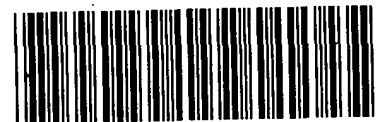


ViiV Healthcare UK Limited
Registered number : 6990358

Directors' report and financial statements

for the year ended 31 December 2014

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

ViiV Healthcare UK Limited

**Directors' report and financial statements
for the year ended 31 December 2014**

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ViiV Healthcare UK Limited
(Registered number: 6990358)

Strategic report for the year ended 31 December 2014

The Directors submit their report and the audited financial statements for the year ended 31 December 2014.

Principal Activities

ViiV Healthcare UK Limited (the "Company") is a member of ViiV Healthcare Limited and its subsidiaries (the "Group"). The Directors submit their strategic report for the year ended 31 December 2014.

Review of business

The Company made a profit for the financial year of £330,357k (2013: profit of £323,567k). 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.

The profit for the year of £330,357k will be transferred to reserves (2013: profit of £323,567k transferred to

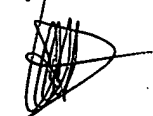
Principal risks and uncertainties

The Directors of ViiV Healthcare Limited and its subsidiaries manage the risks of the Group at a group level, rather than at an individual business unit 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 2014 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 a business sector 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 2014 Annual Report which does not form part of this report.

By order of the Board



D Limet
Director
10 July 2015

ViiV Healthcare UK Limited
(Registered number : 6990358)

Directors' report for the year ended 31 December 2014

Directors submit their report and the audited financial statements for the year ended 31 December 2014.

Principal activities

Principal activity of the Company is the marketing, distribution and selling of HIV products as well as licensing out rights of HIV products to the Group. The Directors do not envisage any change to the nature of the business in the foreseeable future.

Results and dividends

The Company's results for the financial year are shown in the profit and loss account on page 6.

An interim dividend of £163,000k (2013: £175,000k) per ordinary share amounting to £326,000k (2013: £350,000k) was declared and paid to the holders of ordinary shares on 10 November 2014. No final dividend is proposed to the holders of ordinary shares in respect of the year ended 31 December 2014 (2013: £nil).

Research and development

The Company is responsible for instigating research and development ("R&D") activities, which are carried out by GlaxoSmithKline plc, Pfizer Inc, Shionogi & Co Ltd. and their respective affiliates. The income from these activities includes amounts re-charged to other Group undertakings. In addition the Company has entered into a number of in-licensing initiatives that have strengthened the R&D pipeline, particularly in the later stages.

Directors

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

Mr D Limet
Mr J Andries
Mr M Dawson
Mr N Shortman

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 Group benefits from an indemnity given by a Group undertaking, 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 engagement in the business of the Company.

Directors' report for the year ended 31 December 2014

Statement of Directors' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are willing to continue in office as auditors and resolutions dealing with their reappointment and remuneration will be proposed at a General Meeting of the Company.

By order of the Board



D Limet
Director
10 July 2015

ViiV Healthcare UK Limited

Independent auditors' report to the members of ViiV Healthcare UK Limited

Report on the financial statements

Our opinion

In our opinion, ViiV Healthcare UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

ViiV Healthcare UK Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' and Strategic reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ViiV Healthcare UK Limited

Independent auditors' report to the members of ViiV Healthcare UK Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 July 2015

ViiV Healthcare UK Limited

**Profit and loss account
for the year ended 31 December 2014**

	Note	2014 £'000	2013 £'000
Turnover	2	463,948	471,077
Cost of sales		(22,943)	(5,690)
Gross profit		441,004	465,387
Selling and distribution costs		(4,392)	(3,661)
Administrative expenses		(53,476)	(38,860)
Research and development expenditure		(16,335)	(12,424)
Other operating income/(expense)	3	20,378	(13,216)
Operating profit	4	387,179	397,226
Interest payable and similar charges	5	(955)	(301)
Profit on ordinary activities before taxation		386,224	396,925
Tax on profit on ordinary activities	6	(55,867)	(73,358)
Profit for the financial year	15	330,357	323,567

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

There is no difference in either the current year or prior year between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The Company has no recognised gains or losses during either the current year or the prior year other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented.

ViiV Healthcare UK Limited

**Balance sheet
as at 31 December 2014**

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	8	1,485	763
Investments	9	509,000	509,000
		510,485	509,763
Current assets			
Stocks	10	-	2,050
Debtors	11	658,058	521,418
Cash at bank and in hand		776	2,196
		658,834	525,664
Creditors: amounts falling due within one year	12	(460,127)	(330,592)
Net current assets		198,707	195,072
Total assets less current liabilities		709,192	704,835
Net assets		709,192	704,835
Capital and reserves			
Called up share capital	14	-	-
Share premium account	15	378,000	378,000
Profit and loss account	15	331,192	326,835
Total shareholders' funds	16	709,192	704,835

The financial statements on pages 6 to 14 were approved by the Board of Directors on 10 July 2015 and were signed on its behalf by:


D. Limet
Director

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of accounting

These financial statements have been prepared on the going concern basis under the historical cost convention, the accounting policies set out below, which have been applied consistently, throughout the year, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards.

(b) Foreign currency transactions

Foreign currency transactions are booked in local currency at the exchange rate ruling on the date of the transaction, or at the forward rate if hedged by a forward foreign exchange contract. Foreign currency monetary assets and liabilities are translated into local currency at rates of exchange ruling at the balance sheet date, or at the forward rate. Exchange differences are included in operating profit.

(c) Turnover

Revenue is recognised in the profit and loss account when goods or services are supplied to, or made available for collection by, external customers or other Group subsidiaries against orders received. Turnover represents the net invoice value after the deduction of discounts given at the point of sale, and accruals for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored regularly in the light of historical information and past experience. Value added tax and other sales taxes are excluded from turnover.

(d) Other operating income and expenditure

Royalty income is recognised in other operating income and expenditure on an accruals basis. Other revenues are recorded as earned (or as the services are performed).

(e) 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. Advertising expenditure is charged to the profit and loss account as incurred.

(f) Research and development

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable.

(g) Intangible fixed assets

Intangible assets are stated at cost less a provision for amortisation and impairment.

Acquired licences, patents, know-how and marketing rights are amortised over their estimated useful lives, from the time they are available for use. The estimated useful lives for determining the amortisation charge take into account patent lives, where applicable, as well as the value obtained from periods of non-exclusivity. Items capitalised are restricted to those related to specific compounds or products which are being developed for commercial applications. The estimated useful lives for determining the amortisation charge are reviewed annually, and take into account the estimated time it takes to bring the molecules or products to market as marketable products.

(h) Fixed asset investments

Fixed asset investments are stated in the balance sheet at cost less any provision made for impairment in value. Such investments are classified as current assets when regarded as available for sale.

ViiV Healthcare UK Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies (continued)

(i) Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment when there is an indication that the assets might be impaired. Any provision for impairment is charged against profit in the year concerned.

(j) Employee share plans

Incentives in the form of shares in the Company's ultimate parent company, GlaxoSmithKline plc, are provided to employees under share option and share award schemes. These schemes are operated by GlaxoSmithKline affiliates. The fair values of these options and awards are calculated at their grant dates using a Black-Scholes option pricing model and charged to the income statement over the relevant vesting period. At the end of each reporting period, the Company revises its charge based on the number of options expected to vest, where appropriate.

(k) Dividends paid and received

Interim dividends paid and received are included in the profit and loss account in the year in which the related dividend is actually paid or received. Final dividends are recorded in the profit and loss account upon shareholder approval.

(l) Stocks

Stocks are included in the financial statements at the lower of cost (including manufacturing overheads, where appropriate) and net realisable value. Cost is generally determined on a first in, first out basis.

(m) Taxation

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

The Company accounts for taxation which is deferred or accelerated by reason of timing differences which have originated but not reversed by the balance sheet date. Deferred tax assets are recognised as recoverable and therefore only recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted. Deferred tax on the retained earnings of overseas subsidiaries is only provided when dividends have been accrued as receivable or there is a binding commitment to distribute past earnings in future periods.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax liabilities and assets are not discounted.

2 Segmental Information

Analysis of turnover by business sector:

	2014 £'000	2013 £'000
Pharmaceuticals	463,948	471,077

The Company operates only in one geographical segment, United Kingdom.

3 Other operating income/(expense)

	2014 £'000	2013 £'000
Third party royalties	(9)	(174)
Royalties & other income/(expense) from Group undertakings	1,389	(6,169)
Other operating income/(expense)	18,998	(6,873)
	20,378	(13,216)

During the year, the Company bore head office costs on behalf of the Group and charged a management fee to other Group companies for these services.

ViiV Healthcare UK Limited

Notes to the financial statements for the year ended 31 December 2014

4 Operating profit

	2014 £'000	2013 £'000
The following items have been charged/(credited) in operating profit:		
Exchange gain on foreign currency transactions	(3,253)	(1,186)
Stocks:		
Cost of stocks included in cost of sales	22,642	5,340
Write-down of stocks	301	350
Audit Fees	36	26

5 Interest payable and similar charges

	2014 £'000	2013 £'000
On loans with Group undertakings	(955)	(301)

6 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Tax charge based on profits for the financial year		
Current tax:		
UK corporation tax at 21.49% (2013: 23.25%)	55,412	72,080
Adjustments to tax charge in respect of previous years	274	1,380
Total current tax	55,686	73,460
Deferred tax:		
Origination and reversal of timing differences	39	55
Adjustments in respect of previous years	203	(385)
Effect of tax rate change on opening balance	(61)	-
Change in tax rate - impact on deferred tax	-	228
Total deferred tax charge/(credit)	181	(102)
Tax on profit on ordinary activities	55,867	73,358

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2014 of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Reconciliation of current tax charge		
Profit on ordinary activities at the UK statutory rate 21.49% (2013: 23.25%)	83,011	92,272
Effects of:		
Other permanent differences	460	642
Adjustments to tax charge in respect of previous years	274	1,380
Capital allowances in excess of depreciation	(42)	(197)
Other timing differences	-	127
Benefit of patent box additional deduction	(28,017)	(20,763)
Current tax charge for the year	55,686	73,460

Reductions in the UK corporation tax rates from 23% to 21% (effective from 1 April 2014) and to 20% (effective 1 April 2015) were substantively enacted as part of the Finance Act 2013 on 2 July 2013. This will reduce the company's future current tax charge accordingly. Deferred taxes have been calculated based on the rate of 20% (2013: 18.1%) which has been substantively enacted at the balance sheet date.

ViiV Healthcare UK Limited

Notes to the financial statements for the year ended 31 December 2014

7 Dividends paid

	£ per share	£ '000
Dividends paid in 2014		
10 November 2014 - interim dividend paid	163,000,000	326,000
	163,000,000	326,000
Dividends paid in 2013		
27 November 2013 - interim dividend paid	175,000,000	350,000
	175,000,000	350,000

8 Intangible assets

	Licences, patents, etc. £'000
Cost	
At 1 January 2014	763
Additions	783
Amortization	(61)
At 31 December 2014	1,485

9 Investments

	Subsidiary undertakings Shares at cost £'000
Cost and carrying value	
At 1 January 2014	509,000
Additions	-
At 31 December 2014	509,000

Details of the principal subsidiary undertakings of the Company as at 31 December 2014 are given in Note 24.
Fixed asset investment comprises investment of 60.34% shares (2013 : 60.34%) in ViiV Healthcare UK (No.3) Limited with a cost of £509m (2013: £509m).

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

10 Stocks

	2014 £'000	2013 £'000
Finished goods	-	2,050

11 Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year		
Trade debtors	13,171	9,621
Amounts owed by Group undertakings	611,835	494,309
Amounts owed by GlaxoSmithKline Group undertakings	23,577	18
Corporation tax	-	16,249
Other debtors	8,868	433
	657,451	520,630
Amounts falling due after more than one year		
Deferred tax (Note 13)	607	788
	658,058	521,418

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

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

ViiV Healthcare UK Limited

Notes to the financial statements for the year ended 31 December 2014

12 Creditors

	2014 £'000	2013 £'000
Amounts falling due within one year		
Trade creditors	15,788	9,917
Amounts owed to Group undertakings	267,611	241,126
Amounts owed to GlaxoSmithKline Group undertakings	133,979	66,345
Corporation tax	27,535	-
Other creditors	1,999	2,325
Accruals and deferred income	13,215	10,879
	460,127	330,592

The amounts owed to group undertakings include call account balance with GlaxoSmithKline Finance plc which is unsecured with interest charged at 0.07% per annum and repayable on demand.

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

13 Deferred tax asset

	2014 £'000	2013 £'000
Accelerated capital allowance	607	(69)
Other net timing differences	-	857
	607	788

Deferred tax asset	2014 £'000
At 1 January 2014	788
Charge for the year	(181)
At 31 December 2014	607

14 Called up share capital

	2014 Number of shares	2013 Number of shares	2014 £	2013 £
Authorised				
Ordinary Shares of £1 each (2013: £1 each)	100	100	100	100
Issued and fully paid				
Ordinary Shares of £1 each (2013: £1 each)	2	2	2	2

15 Reserves

	Profit and loss account £'000	Share premium account £'000	Total reserves £'000
At 1 January 2014	326,835	378,000	704,835
Profit for the financial year	330,357	-	330,357
Dividends	(326,000)	-	(326,000)
At 31 December 2014	331,192	378,000	709,192

16 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year	330,357	323,567
Dividends	(326,000)	(350,000)
Net addition to shareholders' funds	4,357	(26,433)
Opening shareholders' funds	704,835	731,268
Closing shareholders' funds	709,192	704,835

ViiV Healthcare UK Limited

Notes to the financial statements for the year ended 31 December 2014

17 Employees

	2014 £'000	2013 £'000
Employee costs		
Wages and salaries	19,054	14,766
Social security costs	1,070	778
Share based payments	2,459	1,437
	22,583	16,981
The average monthly number of persons employed by the Company (including Directors) during the year	2014	2013
Selling, general and administration	107	88

18 Directors' remuneration

During the year the Directors of the Company were remunerated as executives of the Group. They received no remuneration in respect of their services to the Company (2013: £nil).

19 Employee Share Schemes

Incentives in the form of shares in the Group's ultimate parent company, GlaxoSmithKline plc ("GSK"), are provided to employees under the following share option and share award schemes.

Share option plan

Options are granted to employees to acquire shares at the grant price in GSK Grants are normally exercisable between three and ten years from the date of grant but may, under certain circumstances, vest earlier as set out within the various scheme rules. Options are granted at the market price ruling at the date of grant. The granting of restricted share awards has replaced the granting of options to certain employees as the cost of the scheme more readily equates to the potential gain to be made by the employee. Grants of restricted shares are normally exercisable at the end of the three year vesting/performance period.

Performance share award plan

The Group operates a Performance Share Plan whereby share awards are granted to senior executives at no cost. The percentage of each award that vests is based upon the performance of the GSK and ViiV Healthcare Groups over a three year measurement period. Grants of Performance Share Plan awards normally vest at the end of the three year vesting and performance period and are available for sale at that time.

Share value award plan

The Group operates a Share Value Plan whereby awards are granted to employees to acquire shares or American Depositary Shares (listed on the New York Stock Exchange representing 2 ordinary shares) in GSK at no cost after a three year vesting period. There are no performance criteria attached. Grants of Share value awards are normally exercisable at the end of the three year vesting period.

The share based compensation charge for the above schemes has been recorded in the income statement as administrative expenses of £1.8 million (2013: £1.4 million) and is considered immaterial for further disclosure.

20 Cash flow statement

A cash flow statement has been included in the consolidated financial statements of ViiV Healthcare Limited, the immediate parent undertaking, which are publicly available. As a wholly owned subsidiary of the immediate parent undertaking, advantage has been taken of the exemption afforded by FRS 1 'Cash flow Statements' (revised 1996) not to prepare a cash flow statement.

21 Group financial statements

The Company is a wholly owned subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006.

ViiV Healthcare UK Limited

Notes to the financial statements for the year ended 31 December 2014

22 Ultimate parent undertaking

GlaxoSmithKline plc ("GSK"), a company registered in England and Wales, is the Company's ultimate parent undertaking and controlling party. The smallest group of undertakings for which group financial statements are presented and which include the results of the Company are the consolidated financial statements of ViiV Healthcare Limited. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company, are the consolidated financial statements of GSK. Copies of the GSK consolidated financial statements can be obtained from the Company Secretary, GSK, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertaking is ViiV Healthcare Limited.

23 Related party transactions

The Company is a wholly owned subsidiary of ViiV Healthcare Limited which is operated as a collaborative venture, 78.3% owned by GlaxoSmithKline Mercury Limited (a member of the GlaxoSmithKline Group of companies), 10.76% by PHIVCO Luxembourg Sarl., 0.94% by PHIVCO Corp. (both members of the Pfizer Inc. Group of companies) and 10.0% by Shionogi & Co Limited. During the year, the Company undertook significant transactions with entities within the Group and the GlaxoSmithKline group of companies.

Entities from within the GlaxoSmithKline Group of companies were engaged to provide support function services to the Company under 'Support Services Agreements' including: financial management and reporting; human resources; payroll services; IT support; property management; legal services; contract manufacturing; management of the Group's UK pension schemes; and management of the Group's employee share schemes. In addition, the Company operates separate agreements with GlaxoSmithKline affiliates for the provision of research and development and for toll-manufacturing services.

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

	GlaxoSmithKline Group of companies	GlaxoSmithKline Group of companies
	2014	2013
	£'000	£'000
Purchase of Goods and Services		
GlaxoSmithKline Research & Development Limited	72,124	47,405
GlaxoSmithKline UK Limited	89	-
GlaxoSmithKline Services Unlimited	2,095	1,524
Glaxo Group Limited	82	291
Payable to related parties		
GlaxoSmithKline Research & Development Limited	92,461	21,339
GlaxoSmithKline Services Unlimited	26,354	1,115
GlaxoSmithKline UK Limited	-	4,320
Receivables from related parties		
GSK UK Limited	23,359	-

24 Principal subsidiaries

The principal subsidiaries of the Company as at 31 December 2014 are as follows:

Company	Percentage shares held	Class of shares held	Country of incorporation
ViiV Healthcare sprl	1.00%	Ordinary	Belgium
ViiV Healthcare UK (No.3) Limited	60.34%	Ordinary	England

The registered office of ViiV Healthcare UK (No.3) Limited is the same as ViiV Healthcare UK Limited, 980 Great West Road, Brentford, Middlesex TW8 9GS.