

Clinical Lab Minority Shareholder Limited

Annual report and financial statements
for the period 19 June 2015 to 31 December 2015

Registered no 09648712

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Clinical Lab Minority Shareholder Limited

Officers and professional advisers

Registered number of Incorporation

09648712

Directors

A Macdonald
KJ Turland

Independent Auditors

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

Registered Office

500 Brook Drive
Green Park
Reading
West Berkshire
RG2 6UU

Strategic report for the period 19 June 2015 to 31 December 2015

The directors present their Strategic report and the audited financial statements of the company for the period from 19 June 2015 to 31 December 2015.

Principal activity

The company was formed on 19 June 2015. 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 preparing its first set of 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.

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

The company was formed on 19 June with an initial share capital of 100 ordinary shares at £1 each. It purchased 10% of the share capital in Q Squared Solutions SA for £6,501 being its fair market value from its immediate parent, Q Squared solutions Holdings Limited. It has also purchased 5% of the share capital in Q Squared Solutions (India) Private Limited, a dormant company, for £1 being its fair market value.

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 Transnational 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, interest rate cash flow risk, credit 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 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 risk

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

Credit risk

The company has no significant concentrations of exposure to credit risk as it has no external customers.

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 period 19 June 2015 to 31 December 2015 (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.

By order of the board



K J Turland
Director

29 June..... 2016

Directors' report for the period 19 June 2015 to 31 December 2015

The directors present their report and the audited financial statements of the company for the financial period 19 June 2015 to 31 December 2015.

Business review and future developments

The company is a holding company and did not trade during the year. The period 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 period.

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

Going Concern

At the balance sheet date the company had net current liabilities of £6,402. The ultimate parent company, Quintiles Transnational 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 director considers it appropriate to prepare the financial statements on the going concern basis.

Directors

The directors of the company at 31 December 2015, who were directors for the whole of the period then ended and up to the date of signing the financial statements, unless otherwise stated below, were:

A Macdonald (appointed 12 June 2015)

K J Turland (appointed 8 October 2015)

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

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and

Directors' report for the period 19 June 2015 to 31 December 2015 (continued)

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

Matters covered in the Strategic Report

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

Post balance sheet event

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. The transaction is subject to regulatory approvals and approval by both IMS Health and Quintiles shareholders and is expected to close in the second half of 2016.

Statement of disclosure of information to auditors

Each director, as at the date of this report, has confirmed that in so far as they are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) 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.

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

29 June..... 2016

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

Report on the financial statements

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 2015 and of its result for the period 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, comprise:

- Statement of financial position as at 31 December 2015;
- Statement of comprehensive income for the period then ended;
- Statement of changes in equity for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

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.

We have no exceptions to report arising from this responsibility.

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.

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

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 set out on page 3, 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 parent 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

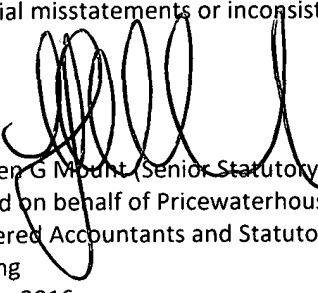
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



Stephen G Mount (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
2nd June 2016

Statement of comprehensive income for the period 19 June 2015 to 31 December 2015

	Note	2015 £
Operating Profit	4	0
Profit on ordinary activities before income tax		0
Income tax on ordinary activities	5	0
Profit for the financial period		0
Total Comprehensive Income for the period		0

Statement of financial position as at 31 December 2015

	Note	2015 £
Fixed assets		
Investments in associated undertakings	6	6,502
		<u>6,502</u>
Current assets		
Trade and other receivables	7	100
		<u>100</u>
Creditors-amounts falling due within one year	8	(6,502)
Net current liabilities		<u>(6,402)</u>
Total assets less current liabilities		<u>100</u>
Net assets		<u>100</u>
Equity		
Called-up share capital	9	100
Total shareholders' funds		<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 29 June 2016 and were signed on its behalf.



K J Turland

Director

Statement of changes in equity for the period ended 31 December 2015

	Called-up share capital	Total shareholders' funds
	£	£
Balance as at 19 June 2015	0	0
Profit for the financial period	0	0
Total Comprehensive income for the period	0	0
Proceeds from shares issued	100	100
Balance as at 31 December 2015	100	100

Notes to the financial statements for the period ended 31 December 2015

1. General Information

The company was formed on 19 June 2015. 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 and is incorporated and domiciled in the UK. The address of its registered office is 500 Brook Drive, Green Park, Reading, West 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)

The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2.2 Going concern

At the balance sheet date the company had net current liabilities of £6,402. The ultimate parent company, Quintiles Transnational 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 director considers it appropriate to prepare the financial statements on the going concern basis.

Notes to the financial statements for the period ended 31 December 2015 (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 period ended 31 December 2015 (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

In preparing the financial statements, management has to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these judgements, estimates and assumptions, and therefore could have a material effect on the carrying amount of the asset or liability involved. The timing of outflow of resources to settle the provisions is subject to the same uncertain factors. Judgements, estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors, including expectations about future events, which are believed to be reasonable under the circumstances and for the item involved. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There are no estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities and there have been no changes to any estimates and assumptions in the current period.

4. Operating profit

Audit fees of £6,000 have been paid by Quintiles Limited on behalf of Clinical Lab Minority Shareholder Limited.

5. Income tax

There is no current tax or deferred tax for the year.

6. Investments

	2015 Shares in group undertakings
	£
At 19 June	0
Additions	6,502
At 31 December	6,502

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

The company's interests in subsidiary and other undertakings at 31 December 2015 are as follows:

Notes to the financial statements for the period ended 31 December 2015 (continued)

6. Investments (continued)

Associated undertakings	Country of incorporation	Principal activity	Class of shares held	Percentage ownership
Directly owned				
Q Squared Solutions SA	Argentina	Lab	Ordinary	10%
Q Squared Solutions (India) Private Limited	India	Dormant	Ordinary	5%

The company was formed on 19 June with an initial share capital of 100 ordinary shares at £1 each. It purchased 10% of the share capital in Q Squared Solutions SA for £6,501 being its fair market value from its immediate parent, Q Squared solutions Holdings Limited. It has also purchased 5% of the share capital in Q Squared Solutions (India) Private Limited, a dormant company, for £1 being its fair market value.

7. Trade and other receivables

	2015 £
Amounts owed by group undertakings	100
	100

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

8. Creditors: amounts falling due within one year

	2015 £
Amount owed to group undertakings	6,502
	6,502

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

9. Called up share capital

	2015 No	2015 £'000
Allotted and fully paid		
At 19 June 2015	0	0
Issued during the period	100	100
At 31 December	100	100

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

On 19 June 2015 the company was formed by issuing 100 ordinary shares at £1

Notes to the financial statements for the period ended 31 December 2015 (continued)

10. Related party transactions

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

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 Transnational Holdings Inc., a company incorporated in the United States of America.

Quintiles Transnational Holdings Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of Quintiles Transnational Holdings Inc. may be obtained from, Quintiles Transnational Holdings Inc., PO Box 13979, Research Triangle Park, North Carolina 27709-3979, USA.

12. Post balance sheet event

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. The transaction is subject to regulatory approvals and approval by both IMS Health and Quintiles shareholders and is expected to close in the second half of 2016.