

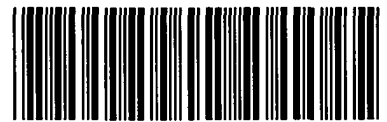
IQVIA BIOTECH Ltd

Annual Report

Registered number 03299057

31 December 2019

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Company information

Registered Office:

3 Forbury Place
23 Forbury Road
Reading
RG1 3JH

Directors:

K J Turland

Secretary:

Halco Secretaries Ltd

Auditor:

Mazars LLP
Chartered Accountants & Statutory auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Strategic Report

The Directors present their Strategic Report and the audited financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the Company is that of clinical research. The Company provides clinical trial management and clinical resourcing services in the European region to a range of clients based across the world with many of the clinical trials being conducted on a global basis. The Company's primary expertise is in the Oncology, Medical Device and Dermatology therapeutic areas, although trials in other therapeutic areas are undertaken from time to time.

Results

The Company's financial results are set out in the financial statements. The results reported are a reflection of the operational activity on clinical trials and clinical resourcing which occurred during the financial year. The Company continues to see strong growth due to an increase in the number of clinical trials we are managing for our clients.

Review of the business

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£'000	£37,329	£30,698
Gross margin	%	23%	22%
Operating profit	£'000	£5,780	£4,362

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the market sector we operate in.

There have been no significant changes in the Company's principal activity in the year under review. The directors are not aware of any major changes in the Company's activities in the foreseeable future.

The Company's activities are undertaken across Europe, based out of our European Headquarters in Stevenage in the UK. As a clinical research and resourcing organisation, we provide clinical trial management services to a range of clients based in several locations around the world who require clinical research to be undertaken in Europe.

During 2019 the Company delivered significant revenue growth compared to the prior year. This growth was achieved due to growth in the number of new multi-year clinical trial contracts awarded in the year.

The sales pipeline has continued to grow supporting the conclusion that pharmaceutical companies continue to outsource their clinical trials thereby minimising their own costs in relation to maintaining in-house capabilities.

Further investments in talent were made during 2019 resulting in an increase in compensation costs and cost per FTE for clinical operations – a trend that has occurred for 5 years in a row and is primarily driven by market conditions. This investment in talent has supported sustainable top line revenue growth.

With growth in the number of clinical trials being delivered, associated growth in profit and limited capital expenditure, the balance sheet position has strengthened in the year with an increase in net assets and increase in working capital available to the Company.

The Company is well positioned to add further sustained revenue, gross margin and operating profit growth in the medium term. Revenue growth targets include gaining greater market share in mainland Europe. Gross margin growth will be achieved by continuing to insource more clinical trial work rather than outsourcing to more expensive contractors and vendors. Expenditure on administrative costs continue to be closely scrutinised and controlled to ensure costs are contained as far as possible.

Strategic Report *(continued)*

Section 172 statement

The section 172 statement is following the Companies (Miscellaneous Reporting) Regulations 2018 and apply to company reporting on financial years starting on or after 1 January 2019.

The directors of IQVIA Biotech Ltd (the "Company") are aware of their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between shareholders of the Company.

The Company is a wholly owned subsidiary of IQVIA Holdings Inc., a company incorporated in the United States of America and listed on the New York Stock Exchange (together with its subsidiaries, "IQVIA").

The Company is focused on having a positive impact on the healthcare community, industry, and its environment. Whilst the Company's business is run for the benefit of its shareholders, it is committed to acting ethically, with integrity, and with consideration to the communities and environment in which it operates.

Long term decisions and actions

As a world leader in using advanced analytics, technology, and science to drive healthcare forward, we must balance the immediate challenges of the fast paced nature of our industry with longer term developments and emerging technologies, so that our business has the confidence to innovate and maximise opportunities as they arise.

To ensure the business regularly considers and evaluates its long-term strategy, we hold frequent forums at the operational level that seek to identify and anticipate trends and risks in the market. Information gathered at these meetings is fed through to the leadership team, to help the business to update its long-term roadmap for all service offerings. Market evolution and market shaping is both implicit and explicit in our planning processes and business reviews.

The directors consider the possible long-term consequences of any material proposed course of action, including potential safety, financial and reputational risks.

The interests of our employees

Our success substantially depends on the collective performance, contributions and expertise of our employees. We are committed to maintaining a culture of diversity and inclusion in which people from all backgrounds can fully contribute to the growth and success of our business.

Our employees have access to our global learning platform where our diverse workforce can readily find the resources required to help address customer needs. In 2019 we launched the Brave Minds employee value proposition, founded on three pillars; to inspire purpose and drive a passion for a healthier world; to embrace intellectual courage and disrupt conventional thinking, and to make an impact and grow through a learning culture that provides a rewarding experience with supportive leadership.

Helping our dedicated people grow, develop, and reach their full potential in this constantly shifting landscape keeps our teams motivated and engaged as they support customers around the globe.

IQVIA is committed to supporting sustainable business practices and running our business in a socially responsible way that helps create long-term value.

Strategic Report *(continued)*

Suppliers

We work with our supplier base to ensure our operations can be carried out as efficiently as possible. We aim to treat all suppliers equally and have established the "Supplier Code of Conduct" to set common values and standards for our suppliers, as well as encouraging them to perform better than their basic requirements in all fields.

Our purchase order system allows suppliers to track their invoices so they have full visibility between submission and payment.

Customers

We place our customers at the centre of everything we do. We develop a deep understanding of the challenges they face in order to build successful, enduring relationships with them. We adapt to changing circumstances in partnership with our customers to develop flexible, innovative solutions to enable their success.

Our long relationships with customers are built on our ability to understand their requirements. We have a sophisticated customer account management system which regularly engages in dialogue with our customers about their strategy, goals, challenges and needs. Through this dialogue and our own experience and expertise we design and implement solutions tailored to them.

More information on our customer and supplier engagement is provided in the Directors' Report.

Impact on the community and the environment

We recognise that being a responsible business requires a firm commitment to following conscientious environmental practices and we establish specific objectives and targets to continually reduce our environmental impact where possible. We comply with all applicable laws and regulations as they relate to the provision of biopharmaceutical-regulated activities. Environmental laws and regulations are incorporated into our policies and procedures to promote global awareness across the business.

IQVIA has volunteered to become an active member of the United Nations Global Compact in 2020. This initiative calls on companies to align their strategies and operations to respect human rights, the environment, and support anti-corruption measures.

IQVIA are rated 'Bronze' by Eco Vadis, a global provider of business sustainability ratings. Our rating was 2 points below Silver and we have taken a business decision to improve our rating to Silver.

Travel is necessary for global businesses and we will continue to find ways to mitigate and reduce its impact. With the ongoing increase in our employee headcount due to our growth, we will continue efforts to decrease airline use and company car carbon emissions.

We recognise that the footprint of our property portfolio is directly connected to our carbon footprint. We monitor our office demand across the business to look for efficiencies and allow home working where possible.

IQVIA provides financial and in-kind support for a variety of health-related non-profit organisations. We support causes and programmes that are important to our employees. These include community fundraising and volunteer activities, and support for health-related charities and natural disaster fund drives. Our IQVIA Day gives our employees a day off to perform volunteer activities within their local communities.

Business Conduct

Wherever IQVIA does business in the world, the fundamental values of honesty, integrity, and ethical conduct form the core of everything we do. The directors are committed to maximising long-term shareholder value while supporting management in the operations of the business, observing ethical standards and adhering to all applicable laws.

Our reputation is shaped by the personal decisions of every employee, and so to guide those decisions, all our employees and directors must adhere to our code of conduct, "Doing the Right Thing". We provide various channels (local and global) for employees to obtain answers to questions or to report potential or actual violations of law, regulation, or policy freely and without fear of retaliation. This helps to ensure we promote a culture where employees are comfortable bringing up their questions or concerns.

Strategic Report *(continued)*

Acting fairly between members

The Company's only member is IQVIA RDS UK Holdings Ltd, which is a subsidiary of IQVIA. As both the sole member and the Company are in the same group, the member has direct access to the Board. The directors are in regular contact with the sole member through monthly financial reporting and ad-hoc communications. This ensures that the member is kept informed of events and has opportunity to take part in the running and strategic direction of the Company.

Principal risks and uncertainties

Competitive trading risk

The Company operates in a very competitive market place and there are a number of businesses that provide services that are similar to those of the Company. Increased competition could affect the Company's ability to meet its expectations and objectives for the business. To mitigate this risk the Company regularly monitors the activities of its competitors and aims to differentiate itself by focusing on niche areas such as oncology trials, medical devices and the partnership it can offer with its resourcing division.

Customer dependency

The Company's financial performance is partially dependent on a relatively small number of customers, although this risk continues to diminish as the business has grown significantly in the last 4 years. The loss of a key customer could have a significant and detrimental impact on the business. The Company mitigates this risk by providing an added value service to its customers, focusing on high levels of personal service and maintaining strong relationships with its customer base. The Company continues to focus on growing the business to expand its customer portfolio.

Recruitment and retention of key resources

The ability of the Company to meet growth expectations and compete effectively is, in part, dependent on the skills, performance and experience of the personnel employed. The inability to recruit and retain sufficient skilled resources to meet the growing levels of work could impact the overall business performance. To manage this risk the business regularly reviews its employment policies, remuneration and benefits packages to ensure they are competitive.

Exposure to legislation and regulatory requirements

The Company is subject to numerous legal and regulatory requirements in the management of its clinical trials. Failure to comply with the requirements could have potential serious consequences for the operation of the business. Regular training of staff and ongoing monitoring of compliance with the requirements ensures that any risks here are mitigated as far as possible.

Brexit

On 23 June 2016, the United Kingdom (U.K.) held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit". As a result of the referendum, the British government is negotiating the terms of the U.K.'s future relationship with the E.U.

Brexit implications

Although the directors do not believe that Brexit will have a major impact on the Company's operations, there continues to be uncertainty regarding the impact of Brexit on the wider economy and it is therefore not currently possible to evaluate all of the potential implications. The directors will continue to monitor the latest developments as the situation unfolds.

Financial risk

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivables balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Strategic Report *(continued)*

Payment of creditors

The Company follows a robust policy and control process on payment of creditor invoices. Before payment, creditor invoices must be matched to a preapproved purchase order. Once an invoice has been matched to a purchase order, it will be released for payment with payment being made 90 days after the date of invoice. This policy is enforced through stringent controls built in to the financial accounting system used by IQVIA Biotech.

Foreign exchange risk

The Company's costs are predominantly in Sterling and the Euro while its revenues are predominantly in US Dollars. It is therefore exposed to movements in exchange rates. To mitigate this, the Company significantly restricts its exposure to movements in foreign currencies through the contracting process with its customers.

Liquidity and interest rate risk

The Company is generating cash profits, but should the need arise, support would be provided by our parent Company. The Company's exposure to liquidity risk and interest rate movements is therefore considered to be low.

Future developments and subsequent events

Covid19 Implications

As a result of the global spread of COVID-19 beginning in early March, the IQVIA group (the "group") began to experience general business disruptions that impeded normal business selling activity. These disruptions impacted all of the group's businesses, with a disproportionate impact to the clinical research business due to the inability to access sites. During the second quarter, global site access improved from approximately 20 percent in April to 40 percent at the end of June. The average site accessibility for the second quarter was approximately 30 percent. These limitations on site accessibility impacted patient recruitment, patient study participation, and the ability to travel and access clinical research sites. Further, certain businesses that rely on face-to-face interactions or are dependent on in-person gatherings, events or conferences experienced significant disruption and the group experienced a decline in sales rep visits as physician's attention diverted to the COVID-19 crisis.

In response to this, the group has accelerated and expanded a variety of cost containment actions to reduce the impact to profitability which include activating business continuity plans, remote monitoring and virtual trials in clinical research business and virtual commercial activity with clients wherever possible. During the second quarter, the sale of information offerings, analytics and consulting projects have resumed as clients have adjusted to working virtually. The group anticipates an acceleration of business momentum when the crisis subsides as delayed trial activities will still need to be performed.

The directors will continue to monitor the latest developments as the situation unfolds.

By order of the board



K J Turland
Director

3 Forbury Place
23 Forbury Road
Reading
RG1 3JH
22 September 2020

Directors' Report

Directors

The directors of the Company at 31 December 2019, who were directors for the whole of the year then ended and up to the date of signing the financial statements, unless otherwise stated below, were:

K J Turland

B K Lattimore

Subsequent to the year end, on 29 May 2020, B K Lattimore resigned as a director.

Proposed dividend

No dividend paid in 2019 (2018: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018: £nil).

Employee engagement

The Company and its group have fewer than 250 UK employees and so no information regarding its engagement with its employees has been provided in accordance with the relevant requirements.

Engagement with other stakeholders

The directors have a duty to promote the success of the Company, and this relies on effective communication and engagement with stakeholders. The Company acknowledges the importance of its stakeholders' opinions, and considers these within its decision making and operations.

Engagement with suppliers

The Company has invested over many years in developing strong relationships with a supply chain that shares our values. We recognise the value that these relationships bring. We aim to maintain these relationships in the same way that we do our customer relationships – through being accessible, easy to do business with and by doing what we say. IQVIA actively seeks to foster an environment where our supply chain partners are held to sustainability standards that align with IQVIA's own values and objectives. IQVIA considers its ability to effectively leverage the various backgrounds, capabilities, and contributions of its supply chain partners to be a major factor in creating mutually rewarding business opportunities and enhancing its own business performance.

Our Supplier Code of Conduct sets out the expectations for our supply chain partners in a number of key areas, including:

- Ethics and Compliance
- Labour and Human Rights
- Environment
- Health and Safety

Engagement with customers

IQVIA seeks to maintain long-lasting customer relationships and deliver excellent customer service. Successful customer relationships require a thorough understanding of customer needs and challenges.

We harness our resources and expertise to identify, understand, and address unmet public health needs and through our innovative technologies and offerings, we help our customers bring much needed therapies to market. Together with the companies we serve, we are enabling a more modern, more effective and more efficient healthcare system, and creating breakthrough solutions that transform business and improve patient outcomes.

Directors' Report *(continued)*

IQVIA's flexible business solutions and commitment to customers' objectives allow it to provide customers with customized operational delivery models to meet their needs. We have access to one of the largest and most comprehensive collections of healthcare information in the world, and can analyse this data in ways that allow our customers to run their clinical, commercial and financial operations more effectively.

The Company provides an added value service to its customers, focusing on high levels of personal service and maintaining strong relationships with its customer base. The Company continues to focus on growing the business to expand its customer portfolio. Each customer has a service manager to ensure we understand our customers' requirements and can deliver to meet their demands.

Engagement with others

Our other stakeholders include regulatory agencies, government, communities and research institutions and universities. IQVIA engages with all such agencies, bodies and institutions with the same fundamental values of honesty, integrity, and ethical conduct which form the basis of everything we do, adhering uncompromisingly to all applicable laws and regulations.

We partner with academic research organisations to provide data resources and analysis to further their research endeavours. IQVIA also publish a range of reports each year through our Institute for Human Data Science which are freely available and made use of by the healthcare community.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Matters covered in the Strategic Report

Disclosure of the Company's business review, principal risks and uncertainties, financial risk and future developments are provided in the Strategic Report.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 2 to 6.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office and a resolution concerning its reappointment will be proposed at the Annual General Meeting.

By order of the board



K.J. Turland
Director

3 Forbury Place
23 Forbury Road
Reading
RG1 3JH
22 September 2020

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



K J Turland
Director

3 Forbury Place
23 Forbury Road
Reading
RG1 3JH
22 September 2020

Independent auditor's report to the members of IQVIA Biotech Limited

Opinion

We have audited the financial statements of IQVIA Biotech Limited (the 'Company') for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Emphasis of matter -Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 6, and the consideration in the going concern basis of preparation on page 18 and non-adjusting post balance sheet events on page 28.

Since the reporting date there has been a global pandemic from the outbreak of COVID-19. The impact of COVID-19 became significant in March 2020 and has caused widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 continues to evolve and, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that COVID-19 is a non-adjusting post balance sheet event and that adopting the going concern basis for preparation of the financial statements is appropriate.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Fiona Martin

Fiona Martin (Oct 8, 2020 16:18 GMT+1)

Fiona Martin (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2

97 Haymarket Terrace

Edinburgh

EH12 5HD

Date Oct 8, 2020

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2019

	<i>Note</i>	2019 £000	2018 £000
Turnover	2	37,329	30,698
Cost of sales		(28,881)	(24,000)
Gross profit		8,448	6,698
Administrative expenses	3	(2,662)	(2,332)
Net impairment losses on financial assets and contract assets		(6)	(4)
Operating profit		5,780	4,362
Profit before interest and taxation		5,780	4,362
Finance income		170	107
Finance costs		(35)	(28)
Interest expense	13c	(5)	-
Profit before taxation		5,910	4,441
Tax charge on profit	6	(1,121)	(851)
Profit for the financial year		4,789	3,590
Other comprehensive income		-	-
Total comprehensive income for the year		4,789	3,590

All results relate to continuing operations.

No additional gains or losses occurred during the year, therefore no Other Comprehensive Income has been recorded during the year.

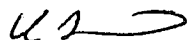
The notes on pages 16 to 28 are an integral part of these financial statements.

Balance Sheet
at 31 December 2019

	<i>Note</i>	2019	2018
		£000	£000
Fixed assets			
Tangible fixed assets	7	135	266
Right of use asset	13	38	-
Current assets			
Debtors	8	9,270	8,965
Contract assets	2(a)/8	3,334	2,068
Cash at bank and in hand		16,450	14,873
Deferred tax asset	10	43	26
		29,097	25,932
Creditors: amounts falling due within one year	9	(8,824)	(9,241)
Contract liabilities	2(a)/9	(133)	(1,434)
Net current assets		20,140	15,257
Total assets less current liabilities		20,313	15,523
Provisions for liabilities			
Other provisions	10	(92)	(91)
Net assets		20,221	15,432
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	20,221	15,432
Shareholders' funds		20,221	15,432

The notes on pages 16 to 28 are an integral part of these financial statements.

These financial statements were approved by the director on 22 September 2020 and were signed by:



K J Turland
Director

Company registered number: 03299057

Statement of Changes in Equity
for the year ended 31 December 2019

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2018	-	11,842	11,842
Total comprehensive income for the period			
Profit or loss	-	3,590	3,590
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	15,432	15,432
Balance at 31 December 2018	-	15,432	15,432

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	-	15,432	15,432
Total comprehensive income for the period			
Profit or loss	-	4,789	4,789
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	20,221	20,221
Balance at 31 December 2019	-	20,221	20,221

The notes on pages 16 to 28 are an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

IQVIA Biotech Ltd (the "Company") is a private Company, limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 03299057 and the registered address is 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24, 'Related party disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which a party to the transaction is wholly owned by such a member;

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation for Determining whether an Arrangement contains a Lease.

The ultimate parent undertaking and controlling party IQVIA Holdings Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of IQVIA Holdings Inc. may be obtained from the Company's website www.iqvia.com

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes (continued)

1.1 New and amended standards adopted by the Company

IFRS 16 Leases

The Company has applied IFRS 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st January 2019. The new accounting policies are disclosed in note 1.1

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.31%.

(a) Measurement of lease liabilities:

	2019 £000
Operating lease commitments disclosed as at 31 December 2018	175
Discounted using the lessee's incremental borrowing rate at the date of initial application	167
Finance lease liabilities recognised as at 31 December	3
Less: low-value leases not recognised as a liability	(4)
Lease liability recognised as at 1 January 2019	166

Lease liability recognised as at 1 January 2019

Current lease liabilities	50
	<u>50</u>

(b) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied

(c) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by £128,000
- Lease liabilities – increase of £166,000

1.2 Measurement convention

The financial statements are prepared on the historical cost basis and in accordance with applicable accounting standards.

Notes (continued)

1.3 Going concern

As explained within the Strategic Report, COVID-19 is having an impact on the Company's, and wider IQVIA group's, trading activity and turnover. The situation is continually evolving and it is difficult at this time for the directors to make an accurate assessment of the overall impact it will have on the business. The directors continue to assess the impact of COVID-19 on trading as information becomes available.

As in prior years, the Company continues to rely on the commercial support from its group, which has also been impacted by COVID-19, for the development of new business. The majority of existing contracts with customers are also held by the Company's group and the Company participates in the group's centralised treasury management function. As such the Company's cash flows and cash management are heavily embedded within the wider group. Given these factors and the reliance on the group, the Company's ultimate parent undertaking, IQVIA Holdings Inc., has confirmed in writing that it will provide financial support to the company for a period of at least twelve months from the date the financial statements of the Company are signed by the directors.

Based on the above, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and meet its liabilities as they fall due for a period of at least twelve months from the date the directors sign the financial statements of the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Tangible fixed assets & Right of Use Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The depreciation rates are as follows:

- Short leasehold buildings over the remaining lease term
- Fixtures and fittings 15% on cost
- Computer equipment 25% on cost
- Computer software 33.33% on cost

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes (continued)

1.6 Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the provision of services to customers.

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

In general, billings to customers are established by contractual provisions, including predetermined payment schedules based on the achievement of contract milestones or submission of appropriate billing detail. Customers are obligated to pay per the terms of the contract, and in the event that a client cancels the contract, the client is responsible for payment for services performed through the date of cancellation. Unbilled contract assets arise when services have been rendered but clients have not been billed. Similarly, contract liabilities represent billings or receipts from customers in advance of the related revenue being earned.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.8 Leases Accounting Policy

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involved the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used.

On lease commencement date, the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments;

Notes (continued)

1.8 Leases Accounting Policy (continued)

- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Lease payments in an option renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option.

1.9 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements, as financial assets, financial liabilities or equity instruments. Financial instruments are initially recognised by fair value and afterwards measured at amortised cost.

1.10 Revenue recognition

The Company recognises revenue from the following sources:

- Clinical services;
- Integrated health services.

Revenue from providing services is recognised in the accounting period in which the services are rendered. When operating as a principal in a revenue arrangement, the Company recognises revenue as the gross amount to which it expects to be entitled. When acting as an agent, the Company recognises revenue as the net amount to which it is entitled to retain in return for its services.

The Company incurs a significant amount of costs fulfilling promises on contracts that are reimbursed by our customers. Those costs are pass-through expenses which represent "out of pocket expenses" such as payments to investigators and travel expenses for the Company's clinical monitors and sales representatives. The Company has concluded that it is the principal in regard to these reimbursed expenses and will record them as part of revenue on a gross basis. The transaction price is based on the amount to which the entity expects to be entitled for providing the services. The transaction price includes both fixed amounts and variable amounts. The Company's forms of variable consideration included in contracts generally consist of discounts, returns and repricing. Variable consideration is included in the transaction price to the extent that an amount for which a significant reversal is not probable when the uncertainty associated with the variable consideration is resolved. In assessing whether it is probable that a significant reversal in revenue will occur, the Company considers both the likelihood and the magnitude of the revenue reversal.

The amount of variable consideration is estimated by using either the expected value method or the most likely amount method, depending on the suitability of the method for each type of variable consideration.

1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Notes (continued)

1.12 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Principal versus agent in providing services

The Company concludes that it is a principal in providing all services, as it controls the specified good or service before that good or service is transferred to the customer. In addition, the Company assesses the following indicators in concluding that it is a principal on its typical arrangements:

- The Company is primarily responsible for fulfilling the promise to provide the specified good or service. The Company is responsible for fulfilling all aspects of the arrangement, including engagement with any required third parties (which result in pass-through expenses that are later reimbursed by customers).
- The Company bears the risk of not having pass-through expenses being reimbursed by the customers.
- The Company directly negotiates the pass-through expenses with third parties which are part of the contract price, hence having an influence on the price.

Impairment of trade receivables

The Company makes an estimate of the expected credit loss rates of financial assets and contract assets. When estimating expected credit loss rates, management adjusts historical loss rates with forward-looking information incorporating both external and internal sources of information, including general economic conditions, internal and external credit ratings, reports and statistics.

2 Turnover

An analysis of turnover by geographical location is given below:

	2019 £000	2018 £000
UK	1,013	1,394
Europe	5,278	5,126
Rest of world	31,038	24,178
Total turnover	37,329	30,698

Notes (continued)

2 Turnover (continued)

(a) Contract assets and liabilities

The Company has recognised the following revenue-related assets and liabilities

	2019 £000	2018 £000
Total contract assets	3,334	2,068
Total contract liabilities	133	1,434

In the case of fixed-price contracts, the customers pay the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

The following table shows how much of the revenue recognised in the current reporting period related to carried-forward balances of contract liabilities.

	2019 £000	2018 £000
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,434	2,902

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2019 £000	2018 £000
Operating leases – plant and machinery	2	2
Operating leases – other assets	-	95
Foreign currency losses	596	146
Depreciation of owned assets	174	172
Depreciation of right of use assets	90	-
Audit fees	25	24

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Business development	1	2
Management and administration	17	17
Clinical studies and project management	118	105
Resourcing	6	6
	<u>142</u>	<u>130</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£000	£000
		(Restated)
Wages and salaries	7,201	5,929
Social security costs	758	673
Contributions to defined contribution plans	261	206
	<u>8,220</u>	<u>6,808</u>

The prior year wages and salaries expense has been restated to include the staff bonus accrual for 2018, totalling £333,000. This has no impact on profits reported in the prior year or shareholders' funds as at 31 December 2018.

5 Directors' remuneration

Remuneration for the directors in the current year has been borne by a related Company. The directors are also directors or officers of a number of the companies within the IQVIA Holdings Inc. group. Their directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the year.

Notes (continued)

6 Taxation

Recognised in the profit and loss account

	2019		2018	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	1,139		858	
Adjustments in respect of prior periods	(1)		-	
	<u> </u>		<u> </u>	
Total current tax		1,138		858
		<u> </u>		<u> </u>
<i>Deferred tax (see note 10)</i>				
Origination and reversal of temporary differences	(17)		(7)	
	<u> </u>		<u> </u>	
Total deferred tax		(17)		(7)
		<u> </u>		<u> </u>
Tax on profit		1,121		851
		<u> </u>		<u> </u>

Reconciliation of tax expense

	2019	2018
	£000	£000
Profit for the year	4,789	3,590
Tax on profit	1,121	851
	<u> </u>	<u> </u>
Profit excluding taxation	5,910	4,441
Tax using the UK corporation tax rate of 19 % (2018: 19%)	1,123	844
Group relief for nil consideration	-	-
Non-deductible expenses	2	3
Income not taxable	-	-
Adjustments in respect of prior periods	(3)	-
Release of deferred tax provision	(1)	4
	<u> </u>	<u> </u>
Total tax expense	1,121	851
	<u> </u>	<u> </u>

The Finance Bill 2020 cancels the reduction to 17% announced in The Finance Bill (No.2) 2015, the UK corporation tax rate will remain at 19%. The deferred tax at 31 December 2019 has been calculated based on this rate (2018: 17%).

Notes (continued)

7 Tangible fixed assets

	Leasehold Improvements £000	Fixtures & fittings £000	Computer equipment £000	Computer software £000	Total £000
Cost					
Balance at 1 January 2019	335	474	646	50	1,505
Additions	-	-	43	-	43
Disposals	(195)	(12)	(176)	-	(383)
	<u>140</u>	<u>462</u>	<u>513</u>	<u>50</u>	<u>1,165</u>
Balance at 31 December 2019					
Depreciation					
Balance at 1 January 2019	(287)	(334)	(568)	(50)	(1,239)
Depreciation charge for the year	(28)	(85)	(61)	-	(174)
Disposals	195	12	176	-	383
	<u>(120)</u>	<u>(407)</u>	<u>(453)</u>	<u>(50)</u>	<u>(1,030)</u>
Balance at 31 December 2019					
Net book value					
At 31 December 2019	<u>20</u>	<u>55</u>	<u>60</u>	<u>-</u>	<u>135</u>
At 1 January 2019	<u>48</u>	<u>140</u>	<u>78</u>	<u>-</u>	<u>266</u>

8 Debtors

	2019 £000	2018 £000
Trade debtors	763	1,152
Amounts owed by group undertakings	8,309	7,660
Contract assets	3,334	2,068
Other debtors	87	51
Prepayments	111	102
	<u>12,604</u>	<u>11,033</u>

Trade debtors are stated after bad debt provision of £6,000 (2018: £4,000).

Notes (continued)

9 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	541	556
Contract liabilities	133	1,434
Amounts owed to group undertakings	5,241	5,859
Current lease liabilities	50	-
Other taxes and social security	1,139	1,199
Accruals	1,853	1,571
Other creditors	-	56
	<u>8,957</u>	<u>10,675</u>

10 Provisions for liabilities

	Dilapidations £000	Deferred tax £000	Total £000
At 1 January 2019	91	(26)	65
Provisions made during the year	1	(17)	(16)
Provisions used during the year	-	-	-
At 31 December 2019	<u>92</u>	<u>(43)</u>	<u>49</u>

All deferred tax movements relate to timing differences in the depreciation of tangible assets.

Provisions for dilapidations are recognised when; the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

11 Capital and reserves

Share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares hold full rights in respect of voting, participation and dividends.

Notes (continued)

12 Reserves

The profit and loss account includes all current and prior periods retained profits and losses net of dividends paid.

13 Leases

(a) Right of use assets

	Leasehold Property £000	Total £000
Cost		
As at 1 January 2019	128	128
Additions	-	-
Disposals	-	-
As at 31 December 2019	128	128
Accumulated amortisation		
At 1 January 2019	-	-
Amortisation	90	90
At 31 December 2019	90	90
Net book amount		
At 1 January 2019	-	-
Movement during the year	38	38
As at 31 December 2019	38	38

(b) Lease liabilities

	2019 £000	2018 £000
Current	50	-
Total	50	-

The Company has leased an office for 5 years from 11th May 2015 ceasing 31st May 2020.

(c) Amounts recognised in the statement of profit and loss

	2019 £000	2018 £000
Depreciation charge for right of use assets:		
Leasehold property	90	-
Interest expense	5	-

Notes (continued)

14 Post balance sheet event

On 30 January 2020, the World Health Organization (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The directors have considered the impact of the outbreak within the Strategic Report on page 6. The directors have treated this as a non-adjusting event and as such the accounting estimates and judgments as disclosed within note 1.12 of the financial statements have not been updated to reflect this. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 1.3.

15 Ultimate parent Company and parent Company of larger group

The immediate parent undertaking of this Company is IQVIA RDS Holdings Ltd., a Company incorporated in England and Wales in the United Kingdom.

The ultimate parent undertaking and controlling party is IQVIA Holdings Inc., a Company incorporated in North Carolina in the USA.

IQVIA Holdings Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of IQVIA Holdings Inc. may be obtained from the Company's website www.iqvia.com.

16 Related party transactions

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned with the Group.