

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Annual report

for the period from 26 September 2014 (date of incorporation) to 31 December 2015

Registered office address:

980 Great West Road
Brentford
Middlesex
TW8 9GS
England

FRIDAY



A5GL9MAI

A59

30/09/2016

#68

COMPANIES HOUSE

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Annual report

for the period from 26 September 2014 (date of incorporation) to 31 December 2015

Contents

	Pages
Strategic report	1-2
Directors' report	3-4
Independent auditors' report	5-6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10-18

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Strategic report for the period from 26 September 2014 (date of incorporation) to 31 December 2015

The Directors present their strategic report on the Company for the period ended 31 December 2015.

Principal activities and future developments

GlaxoSmithKline Consumer Healthcare (UK) IP Limited's (the "Company") principal activities are licensing out intellectual property rights relating to consumer healthcare products to the GlaxoSmithKline Group (the "Group"). The Company is a member of the Group. The Company was incorporated on 26 September 2014. The Directors do not envisage any change to the nature of the business in the foreseeable future.

Review of business

The Company made a loss for the financial period of £54,719,000. The Directors are of the opinion that the current level of activity and the period end financial position are sustainable and the Company remains a going concern due to support from GlaxoSmithKline Consumer Healthcare Finance Ltd. The Directors have received confirmation that GlaxoSmithKline Consumer Healthcare Finance Ltd intends to support the Company for at least one year after these financial statements are signed.

The loss for the financial period of £54,719,000 will be transferred from reserves.

Group restructuring

On 2 March 2015, the Group completed a transaction with Novartis AG ("Novartis") involving its Consumer Healthcare, Vaccines and Oncology businesses. As part of this transaction, the Group and Novartis have created a new Consumer Healthcare business over which the Group has control with an equity interest of 63.5%. In addition, the Group has acquired Novartis' global Vaccines business (excluding influenza vaccines) and divested its marketed Oncology portfolio, related R&D activities and also granted commercialisation partner rights for future oncology products to Novartis.

As part of the transaction, certain Group companies have been involved in divestment or acquisition activities. This did not have any material impact on the financial statements of this Company.

Exceptional items

During the period the Company disposed of an intangible asset with a carrying value of £nil to a third party for consideration of £33 million, resulting in a gain on disposal of £33 million.

Principal risks and uncertainties

The Directors of GlaxoSmithKline Consumer Healthcare Holdings Limited manage the risks at the joint venture group level, rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2015 Annual Report which does not form part of this report.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Strategic report for the period from 26 September 2014 (date of incorporation) to 31 December 2015
(continued)

Key performance indicators (KPIs)

The Directors of GlaxoSmithKline Consumer Healthcare Holding Limited manage the joint venture's operations on a global group basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The development, performance and position of the Group are discussed in the Group's 2015 Annual Report which does not form part of this report.

First time adoption of FRS 100 and FRS 101

In the first period from incorporation, the Company has adopted Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

On behalf of the Board



Jonathan Box

Director

30 September 2016

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Directors' report for the period from 26 September 2014 (date of incorporation) to 31 December 2015

The Directors present their report on the Company and the audited financial statements for the period ended 31 December 2015.

Results and dividends

The Company's results for the financial period are shown in the statement of comprehensive income on page 7.

No dividend is proposed to the holder of Ordinary Shares in respect of the financial period ended 31 December 2015.

Directors and their interests

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

Paul Blackburn	(Appointed 26 September 2014)	(Resigned on 1 March 2016)
Glaxo Group Limited	(Appointed 26 September 2014)	
The Wellcome Foundation Limited	(Appointed 26 September 2014)	
Adam Walker	(Appointed 3 June 2015)	(Resigned on 1 August 2016)
Jonathan Box	(Appointed on 17 June 2016)	
Melanie Foster-Hawes	(Appointed on 17 June 2016)	

No Director had, during the period or at the end of the period, 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.

Directors' indemnity

Qualifying third party indemnity provisions (as defined in the Companies Act 2006) are in force for the benefit of Directors and former Directors who held office during 2015 and up to the signing of the Annual Report.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 'Reduced disclosure framework' ("FRS 101") 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.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Directors' report for the period from 26 September 2014 (date of incorporation) to 31 December 2015
(continued)

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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements.

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.

Going Concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of GlaxoSmithKline Consumer Healthcare Finance Ltd. The Directors have received confirmation that GlaxoSmithKline Consumer Healthcare Finance Ltd intends to support the Company for at least one year after these financial statements are signed. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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.

On behalf of the Board



Jonathan Box
Director
30 September 2016

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Independent auditors' report to the members of GlaxoSmithKline Consumer Healthcare (UK) IP Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 December 2015;
- the Statement of comprehensive income for the period then ended;
- the Statement of changes in equity for the period 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Independent auditors' report to the members of GlaxoSmithKline Consumer Healthcare (UK) IP Limited (continued)

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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair

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

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

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report 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.

Other matter

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
30 September 2016

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Statement of comprehensive income
for the period from 26 September 2014 (date of incorporation) to 31 December 2015

		For the period from 26 September 2014 (date of incorporation) to 31 December 2015 £ '000
	Note	
Turnover	4	68,635
Cost of sales		(72,649)
Gross loss		(4,014)
Selling and distribution costs		(35,744)
Research and development expenditure		(25,407)
Other operating expenses	5	(25,828)
Exceptional item: Gain on sale of intangible asset	5	33,464
Operating loss	5	(57,529)
Loss before interest and taxation		(57,529)
Finance expense	7	(71)
Loss on ordinary activities before taxation		(57,600)
Tax on loss on ordinary activities	8	2,881
Loss for the financial period		(54,719)

The results disclosed above for current period relate entirely to continuing operations.

There is no difference in the current period between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents.

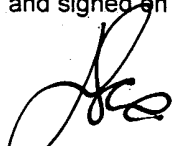
The Company has no comprehensive income during either the current period other than those included in the results above and therefore no separate statement of other comprehensive income has been presented.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Balance sheet
as at 31 December 2015

	Notes	2015 £ '000
Fixed assets		
Intangible assets	9	314,165
Investments	10	385
Total fixed assets		314,550
Current assets		
Trade and other receivables	11	71,479
Cash and cash equivalents		1
Total current assets		71,480
Creditors: amounts falling due within one year	12	(102,869)
Net current liabilities		(31,389)
Total assets less current liabilities		283,161
Net assets		283,161
Capital and reserves		
Called up share capital	13	60
Share premium account		337,820
Retained earnings		(54,719)
Total shareholders' funds		283,161

The financial statements on pages 7 to 18 were approved by the Board of Directors on 30 September 2016 and signed on its behalf by:


Jonathan Box
 Director

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Statement of changes in equity
for the period ended 31 December 2015

	Note	Called up Share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholders' funds £'000
At 26 September 2014		-	-	-	-
Loss for the financial period		-	-	(54,719)	(54,719)
Ordinary shares issued	13	60	337,820	-	337,880
At 31 December 2015		60	337,820	(54,719)	283,161

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015

1 Presentation of the financial statements

General information

The Company's principal activity is licensing out intellectual property rights relating to consumer healthcare products to the GlaxoSmithKline Group (the "Group"). The Company was incorporated on 26 September 2014.

The Company is a private company and is incorporated and domiciled in the UK (England). The address of the registered office is 980 Great West Road, Brentford, Middlesex TW8 9GS.

2 Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements have been prepared in accordance with FRS 100 and FRS 101. The principal accounting policies adopted in the preparation of the financial statements are set out below.

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

First time application of FRS 100 and 101

In the first period from incorporation, the company has adopted Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. 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);
- IFRS 7, 'Financial instruments: disclosures';
- 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);
- 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)

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- IAS 7, 'Statement of cash flows'
- 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 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.

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. Accordingly these financial statements are the separate financial statements of the Company only. GlaxoSmithKline plc, a company registered in England and Wales, 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 GlaxoSmithKline Consumer Healthcare Holdings Limited. These financial statements are separate financial statements.

(c) Foreign currency transactions

Foreign currency transactions are booked in 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 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) Predecessor accounting

Acquisitions made by the Company from other subsidiaries within the Group are treated as common control transactions and predecessor accounting is applied. Under predecessor accounting no purchase price allocation is performed. The acquired net assets are recorded at their previous carrying values. The difference between the fair value of the consideration transferred and the net assets acquired is recognised in equity.

(e) Exceptional items

Exceptional items are items of income and expenditure which, in the opinion of the Directors, are material and unusual in nature or of such significance that they require separate disclosure.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

(f) Turnover

Turnover comprises of residual profit returns. The net profit remaining after accounting for all third party income and expenses, and intercompany expenses related to the supply and management of the product, is returned to the intellectual property rights holders in the form of a residual return. Whereby the return is an income, it is categorised as turnover, and whereby it is a cost, it is categorised as Cost of sales.

Turnover is recognised when the third party revenue, and associated expenses of the product cause the title and risk of loss to pass to the customer and/or intercompany counterparty. Reliable estimates can be made of relevant deductions and all relevant obligations have been fulfilled, such that the earnings process is regarded as being complete.

(g) Research and development

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

(h) Other operating income and expenses

Royalty income is recognised in other operating income on an accruals basis in accordance with the terms of the relevant licensing agreements.

(i) Expenditure

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

(j) Finance income and expense

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

(k) Other intangible assets

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

Licences, patents, know-how and marketing rights separately acquired are amortised over their estimated useful lives generally not exceeding 20 years, except where it is considered that the useful economic life is indefinite. Where applicable these assets are amortised using the straight-line basis, from the time they are available for use. The estimated useful lives for determining the amortisation charge take into account patent lives, where applicable, as well as the value obtained from periods of non-exclusivity. Asset lives are reviewed, and where appropriate adjusted, annually. Contingent milestone payments are recognised at the point that the contingent event becomes probable. Any development costs incurred by the Company and associated with acquired licences, patents, know-how or marketing rights are written off to the statement of comprehensive income when incurred, unless the criteria for recognition of an internally generated intangible asset are met, usually when a regulatory filing has been made in a major market and approval is considered highly probable.

(l) Investment in subsidiaries

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

(m) Impairment of non-financial assets

The carrying values of all non-financial assets are reviewed for impairment, either on a standalone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the statement of comprehensive income in the year concerned.

(n) 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.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited

(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

2 Summary of significant accounting policies (continued)

(o) Trade and other receivables

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts.

Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive

(p) 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.

(q) Taxation

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

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date.

3 Key accounting judgments and estimates

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

(a) Turnover

The net profit remaining after accounting for all third party income and expenses, and intercompany expenses related to the supply and management of the product, is returned to the intellectual property rights holders in the form of a residual return. Whereby the return is an income, it is categorised as turnover, and whereby it is a cost, it is categorised as cost of sales.

Turnover is recognised when the third party revenue, and associated expenses of the product cause the title and risk of loss to pass to the customer and/or intercompany counterparty. Reliable estimates can be made of relevant deductions and all relevant obligations have been fulfilled, such that the earnings process is regarded as being complete.

(b) Taxation

Current tax is provided at the amounts expected to be paid, and deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised, based on managements assumptions relating to the amounts and timing of future taxable profits.

(c) Other intangible assets impairments

Impairment tests on other intangible assets are undertaken if events occur which call into question the carrying values of the assets or where the useful economic life of the asset has been set as indefinite. Where brands and other intangible assets which are not yet available for use are not amortised, they are subject to annual impairment tests. 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.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

4 Turnover

Turnover relates to residual profit returns from other Group undertakings and the Company operates in the consumer healthcare category within the UK geographical area only.

5 Operating loss

**For the period from 26 September
2014 (date of incorporation)
to 31 December 2015
£ '000**

The following items have been charged / (credited) in operating loss:

Amortisation of intangible fixed assets	25,956
Bank charges	3
Exchange gains on foreign currency transactions	(2)
Audit fee	8
Exceptional item:	
Profit on disposal of intangible fixed asset	(33,464)

The auditor's remuneration for statutory audit for the financial period is £8,464.

During the period the Company disposed of an intangible asset with a carrying value of £nil to a third party for consideration of £33 million, resulting in a gain on disposal of £33 million.

6 Employees

All personnel are remunerated by GlaxoSmithKline Services Unlimited and receive no remuneration from the Company. A management fee has not been charged by GlaxoSmithKline Services Unlimited for services provided to the Company. The Company has no employees.

7 Finance expense

**For the period from 26 September
2014 (date of incorporation)
to 31 December 2015
£ '000**

On loans with Group undertakings	71
----------------------------------	----

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

8 Taxation

**For the period from 26 September
2014 (date of incorporation)
to 31 December 2015**

Income tax credit on ordinary activities **£ '000**

Current tax:
UK corporation tax at 20.25% **2,881**

Total current tax credit **2,881**

Income tax credit on ordinary activities **2,881**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for the period ended 31 December 2015 of 20.25%. The differences are explained below:

Reconciliation of total tax charge

**2015
£ '000**

Loss on ordinary activities before tax **57,600**

Loss on ordinary activities at the UK statutory rate 20.25% **11,664**

Effects of:

Expenses not deductible for tax purposes **(5,255)**

Other differences **(3,528)**

Total tax credit for the period **2,881**

Factors that may effect future tax charges:

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was enacted in 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted as part of the Finance (No 2) Act 2015 on 26 October 2015. This will impact the Company's future current tax charge accordingly.

The Chancellor also proposed changes to further reduce the main rate of UK corporation tax from 18% to 17% from 1 April 2020. These changes were substantively enacted after the balance sheet date and therefore not included in the figures above.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

9 Other intangible assets

	Licences & patents £ '000
Cost	
At 26 September 2014 (date of incorporation)	-
Additions	2,646
Intra-group transfer	337,475
At 31 December 2015	340,121
Accumulated amortisation	
At 26 September 2014 (date of incorporation)	-
Charge for the period	(25,956)
At 31 December 2015	(25,956)
Net book value at 26 September 2014 (date of incorporation)	-
Net book value at 31 December 2015	314,165

Intra-group transfer in the period comprised of a transfer of intellectual property from fellow Group companies, GlaxoSmithKline Intellectual Property Limited, GlaxoSmithKline Consumer Healthcare Ireland IP Limited and Glaxo Group Limited for £41 million, £258 million and £33 million respectively. The Company also purchased intellectual property from third parties for a total of £3 million.

During the period the Company disposed of an intangible asset with a carrying value of £nil to a third party for consideration of £33 million, resulting in a gain on disposal of £33 million.

Intangible asset amortisation is recorded within other operating expenses in the statement of comprehensive income.

10 Investments

	Subsidiary undertakings Shares at cost £ '000
Cost	
At 26 September 2014 (date of incorporation)	-
Additions	385
At 31 December 2015	385

Additions to subsidiary undertakings represent transfers within the Group. The Company acquired 100% of the non-cumulative non redeemable preference shares in Stafford-Miller Limited on 18 May 2015 for the sum of £385,000.

Details of the principal subsidiary undertakings of the Company as at 31 December 2015 are given in note 17.

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

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

11 Trade and other receivables

	2015 £ '000
Amounts due within one year	
Amounts owed by Group undertakings	68,595
Corporation tax	2,881
Other receivables	3
	71,479

Amounts owed by Group undertakings are unsecured and are repayable on demand.

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

12 Creditors

	2015 £ '000
Amounts falling due within one year	
Trade payables	547
Amounts owed to Group undertakings	102,131
Accruals and deferred income	191
	102,869

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

13 Share capital

	2015 Number of shares	2015 £ '000
Authorised		
Ordinary Shares of £1 each	60,102	60
Issued and fully paid		
Ordinary Shares of £1 each	60,102	60

During the period ended 31 December 2015, the Company allotted 60,102 ordinary shares (nominal value: £1 per share) at a premium of £337,820,273 to GlaxoSmithKline Consumer Healthcare Holdings Limited.

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 2015 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

GlaxoSmithKline Consumer Healthcare (UK) IP Limited
(Registered number: 09237645)

Notes to the financial statements for the period from 26 September 2014 (date of incorporation) to 31 December 2015 (continued)

15 Directors' remuneration

During the period, 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. Corporate Directors received no remuneration during the period, either as executives of the Group or in respect of their services to the Company.

16 Related party transactions

As a wholly owned subsidiary of the parent company, GlaxoSmithKline Consumer Healthcare Holdings Limited, 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 Consumer Healthcare Group, or information around remuneration of key management personnel compensation. Details of other material related party transactions are disclosed below.

During the year the Company acquired shares in Stafford-Miller Limited from a member of the GSK Group. The company paid consideration in the amount of £385,000 for the acquisition of shares in subsidiary undertaking.

During the year the Company acquired IP rights from other members of the Group. The Company paid a consideration of £338 million for the acquisition of IP rights. The transaction was made on terms equivalent to those that prevail in an arm's length transaction. There is no difference between the consideration paid and carrying value of IP transferred. The consideration was funded by the issue of shares.

17 Subsidiaries and associated undertakings

The subsidiaries and associated undertakings of the Company as at 31 December 2015 are as follows:

Company	Country of Incorporation	Effective % ownership	Security	% of direct share class held %	% of indirect share class held %
Stafford-Miller Limited	United Kingdom	100%	Non-Cumulative Non Redeemable Preference Shares	100%	-
		0%	Ordinary	-	-