

IQVIA BIOTECH Ltd

Annual Report

Registered number 03299057

31 December 2021



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Company information

Registered Office:	3 Forbury Place 23 Forbury Road Reading RG1 3JH
Directors:	K J Turland S D Angus (appointed on 26 March 2021) C D Smyth (appointed on 26 March 2021)
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 2021.

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	2021	2020
Turnover	£'000	£59,373	£43,162
Gross margin	%	31%	25%
Operating profit	£'000	£13,989	£6,533

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 2021 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.

Investment in talent continued during 2021 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 been supported by sustainable top line sales and revenue growth. Gross margins improved in 2021 owing to less operational delivery impact from the COVID-19 pandemic compared to 2020.

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.

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. Our employees are critical to our continued success and are a core element of our long-term strategy. 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 commitment to diversity is reflected in the various policies, programs, training and support we offer, including our Employee Resource Groups and our highly diverse workforce.

Our employees have access to our global learning platform where our diverse workforce can readily find the resources required to help address customer needs. We have a Talent and Learning Hub and Technical Literacy site to provide training and tools that help employees develop the skills needed today and support their readiness for new opportunities.

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 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 5 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.

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.

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.

Strategic Report *(continued)*

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.

Other risks

COVID-19 Implications

During 2020, the COVID-19 pandemic disrupted the pace of our clinical trials and offerings that rely on face-to-face interactions, but, at the same time, it accelerated change in the industry and created demand for new services. The pandemic resulted in the delay but not cancellation of a number of existing and planned clinical trials, both because many clinical trials were slowed or temporarily paused and because many planned clinical trials did not begin as scheduled as they were crowded out by clinical trials for COVID-19 vaccines and other therapies. During 2021, we experienced an acceleration in business momentum as these delayed clinical trial activities began or restarted.

Throughout the past year and into 2022, we have worked on a substantial number of COVID-related projects. We do anticipate that this work will continue through 2022 and potentially into 2023 and beyond.

The pandemic has also affected our business strategy in a number of ways. One of the most significant impacts on our Research & Development Solutions business, has been the acceleration of decentralized clinical trials. Decentralized clinical trials combine the use of remote technologies and field-based services to enable portions of a clinical trial to be conducted away from an investigator site. This approach reduces the burden on patients of having to travel to and from investigator sites frequently and allows trials to continue to be conducted even during periods of limited access to investigator sites. While the decentralized clinical trial opportunity was identified before COVID-19, we saw how critical those capabilities were during the pandemic and accelerated their development accordingly. We invested in the use of remote technologies, expanded our relationships with local laboratories and healthcare providers, and established a virtual network of investigators and care professionals.

By order of the board



K J Turland
Director

3 Forbury Place
23 Forbury Road
Reading
RG1 3JH
21 July 2022

Directors' Report

Directors

The directors of the Company at 31 December 2021, 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

S D Angus (appointed 26 March 2021)

C D Smyth (appointed 26 March 2021)

Proposed dividend

There were no dividends paid in 2021 (2020: £19,000,000).

Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2020: £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, effective and 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.

Carbon Emissions

Introduction

As IQVIA Biotech Limited (Biotech) is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within Scope 1, Scope 2 and mandatory element of Scope 3 of the Streamlined Energy and Carbon Reporting (SECR) regulations, which are presented in tables 1,2 and 3 as these are material to our organisation's activities.

Organisational and operational boundaries of the company

Biotech's structural and operational boundaries are the same. The company operates from one, relatively small (111m²) office located at Bessemer Drive in Stevenage. The energy was paid via the service charge, and therefore it was estimated.

Environmental Performance

Biotech decided to follow and adapt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol – Corporate Standard methodology. As at 31 December 2021 the company's energy usage and associated carbon emissions for the year, 1 January to 31 December 2021 were as follows:

Directors' Report *(continued)*

Table 1: Total energy consumption and associated greenhouse gas emissions from Scope 1, 2 and 3 for SECR Year 2 reporting period

Energy Type:		Energy Use (kWh)	% Split (kWh)	Emissions (tCO ₂ e/yr.)	% Split (tCO ₂ e)
Combustion of Gas	(Scope 1)	9,810	21.45%	1.8	17.44%
Electricity	(Scope 2)	9,811	21.45%	2.1	20.21%
Transport	(Scope 3)	26,121	57.10%	6.4	62.35%
Total	(Scope 1, 2 and 3)	45,742	100.00%	10.3	100.00%

Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. Biotech chose to compare overall energy consumption and associated emissions against the annual turnover figure and the total number of full-time equivalent employees in the base year (2020) and this has been repeated for the 2021 financial year, which is the Company SECR Year 2 reporting period. In addition, the historic SECR Year 1 energy performance indicators have also been presented to show Biotech energy consumption trend.

Table 2 Intensity Ratio - Energy consumption and associated greenhouse gas emissions per £100,000 of annual turnover

Reporting Year	Total energy consumption (kWh)	Total GHG emissions (tCO ₂ e)	Annual turnover (£)	Intensity ratio (kWh / £100,000)	Intensity ratio (tCO ₂ e / £100,000)
SECR Year 1	80,352	17.28	43,161,642	186.16	0.040
SECR Year 2	45,742	10.31	59,373,323	77.04	0.017

We have reduced our total energy consumption and associated GHG emissions by moving into a significantly smaller office. At the same time, our turnover increased by nearly 40%, resulting in significantly lower intensity ratios values than our SECR year 1 baseline year.

Table 3 Intensity Ratio-Energy consumption and associated GHG emissions per the number of full-time employees

Reporting Year	Total Energy Consumption (kWh)	Total GHG emissions (tCO ₂ e)	Number of Full Time Employees (-)	Intensity Ratio (kWh/ Full Time Employee)	Intensity Ratio (tCO ₂ e/ Full Time Employee)
SECR Year 1	80,352	17.28	152	528.63	0.114
SECR Year 2	45,742	10.31	167	273.91	0.062

Energy intensity ratios are calculated and presented as advised by BEIS recommendations.

Directors' Report *(continued)*

Energy Efficiency Actions

IQVIA has taken measures to reduce our carbon footprint as follows:

- Reducing office space
- Reducing the energy use of idle equipment
- The technology department purchases Energy Star certification equipment where available
- Extending the useful life of servers, routers and other types of equipment

In addition, by reducing the size of our office in Stevenage we have become more energy efficient.

Methodology

The methodology used for determining energy and carbon emissions originates from a number of sources of greenhouse emissions:

- Natural gas used for building heating and domestic hot water (Scope 1)
- Electricity used for lighting, heating, ventilation and air conditioning (HVAC), and the operation of office equipment (Scope 2)
- Transport activities (Scope 3)

Energy consumption within our Bessemer Drive, Stevenage service charged office (floor area of 111 m²) where the company has no visibility on the energy consumption has been estimated. The estimation calculations were undertaken based on the occupied office floor area and Department for Business, Energy and Industrial Strategy "Building Energy Efficiency Survey: Office sector, 2014-15" energy benchmarks (private sector offices median for electrical and non-electrical energy intensities of 88 and 88 kWh/m² respectively) were used.

Transport emissions were determined from the mileage travelled on business in personal vehicles (grey fleet) and the conversion factor for an average car with a 50:50 split between diesel- and petrol-powered cars. This information was obtained through our expense claim system.

GHG emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2021.

Table 4 – Energy and Carbon Conversion Factors, gas, electricity and company car

Activity	Fuel	Unit	Year	kgCO ₂ e
Combustion of Gas	Natural Gas	kWh	2021	0.1832
Grid supplied electricity	Electricity: UK	kWh	2021	0.2123

Fuel	Car size	Conversion factor (kg/mile)
Average car (equal split diesel and petrol)		0.275805

Directors' Report *(continued)*

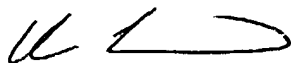
Other information

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
21 July 2022

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

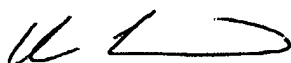
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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
21 July 2022

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 2021 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 United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

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.

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 12, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and regulations related to the management of clinical trials.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

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

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the completeness and accuracy assertions) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

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

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.



Robert Neate (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date Jul 21, 2022

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Turnover	2	59,373	43,162
Cost of sales		(40,707)	(32,503)
Gross profit		18,666	10,659
Administrative expenses	3	(4,734)	(4,123)
Net impairment gain / (loss) on financial assets and contract assets		57	(3)
Operating profit		13,989	6,533
Income from shares in group undertakings	6	6,346	-
Profit before interest and taxation		20,335	6,533
Finance (expense) / income	7	(2)	38
Profit before taxation		20,333	6,571
Tax charge on profit	8	(2,714)	(1,250)
Profit for the financial year		17,619	5,321
Other comprehensive income		-	-
Total comprehensive income for the year		17,619	5,321

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.

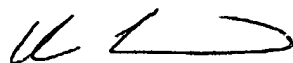
The notes on pages 21 to 35 are an integral part of these financial statements.

Balance Sheet
at 31 December 2021

	<i>Note</i>	2021	2020
		£000	£000
Fixed assets			
Investments	9	254,485	-
Tangible fixed assets	10	29	52
		<u>254,514</u>	<u>52</u>
Current assets			
Debtors	11	26,465	14,307
Contract assets	2(a)/11	2,242	4,064
Cash at bank and in hand		2,816	-
Deferred tax asset	13	59	40
		<u>31,582</u>	<u>18,411</u>
Creditors: amounts falling due within one year	12	(7,587)	(8,977)
Contract liabilities	2(a)/12	(2,312)	(2,254)
Bank overdraft		-	(658)
		<u>(9,899)</u>	<u>(11,889)</u>
Net current assets		<u>21,683</u>	<u>6,522</u>
Total assets less current liabilities		<u>276,197</u>	<u>6,574</u>
Provisions for liabilities			
Other provisions	13	(93)	(93)
		<u></u>	<u></u>
Net assets		<u>276,104</u>	<u>6,481</u>
Capital and reserves			
Called up share capital	14	1,000	-
Share premium account	15	251,255	-
Profit and loss account	15	23,849	6,481
Shareholders' funds		<u>276,104</u>	<u>6,481</u>

The notes on pages 21 to 35 are an integral part of these financial statements.

These financial statements on pages 18 to 35 were approved by the director on 21 July 2022 and were signed by:



K J Turland
Director

Company registered number: 03299057

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	-	-	20,221	20,221
Profit or loss	-	-	5,321	5,321
Total comprehensive income for the period	-	-	5,321	5,321
Dividends paid	-	-	(19,000)	(19,000)
Credit relating to equity-settled share based payments	-	-	174	174
Excess charge from parent for equity-settled shared based payments	-	-	(290)	(290)
Tax credit relating to share based payments	-	-	55	55
Balance at 31 December 2020	-	-	6,481	6,481

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	-	-	6,481	6,481
Profit or loss	-	-	17,619	17,619
Total comprehensive income for the period	-	-	17,619	17,619
Shares issued	1,000	251,255	-	252,255
Credit relating to equity-settled share based payments	-	-	406	406
Excess charge from parent for equity-settled shared based payments	-	-	(811)	(811)
Tax credit relating to share based payments	-	-	154	154
Balance at 31 December 2021	1,000	251,255	23,849	276,104

The notes on pages 21 to 35 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;

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

1.1 Measurement convention

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

1.2 Going concern

As in prior years, the Company continues to rely on the commercial support from its group 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.

Notes (continued)

1.2 Going concern (continued)

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.

1.3 Foreign currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional 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.

1.4 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.

1.5 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.

Notes (continued)

1.6 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.

1.7 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;
- 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.

Notes (continued)

1.8 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.

1.9 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.

1.10 Impairment of financial assets

The Company recognises impairment losses for most financial assets (except for purchased or originated credit-impaired financial assets) on initial recognition at an amount equal to 12-month expected credit losses, which reflect the portion of lifetime cash shortfalls resulting from possible default events within 12 months after the reporting date. However, if there is a significant increase in credit risk since initial recognition, the impairment loss is measured at an amount equal to full lifetime expected credit losses, which reflect the lifetime cash shortfalls resulting from all possible default events over the life of the financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

1.11 Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Notes (continued)

1.12 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

1.14 Called-up share capital

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.

1.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.16 Employee benefits

The company operates a defined contribution pension scheme. The company pays contributions to a privately administered pension insurance plans on a contractual basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.17 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.18 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

1.19 Share based payments

IQVIA Biotech Ltd applies the requirements of IFRS 2 'Share based payments'.

All awards granted under these stock incentive plans to date are subject to service-based vesting. All option awards are exercisable for shares of IQVIA Inc. stock and are nonqualified stock options. Each option will terminate upon the tenth anniversary of the date of the grant.

Each restricted stock unit represents the right to receive one share of IQVIA Inc. stock shortly after vesting. These restricted stock units will settle in shares in our stock within 45 days of the applicable vesting date. The fair values of these options and awards are calculated at their grant dates using a Black-Scholes option pricing model and charged to the income statement over the relevant vesting periods.

When the options are exercised, the company is recharged the options' intrinsic value at exercise by IQVIA Holdings Inc. This recharge is accounted for as a deduction from shareholders' funds.

1.20 Investments in associate undertakings

Investments in subsidiaries are initially recorded at purchase price. Impairment reviews are undertaken if there is an impairment trigger in accordance with IAS 36. A provision is made for impairment should this arise from the impairment review.

Notes (continued)

1.21 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.

1.22 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:

	2021 £000	2020 £000
UK	967	864
Europe	6,545	2,760
Rest of world	51,861	39,538
Total turnover	59,373	43,162

Notes (continued)

2 Turnover (continued)

(a) Contract assets and liabilities

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

	2021 £000	2020 £000
Total contract assets	2,242	4,064
Total contract liabilities	2,312	2,254

3 Expenses and auditor's remuneration

Included in profit are the following:

	2021 £000	2020 £000
Short-term leases – building lease	51	15
Short-term leases – plant and machinery	2	3
Foreign currency (gains) / losses	(220)	463
Depreciation of owned assets	23	95
Depreciation of right of use assets	-	38
Loss on disposal of property, fixtures and fittings	-	12
Audit fees	28	28

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	
	2021	2020
Business development	2	1
Management and administration	16	17
Clinical studies and project management	145	129
Resourcing	4	5
	167	152

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	10,430	8,072
Social security costs	1,106	841
Contributions to defined contribution plans	405	346
	11,941	9,259

Notes (continued)

5 Directors' remuneration

The directors' emoluments were as follows:

	2021 £'000	2020 £'000
Aggregate emoluments	768	-
Company contributions paid to defined contribution scheme	15	-
	783	-

Retirement benefits are accruing to two directors (2020: 0 directors) under a defined contribution scheme.

Highest paid director

The highest paid director's emoluments were as follows:

	2021 £'000	2020 £'000
Emoluments	203	-
Benefits	434	-
Company contributions to defined contribution scheme	10	-
	647	-

The highest paid director exercised share options during the year and received shares under the executive long-term incentive scheme. At the end of the year, the accrued pension for the highest paid director amounts to £2,710 (2020: £nil).

6 Income from shares in group undertakings

During the year the, the Company received dividend income of £6,346,000 (2020: £nil) from subsidiary undertakings.

7 Net finance (expense) / income

	2021 £'000	2020 £'000
Finance income		
Interest income from group undertakings	2	-
Bank interest	1	49
Other finance income	2	-
Total finance income	5	49

	2021 £'000	2020 £'000
Finance expense		
Bank overdraft	(7)	(10)
Interest expense right of use assets	-	(1)
Total finance expense	(7)	(11)

	2021 £'000	2020 £'000
Finance (expense) / Income		
Income	5	49
Expense	(7)	(11)
Total finance (expense) / income	(2)	38

Notes (continued)

8 Taxation

Recognised in the profit and loss account

	2021		2020	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	2,733		1,254	
Adjustments in respect of prior periods	-		(7)	
Total current tax		2,733		1,247
<i>Deferred tax (see note 13)</i>				
Origination and reversal of temporary differences	(19)		3	
Total deferred tax		(19)		3
Tax on profit		2,714		1,250
Reconciliation of tax expense				
		2021	2020	
		£000	£000	
Profit for the year		17,619	5,321	
Tax on profit		2,714	1,250	
Profit excluding taxation		20,333	6,571	
Tax using the UK corporation tax rate of 19 % (2020: 19%)		3,863	1,248	
Income not taxable		(1,206)	-	
Non-deductible expenses		78	2	
Adjustments in respect of prior periods		(19)	(7)	
Release of deferred tax provision		(1)	7	
Change in deferred tax rate		(1)	-	
Total tax expense		2,714	1,250	

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 10th June 2021). The Corporation Tax main rate will increase from 19% to 25% for years starting 1 April 2023.

As this change has been substantively enacted for IFRS and UK GAAP purposes prior to the 31 December 2021 balance sheet date, it has been reflected in the financial year 2021 financial statements.

Notes (continued)

9 Investments

	2021	2020
	Shares in group undertakings	Shares in group undertakings
	£'000	£'000
Cost at 1 January	-	-
Addition	254,485	-
At 31 December	254,485	-

On 1 April 2021, the company purchased a 40% shareholding in Q Squared Solutions Holdings Limited from Quest Diagnostics for £253,521,000. An additional post closing adjustment payment was made on 14th July of £964,000.

The company's interests in group undertakings at 31 December 2021 are as follows:

	Registered address	Principal activity	Class of shares held	Percentage ownership
Associate – directly owned				
Q Squared Solutions Holdings Limited	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH, United Kingdom	Holding company	Ordinary	40%
Indirectly owned				
Clinical Lab Minority Shareholder Limited	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH, United Kingdom	Lab	Ordinary	100%
Q Squared Solutions (India) Private Limited	Leela Business Park, Unit No 301, 2nd Floor (Third Level) M.V.Road, Andheri (East), Mumbai-400059, India	Dormant	Ordinary	5%
Q Squared Solutions S.A.	Teniente General Juan Domingo Peron 555 – Floor 5th – Buenos Aires City – Argentina	Lab	Ordinary	10%
Q Squared Solutions Holding B.V.	Siriusdreef 10, 2132WT Hoofddorp, Netherlands	Lab	Ordinary	100%
Q Squared Solutions B.V.	Siriusdreef 10, 2132WT Hoofddorp, Netherlands	Lab	Ordinary	100%
Q Squared Solutions Pte. Ltd.	1 Marina Boulevard, #28-00 One Marina Boulevard, 018989, Singapore	Lab	Ordinary	100%
Q Squared Solutions Limited	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH, United Kingdom	Lab	Ordinary	100%
Q Squared Solutions (Quest) Limited	Unit B1 Parkway West, Cranford Lane, Hounslow, Middlesex, TW5 9QA, United Kingdom	Lab	Ordinary	100%
Q Squared Solutions Proprietary Limited	1011 Pretorius Avenue South, Lyttelton, 1057, South Africa	Lab	Ordinary	100%

Notes (continued)

9 Investments (continued)

	Registered address	Principal activity	Class of shares held	Percentage ownership
Q Squared Solutions China Limited	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH, United Kingdom	Lab	Ordinary	100%
Q Squared Solutions (Beijing) Co. Limited	Unit 901-919, Office Tower 3, Sun Dong An Plaza, 138 Wangfujin Avenue, Dongcheng Dist, Beijing 100176, China	Lab	Ordinary	100%
Q Squared Solutions KK	4-1-18 Takanawa, Minato-ku, Tokyo, Japan	Lab	Ordinary	100%
Q Squared Solutions China (Quest) Limited	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH, United Kingdom	Lab	Ordinary	100%
Q Squared Solutions (Shanghai) Co. Limited	789 ZhaoJiaBang Road, Room 603, Xuhui District, Shanghai 200030, China	Lab	Ordinary	100%

10 Tangible fixed assets

	Computer equipment £000	Total £000
Tangible fixed assets		
Cost		
Balance at 1 January 2021	418	418
Additions	-	-
Disposals	-	-
Balance at 31 December 2021	<u>418</u>	<u>418</u>
Depreciation		
Balance at 1 January 2021	(366)	(366)
Depreciation charge for the year	(23)	(23)
Disposals	-	-
Balance at 31 December 2021	<u>(389)</u>	<u>(389)</u>
Net book value		
At 31 December 2021	<u>29</u>	<u>29</u>
At 1 January 2021	<u>52</u>	<u>52</u>

Notes (continued)

11 Debtors

	2021 £000	2020 £000
Trade debtors	1,185	2,254
Amounts owed by group undertakings	25,123	11,867
Contract assets	2,242	4,064
Other debtors	62	104
Prepayments	95	82
	<u>28,707</u>	<u>18,371</u>

12 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	907	592
Contract liabilities	2,312	2,254
Amounts owed to group undertakings	2,304	5,301
Other taxes and social security	2,536	1,254
Accruals	1,840	1,830
	<u>9,899</u>	<u>11,231</u>

13 Provisions for liabilities

	Dilapidations £000	Deferred tax £000	Total £000
At 1 January 2021	93	(40)	53
Provisions made during the year	-	(19)	(19)
Provisions used during the year	-	-	-
At 31 December 2021	<u>93</u>	<u>(59)</u>	<u>34</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.

Notes (continued)

14 Called up share capital

	2021 No	2021 £000
Allotted and fully paid ordinary shares		
At 1 January ordinary shares of £1 each	100	100
Issue of shares	1,000,000	1,000
At 31 December £1 each	1,000,100	1,100

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.

In 2021 the company issued 1,000,000 ordinary £1 shares to its parent IQVIA LTD, for £252,255,480 to fund an investment.

15 Reserves

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

Share Premium Account represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

16 Leases

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

	2021 £000	2020 £000
Depreciation charge for right of use assets:		
Leasehold property	-	38
Interest expense	-	1

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

17 Ultimate parent Company and parent Company of larger group

The immediate parent undertaking of this Company is IQVIA 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 2021. The consolidated financial statements of IQVIA Holdings Inc. may be obtained from the Company's website www.iqvial.com.

Notes (continued)

18 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.

19 Share Options

At 31 December 2021 the Company's employees were members of share-based compensation plans operated by the ultimate parent company IQVIA Holdings Inc. The shares outstanding are for contracts under the 2017, 2018, 2019, 2020 and 2021 executive share option plans.

During the year it was noted the share options dated 2017 had been included in another UK group company. They were transferred into IQVIA Biotech Limited in 2020.

For options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life are as follows:

Weighted average exercise price	Number of shares	2021		Weighted average exercise price	Number of shares	2020	
		Weighted remaining life	average			Weighted remaining life	average
		Expected	Contractual			Expected	Contractual
\$78.21	0	0 years	6 years	\$78.21	1,533	0 years	7 years
\$95.23	1,069	0 years	7 years	\$95.23	0	1 years	8 years
\$131.82	589	1 years	8 years	\$131.82	0	2 years	9 years
\$161.70	3,584	2 years	9 years	\$161.70	6,712	3 years	10years
\$183.82	1,094	3 years	10years				

The company recognises a share-based payment expense based on the fair value of the award granted, and an equivalent credit directly in equity as capital contribution.

The weighted average fair value of options granted in the year was \$183.82 (2020: \$161.70).

Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations.

Historical data is used to determine the expected life of the option. The risk-free rate was based on the US Treasury zero-coupon bonds in effect at the time of grant.

Restricted Stock Units

During 2020 it was noted the restricted stock units dated 2017 had been included in another UK group company. They were transferred into IQVIA Biotech Limited in 2020.

Notes (continued)

19 Share Options (continued)

The following table summarizes the RSU activity during the financial year 2021 in respect of employees of IQVIA Biotech Limited:

	2021		2020	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Non-vested at 1 January	5,944	\$146.92	1,539	\$99.11
Granted	3,192	\$183.82	4,892	\$161.70
Forfeited/cancelled/exercised	(3,628)	-	(487)	-
Non-vested at 31 December	5,508	\$170.88	5,944	\$146.92

The weighted average fair value for Restricted Stock Units granted in 2021 was \$183.82 (2020: \$161.70).

20 Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.