

ViiV Healthcare Overseas Limited
(Registered number: 07027385)

Annual Report

for the year ended 31 December 2019

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

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ViiV Healthcare Overseas Limited
(Registered number: 07027385)

Annual report

for the year ended 31 December 2019

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ViiV Healthcare Overseas Limited
(Registered number: 07027385)

Strategic report for the year ended 31 December 2019

The Directors present their strategic report on ViiV Healthcare Overseas Limited (the "Company") for the year ended 31 December 2019.

Principal activities and future developments

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

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

Review of business

The Company made a profit for the financial year of £10,529,000 (2018: profit of £29,156,000). 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 £10,529,000 will be transferred to reserves (2018: profit for the year of £29,156,000 transferred to reserves).

Principal risks and uncertainties

The Directors of the Company manage the functions, assets and risks related to the intellectual property assets owned by the Company on a business sector, therapy area and stage of product life cycle basis. The principal functions, risks and uncertainties related to the development, enhancement, maintenance, protection and exploitation of intellectual property assets owned by the Group, which include those of the Company, are discussed in the Group's parent company, ViiV Healthcare Limited's, annual report and financial statements. Please refer to the 2019 ViiV Healthcare Limited's (the parent company of the ViiV Group) annual report and financial statements, which does not form part of this report, to ensure a complete understanding of the principal risks and uncertainties of the Group, and therefore the Company.

Key performance indicators (KPIs)

The Directors of the Company manage the functions, assets and risks related to the intellectual property assets owned by the Company on a business sector, therapy area and stage of product life cycle basis. Therefore, 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 ViiV Healthcare Limited's 2019 annual report which does not form part of this report.

ViiV Healthcare Overseas Limited
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Strategic report for the year ended 31 December 2019 (continued)

Approach to Brexit

In preparing for the UK's exit from the EU (Brexit), our overriding priority has been to maintain continuity of supply of our products to people in the UK and EU. As a result, we have taken a risk based approach to planning and mitigation, in conjunction and complete alignment with the Group, whilst the negotiations on future relationships between the UK and the European Union is negotiated.

We have significant experience of maintaining resilient supply chains and have used existing processes to develop a new supply model based on the UK leaving the EU. Uncertainty remains about the new operating environment after the transition ends on 31 December 2020, but all preparations are being taken to minimise disruption to the supply of our products to consumers.

Risks associated with the coronavirus outbreak

The potential impact of the coronavirus outbreak on the Company's activities remains uncertain. Up to the date of this report, the outbreak has not had a material impact on the trading results of the Company. 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.

Section 172 Companies Act 2006 statement

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

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

Post balance sheet event

The Directors have considered the impact on the Company of the COVID-19 pandemic, which is a non-adjusting post balance sheet event. The Directors do not consider that there have been any material adverse changes to the carrying values of the Company's assets nor material adjustments to liabilities subsequent to the year-end which require disclosure in these financial statements.

On behalf of the Board



J Anderson
Director
10 July 2020

ViiV Healthcare Overseas Limited
(Registered number: 07027385)

Directors' report for the year ended 31 December 2019

The Directors present their report on the Company and the financial statements for the year ended 31 December 2019.

Results and dividends

The Company's results for the financial year are shown in the statement of comprehensive income on page 6.

Interim dividend of £1.63 (2018: £nil) per ordinary share amounting to £99,000,000 (2018: £nil) is proposed and paid on 29 July 2019.

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

Directors

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

J Anderson	
K Grainger	
G Reinaud	(resigned on 04 February 2019)
D Waterhouse	
C MacDiarmid	(appointed on 03 May 2019)

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 employed by the Group benefits from an indemnity given by a Group undertaking, ViiV Healthcare UK 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.

Statement of Directors' responsibilities

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

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

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

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

ViiV Healthcare Overseas Limited
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Directors' report for the year ended 31 December 2019 (continued)

Statement of Directors' responsibilities (continued)

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

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

- principal activities and future developments;
- review of business;
- principal risks and uncertainties;
- key performance indicators;
- approach to Brexit;
- risks associated with the coronavirus outbreak;
- section 172 Companies Act 2006 statement; and
- post balance sheet events.

Modern Slavery

The Company's approach to the Modern Slavery Act 2015 is set by the GlaxoSmithKline plc Group (the "GSK Group"). Each year, as part of their governance arrangements, the GlaxoSmithKline plc group formally reviews and approves the approach to the Modern Slavery Act 2015 and has confirmed that the approach is still valid for 2019.

Corporate Governance

As a subsidiary company of the GSK Group 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 GSK Group to deliver manufacturing and distribution of medicines 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.
- (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.
- (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.

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Directors' report for the year ended 31 December 2019 (continued)

Stakeholder Engagement (continued)

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 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.

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

Audit exemption

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

On behalf of the Board



J Anderson
Director
10 July 2020

ViiV Healthcare Overseas Limited
(Registered number: 07027385)

Statement of comprehensive income
for the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Other operating (expense)/income		(21)	12
Income from subsidiaries	4	11,997	28,874
Impairment of investments in subsidiaries	10	(1,836)	-
Operating profit	5	10,140	28,886
Profit before interest and taxation		10,140	28,886
Finance income	7	475	336
Profit before taxation		10,615	29,222
Taxation	8	(86)	(66)
Profit for the year		10,529	29,156

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

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

ViiV Healthcare Overseas Limited
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Balance sheet
as at 31 December 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Investments in subsidiaries	10	66,942	65,810
Current assets			
Trade and other receivables	11	4,633	94,767
Corporation tax		269	-
Total current assets		4,902	94,767
Total assets		71,844	160,577
Current liabilities			
Trade and other payables	12	(66)	(8)
Corporation tax		-	(320)
Total current liabilities		(66)	(328)
Net current assets		4,836	94,439
Total assets less current liabilities		71,778	160,249
Net assets		71,778	160,249
Equity			
Share capital	13	60,850	60,850
Retained earnings		10,928	99,399
Shareholder's equity		71,778	160,249

For the year ending 31 December 2019, the Company was entitled to exemption for audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

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

The financial statements on pages 6 to 17 were approved by the Board of Directors on 10 July 2020 and signed on its behalf by:

Jin Anderson

J Anderson
Director

ViiV Healthcare Overseas Limited
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Statement of changes in equity
for the year ended 31 December 2019

	Notes	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2018		60,850	70,243	131,093
Profit and total comprehensive income for the year		-	29,156	29,156
At 31 December 2018		60,850	99,399	160,249
Profit and total comprehensive income for the year		-	10,529	10,529
Dividends to shareholders	9	-	(99,000)	(99,000)
At 31 December 2019		60,850	10,928	71,778

ViiV Healthcare Overseas Limited
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Notes to the financial statements for the year ended 31 December 2019

1 Presentation of the financial information

General information

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.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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.

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

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';

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Disclosure exemptions adopted (continued)

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

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

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

(b) 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. It has also met all of the exemption conditions under section 400 of the Companies Act 2006. GlaxoSmithKline plc, a company registered in United Kingdom (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. The immediate parent undertaking is ViiV Healthcare Limited.

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

2 Summary of significant accounting policies (continued)

(c) Foreign currency transactions

Foreign currency transactions are booked in the functional currency of the company at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the statement of comprehensive income. The functional and presentation currency of the Company is Pounds Sterling.

(d) Dividends paid and received

Interim dividends received are included in the statement of comprehensive income in the year in which the right to receive the payment is established. Interim dividends paid are deducted from reserves in the year in which they are paid. Final dividends are recorded in the reserves upon shareholder approval.

(e) Finance income

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

(f) Investment in subsidiaries

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

(g) Trade and other receivables

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

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

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

(h) Trade and other payables

Trade payables are initially recognised at fair value and then held at amortised cost which equates to nominal value.

(i) 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.

(j) Share capital

Ordinary shares are classified as equity.

ViiV Healthcare Overseas Limited
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Notes to the financial statements for the year ended 31 December 2019

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, the Directors are required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue and expenses reported in the financial statements. Actual amounts and results could differ from those estimates. The following is considered to be the critical accounting judgements and key sources of estimation uncertainty made.

The Directors do not consider that there are any critical accounting judgements, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying the Company's accounting policies and that have had a significant effect on the amounts recognised in the financial statements'.

(a) Impairment of investments in subsidiaries

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 are 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 interest rates.

The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently judgemental. 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.

4 Income from subsidiaries

	2019 £'000	2018 £'000
Dividends from subsidiaries	11,997	28,874

Dividends have been received from the following subsidiary undertakings during the year :

- ViiV Healthcare S.R.L. (Italy) on 17/10/2019 amounted to £2,535,826 (2018: £5,042,166 on 31/07/2018);
- ViiV Healthcare SAS (France) on 24/09/2019 amounted to £3,893,517 (2018: £3,821,571 on 31/07/2018);
- Laboratorios ViiV Healthcare, S.L. (Spain) on 18/10/2019 amounted to £3,258,160 (2018: £8,969,574 on 20/12/2018);
- ViiV Healthcare GmbH (Germany) on 21/03/2019 amounted to £1,700,739 (2018: £3,015,519 on 19/02/2018);
- ViiV Healthcare Kabushiki Kaisha (Japan) amounted to £nil (2018: £4,022,230 on 17/05/2018);
- ViiV Healthcare sprl amounted to £nil (2018: £4,005,024 on 17/12/2018);

5 Operating profit

	2019 £'000	2018 £'000
The following items have been credited/(charged) in operating profit:		
Exchange (loss)/gain on foreign currency transactions	(21)	19
Income from subsidiaries	11,997	28,874
Impairment of investments in subsidiaries	(1,836)	-
Audit fees	-	(8)

6 Employees

The Company has no employees as all employees are employed by other Group companies (2018: nil).

7 Finance income

	2019 £'000	2018 £'000
On loans with Group undertakings	475	336

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

8 Taxation

	2019	2018
	£'000	£'000
Income tax charge on profit		
Current tax:		
UK corporation tax	86	66
Total current tax	86	66
Total tax charge for the year	86	66

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	£'000	£'000
Reconciliation of total tax charge		
Profit on ordinary activities before tax	10,615	29,222
Tax on ordinary activities at the UK statutory rate 19.00% (2018: 19.00%)	2,017	5,552
Effects of:		
Income not taxable	(1,931)	(5,486)
Total tax charge for the year	86	66

Factors that may affect future tax rates:

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. There is no impact of this change on the tax charge as there are no instances of deferred taxation recognised in the statement of comprehensive income or directly in equity in either the current or prior year.

9 Dividends paid

	Payment	£'000
	per share £	
Dividends paid in 2019		
Dividends paid on 29 July 2019	1.63	99,000

During the year the Company paid interim dividend of £99,000,000 (2018: £nil) to ViiV Healthcare Limited.

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

10 Investments in subsidiaries

	Subsidiary Shares at cost £'000
Cost	
At 1 January 2018	73,048
Disposals	(7,238)
At 31 December 2018	65,810
Additions	2,968
At 31 December 2019	68,778
Accumulated impairment	
At 31 December 2018	-
Charge for the year	(1,836)
At 31 December 2019	(1,836)
Carrying value at 1 January 2018	73,048
Carrying value at 31 December 2018	65,810
Carrying value at 31 December 2019	<u>66,942</u>

Additions to subsidiaries represent transfers within the Group. The Company injected further share capital in ViiV Healthcare Pty Ltd on 17 October 2019 amounting to £2,968k, continuing to hold 100% in the subsidiary. The impairment charge for the year pertains to a write down in the subsidiary undertaking ViiV Healthcare Trading LLC.

Details of the subsidiaries of the Company as at 31 December 2019 are given in Note 17.

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

11 Trade and other receivables

	2019 £'000	2018 £'000
Amounts due within one year		
Amounts owed by Group undertakings	<u>4,633</u>	94,767

The amounts owed by group undertakings are unsecured, interest free and are repayable on demand, except for a call account balance with ViiV Healthcare Trading Services UK Limited of £4,293,000 (2018: £94,406,000) which is unsecured with interest received at LIBOR rate less 0.125% (2018: LIBOR rate less 0.125%) per annum and repayable on demand.

In the current financial year, corporation tax asset (2018: liability) has been presented separately on the balance sheet which has resulted in the change of the comparatives on the balance sheet.

ViiV Healthcare Overseas Limited
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Notes to the financial statements for the year ended 31 December 2019

12 Trade and other payables

	2019	2018
	£'000	£'000
Amounts falling due within one year		
Amounts owed to Group undertakings	66	8

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

13 Share capital

	2019	2018	2019	2018
	Number of	Number of	£'000	£'000
	shares	shares		
Issued and fully paid				
Ordinary Shares of £1 each (2018: £1 each)	60,850,001	60,850,001	60,850	60,850

14 Events after the end of reporting period

The Directors have considered the impact on the Company of the COVID-19 pandemic, which is a non-adjusting post balance sheet event. The Directors do not consider that there have been any material adverse changes to the carrying values of the Company's assets nor material adjustments to liabilities subsequent to the year-end which require disclosure in these financial statements.

15 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 (2018: £nil).

16 Related party transactions

With the exception of the loans with Group undertakings, the Company had no other related party transactions in the year with companies outside the Group. The Company has taken advantage of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation. The related party transactions that do not qualify for exemptions are detailed below.

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), 10.7% by PHIVCO Luxembourg Sarl, 1.0% by PHIVCO Corp. (both members of the Pfizer Inc. group of companies) and 10.0% by Shionogi Limited. During the year, the Company undertook transactions with entities within the Group and the GlaxoSmithKline group of companies.

The Company used tax losses of GlaxoSmithKline Intellectual Property (No. 2) Limited (a company within the GlaxoSmithKline group) to reduce the 2018 tax liability. The Company has a payable balance against GlaxoSmithKline Intellectual Property (No. 2) Limited amounting to £41,000 (2018: £nil).

ViiV Healthcare Overseas Limited
(Registered number: 07027385)

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

17 Subsidiaries

The subsidiaries of the Company as at 31 December 2019 are as follows:

Company	Direct shares held (%)	Indirect shares held (%)	Security	Address of the registered office
Laboratories ViiV Healthcare, S.L.	100%	-	Ordinary Euro	Severo Ochoa,2 Parque Tecnológico de Madrid Tres Cantos Madrid, 28760, Spain.
ViiV Healthcare (South Africa) (Proprietary) Limited	100%	-	Ordinary	Flushing Meadows Building , The Campus, 57 Sloane Street, Bryanston 2021, South Africa.
ViiV Healthcare BV	100%	-	Ordinary	Huis ter Heideweg 62, 3705LZ, Zeist, Netherlands.
ViiV Healthcare GmbH	100%	-	Ordinary	Prinzregentenplatz 9 München, 81675, Germany.
ViiV Healthcare GmbH	100%	-	Ordinary	Talstrasse 3-5, 3053 Münchenbuchsee, Switzerland.
ViiV Healthcare Hong Kong Limited	100%	-	Ordinary	23/F Tower 6, The Gateway, 9 Canton Road, Harbour City, Tsimshatsui, Kowloon, Hong Kong.
ViiV Healthcare Kabushiki Kaisha	100%	-	Ordinary	1-8-1 Asasaka Minato-ku, Tokyo, Japan.
ViiV Healthcare Pty Ltd	100%	-	Ordinary	1061 Mountain Highway, Boronia, 3155, Australia.

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(Registered number: 07027385)

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

17 Subsidiaries (continued)

Company	Direct shares held (%)	Indirect shares held (%)	Security	Address of the registered office
ViiV Healthcare Puerto Rico, LLC	100%	-	LLC Interests	Centro Internacional de Mercadeo, 90 carr.165 Torre 2, Suite 800, Guaynabo, 00968, Puerto Rico.
ViiV Healthcare S.r.l.	100%	-	Euros Quota	Fleming 2, Verona, 37135, Italy.
ViiV Healthcare SAS	100%	-	Ordinary Euro	23 rue François Jacob, 92500, Rueil-Malmaison, France, Site Apollo, Avenue
ViiV Healthcare sprl	99%	-	Ordinary	Pascal 2-4-6, Wavre, 1300, Belgium.
ViiV Healthcare Trading LLC	100%	-	Participation Interest	Leningradskiy Prospect 37A, Building 4, Floor 3, Premises XV Room 1, Moscow, 121614, Russia.
ViiV Healthcare ULC	100%	-	Common	3500 855- 2nd Street SW, Calgary, T2P4J8, Canada.
ViiV HIV Healthcare Unipessoal Lda	100%	-	Quota	Rua Dr Antonio Loureiro Borges No 3, Arquiparque, Miraflones, Alges, 1495-131, Portugal.