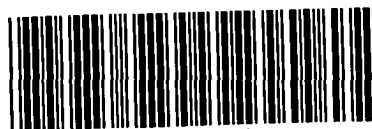


**PPD International Investments Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2022**

Registered Number 08032571

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# **PPD International Investments Limited**

## **Annual report and financial statements for the year ended 31 December 2022**

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## **PPD International Investments Limited**

### **Strategic report for the year ended 31 December 2022**

#### **Principal activity**

The principal activity of PPD International Investments Limited (“the company”) is that of an investment holding company and the directors do not expect this to change in the foreseeable future.

#### **Review of business**

The profit and loss account for the year is set out on page 10. The company made a loss of £891,000 (2021: £96,182,000 profit). These financial statements are the company’s separate financial statements.

The directors are not aware, at the date of this report, of any planned significant changes in the company’s activities in the next twelve months.

#### **Key performance indicators**

The company’s primary source of income is from dividends received from its investments. So that the company can continue to use this income to pay dividends to its parent the directors review the distributable reserves to ensure that there is no deficit preventing this.

#### **Principal risks and uncertainties**

The principal risks and uncertainties for the company are:

***Inflation*** – The company subsidiaries may incur unexpected costs from increases in services prices driven by inflation, which could reduce our earnings and cash flows. While the company subsidiaries may seek to minimize the impact of cost increases through various cost-saving measures and existing contractual terms and further negotiations with customers, our earnings and cash flows could be adversely affected in the event these measures are insufficient to cover our costs.

***United Kingdom’s vote to exit the European Union*** - The EU-UK Trade and Cooperation Agreement was formally approved by the U.K. parliament on 30 December 2020 and was formally ratified by the European Union parliament on 30 April 2021 and effective from 1 May 2021 provides some clarity in respect of the intended shape of the future relationship between the U.K. and the European Union. However, it remains unclear what general long-term economic, financial, trade and legal implications the U.K. withdrawal from the European Union will have and how the withdrawal and implications thereof will impact our business. Accordingly, the impact of the United Kingdom’s departure from the European Union is uncertain. Brexit has and continues to create general economic uncertainty in the United Kingdom and European Union.

***COVID-19*** – The company is subject to risks associated with public health epidemics and pandemics, such as the ongoing COVID-19 pandemic through its subsidiaries. The subsidiaries global operations expose the business to risks associated with public health epidemics and pandemics. COVID-19 has had an adverse impact on certain operations, and they may experience unpredictable reductions in supply and demand for certain services. National, state and local governments have implemented and may continue to implement safety precautions, including quarantines, border closures, increased border controls, travel restrictions, shelter in place orders and shutdowns and other measures. These measures may disrupt normal business operations and may have significant negative impacts on businesses and financial markets worldwide. Our subsidiaries’ ability to continue to provide services is highly dependent on its ability to maintain the safety and health of the employees. The ability of the employees to work may be significantly impacted by the COVID-19 pandemic or future epidemics and pandemics. In addition, the duration and extent of future revenues from sales of services related to the COVID-19 response are uncertain and dependent primarily on customer therapy and vaccine demand.

## PPD International Investments Limited

### Strategic report for the year ended 31 December 2022 (continued)

#### Principal risks and uncertainties (continued)

*Competitive risk* - The markets for our subsidiaries' products and services are very competitive and price sensitive. Our subsidiaries' competitors, which could include some of our customers (such as large pharmaceutical companies) have significant financial, operational, sales and marketing resources, and experience in research and development. There has been a trend towards industry consolidation in our markets for the past several years. We expect this trend towards industry consolidation to continue as companies attempt to strengthen or hold their market positions in an evolving industry and as companies are acquired or are unable to continue operations. We believe that industry consolidation may result in stronger competitors that are better able to compete as sole-source vendors for customers. This could lead to more variability in operating results and could harm our business.

#### Future developments

The directors expect the general level of activity to remain consistent with 2022 in the forthcoming year.

Approved by the Board and signed on its behalf by:

DocuSigned by:

*David Norman*

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D J Norman

Director

Date: 30-Jun-2023

Registered Office:

Granta Park  
Great Abington  
Cambridge  
CB21 6GQ

## **PPD International Investments Limited**

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

The directors present their report together with the audited separate financial statements for the year ended 31 December 2022.

Future developments are considered in the strategic report.

#### **Directors**

The directors of the company who served throughout the year and to the date of this report are shown below:

A H Smith (appointed 29 March 2023)  
D J Norman (appointed 29 March 2023)  
E D R Cameron (appointed 29 March 2023)  
S W Ahmed (appointed 29 March 2023)  
J M James (resigned 24 May 2023)  
R S Harris (resigned 29 March 2023)  
R S Newbery (resigned 1 February 2022)

#### **Going concern**

The directors have prepared the financial statements on the going concern basis. In making this assessment the directors have considered the forecast cash flows and the liabilities of the company and the date at which they fall due for a period of one year from the date of approval of these financial statements with due consideration of the principal risks and uncertainties arising from the conflict in Eastern Europe. The company holds investments in step down subsidiaries in Eastern Europe, including in Ukraine and the Russian Federation where it oversees clinical trials on behalf of international customers. The directors have considered the possibility that its operations in these countries are curtailed either permanently or at least for a long period of time through continuing conflict or nationalization by a local government. The impact to the financial results of the company would be small and the potential loss on disposal of operations likewise not significant. As a result, the directors do not feel that the conflict in Eastern Europe poses an immediate or significant threat to the going concern status of the company.

The directors have received confirmation from PPD International Holdings GmbH, a fellow subsidiary undertaking, that it will not demand repayment of £19,095,578, its debt as at 31 December 2022, for a period not less than 12 months from the date of signing these financial statements should this cause the company to be unable to meet its liabilities as they fall due. The directors have considered that this is consistent with the business model of the group.

The directors have also considered its ability to receive dividend income from its subsidiary undertakings to continue in operational existence for the foreseeable future, being at least the forthcoming 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements and believe the company is well placed to manage its business risks successfully.

#### **Dividends**

The company did not pay interim dividends during the year (2021: £190,750,187). The directors do not recommend the payment of a final dividend for 2022 (2021: £nil).

#### **Existence of branches outside the UK**

The company doesn't have any branches, as defined in section 1046(3) of the Companies Act 2006, outside the United Kingdom.

## PPD International Investments Limited

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

#### Directors' indemnities

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year and these remain in force at the date of this report.

#### Financial risk management objectives and policies

The company's activities expose it to liquidity risk. The company does not use derivative financial instruments for speculative purposes.

*Liquidity risk* - In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses intra-group financing where required.

#### Post balance events

On 21 January 2023, the company acquired the entire issued share capital of Clinical Technology Centre (International) Limited and the intercompany loan of £95,000,000 receivable by Clinical Technology Centre (International) Limited for an aggregate cash consideration of £95,585,979.

On 7 February 2023, the share premium account of the company was cancelled in full and the amount by which the share premium account is reduced was credited to a reserve.

#### Auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Grant Thornton UK LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:

*David Norman*

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D J Norman

Director

Date: 30-Jun-2023

Registered Office:

Granta Park  
Great Abington  
Cambridge  
CB21 6GQ

## PPD International Investments Limited

### Directors' responsibilities statement

The directors are responsible for preparing the Annual 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, including FRS 102 '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 and 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 judgments 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board and signed on its behalf by:

DocuSigned by:  
*David Norman*

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D J Norman

Director

Date: 30-Jun-2023

Registered Office:  
Granta Park  
Great Abington  
Cambridge  
CB21 6GQ

## Independent auditor's report to the members of PPD International Investments Limited

### Opinion

We have audited the financial statements of PPD International Investments Limited (the 'company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Balance Sheet, 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).

In our opinion, 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;
- 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from Brexit, COVID19 and conflict in Eastern Europe, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 PPD International Investments Limited

### 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

### Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities, 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.

## Independent auditor's report to the members of PPD International Investments Limited

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which they operate. We determined that the following laws and regulations were most significant: UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, Companies Act 2006 and UK tax compliance regulations which is the principal jurisdiction in which the company operates.
- We enquired of management to obtain an understanding of how the company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes and other audit evidence. We did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
  - knowledge of the industry in which the client operates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report to the members of PPD International Investments Limited

### 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.

*Grant Thornton UK LLP*

Philip Sayers  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
Date: 30/6/2023

## PPD International Investments Limited

### Profit and loss account for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Administrative expense		(935)	(4)
Other income		461	-
<b>Operating loss</b>		<b>(474)</b>	<b>(4)</b>
Amounts written off investments		-	(97,510)
Dividends received from subsidiary undertakings		-	194,172
Interest payable and other similar charges	4	(418)	(476)
Interest receivable and other similar income	5	1	-
<b>(Loss)/profit before taxation</b>	3	<b>(891)</b>	96,182
Tax on (loss)/profit	8	-	-
<b>(Loss)/profit for the financial year</b>		<b>(891)</b>	96,182

The above results all relate to continuing operations.

There are no comprehensive income or expenses other than those included in the profit and loss account above. Accordingly, no statement of comprehensive income is given.

# PPD International Investments Limited

## Balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	10	1,684,986	680,823
<b>Current assets</b>			
Debtors: falling due within one year	11	461	-
Cash at bank and in hand		70	69
		531	69
Creditors: amounts falling due within one year	12	(19,210)	(17,857)
<b>Net current liabilities</b>		<b>(18,679)</b>	<b>(17,788)</b>
<b>Net assets</b>		<b>1,666,307</b>	<b>663,035</b>
<b>Capital and reserves</b>			
Called up share capital	13	60	45
Share premium account	13	1,100,372	96,224
Other reserves	13	431,652	431,652
Retained earnings	13	134,223	135,114
<b>Total Equity</b>		<b>1,666,307</b>	<b>663,035</b>

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements of PPD International Investments Limited, registered number 08032571, were approved and authorised for issue by the board of directors and were signed on its behalf by:

DocuSigned by:

*David Norman*

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D J Norman

Director

Date: 30-Jun-2023

## PPD International Investments Limited

### Statement of changes in equity for the year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Other Reserves £'000	Retained earnings £'000	Total £'000
At 1 January 2021	45	96,224	431,652	229,682	757,603
Profit for the year	-	-	-	96,182	96,182
Dividends paid (note 9)	-	-	-	(190,750)	(190,750)
At 1 January 2022	45	96,224	431,652	135,114	663,035
Share capital issued (note 13)	15	1,004,148	-	-	1,004,163
Loss for the year	-	-	-	(891)	(891)
<b>At 31 December 2022</b>	<b>60</b>	<b>1,100,372</b>	<b>431,652</b>	<b>134,223</b>	<b>1,666,307</b>

# **PPD International Investments Limited**

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

### **1 Principal accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **General information and basis of accounting**

PPD International Investments Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because consolidated financial statements in respect of the parent company Thermo Fisher Scientific Inc are publicly available. As such, these are the company's separate financial statements.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The amounts in the financial statements are rounded to nearest thousands unless stated otherwise.

PPD International Investments Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and financial instruments.

#### **Going concern**

The directors have prepared the financial statements on the going concern basis. In making this assessment the directors have considered the forecast cash flows and the liabilities of the company and the date at which they fall due for a period of one year from the date of approval of these financial statements with due consideration of the principal risks and uncertainties arising from the conflict in Eastern Europe. The company holds investments in step down subsidiaries in Eastern Europe, including in Ukraine and the Russian Federation where it oversees clinical trials on behalf of international customers. The directors have considered the possibility that its operations in these countries are curtailed either permanently or at least for a long period of time through continuing conflict or nationalization by a local government. The impact to the financial results of the company would be small and the potential loss on disposal of operations likewise not significant. As a result, the directors do not feel that the conflict in Eastern Europe poses an immediate or significant threat to the going concern status of the company.

They have received confirmation from PPD International Holdings GmbH, a fellow subsidiary undertaking, that it will not demand repayment of £19,095,578, its debt as at 31 December 2022, for a period not less than 12 months from the date of signing these financial statements should this cause the company to be unable to meet its liabilities as they fall due. The directors have considered that this is consistent with the business model of the group.

The directors have also considered its ability to receive dividend income from its subsidiary undertakings to continue in operational existence for the foreseeable future, being at least the forthcoming 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements and believe the company is well placed to manage its business risks successfully.

# **PPD International Investments Limited**

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

### **1 Principal accounting policies (continued)**

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated on the balance sheet at values determined by the directors of the company on the basis of the cost of each investment less any impairment in value.

Investments in subsidiary undertakings are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.



# **PPD International Investments Limited**

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

### **1 Principal accounting policies (continued)**

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full, on an undiscounted basis, on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Finance costs**

Finance costs are recognised in the profit and loss account over the term of the instrument at a constant rate on the carrying amount.

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded in the local currency at the average rate of exchange for that month. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

#### **Dividend and interest revenue**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 that 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.

## **PPD International Investments Limited**

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

#### **2 Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### **a. Critical judgements in applying the Company's accounting policies**

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Investments in subsidiary undertakings are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

##### **b. Key accounting estimates and assumption**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Impairment of investment in subsidiary**

The company makes an estimation of the value in use of the investment in subsidiary which requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. See note 10 for the net carrying amount of the investment and associated impairment provision.

## PPD International Investments Limited

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

#### 3 (Loss)/profit before taxation

(Loss)/profit before taxation is after charging (crediting):

	2022 £'000	2021 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	10	9
Exchange loss/(gains)	920	(6)

#### 4 Interest payable and other similar charges

	2022 £'000	2021 £'000
On loans from subsidiary undertakings	418	476
	418	476

#### 5 Interest receivable and other similar income

	2022 £'000	2021 £'000
On bank balances	1	-
	1	-

#### 6 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year ended 31 December 2022 (2021: none).

#### 7 Employee information

There were no employees for PPD International Investments Limited during the year ended 31 December 2022 (2021: none).

## PPD International Investments Limited

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

#### 8 Tax on (loss)/profit

##### (a) Total tax

The tax assessed for the year to 31 December 2022 is lower than the average rate of corporation tax in the UK of 19% (2021: 19%) due to the following:

	2022	2021
	£'000	£'000
(Loss)/profit before tax	(891)	96,182
Multiplied by 19% (2020: 19%)	(169)	18,275
Effects of:		
Non-taxable dividend income	-	(36,893)
Non-deductible impairment charge	-	18,527
Transfer pricing adjustment	(1)	(1)
Group relief /other reliefs	170	92
<b>Total tax</b>	<b>-</b>	<b>-</b>

##### (b) Future tax charge

An increase in the main rate of corporation tax to 25% effective from 1 April 2023 was substantively enacted on 24 May 2021. From this date, a small profits rate of 19% will apply to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

#### 9 Dividends

The company did not pay interim dividends during the year (2021: £190,750,187). The directors do not recommend the payment of a final dividend for 2022 (2021: £nil).

## PPD International Investments Limited

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

#### 10 Investments

	£'000
<b>Cost</b>	
At 1 January 2022	778,333
Additions	1,004,163
<b>At 31 December 2022</b>	<b>1,782,496</b>
<b>Impairment</b>	
At 1 January 2022 and 31 December 2022	(97,510)
<b>Net book value</b>	
<b>At 31 December 2022</b>	<b>1,684,986</b>
At 31 December 2021	680,823

#### Additions

On 19 October 2022, the company made a capital injection into PPD UK Holdings Limited comprising the purchase of 1 share of £1 each. The total consideration was £1,004,163,000.

Additional details of the investment in the subsidiary companies held at the year-end are as follows:

Name of undertaking	Description of shares held	% held	Principal activity	Registered address
<b>Registered in England and Wales</b>				
PPD UK Holdings Limited	Ordinary	100	Holding company	Granta Park, Great Abington, Cambridge, CB21 6GQ
Synexus Clinical Research Midco No.1 Limited	Ordinary	100	Holding company	12b Granta Park, Great Abington, Cambridge, CB21 6GQ

#### 11 Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed by group undertakings	461	-
	<b>461</b>	<b>-</b>

At 31 December 2022, £461,000 (2021: £nil) of the amounts owed by group undertakings are unsecured, interest free and repayable on demand.

## PPD International Investments Limited

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

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

	2022 £'000	2021 £'000
Amounts owed to subsidiary undertakings	19,196	17,848
Accruals	14	9
	<b>19,210</b>	<b>17,857</b>

At 31 December 2022, £101,000 (2021: £91,000) of the amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand. The remaining £19,095,000 (2021: £17,757,000) are also unsecured, repayable on demand with interest charged on the outstanding principal at a rate of 3.25%. The interest charged are repayable on demand.

#### 13 Called up share capital and reserves

	2022 £'000	2021 £'000
<b>Allotted, called-up and fully paid</b>		
59,828 ordinary shares of £1 each (2021: 44,871 ordinary shares)	60	45

On 19 October 2022, an additional 14,957 ordinary shares of £1 each were issued at a premium of £67,136.62 per share.

The company's reserves are as follows.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Other reserves represents the results of a capital reduction that took place in 2012.

Retained earnings represents cumulative profit or losses, net of dividends paid. The retained earnings arise after a provision for the diminution in value of the investments in Synexus Clinical Research Midco No.1 Limited during the year ended 31 December 2021.

Investments are subsequently stated in the financial statements on the basis that a revaluation of fixed assets of the company is treated as having taken place at that time. Relying on Section 841 of the Companies Act 2006, the provision for the diminution in the value of the investments in Synexus Clinical Research Midco No.1 Limited is not treated for distribution purposes as a realised loss.

Additionally, the directors consider the value of the remaining investments in subsidiaries to be considerably more than their book value and, accordingly, the provision does not impact the distributable reserves of PPD International Investments Limited.

## PPD International Investments Limited

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

#### 14 Financial instruments

The carrying values of the company's financial liabilities are summarised by category below:

##### Financial assets

	2022 £'000	2021 £'000
Amounts owed by subsidiary undertakings (see note 11)	461	-
	461	-

##### Financial liabilities

	2022 £'000	2021 £'000
Amounts owed to subsidiary undertakings (see note 12)	19,196	17,848
Accruals (see note 12)	14	9
	19,210	17,857

##### Interest income and (expense)

	2022 £'000	2021 £'000
On loans from subsidiary undertakings (see note 4)	(418)	(476)
On bank balance (see note 5)	1	-
	(417)	(476)

#### 15 Related party transactions

As a wholly owned subsidiary of Thermo Fisher Scientific Inc (see note 16), the company is exempt from the requirement to disclose details of transactions with other wholly owned group companies.

There are no other transactions with related parties requiring disclosure under FRS 102 Section 33.

#### 16 Immediate and ultimate parent company

The company is a majority owned subsidiary undertaking of PPD International Holdings (UK) Limited, a company registered in the United Kingdom.

The ultimate parent undertaking and controlling party is Thermo Fisher Scientific Inc. The smallest and largest company that PPD International Investments Limited is consolidated into is Thermo Fisher Scientific Inc. which is incorporated in the United States of America and its common stock is listed on the New York Stock Exchange. Copies of the financial statements of the ultimate parent company are publicly available and can be obtained from its headquarters at 168 Third Avenue, Waltham, MA 02451, USA.

## **PPD International Investments Limited**

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

#### **17 Post balance sheet event**

On 21 January 2023, the company acquired the entire issued share capital of Clinical Technology Centre (International) Limited and the intercompany loan of £95,000,000 receivable by Clinical Technology Centre (International) Limited for an aggregate cash consideration of £95,585,979.

On 7 February 2023, the share premium account of the company was cancelled in full and the amount by which the share premium account is reduced was credited to a reserve.