

ViiV Healthcare Overseas Limited
(Registered number: 7027385)

Directors' report and financial statements

for the year ended 31 December 2013

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ViiV Healthcare Overseas Limited

Directors' report and financial statements

for the year ended 31 December 2013

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ViiV Healthcare Overseas Limited
(Registered number 7027385)

Directors' report for the year ended 31 December 2013

The Directors submit their report and the audited financial statements for the year ended 31 December 2013

Principal activities

ViiV Healthcare Overseas Limited (the "Company") is an investment holding company. The Company is a member of the ViiV Group (the "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 £5,390,000 (2012: profit of £13,249,000). 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 £5,390,000 will be transferred to reserves (2012: profit for the year of £13,249,000 transferred to reserves).

Results and dividends

The Company's results for the financial year are shown in the Profit and loss account on page 5.

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:

D Limet	
S Williams	Resigned on 1 August 2013
J Andries	Appointed on 1 August 2013

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 ViiV 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.

ViiV Healthcare Overseas Limited
(Registered number: 7027385)

Directors' report for the year ended 31 December 2013

Statement of Directors' responsibilities

The Directors are responsible for preparing the 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,
- 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

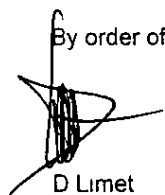
As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have been appointed to act as the Company's auditors in accordance with a resolution of the Board of Directors. A resolution dealing with their re-appointment and remuneration will be proposed at a General Meeting of the Company.

This report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006.

By order of the Board



D Limet
Director
25 April 2014

ViiV Healthcare Overseas Limited

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by ViiV Healthcare Overseas Limited, comprise

- the Balance sheet as at 31 December 2013,
- 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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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

In addition, we read all the financial and non-financial information in the Directors' report for the year ended 31 December 2013 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report 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

ViiV Healthcare Overseas Limited

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

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to

- prepare financial statements in accordance with the small companies' regime,
- take advantage of the small companies' exemption in preparing the Directors' Report, and
- take advantage of the small companies exemption from preparing a Strategic Report

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

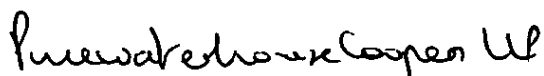
Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, 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 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.

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
25 April 2014

ViiV Healthcare Overseas Limited

**Profit and loss account
for the year ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
Operating income/(expense)		60	(5)
Operating profit/(loss)	2	60	(5)
Income from shares in Group undertakings	3	5,287	13,494
Profit before interest and taxation		5,347	13,489
Interest receivable and similar income	4	53	14
Profit on ordinary activities before taxation		5,400	13,503
Tax on profit on ordinary activities	5	(10)	(254)
Profit for the financial year	10	5,390	13,249

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

VirV Healthcare Overseas Limited

**Balance sheet
as at 31 December 2013**

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	6	70,420	70,420
Current assets			
Debtors	7	19,029	13,657
Creditors amounts falling due within one year	8	(161)	(179)
Net current assets		18,868	13,478
Total assets less current liabilities		89,288	83,898
Net assets		89,288	83,898
Capital and reserves			
Called up share capital	9	60,850	60,850
Profit and loss account	10	28,438	23,048
Total shareholders' funds	11	89,288	83,898

The financial statements on pages 5 to 11 were approved by the Board of Directors on 25 April 2014 and were signed on its behalf by


D Limet
Director

ViiV Healthcare Overseas Limited

Notes to the financial statements for the year ended 31 December 2013

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. Foreign currency monetary assets and liabilities are translated into local currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in operating loss.

(c) Interest

Interest income and expenditure and similar charges are brought to account on an accrual basis.

(d) 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.

(e) 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.

(f) Impairment of fixed asset investments

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. Impairment is determined by reference to the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows.

(g) 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.

2 Operating profit/(loss)

	2013 £'000	2012 £'000
The following items have been charged in operating loss		
Exchange gain on foreign currency transactions	(65)	-
Audit fees		
Auditors' UK firm	5	5

The exchange gain on foreign currency transactions in 2013 arose on Divestment of Mexico of £64,924

ViiV Healthcare Overseas Limited

Notes to the financial statements for the year ended 31 December 2013

3 Income from shares in Group undertakings

	2013 £'000	2012 £'000
Dividends	5,287	13,494

Dividend received from Laboratorios ViiV Healthcare, S L on 27 November 2013 - £1,682,816, ViiV Healthcare Kabushiki Kaisha on 28 May 2013 - £2,208,653, ViiV Healthcare GmbH on 27 November 2013- £620,150 and ViiVHIV Healthcare Unipessoal Lda on 25 July 2013 - £775,764

4 Interest receivable and similar income

	2013 £'000	2012 £'000
On loans with the Group undertakings	53	14

5 Tax on profit on ordinary activities

Tax charge based on profits for the financial year	£'000	£'000
Current tax:		
UK corporation tax at 23 25% (2012 24 5%)	10	254
Tax on profit on ordinary activities	10	254

The tax assessed for the year is lower (2012 lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23 25% (2012 24 5%) The differences are explained below

Reconciliation of current tax charge	2013 £'000	2012 £'000
Profit on ordinary activities at the UK statutory rate 23 25% (2012 24 5%)	1,256	3,308
Effects of		
Income not taxable	(1,246)	(3,306)
Withholding tax not recoverable	-	252
Current tax charge for the year	10	254

Factors that may effect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the Company's future current tax rate accordingly

No provision is required for deferred taxation (2012 £Nil)

ViiV Healthcare Overseas Limited

Notes to the financial statements for the year ended 31 December 2013

6 Fixed asset investments

Subsidiary undertakings
Shares at cost
£'000

Cost and carrying value at 1 January 2013 and 31 December 2013	70,420
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The Directors believe that the carrying value of the investments is supported by their underlying net assets

Details of the principal subsidiary undertakings of the Company as at 31 December 2013 is given in Note 18

7 Debtors

	2013 £'000	2012 £'000
Amounts due within one year		
Amounts owed by Group undertakings	19,029	13,313
Corporation tax	-	344
	19,029	13,657

Amounts owed by Group undertakings are unsecured and are payable on demand

8 Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	150	179
Corporation Tax	11	-
	161	179

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

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

9 Called up share capital

	2013 Number of shares	2012 Number of shares	2013 £'000	2012 £'000
Issued and fully paid				
Ordinary Shares of £1 each (2012 £1 each)	60,850,001	60,850,001	60,850	60,850

ViiV Healthcare Overseas Limited

Notes to the financial statements for the year ended 31 December 2013

10 Reserves

	Profit and loss account £'000
At 1 January 2013	23,048
Profit for the financial year	5,390
At 31 December 2013	28,438

11 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	5,390	13,249
Net addition to shareholders' funds	5,390	9,718
Opening shareholders' funds	83,898	70,649
Closing shareholders' funds	89,288	83,898

12 Employees

The Company has no employees as all personnel are employed by other Group companies (2012 nil)

13 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 (2012 £nil)

14 Cash flow statement

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

15 Group financial statements

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

ViiV Healthcare Overseas Limited

Notes to the financial statements for the year ended 31 December 2013

16 Ultimate parent and controlling party

GlaxoSmithKline plc, 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 prepared 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 GlaxoSmithKline plc. Copies of the GlaxoSmithKline plc 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.

17 Related party transactions

ViiV Healthcare Overseas Limited is a wholly owned subsidiary of ViiV Healthcare Limited and advantage has been taken of the exemption afforded by FRS 8 'Related party disclosures' not to disclose any related party transactions within the Group.

18 Principal subsidiary undertakings

The principal subsidiary undertakings of the Company as at 31 December 2013 are as follows:

Company	Percentage shares held	Class of shares held	Country of Incorporation
ViiV Healthcare GmbH	100%	Ordinary	Germany
ViiV Healthcare S r l	100%	Euros Quota	Italy
ViiV Healthcare s prl	99%	Ordinary	Belgium
ViiV Healthcare B V	100%	Ordinary	Netherlands
ViiV Healthcare GmbH	100%	Ordinary Shares	Switzerland
ViiVHIV Healthcare Unipessoal Lda	100%	Quota	Portugal
ViiV Healthcare ULC	100%	Common Shares	Canada
ViiV Healthcare Puerto Rico, LLC	100%	LLC Interests	Puerto Rico
ViiV Healthcare Kabushiki Kaisha	100%	Ordinary	Japan
ViiV Healthcare S De R L De C V	100%	Social Part Mexican Peso	Mexico
ViiV Healthcare Pty Ltd	100%	Ordinary	Australia
Laboratorios ViiV Healthcare, S L	100%	Ordinary Euro	Spain
ViiV Healthcare SAS	100%	Ordinary Euro	France
ViiV Healthcare Trading LLC	100%	Participation Interest	Russian Federation
ViiV Healthcare (South Africa) (Proprietary) Limited	100%	Ordinary	South Africa

All of the subsidiaries are held directly by the Company.