

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Directors' report and financial statements**

**for the year ended 31 December 2022**

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

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COMPANIES HOUSE

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Directors' report and financial statements**  
**for the year ended 31 December 2022**

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**SmithKline Beecham Legacy H Limited**  
**(Registered number: 00210281)**

**Directors' report for the year ended 31 December 2022**

The Directors present their report on SmithKline Beecham Legacy H Limited (the "Company") and the audited financial statements of the Company for the year ended 31 December 2022.

**Principal activities and future developments**

The Company is a member of the GSK Group (the "Group"). The Company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales and domiciled in the United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex, TW8 9GS.

The principal activity of the Company is to hold inter-company loans in Group undertakings. 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 £34,323,000 (2021: profit of £80,000) from continuing operations and profit from discontinued operations of £nil (2021: profit of £786,000). Since the investments held by the Company have been disposed, the Company continues to hold inter-company loans and earn interest income on such loans. The Directors are of the opinion that such level of activity would be sustainable for the foreseeable future.

The profit for the year of £34,323,000 will be transferred to reserves (2021: profit for the year of £866,000 transferred to reserves).

**Results and dividends**

The Company's results for the financial year are shown in the statement of comprehensive income on page 8.

No dividend was proposed to the holders of ordinary shares during year ended 31 December 2022 (2021: £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:

Glaxo Group Limited  
Edinburgh Pharmaceutical Industries Limited  
A Walker  
C Lynch  
C Panagiotidis

(Resigned on 18 July 2022)

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business with the exception of the Corporate Directors, where such an interest may arise in the ordinary course of business. A Corporate Director is a legal entity of the Group, as opposed to a natural person (an individual) Director.

**Directors' indemnity**

Each of the Directors benefits from an indemnity given by the Company under its articles of association. This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of their duties. In addition, each of the Directors who is an individual benefits from an indemnity given by another Group Company, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third-party proceedings to which the Director is a party by virtue of their engagement in the business of the Company.

**SmithKline Beecham Legacy H Limited**  
**(Registered number: 00210281)**

**Directors' report for the year ended 31 December 2022 (continued)**

**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, 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.

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.

**Disclosure of information to auditor**

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Going concern**

Having assessed the principal risks of the Company and other matters the Directors are of the opinion that the current level of activity remains sustainable. The Directors in their considerations have included potential risks related to services provided by the Company. The Directors have taken into account that as part of the Group, the Company has the support from the Group through the access to the Group cash pooling mechanism 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.

**Independent auditor**

The auditor, Deloitte LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**SmithKline Beecham Legacy H Limited**  
**(Registered number: 00210281)**

**Directors' report for the year ended 31 December 2022 (continued)**

In accordance with Section 414B of the Companies Act 2006, the Company is exempt from preparing a strategic report.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'C Lynch', written in a cursive style.

C Lynch  
Director  
19 May 2023

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Independent auditor's report to the members of SmithKline Beecham Legacy H Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of SmithKline Beecham Legacy H Limited (the "company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Independent auditor's report to the members of SmithKline Beecham Legacy H Limited**  
(continued)

**Other information (continued)**

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

We have nothing to report in this regard.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Independent auditor's report to the members of SmithKline Beecham Legacy H Limited**  
(continued)

**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection requirements, Anti-bribery and corruption policy and the Foreign Corrupt Practices Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Independent auditor's report to the members of SmithKline Beecham Legacy H Limited  
(continued)**

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

*Deloitte LLP*

Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
22 May 2023

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Statement of comprehensive income**  
for the year ended 31 December 2022

		Continuing operations £'000	2022 Discontinued operations £'000	Total £'000	Continuing operations £'000	2021 Discontinued operations £'000	Total £'000
	Notes						
Other operating (expense)/income		(26)	-	(26)	(13)	163	150
<b>Operating (loss)/profit</b>	5	(26)	-	(26)	(13)	163	150
<b>(Loss)/ profit before interest and taxation</b>		(26)	-	(26)	(13)	163	150
Finance income	7	43,364	-	43,364	169	-	169
Finance expense	8	(964)	-	(964)	(57)	-	(57)
<b>Finance (expense)/income - net</b>		42,400	-	42,400	112	-	112
<b>Profit before taxation</b>		42,374	-	42,374	99	163	262
Taxation	9	(8,051)	-	(8,051)	(19)	623	604
<b>Profit for the year</b>		34,323	-	34,323	80	786	866

The Company has no other comprehensive income during the current year and prior year and therefore no separate statement to present other comprehensive income has been prepared.

Discontinued operations are explained in Note 4.

**SmithKline Beecham Legacy H Limited**  
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**Balance sheet**  
as at 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Trade and other receivables	10	3,257,828	-
<b>Current assets</b>			
Trade and other receivables	10	-	3,214,465
Corporation tax		-	2,332
Total current assets		-	3,216,797
<b>Total assets</b>		<b>3,257,828</b>	<b>3,216,797</b>
<b>Current liabilities</b>			
Trade and other payables	11	(66,526)	(67,869)
Corporation tax	9	(8,051)	-
Total current liabilities		(74,577)	(67,869)
<b>Net current (liabilities)/ assets</b>		<b>(74,577)</b>	<b>3,148,928</b>
<b>Total assets less current liabilities</b>		<b>3,183,251</b>	<b>3,148,928</b>
<b>Net assets</b>		<b>3,183,251</b>	<b>3,148,928</b>
<b>Equity</b>			
Share capital	12	1,244,418	1,244,418
Share premium		863	863
Other reserves	13	2,690	2,690
Retained earnings		1,935,280	1,900,957
<b>Shareholder's equity</b>		<b>3,183,251</b>	<b>3,148,928</b>

The financial statements on pages 8 to 18 were approved by the Board of Directors on 19 May 2023 and signed on its behalf by:



C Lynch  
Director

**SmithKline Beecham Legacy H Limited**  
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**Statement of changes in equity**  
**for the year ended 31 December 2022**

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2021</b>	1,244,418	863	2,690	1,900,091	<b>3,148,062</b>
Total comprehensive income for the year	-	-	-	866	<b>866</b>
<b>At 31 December 2021</b>	<b>1,244,418</b>	<b>863</b>	<b>2,690</b>	<b>1,900,957</b>	<b>3,148,928</b>
Total comprehensive income for the year	-	-	-	34,323	<b>34,323</b>
<b>At 31 December 2022</b>	<b>1,244,418</b>	<b>863</b>	<b>2,690</b>	<b>1,935,280</b>	<b>3,183,251</b>

**SmithKline Beecham Legacy H Limited**  
(Registered number: 00210281)

**Notes to the financial statements for the year ended 31 December 2022**

**1 Presentation of the financial statements**

**General information**

The Company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales and domiciled in the United Kingdom (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex, TW8 9GS.

The principal activity of the Company is to hold inter-company loans in Group undertakings. The Directors do not envisage any change to the nature of the business in the foreseeable future.

**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 which is the currency of the primary economic environment in which the Company operates.

**Going concern**

Having assessed the principal risks of the Company and other matters the Directors are of the opinion that the current level of activity remains sustainable. The Directors in their considerations have included potential risks related to services provided by the Company. The Directors have taken into account that as part of the Group, the Company has the support from the Group through the access to the Group cash pooling mechanism 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';

**SmithKline Beecham Legacy H Limited**  
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**Notes to the financial statements for the year ended 31 December 2022**

**2 Summary of significant accounting policies (continued)**

**(a) Basis of preparation (continued)**

**Disclosure exemptions adopted (continued)**

- The requirements of paragraph 33(c) of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations';
- IFRS 7, 'Financial instruments: disclosures';
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment';
  - (iii) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
  - (iv) paragraph 76 and 79(d) of IAS 40, 'Investment property'; 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;
- 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'.

**SmithKline Beecham Legacy H Limited**  
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**Notes to the financial statements for the year ended 31 December 2022**

**2 Summary of significant accounting policies (continued)**

**Disclosure exemptions adopted (continued)**

The financial statements of GSK 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) Ultimate and immediate parent**

The Company is a wholly owned subsidiary of the ultimate parent company. GSK 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 GSK plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GSK plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS. The immediate parent undertaking is SmithKline Beecham Limited. These financial statements are separate financial statements.

**(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) Expenditure**

Expenditure is recognised in respect of services received when supplied in accordance with contractual terms.

**(e) Finance income and expense**

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

**(f) Discontinued operations**

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

**Notes to the financial statements for the year ended 31 December 2022**

**2 Summary of significant accounting policies (continued)**

**(h) 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 Company 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 Company 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.

**(i) Trade and other payables**

Trade and other payables are initially recognised at fair value and then held at amortised cost using the effective interest method. Long-term payables are discounted where the effect is material.

**(j) Taxation**

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

**(k) Share capital**

Ordinary shares are classified as equity.

**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 Directors do not consider that there are any critical accounting judgements 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. There have been no significant estimates or assumptions, which are likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.



**SmithKline Beecham Legacy H Limited**  
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**Notes to the financial statements for the year ended 31 December 2022**

**4 Discontinued operations**

On 3 December 2018, the Group announced the divestment of the Horlicks brand and other consumer healthcare nutrition brands to Unilever through the merger of GlaxoSmithKline Consumer Healthcare Limited ("GSK India") with Hindustan Unilever Limited ("HUL"). On the date of the announcement of the divestment of GSK India, transactions involving GSK India were classified as discontinued operations in the statement of comprehensive income. The transaction was completed on 1 April 2020 when the Group sold its full shareholding in GSK India to HUL and received shares in HUL equating to approximately 5.7% of HUL's ordinary shares. The full shareholding in HUL was subsequently sold on 7 May 2020 for a consideration of £2.7 billion. The profit on disposal of investments for the Company in 2020 was £2 billion which was recognised as income from discontinued operations in the statement of comprehensive income. GSK India and HUL are both public companies listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

**5 Operating (loss) / profit**

	2022 £'000	2021 £'000
<b>The following items have been charged / (credited) in operating (loss) / profit:</b>		
Exchange gains on foreign currency transactions	(13)	163
Management fee	(13)	(13)

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Included in the management fee is a charge for auditor's remuneration of £5,000 (2021: £4,800).

**6 Employees**

All UK employees are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee is charged by GlaxoSmithKline Services Unlimited for services provided to the Company (Note 5). The Company has no employees (2021: nil).

**7 Finance income**

	2022 £'000	2021 £'000
On loans with Group undertakings	43,364	169
Total finance income	43,364	169

Finance income is earned on call account balance with GlaxoSmithKline Finance plc at SONIA rate less 0.05% (2021: LIBOR rate less 0.125% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate less 0.05%). The finance income has increased considerably in the current year due to rates increase for the majority of the year.

**8 Finance expense**

	2022 £'000	2021 £'000
On loans with Group undertakings	(964)	(57)
Total finance expense	(964)	(57)

**SmithKline Beecham Legacy H Limited**  
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**Notes to the financial statements for the year ended 31 December 2022**

**9 Taxation**

	2022 £'000	2021 £'000
<b>Income tax (charge)/credit on profit</b>		
<b>Current tax:</b>		
UK corporation tax at 19.00% (2021: 19.00%)	(8,051)	(19)
Adjustments in respect of previous years	-	623
<b>Total current tax</b>	<b>(8,051)</b>	<b>604</b>
<b>Total tax (charge)/credit for the year</b>	<b>(8,051)</b>	<b>604</b>

The tax assessed for the year is same (2021: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £'000	2021 £'000
<b>Reconciliation of total tax charge</b>		
Profit on ordinary activities before tax	42,374	262
Tax at the UK corporation tax rate of 19.00% (2021: 19.00%)	(8,051)	(50)
Effects of:		
Adjustments to tax charge in respect of previous years	-	623
Income not taxable	-	31
<b>Total tax (charge)/credit for the year</b>	<b>(8,051)</b>	<b>604</b>

Factors that may affect future tax charges:

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

	2022 £'000	2021 £'000
<b>Unrecognised tax losses</b>		
Opening capital losses	213,705	185,805
Prior year adjustment	(123)	27,900
Current year movement	-	-
<b>At 31 December</b>	<b>213,582</b>	<b>213,705</b>

The company has suffered a capital loss in the period of £nil (2021: £nil). This loss will be available indefinitely to offset against future capital gains.

**SmithKline Beecham Legacy H Limited**  
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**Notes to the financial statements for the year ended 31 December 2022**

**10 Trade and other receivables**

	2022 £'000	2021 £'000
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	-	3,214,465
<b>Amounts due after more than one year</b>		
Amounts owed by Group undertakings	3,257,828	-

The amounts owed by Group undertakings are unsecured, interest free and repayable on demand except for call account balances with GlaxoSmithKline Finance plc of £3,257,828,000 (2021: £3,214,465,000) which is unsecured and repayable on demand with interest received at SONIA rate less 0.05% per annum (2021: LIBOR rate less 0.125% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate less 0.05% per annum).

**11 Trade and other payables**

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Amounts owed to Group undertakings	66,526	67,869

The amounts owed to Group undertakings are unsecured, interest free and repayable on demand except for call account balances with GlaxoSmithKline IHC Limited of £66,525,000 (2021: £67,764,000) which is unsecured and repayable on demand with interest paid at SONIA rate plus 0.1% per annum (2021: LIBOR rate plus 0.25% per annum up to 1 November 2021. From 1 November 2021, the interest rate changed to SONIA rate plus 0.1% per annum).

**12 Share capital**

	2022 Number of shares	2021 Number of shares	2022 £'000	2021 £'000
<b>Issued and fully paid</b>				
Ordinary Shares of 25p each (2021: 25p each)	4,977,670,281	4,977,670,281	1,244,418	1,244,418

**13 Other reserves**

	£'000
At 1 January 2021, 31 December 2021 and 31 December 2022	2,690

Other reserves consist of undistributable reserves of £2,690,000.

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**Notes to the financial statements for the year ended 31 December 2022**

**14 Contingent liabilities**

**Group banking arrangement**

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bank. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability as at 31 December 2022 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

**15 Directors' remuneration**

During the year the Directors of the Company, with the exception of the Corporate Directors, were remunerated as executives of the Group and received no remuneration in respect of their services to the Company (2021: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2021: £nil).

**16 Related party transactions**

As a wholly owned subsidiary of the ultimate parent company, GSK plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation.