

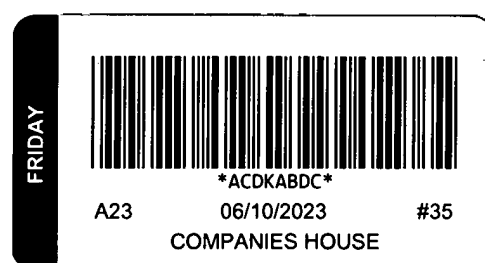
## Health IQ Limited

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 07505343



## Health IQ Limited

### Company Information

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<b>Directors</b>	J Eisenhaure R Hill K J Lambe P Jennings
<b>Company secretary</b>	Oakwood Corporate Secretary Limited
<b>Registered number</b>	07505343
<b>Registered office</b>	3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

Health IQ Limited

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# Health IQ Limited

## Directors' Report For the Year Ended 31 December 2022

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The directors present their report and the financial statements for the year ended 31 December 2022.

### Principal activity

The Company's principal activity continues to be providing Data Consultancy Services and the provision of software.

### Review of business

In 2022, the company experienced small decrease in revenues, revenue achieved £4.1m (2021: £4.6m).

In 2022, market changes occurred within the Research division of HiQ, leading to softer-than-expected bookings and subsequent revenues in this segment. However, SaaS segment of HiQ maintained its bookings and revenue levels as initially anticipated.

### Results and dividends

The loss for the year, after taxation, amounted to £1,334,369 (2021: profit of £402,893).

The directors do not recommend the payment of a dividend for the year (2021: £Nil).

### Future developments

The business derives its benefits from a blend of subscription and project-based revenues, affording us the ability to forecast future income and manage costs effectively. As of the commencement of 2023, the company possesses visibility over £1.7 million in projected revenue and remains committed to pursuing growth strategies to generate additional income throughout 2023 and beyond.

The introduction of new subscription modules in 2022, coupled with our focus on multiyear offerings, has not only bolstered the Total Contract Value (TCV) but has also led to stability in licensed revenues, both in 2022 and in the foreseeable future.

## Health IQ Limited

### Directors' Report (continued) For the Year Ended 31 December 2022

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#### Going concern

As at 31 December 2022, the Company had cash and cash equivalents of £254,249 (2021:£341,694), realised an operating loss of £1.21m (2021: operating profit of £423,755) and net current liabilities of £1.37m (2021: net current assets of £917,355).

The future liquidity of the Company is tied closely to the financial performance of the wider UK group, the directors have taken into consideration not only the liquidity of the Company but of the companies of wider UK Group, for which it is expected that further financial support will be required from its parent CorEvitas LLC for a period of at least 12 months of approval of these financial statements.

The Company is therefore dependent on continued financial support of the companies of wider UK Group to continue as a going concern. The ability of the parent company to continue as a going concern is dependent on future events, including obtaining adequate financing, if required based on reasonable and plausible downturn scenarios in the forecasts and retaining adequate working capital to fulfil its activities and generating a level of revenues adequate to support the Company. The parent company's failure to retain and access its existing facilities and/or raise additional capital as and when needed, could have a negative impact on its financial condition and ability to pursue its business strategies and therefore its ability or intent to provide the necessary working capital to support the Company's activities. In addition, while the directors have no reason to believe that the financial support from the parent company will not be forthcoming, it is not contractually guaranteed. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments should the going concern basis of preparation not be appropriate.

Subsequent to the year end, the CorEvitas group was acquired by Thermo Fisher Scientific Inc. a company listed on the New York stock exchange, but CorEvitas have agreed to remain responsible for supporting the UK operations.

The financial statements have been prepared on a going concern basis, taking into account that CorEvitas LLC has confirmed that it will continue to provide such financial support to settle its liabilities as the Company requires for its continued operations and so it can continue trading for a period of at least 12 months from the date of approval of the financial statements.

#### Directors

The directors who served during the year and up to the date of signing this report were:

J Eisenhaure

R Hill

K J Lambe

S Y Hassan (resigned 31 December 2022)

M Gulam Jilani (resigned 31 December 2022)

P Jennings (appointed 1 January 2023)

## Health IQ Limited

### Directors' Report (continued) For the Year Ended 31 December 2022

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#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company has, as permitted by the Companies Act 2006, purchased and maintained throughout the financial year suitable insurance cover on behalf of the directors, indemnifying them against certain liabilities which may be incurred by them in relation to the Group. We have also entered into a deed of indemnity with each of our directors as permitted by the Companies Act 2006.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Health IQ Limited

### Directors' Report (continued) For the Year Ended 31 December 2022

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#### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
.....ESC43DBS34AD4F4.....  
**K J Lambe**  
Director

Date: 29 September 2023

## Health IQ Limited

### Independent Auditor's Report to the Members of Health IQ Limited

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#### Opinion

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Health IQ Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates that the Company is financially dependent on the parent company which is not contractually guaranteed. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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



## Health IQ Limited

### Independent Auditor's Report to the Members of Health IQ Limited (continued)

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#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

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.

#### Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities, 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.

## Health IQ Limited

### Independent Auditor's Report to the Members of Health IQ Limited (continued)

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#### **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.

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

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

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice, and relevant tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be applicable employment laws and relevant data protection laws.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

## Health IQ Limited

### Independent Auditor's Report to the Members of Health IQ Limited (continued)

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#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and recording of manual journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias with regards the recognition of revenue and specifically with regards timing of delivery of services.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

#### **Use of our report**

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

DocuSigned by:

*Joe Lucey*

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**Joe Lucey** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

Date: 29 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Health IQ Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	4,105,332	4,646,517
Cost of sales		(861,204)	(368,944)
<b>Gross profit</b>		<b>3,244,128</b>	<b>4,277,573</b>
Administrative expenses		(4,454,488)	(3,853,818)
Other operating charges		(247)	-
<b>Operating (loss)/profit</b>	5	<b>(1,210,607)</b>	<b>423,755</b>
Interest receivable and similar income		-	1
Interest payable and similar expenses		(123,762)	(20,863)
<b>(Loss)/profit before tax</b>		<b>(1,334,369)</b>	<b>402,893</b>
<b>(Loss)/profit for the financial year</b>		<b>(1,334,369)</b>	<b>402,893</b>
<b>Other comprehensive income for the year</b>			
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(1,334,369)</b>	<b>402,893</b>

The result stated above are derived from continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

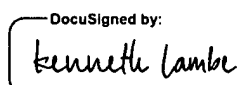
**Health IQ Limited**  
Registered number: 07505343

**Statement of Financial Position**  
**As at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	9	371,126	165,071
Tangible assets	10	20,203	25,897
		<u>391,329</u>	<u>190,968</u>
<b>Current assets</b>			
Debtors	11	2,074,363	1,880,379
Cash at bank and in hand		254,249	341,694
		<u>2,328,612</u>	<u>2,222,073</u>
Creditors: amounts falling due within one year	12	(3,702,222)	(1,304,718)
<b>Net current (liabilities)/assets</b>		<u>(1,373,610)</u>	<u>917,355</u>
<b>Total assets less current liabilities</b>		<u>(982,281)</u>	<u>1,108,323</u>
Creditors: amounts falling due after more than one year	13	-	(756,235)
<b>Net (liabilities)/assets</b>		<u><u>(982,281)</u></u>	<u><u>352,088</u></u>
<b>Capital and reserves</b>			
Share capital	14	1,012	1,012
Share premium account	15	20,390	20,390
Profit and loss account	15	(1,003,683)	330,686
<b>Shareholders' (deficits)/funds</b>		<u><u>(982,281)</u></u>	<u><u>352,088</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
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**K J Lambe**  
 Director

Date: 29 September 2023

The notes on pages 12 to 25 form part of these financial statements.

## Health IQ Limited

### Statement of Changes in Equity For the Year Ended 31 December 2022

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	<b>1,012</b>	<b>20,390</b>	<b>(72,207)</b>	<b>(50,805)</b>
Profit for the year and total comprehensive income	-	-	402,893	402,893
<b>At 31 December 2021 and 1 January 2022</b>	<b>1,012</b>	<b>20,390</b>	<b>330,686</b>	<b>352,088</b>
Loss for the year and total comprehensive loss	-	-	(1,334,369)	(1,334,369)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,334,369)</b>	<b>(1,334,369)</b>
<b>At 31 December 2022</b>	<b>1,012</b>	<b>20,390</b>	<b>(1,003,683)</b>	<b>(982,281)</b>

The notes on pages 12 to 25 form part of these financial statements.

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 1. General information

Health IQ Limited is a private company, limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Health IQ Limited is a wholly owned subsidiary of Corrona UK Holdings Limited ("CUHL") and the results of Health IQ Limited are included in the consolidated financial statements of CUHL which are available from 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, United Kingdom.

The following principal accounting policies have been applied:

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.2 Going concern

As at 31 December 2022, the Company had cash and cash equivalents of £254,249 (2021: £341,694), realised an operating loss of £1.21m (2021: operating profit of £423,755) and net current liabilities of £1.37m (2021: net current assets of £917,355).

The future liquidity of the Company is tied closely to the financial performance of the wider UK group, the directors have taken into consideration not only the liquidity of the Company but of the companies of wider UK Group, for which it is expected that further financial support will be required from its parent CorEvitas LLC for a period of at least 12 months of approval of these financial statements.

The Company is therefore dependent on continued financial support of the companies of wider UK Group to continue as a going concern. The ability of the parent company to continue as a going concern is dependent on future events, including obtaining adequate financing, if required based on reasonable and plausible downturn scenarios in the forecasts and retaining adequate working capital to fulfil its activities and generating a level of revenues adequate to support the Company. The parent company's failure to retain and access its existing facilities and/or raise additional capital as and when needed, could have a negative impact on its financial condition and ability to pursue its business strategies and therefore its ability or intent to provide the necessary working capital to support the Company's activities. In addition, while the directors have no reason to believe that the financial support from the parent company will not be forthcoming, it is not contractually guaranteed. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments should the going concern basis of preparation not be appropriate.

Subsequent to the year end, the CorEvitas group was acquired by Thermo Fisher Scientific Inc. a company listed on the New York stock exchange, but CorEvitas have agreed to remain responsible for supporting the UK operations.

The financial statements have been prepared on a going concern basis, taking into account that CorEvitas LLC has confirmed that it will continue to provide such financial support to settle its liabilities as the Company requires for its continued operations and so it can continue trading for a period of at least 12 months from the date of approval of the financial statements.

#### 2.3 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating (loss)/profit.



# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.4 Turnover

The Company recognises revenue through data research and the provision of the vantage platform for clients to access data. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The following criteria must also be met before turnover is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.5 Leasing and hire purchase contracts

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

#### 2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software costs are capitalised as the Company expands and improves its current platform, that is already on the market, by offering new functionality and modules that allows it to access more core data for its users. The expected useful economic life of development costs are estimated based on business plans.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided at the following rate:

Intellectual Property - straight line over estimated economic life of 10 years

Software Costs - straight line over estimated economic life of 5 years

Assets in progress are not amortised

#### 2.11 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

## Health IQ Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Computer equipment	- 25% per annum
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### 2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.15 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably; and
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which approximates the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are any indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected current/future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.
- Determining the amount of revenue to recognise in respect of project work ongoing at the year end. Factors taken into account in assessing the percentage completion of a project include estimated hours worked and milestones completed.

### 4. Turnover

	2022 £	2021 £
Data consultancy and software provision	<b>4,105,332</b>	4,646,517
	<b>2022 £</b>	<b>2021 £</b>
United Kingdom	<b>3,320,075</b>	4,646,517
Rest of the world	<b>785,257</b>	-
	<b>4,105,332</b>	<b>4,646,517</b>

### 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2022 £	2021 £
Bad debts	-	49,500
Directors' remuneration	<b>400,112</b>	351,647
Audit fees	<b>40,750</b>	32,465
Depreciation of tangible fixed assets	<b>14,928</b>	9,801
Amortisation of intangible fixed assets	<b>60,578</b>	34,923
Other operating lease rentals	<b>99,761</b>	164,362
Exchange differences	<b>56,283</b>	7,879

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 6. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	3,744,830	2,709,968
Social security costs	282,211	389,311
Other pension costs	66,134	50,870
	<u>4,093,175</u>	<u>3,150,149</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Average number of employees	<u>43</u>	<u>36</u>

### 7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	400,112	351,647
	<u>400,112</u>	<u>351,647</u>

The highest paid director received remuneration of £244,592 (2021 - £NIL).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £1,321 (2021 - £NIL).

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 8. Taxation

	2022 £	2021 £
<b>Total current tax</b>	-	-
<b>Taxation on (loss)/profit on ordinary activities</b>	-	-

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(1,334,369)	402,893
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(253,530)	76,550
<b>Effects of:</b>		
Other permanent differences	44	11,819
Movement in deferred tax not recognised	242,502	(44,874)
Fixed asset timing differences	10,984	(2,336)
Group relief	-	(41,159)
<b>Total tax charge for the year</b>	-	-

The Company has £1,246,546 of losses available (2021: £nil) available for carry forward against future trading profits. No deferred tax is recognized on these losses as it is not considered more likely than not that future taxable income will be available in a reasonable period of time to utilize these losses.

#### Factors that may affect future tax charges

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 9. Intangible assets

	Intellectual Property £	Assets in progress £	Software costs £	Total £
<b>Cost</b>				
At 1 January 2022	165,363	-	171,743	337,106
Additions	-	92,854	173,779	266,633
At 31 December 2022	165,363	92,854	345,522	603,739
<b>Amortisation</b>				
At 1 January 2022	153,649	-	18,386	172,035
Charge for the year	11,714	-	48,864	60,578
At 31 December 2022	165,363	-	67,250	232,613
<b>Net book value</b>				
At 31 December 2022	-	92,854	278,272	371,126
At 31 December 2021	11,714	-	153,357	165,071



# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 10. Tangible fixed assets

	Computer equipment £
<b>Cost or valuation</b>	
At 1 January 2022	89,771
Additions	9,234
At 31 December 2022	99,005
<b>Depreciation</b>	
At 1 January 2022	63,874
Charge for the year	14,928
At 31 December 2022	78,802
<b>Net book value</b>	
At 31 December 2022	20,203
At 31 December 2021	25,897

### 11. Debtors

	2022 £	2021 £
Trade debtors	582,842	556,665
Amounts owed by group undertakings	820,333	111,489
Other debtors	2,331	29,640
Prepayments and accrued income	668,857	1,182,585
	2,074,363	1,880,379

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 12. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	262,012	44,826
Amounts owed to group undertakings	2,229,975	1,523
Other taxation and social security	198,076	227,036
Other creditors	113,604	56,967
Accruals and deferred income	898,555	974,366
	<u>3,702,222</u>	<u>1,304,718</u>

Included in amounts owed to group undertaking is an amount due to CorEvitas LLC. CorEvitas LLC has provided a loan facility of which £2,164,498 has been drawn to date. The facility accrued interest at 2.56% above LIBOR per annum. Due to changes in the LIBOR rate the interest rate has been amended to 6.36% per annum.

Interest of £67,479 (2021: £12,984) has been charged to the Statement of Comprehensive Income.

The facility was repayable on 14 March 2023 but was not recalled and is now repayable on demand.

### 13. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to parent undertakings	-	756,235
	<u>-</u>	<u>756,235</u>

### 14. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1,012 (2021: 1,012) Ordinary shares of £1 each	1,012	1,012
	<u>1,012</u>	<u>1,012</u>

# Health IQ Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 15. Reserves

The Company's reserves are as follows:

#### Share capital

The called up share capital account represents the nominal value of the Company's shares.

#### Share premium account

The share premium reserve relates to amounts paid for share capital in excess of nominal value.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £66,134 (2021: £50,870). Contributions totalling £24,091 (2021: £12,600) were payable to the fund at the reporting date and are included in creditors.

### 17. Other commitments

The total of the future minimum lease payments under non-cancellable operating leases are as following:

	2022 £	2021 £
Within 1 year	-	61,750

The Company had no commitments under non-cancellable operating leases at the reporting date.

## Health IQ Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 18. Related party transactions

CorEvitas LLC provided a loan facility to the Company and £2,164,498 has been drawn down on the facility to date.

Interest charged in the year was £67,479 (2021: £12,984) and total accrued interest at 31 December 2022 was £116,752 (2021: £49,273).

#### Transactions

During the year, the Company provided funding to its immediate parent undertaking to enable them to fulfil a number of its commitments.

This resulted in the following balances due to the Company from the following entities:

Corrona UK Holdings Limited: £56,869 (2021: £53,620).

Fellow subsidiary companies: £51,693 (2021: £57,869).

CorEvitas LLC £1,584 (2021: £Nil)

Vestrum Health LLC £710,186 (2021: £4,219)

#### 19. Post balance sheet events

There are no events required to be disclosed other than those already disclosed in note 20.

#### 20. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Corrona UK Holdings Limited. Corrona UK Holdings Limited is incorporated in England and its registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, United Kingdom.

The Company's ultimate parent undertaking was CorEvitas LLC, a company formed in the USA, up to 14 August 2023. On this date, CorEvitas LLC was acquired by Thermo Fisher Scientific Inc. a company listed on the New York stock exchange.