

## **Clinical Lab Minority Shareholder Limited**

Annual report and financial statements  
for the year ended 31 December 2016

Registered no 09648712

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## **Clinical Lab Minority Shareholder Limited**

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### **Officers and professional advisers**

#### **Registered number of Incorporation**

**09648712**

#### **Directors**

**A Macdonald  
K J Turland**

#### **Independent Auditors**

**PricewaterhouseCoopers LLP  
3 Forbury Place  
23 Forbury Road  
Reading  
RG1 3JH**

#### **Registered Office**

**500 Brook Drive  
Green Park  
Reading  
Berkshire  
RG2 6UU**

### Strategic report for the year ended 31 December 2016

The directors present their Strategic report of the company for the year ended 31 December 2016.

#### **Principal activity**

The principal activity of the company is to hold investments in Q Squared Solutions SA and Q Squared Solutions (India) Private Limited, subsidiaries of Q Squared Solutions Holdings Limited a supplier of Laboratory services to the Pharmaceutical industry in respect of clinical trials.

#### **Business review**

The company is a holding company and did not trade during the year. The year end financial position was as expected.

The company is preparing its Financial Statements under Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101) and has taken advantage of the disclosure exemptions allowed under this standard. The company's parent undertaking, was notified of this and did not object to the use of FRS101.

On 3 May 2016, the company's ultimate parent company Quintiles Transnational Holdings Inc. (a company incorporated in the United States of America) announced a merger with IMS Health Holdings Inc. On 3 October 2016 Quintiles Transnational Holdings Inc. merged with IMS Health Holdings Inc. to form Quintiles IMS Holdings Inc.

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

The key business risks affecting the company are as set out below:

##### ***Business risk***

The management of the business and the execution of the company's strategy are determined by Quintiles IMS Holdings Inc. Discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the group financial statements.

##### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates risk, interest rate cash flow risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors in conjunction with the board of the ultimate parent are implemented by the company's finance department.

##### ***Foreign exchange rate risk***

The company's ultimate parent undertaking (see note 11) manages the foreign exchange rate risk associated with the whole group, as disclosed in the financial statements of that company.

##### ***Interest rate cash flow risk***

Inter-company balances where appropriate attract interest at fixed rates which are agreed by the group finance management.

##### ***Liquidity risk***

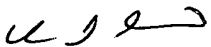
The company manages a liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a group level by the company's ultimate parent undertaking.

**Strategic report for the year ended 31 December 2016 (continued)**

**Key performance indicators (KPIs)**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Discussion on the KPIs affecting the Group as a whole is provided in the Quintiles IMS Holdings Inc 2016 Annual Report and Financial Statements.

On behalf of the board



K J Turland  
Director

26 September 2017

## **Directors' report for the year ended 31 December 2016**

The directors present their report and the audited financial statements of the company for the financial year ended 31 December 2016.

### **Business review and future developments**

The company is a holding company and did not trade during the year. The year end financial position was satisfactory. The directors anticipate that the company will receive distributions from its investments in the future.

### **Results and dividends**

The company did not trade in the year.

The directors do not recommend the payment of a final dividend for the year.

### **Going Concern**

At the balance sheet date the company had net current liabilities of £6,402 (2015 net current liabilities: £6,402). The ultimate parent company, Quintiles IMS Holdings Inc, has confirmed that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason, the directors consider it appropriate to prepare the financial statements on the going concern basis.

### **Directors**

The directors of the company at 31 December 2016, who were directors for the whole of the year then ended and up to the date of signing the financial statements, unless otherwise stated below, were:

A Macdonald

K J Turland

### **Directors' indemnities**

At the time the report is approved there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

**Directors' report for the year ended 31 December 2016 (continued)**

**Statement of directors' responsibilities in respect of the financial statements (continued)**

- 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

In the case of each director in office at the date the Directors' Report is approved:

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

**Matters covered in the Strategic Report**

Disclosure of the company's Business Review, Future Developments, and Financial Risk Management are provided in the Strategic Report.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



K J Turland

Director

26 September 2017

**Independent auditors' report to the members of Clinical Lab Minority Shareholder Limited**

**Report on the financial statements**

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**Our opinion**

In our opinion, Clinical Lab Minority Shareholder Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result 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.
- 

**What we have audited**

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

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**Opinion on other matter prescribed by the Companies Act 2006**

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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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

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

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



## Independent auditors' report to the members of Clinical Lab Minority Shareholder Limited (continued)

We have no exceptions to report arising from this responsibility.

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### Directors' remuneration

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

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### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

#### What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



David Farmer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading

26 September 2017

Statement of comprehensive income for the year ended 31 December 2016

|   |      |           | From 19<br>June 2015 to<br>31 December<br>2015 |
|---|------|-----------|--|
|   | Note | 2016<br>£ | 2015<br>£                                      |
| Operating result                                | 4    | 0         | 0  |
| Result on ordinary activities before income tax |      | 0         | 0  |
| Income tax on ordinary activities               | 5    | 0         | 0  |
| Result for the financial year                   |      | 0         | 0  |
| Total Comprehensive Income for the year         |      | 0         | 0  |

## Clinical Lab Minority Shareholder Limited

### Statement of financial position as at 31 December 2016

|   | Note | 2016<br>£      | 2015<br>£      |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                   |      |                |                |
| Investments in associated undertakings                | 6    | 6,502          | 6,502          |
|   |      | <u>6,502</u>   | <u>6,502</u>   |
| <b>Current assets</b>                                 |      |                |                |
| Trade and other receivables                           | 7    | 100            | 100            |
|   |      | <u>100</u>     | <u>100</u>     |
| <b>Creditors: amounts falling due within one year</b> | 8    | (6,502)        | (6,502)        |
| <b>Net current liabilities</b>                        |      | <u>(6,402)</u> | <u>(6,402)</u> |
| <b>Total assets less current liabilities</b>          |      | <u>100</u>     | <u>100</u>     |
| <b>Net assets</b>                                     |      | <u>100</u>     | <u>100</u>     |
| <b>Equity</b>   |      |                |                |
| Called up share capital                               | 9    | 100            | 100            |
| <b>Total shareholders' funds</b>                      |      | <u>100</u>     | <u>100</u>     |

The notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements on pages 7 to 14 were authorised for issue by the board of directors on *26 September* 2017 and were signed on its behalf.



K J Turland

Director

Company registration number: 09648712

Statement of changes in equity for the year ended 31 December 2016

|  | Called up<br>share<br>capital | Total<br>shareholders'<br>funds |
|--|-------------------------------|---------------------------------|
|  | £                             | £                               |
| Balance as at 19 June 2015                       | 0                             | 0                               |
| Result for the financial period                  | 0                             | 0                               |
| <b>Total Comprehensive income for the period</b> | <b>0</b>                      | <b>0</b>                        |
| Proceeds from shares issued                      | 100                           | 100                             |
| <b>Balance as at 31 December 2015</b>            | <b>100</b>                    | <b>100</b>                      |
| <br>Balance as at 1 January 2016                 | <br>100                       | <br>100                         |
| Result for the financial year                    | 0                             | 0                               |
| <b>Total Comprehensive income for the year</b>   | <b>0</b>                      | <b>0</b>                        |
| <b>Balance as at 31 December 2016</b>            | <b>100</b>                    | <b>100</b>                      |

## Notes to the financial statements for the year ended 31 December 2016

### 1. General Information

The principal activity of the company is to hold investments in Q Squared Solutions SA and Q Squared Solutions (India) Private Limited, subsidiaries of Q Squared Solutions Holdings Limited a supplier of Laboratory services to the Pharmaceutical industry in respect of clinical trials.

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 500 Brook Drive, Green Park, Reading, Berkshire, RG2 6UU.

### 2. Summary of significant accounting policies

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

#### 2.1 Basis of preparation

The financial statements of Clinical Lab Minority Shareholder Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as appropriate to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:

- paragraph 79(a)(iv) of IAS 1;

The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), (statement of cash flows),
- 16 (statement of compliance with all IFRS),
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures)

IAS 7, Statement of cash flows'

Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

#### 2.2 Going concern

At the balance sheet date the company had net current liabilities of £6,402 (2015 net current liabilities: £6,402). The ultimate parent company, Quintiles IMS Holdings Inc, has confirmed that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason, the directors consider it appropriate to prepare the financial statements on the going concern basis.

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 2. Summary of significant accounting policies (continued)

#### 2.3 Foreign currency translation

##### (a) Functional and presentation currency

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

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### 2.4 Investment in associated undertakings

Investment in associated undertakings are held at cost less accumulated impairment losses. Impairment reviews are undertaken if there is an impairment trigger in accordance with IAS 36. A provision is made for impairment should this arise from the impairment review.

#### 2.5 Share capital

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

#### 2.6 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 2. Summary of significant accounting policies (continued)

#### 2.7 Dividend income

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

#### 2.8 Dividend distribution

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

### 3. Critical accounting estimates and judgments

The company considers the following accounting policies, judgements, estimates and assumptions as critical:

#### Impairment of investments in subsidiaries

Impairment reviews of investment in subsidiaries are undertaken if there is an impairment trigger in accordance with IAS 36. A provision is made for impairment should this arise from the impairment review.

There was no impairment of investments during the year (2015: £nil).

### 4. Operating result

Audit fees of £5,000 (period ended 31 December 2015: £6,000) have been paid by Q Squared Solutions Limited (2015: paid by Quintiles Limited) on behalf of Clinical Lab Minority Shareholder Limited.

### 5. Income tax on ordinary activities

There is no current tax or deferred tax for the year (period ended 31 December 2015: nil).

### 6. Investments in associated undertakings

|                                | 2016<br>Shares in<br>group<br>undertakings | 2015<br>Shares in<br>group<br>undertakings |
|--------------------------------|--|--|
|                                | £  | £  |
| At 1 January 2016/19 June 2015 | 6,502                                      | 0  |
| Additions                      | 0  | 6,502                                      |
| <b>At 31 December</b>          | <b>6,502</b>                               | <b>6,502</b>                               |

The company acquired minority interests in Q Squared Solutions SA and Q Squared Solutions (India) Private Limited in 2015.

Notes to the financial statements for the year ended 31 December 2016 (continued)

6. Investments in associated undertakings (continued)

The company's interests in subsidiary and other undertakings at 31 December 2016 are as follows:

| Associated undertakings                     | Registered address  | Principal activity | Class of shares held | Percentage ownership |
|---|---|--------------------|----------------------|----------------------|
| <b>Directly owned</b>                       |   |                    |                      |                      |
| Q Squared Solutions SA                      | Teniente General Juan Domingo Peron 555 – Floor 5th – Buenos Aires City – Argentina                     | Lab                | Ordinary             | 10%                  |
| Q Squared Solutions (India) Private Limited | Leela Business Park, Unit No 301, 2nd Floor (Third Level) M.V.Road, Andheri (East), Mumbai-400059 India | Dormant            | Ordinary             | 5%                   |

7. Trade and other receivables

|                                    | 2016<br>£ | 2015<br>£ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 100       | 100       |
|                                    | 100       | 100       |

Amounts owed from group undertakings are interest free, unsecured and repayable on demand.

8. Creditors: amounts falling due within one year

|                                   | 2016<br>£ | 2015<br>£ |
|-----------------------------------|-----------|-----------|
| Amount owed to group undertakings | 6,502     | 6,502     |
|                                   | 6,502     | 6,502     |

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

9. Called up share capital

|                                | 2016<br>No | 2016<br>£'000 |
|--------------------------------|------------|---------------|
| <b>Allotted and fully paid</b> |            |               |
| At 1 January                   | 100        | 100           |
| Issued during the year         | 0          | 0             |
| At 31 December                 | 100        | 100           |

At the year end, the company has 100 ordinary shares in issue of £1.00 each.



**Notes to the financial statements for the year ended 31 December 2016 (continued)**

**10. Related party transactions**

There were no transactions with related parties during the year (2015: None)

**11. Controlling parties**

The immediate parent undertaking is Q Squared Solutions Holdings Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Quintiles IMS Holdings Inc., a company incorporated in the United States of America.

On 3 October 2016 Quintiles Transnational Holdings Inc. merged with IMS Health Holdings Inc. to form Quintiles IMS Holdings Inc.

Quintiles IMS Holdings Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of Quintiles IMS Holdings Inc. may be obtained from the company's website [www.quintilesims.com](http://www.quintilesims.com).