the year ended 31 December 2020

- 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 makes 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 a 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); 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; 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 consolidated financial statements of GSK Group can be obtained as described under Consolidation.

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.

Consolidation

The Company is a subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006. GlaxoSmithKline plc, a company registered in the UK (England), 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. These financial statements are separate financial statements.

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 retranslated into the functional currency at rates of exchange ruling at the balance sheet date. The functional and presentation currency of the Company is Pounds Sterling.

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Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. A provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Dividend paid and received

Interim dividends received are included in the income statement in the year in which the right to receive the payment is established.

Interim dividends paid on ordinary shares are deducted from reserves in the year in which they are paid. Final dividends on ordinary shares are recorded in the reserves upon shareholder approval.

Preferential dividends are contingent on the achievement of certain performance criteria on assets provided by, or acquired from, GSK, Pfizer and Shionogi affiliates. Once earned, preferential dividends are payable in full, prior to the payment of any ordinary dividend. Any amounts that cannot be paid due to insufficient distributable reserves will be carried forward to future years and will be paid in preference to any subsequently declared dividend.

Finance income and expense

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

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Impairment of non-financial assets

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

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

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 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

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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.

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.

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.

Financial liabilities

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

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

Preferential dividends are recognised as liabilities, reported at amortised cost and re-measured at each reporting date to reflect any changes in expectation of the amounts to be paid. Changes to the carrying value of these liabilities are recognised in the income statement within other operating expense.

3. Key accounting judgements and estimates

In preparing the financial statements, management is 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 accounting judgements and estimates made.

Impairment of investments in subsidiaries

Estimates

Investments in subsidiaries are held at cost less accumulated impairment losses. Annual impairment tests are carried out to ascertain if the carrying value of investments are impaired. These tests comprise a comparison between the carrying value of investment in subsidiaries and the net asset value of the subsidiaries. In some instances, the future estimated profit or loss is considered or valuations of subsidiaries are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate discount rates.

The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Company (see Note 10).

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Preferential dividend liability

Estimates

Preferential dividends will vary in line with sales of Tivicay, Triumeq, Juluca, Dovato, Cabenuva and other products provided by, or acquired from, GSK, Pfizer and Shionogi affiliates. The Company recognises liabilities in respect of these preferential dividends which are reported at amortised cost and re-measured at each reporting date to reflect any changes in expectation of the amounts to be paid (see Notes 6, 13, 14 and 16).

Amounts involved in this re-measurement are estimates of future performance, based on assumptions including peak sales and market share for the relevant products, and therefore may not fully reflect the final amounts paid.

Sensitivity analysis is given in Note 14, 'Preferential dividend liability'.

4. Income from subsidiaries

Dividend received from	Date	2020 £m	Date	2019 £m
ViiV Healthcare Company (US)	26 March	506	25 March	303
ViiV Healthcare Company (US)	25 June	81	8 March	458
ViiV Healthcare Company (US)	24 September	314	29 July	1,043
ViiV Healthcare Company (US)	18 December	443	26 September	481
ViiV Healthcare Company (US) total		1,344		2,285
PHIVCO UK II Limited (UK)	17 December	52	29 July	273
ViiV Healthcare Overseas Limited (UK)	17 December	10	29 July	99
ViiV Healthcare UK Limited (UK)			29 July	148
ViiV Healthcare Trading Services UK Limited (UK)			29 July	82
ViiV Healthcare UK (No.2) Limited (Jersey)			23 December	1,525
Total dividend received		1,406		4,412

5. Employees

The Company has no employees as all personnel are employed by other ViiV Group companies (2019: NIL).

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6. Operating profit

	2020 £m	2019 £m
The following items have been (charged)/credited in operating profit:		
Re-measurement of preferential dividends measured at amortised cost	(859)	(187)
Other operating expense	(859)	(187)
Loss on disposal	-	(438)
Income from subsidiaries	1,406	4,412
Operating profit	547	3,787

	2020 £000	2019 £000
Audit fees	(7)	(7)

7. Finance expense

	2020 £m	2019 £m
Interest on loans with ViiV Group undertakings measured at amortised cost	(10)	(28)

The interest rate on loans with ViiV Group undertakings is 1 week LIBOR + 0.25%.

8. Taxation

Income tax (credit) on profit	2020 £m	2019 £m
Current tax:		
UK corporation tax at 19.00% (2019: 19.00%)	(2)	(5)
Total tax (credit) for the year	(2)	(5)

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19.00% (2019: 19.00%). The differences are explained below:

Reconciliation of total tax charge	2020 £m	2019 £m
Profit on ordinary activities before tax	537	3,759
Tax on ordinary activities at the UK statutory rate 19.00% (2019: 19.00%)	102	714
Effects of:		
Net (income) not (taxable)	(104)	(719)
Total tax (credit) for the year	(2)	(5)

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9. Dividend paid and payable

Dividend paid in 2020

Share Class	Number of shares	£ per share	£m
A	6,950	61,571	428
B	2,798	21,035	59
C	252	20,182	5
D2	555	98,470	55
Third interim ordinary dividend in respect of year ended 31 December 2019 – paid 8 January 2020			547
A	6,950	60,184	418
B	2,798	20,561	58
C	252	19,727	5
D2	555	96,253	53
Fourth interim ordinary dividend in respect of year ended 31 December 2019 – paid 7 April 2020			534
A	6,950	77,711	540
B	2,798	754	2
C	252	754	-
D1	557	51,436	29
E	2,250	5	-
Interim preferential dividend in respect of year ended 31 December 2019 – paid 7 April 2020			571
A	6,950	33,676	234
B	2,798	11,505	32
C	252	11,038	3
D2	555	53,858	30
First interim ordinary dividend in respect of year ended 31 December 2020 – paid 7 July 2020			299
Share Class	Number of shares	£ per share	£m
A	6,950	61,855	430
B	2,798	21,132	59
C	252	20,275	5
D2	555	98,925	55
Second interim ordinary dividend in respect of year ended 31 December 2020 – paid 7 October 2020			549
A	6,950	294,997	2,050
B	2,798	74,987	210
C	252	71,976	18
D1	557	51,436	29
D2	555	347,506	193
E	2,250	5	-
Total dividend paid in 2020			2,500

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Dividend payable in respect of 2020

Share Class	Number of shares	£ per share	£m
A	6,950	19,035	132
B	2,798	6,503	18
C	252	6,239	2
D2	555	30,443	17
Third interim ordinary dividend in respect of year ended 31 December 2020 – payable 8 January 2021			169
A	6,950	42,551	296
B	2,798	14,537	41
C	252	13,947	3
D2	555	68,052	38
Fourth interim ordinary dividend in respect of year ended 31 December 2020 – proposed			378
A	6,950	78,991	549
B	2,798	301	1
C	252	301	-
D1	557	52,179	29
E	2,250	5	-
Interim preferential dividend in respect of year ended 31 December 2020 – proposed			579
A	6,950	140,577	977
B	2,798	21,341	60
C	252	20,487	5
D1	557	52,179	29
D2	555	98,495	55
E	2,250	5	-
Total dividend payable in respect of 2020			1,126

The interim preferential dividend in respect of the year ended 31 December 2019 and the proposed interim preferential dividend in respect of the year ended 31 December 2020 include an amount of £11,250 paid and payable to holders of Class E shares. Class E shares were issued in December 2016 and are entitled to a preferential dividend of 5% of the nominal share value of £225,000. Full detail of the Company's share capital is shown in Note 15 on page 28.

10. Investments in subsidiaries

Cost	£m
At 1 January 2019	7,078
Loss on disposal	(438)
At 31 December 2019 and 31 December 2020	6,640
Accumulated impairment	£m
At 1 January 2019	-
At 31 December 2019	-
At 31 December 2020	-
Carrying value at 1 January 2019	7,078
Carrying value at 31 December 2019	6,640
Carrying value at 31 December 2020	6,640

Details of the subsidiaries of the Company as at 31 December 2020 are given in Note 17.

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During the prior year, the Company recorded a write-down of investment arising on liquidation of its subsidiary, ViiV Healthcare UK (No.2) Limited.

The Directors believe that the carrying value of the remaining investments is supported by their underlying net assets or their forecast cash flows.

11. Trade and other receivables

	2020 £m	2019 £m
Amounts due within one year		
Amounts owed by ViiV Group undertakings	5	162
	5	162

Amounts owed by ViiV Group undertakings are unsecured, interest free and are repayable on demand, with the exception of a call account balance with ViiV Healthcare Trading Services UK Limited (2020: NIL; 2019: £157 million) with interest received at 1 week LIBOR + 0.25% per annum and repayable on demand.

12. Corporation tax asset

	2020 £m	2019 £m
Amounts falling due within one year		
Corporation tax	5	8
	5	8

The corporation tax debtor contains amounts which will be received from fellow ViiV Group undertakings.

13. Trade and other payables

	2020 £m	2019 £m
Amounts falling due within one year		
Amounts owed to ViiV Group undertakings	2,511	1,568
Amounts owed to GSK Group undertakings	-	1
Preferential dividend due within one year	579	571
	3,090	2,140

	2020 £m	2019 £m
Amounts falling due after more than one year		
Preferential dividend due after one year	3,810	3,530
	3,810	3,530

Total	6,900	5,670
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Amounts owed to ViiV Group undertakings are unsecured. The amount owed to ViiV Group undertakings that is falling due within one year represents a loan facility which is interest bearing at 1 week LIBOR + 0.25%.

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	2020 £m	2019 £m
Maturity of financial liabilities		
In one year or less, or on demand	3,090	2,140
In more than one year, but not more than two years	516	479
In more than two years, but not more than five years	1,424	1,288
In more than five years	1,870	1,763
	6,900	5,670

14. Preferential dividend liability

	Preferential dividend payable to GSK £m	Preferential dividend payable to Pfizer £m	Preferential dividend payable to Shionogi £m	Total £m
As at 1 January 2020 – non-current	3,356	2	172	3,530
As at 1 January 2020 – current	540	2	29	571
As at 1 January 2020 – total	3,896	4	201	4,101
Re-measurement	823	(1)	37	859
Payments	(540)	(2)	(29)	(571)
As at 31 December 2020 – total	4,179	1	209	4,389
Transfer to trade and other payables – current	(549)	(1)	(29)	(579)
As at 31 December 2020 – non-current	3,630	-	180	3,810

Preferential dividends are contingent on the achievement of certain performance criteria on assets provided by, or acquired from, GSK and Pfizer affiliates. The Group recognises liabilities in respect of these preferential dividends which are reported at amortised cost and re-measured at each reporting date to reflect any changes in expectation of the amounts to be paid (see previous page). The post-tax discount rate used is partly at 10% and partly at 11%, depending on the product. The expected liability increased during the year due to remeasurement charges exceeding the payments made. A corresponding charge of £859 million has been recorded for the year ending 31 December 2020 within other operating expense (Note 6). The amount falling due within one year is £579 million, which has been transferred to trade and other payables (Note 13). Preferential dividends of £571 million were paid during 2020, reducing the liability.

The table below shows on an indicative basis the income statement and balance sheet sensitivity to reasonably possible changes in key inputs to the valuations of the preferential dividend liabilities.

Increase/(decrease) in financial liability and loss/(gain) in Income Statement	£m
10% increase in sales forecasts	448
10% decrease in sales forecasts	(439)
1% increase in discount rate	(166)
1% decrease in discount rate	177
10 cent appreciation of US Dollar	177
10 cent depreciation of US Dollar	(152)
10 cent appreciation of Euro	197
10 cent depreciation of Euro	(165)

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15. Share capital

Share Class	Shareholder	At 1 January 2019		At 31 December 2019		At 31 December 2020	
		Number	£000	Number	£000	Number	£000
A	GlaxoSmithKline Mercury Limited	6,950	7	6,950	7	6,950	7
B	PHIVCO Lux Sarl	2,798	3	2,798	3	2,798	3
C	PHIVCO Corp	252	-	252	-	252	-
D1	Shionogi Ltd	557	1	557	1	557	1
D2	Shionogi Ltd	555	-	555	-	555	-
E	Shionogi Ltd	2,250	-	2,250	-	2,250	-
Deferred share	GlaxoSmithKline Mercury Limited	1	-	1	-	1	-
Total		13,363	11	13,363	11	13,363	11

Holders of Class A, B and C Shares are entitled to both preferential dividends and ordinary dividends. Class D shares are split into Class D1 and Class D2. Class D1 are entitled to Shionogi preferred ordinary dividends and Class D2 are entitled to ordinary dividends. Preferential dividends are based on the performance of certain assets and are payable in full prior to any ordinary dividends. Class E Shares were issued to Shionogi on 22 December 2016 and are entitled to preferential dividends of 5% of the nominal share value of £225,000. The Class E shares are accounted for as a liability. Any preferential dividend amounts that cannot be paid due to insufficient distributable reserves will be carried forward to future years and will be paid in preference to any subsequently declared dividends.

One deferred share was issued to GlaxoSmithKline Mercury Limited on 8 March 2016, as part of a series of steps to create distributable reserves such that the Company is able to pay dividends on a timely basis in future years. This included establishing an internal financing structure to align intra-group financing with profit generation. The deferred share carries no dividend rights.

Voting rights and ordinary dividend rights are defined in the Articles of Association and the Shareholders Agreement, subject to certain extraordinary corporate matters, which require prior written approval of Pfizer and/or Shionogi.

16. Related party transactions

The ViiV Group is 78.3% owned by GlaxoSmithKline Mercury Limited (a wholly owned subsidiary of the GSK group of companies), 10.7% by PHIVCO Lux Sarl and 1.0% by PHIVCO Corp. (both members of the Pfizer Inc. group of companies) and 10.0% by Shionogi Ltd. During the year, the Company undertook significant transactions with entities from within each of the GSK, Pfizer and Shionogi groups of companies.

During the formation of the ViiV Group, arrangements were entered into for the payment of preferential dividends to GSK, Pfizer and Shionogi subject to achieving agreed sales targets and development milestones. Once the preferential dividends become payable they are to be paid prior to the payment of an ordinary dividend to the ViiV Group's shareholders. Amounts included within the balance sheet for the expected payments to each party are included in the table below.

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The table below outlines the amounts of the relevant transactions and outstanding amounts at the end of the financial year.

	GlaxoSmithKline group of companies		Pfizer group of companies		Shionogi group of companies	
	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m
Preferential dividend liability	4,179	3,896	1	4	209	201
Preferential dividend payment	540	506	2	6	29	28
Ordinary dividend payment	1,510	1,120	226	168	193	142

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17. Subsidiaries

The subsidiaries of the Company as at 31 December 2020 are as follows:

Company	Class of shares held	Direct shares held (%)	Indirect shares held (%)	Address of Registered Office
ViiV Healthcare Trading Services UK Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare Overseas Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare UK Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare UK (No. 3) Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare UK (No. 4) Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare UK (No. 5) Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare UK (No. 6) Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare Finance Limited	Ordinary; Redeemable	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare Finance 1 Limited (iii)	Ordinary	100%		55 Baker Street, London, W1U 7EU, England
ViiV Healthcare Finance 2 Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
PHIVCO UK Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
PHIVCO UK II Limited	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
ViiV Healthcare UK (No. 2) Limited (i)	Ordinary	100%		980 Great West Road, Brentford, Middlesex, TW8 9GS, England
PHIVCO Jersey Limited (i)	Ordinary		100%	IFC 5, St. Helier, JE1 1ST, Jersey
PHIVCO Jersey II Limited (i)	Ordinary		100%	IFC 5, St. Helier, JE1 1ST, Jersey
PHIVCO Jersey II Limited (ii)	Ordinary		100%	IFC 5, St. Helier, JE1 1ST, Jersey
ViiV Healthcare sprl	Ordinary		100%	Site Apollo, Avenue Pascal 2-4-6, Wavre, 1300, Belgium
ViiV Healthcare SAS	Ordinary		100%	23 rue François Jacob, 92500, Rueil-Malmaison, France
ViiV Healthcare GmbH	Ordinary		100%	Prinzregentenplatz 9, München, 81675, Germany
ViiV Healthcare S.r.l.	Quota		100%	Viale dell'Agricoltura 7, Verona, 37135, Italy
ViiV Healthcare B.V.	Ordinary		100%	Van Asch van, Wijkstraat 55h, 3811 LP Amersfoort, The Netherlands
ViiV HIV Healthcare Unipessoal Lda	Quota		100%	Rua Dr Antonio Loureiro Borges No 3, Arquimparque, Miraflores, Aliges, 1495-131, Portugal
Laboratorios ViiV Healthcare, S.L.	Ordinary		100%	Severo Ochoa, 2, Parque Tecnológico de Madrid, Tres Cantos, Madrid, 28760, Spain
ViiV Healthcare GmbH	Ordinary		100%	Talstrasse 3-5, 3053 Muenchenbuchsee, Switzerland
Americas				
ViiV Healthcare Company	Common	100%		Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States
PHIVCO-1 LLC	LLC interests		100%	Delaware, 19808, United States
PHIVCO-2 LLC	LLC interests		100%	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Shionogi-ViiV Healthcare LLC	Common		100%	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ViiV Healthcare Venture LLC	LLC interests		100%	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States
ViiV Healthcare ULC	Common		100%	3500 855-2nd Street SW, Calgary, AB, T2P 4J8, Canada
ViiV Healthcare Puerto Rico LLC	Shares		100%	Centro Internacional de Mercadeo, 90 carr. 165 Torre 2, Suite 800, Guaynabo, 00968, Puerto Rico
International				
ViiV Healthcare Pty Ltd	Ordinary		100%	1061 Mountain Highway, Boronia, VIC, 3155, Australia
ViiV Healthcare Hong Kong Limited	Ordinary		100%	23/F Tower 6, The Gateway, 9 Canton Road, Harbour City, Tsimshatsui, Kowloon, Hong Kong
ViiV Healthcare Kabushiki Kaisha	Ordinary		100%	1-8-1 Asasaka Minato-ku, Tokyo, Japan
ViiV Healthcare Trading LLC	Participation		100%	Leningradskiy Prospekt 37A, Building 4, Floor 2, Premises XIV, Room 28, Moscow, 125167, Russian Federation
ViiV Healthcare (South Africa) (Proprietary) Limited	Ordinary		100%	Flushing Meadows Building, The Campus, 57 Sloane Street, Bryanston 2021, South Africa

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Company	Class of shares held	Direct shares held (%)	Indirect shares held (%)	Address of Registered Office
Associated Companies				
Qura Therapeutics, LLC	Units		50%	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, United States

Key

(i) Entity dissolved as at 31 December 2020.

(ii) Entity is expected to be liquidated or disposed of.

18. Directors' remuneration

During the year the Directors of the Company were remunerated as executives of the GSK, Pfizer and Shionogi Groups. They received no remuneration in respect of their services to the Company (2019: nil).