Registered number. 3127220

Quintiles Commercial UK Limited
(formerly Innovex (UK) Limited)
Annual report and financial statements
for the year ended 31 December 2009

Quintiles Commercial UK Limited

Annual report and financial statements for the year ended 31 December 2009

Contents

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2009

Principal activities

The company's principal activity is the provision of sales, marketing and health management services to pharmaceutical and healthcare companies in the United Kingdom

Business review and principal activities

Quintiles Commercial UK Limited is a supplier of contract services to the UK Pharmaceutical Industry The majority of our revenue is derived from the provision of sales force and nurse advisor resource on a contract basis Quintiles Commercial UK Limited operates in what is referred to as the UK Contract Sales Organisation (CSO) marketplace

On 16 July 2009, the directors of Quintiles Commercial UK Limited were notified by the directors of Quintiles European Holdings that this company, the immediate parent company of Quintiles Commercial UK Limited, had decided to forgive the dividend up to 31 December 2008 accrued on the 7 5% preference shares that it held The amount being forgiven was £9,964,850 and would be credited to the profit and loss account in the year ended 31 December 2009 Also on 17 July 2009, the directors of Quintiles Commercial UK Limited were notified by the directors of Quintiles Limited, another group company, that an amount of £8,274,554 owed by Quintiles Commercial UK Limited to Quintiles Limited as an intercompany trade payable was to be forgiven and would be credited to the profit and loss account in the year ended 31 December 2009

The results for Quintiles Commercial UK Limited show a profit on ordinary activities before taxation of £15,980,000 (2008 loss £7,480,000) for the year ended 31 December 2009 and turnover of £40,723,000 (2008 £45,765,000)

On 1 February 2010 the company changed its name from Innovex (UK) Limited to Quintiles Commercial UK Limited

Business environment

The environment is very much dependent on the level of sales force and nurse advisor activity required by the pharmaceutical industry In recent years, this has been in decline due to a number of factors currently impacting the industry, including shrinking pipelines, government pressure on drug prices and consolidation in the pharmaceutical industry

The reduced volume of work available to CSO's has created significant competition on price for available projects, which has impacted profitability In addition, pressure on pharmaceutical companies' profits has lead to increased pressure on margins in the CSO market place

In response to these pressures, Quintiles Commercial UK Limited has proactively developed new service offerings that build upon and leverage our market leading position and core service offering, expand our capabilities and allow Quintiles to expand into new markets 2009 has seen significant success in winning contracts in these new areas, and continuing to expand on this strategy is a key driver in 2010 and beyond

Strategy

Quintiles Commercial UK Limited's main objective is to grow revenue and achieve operating profits through organic growth of its current offerings and by expanding its service offerings to customers to meet the changing requirements of the pharmaceutical industry

Directors' report for the year ended 31 December 2009 (continued)

Future outlook

Following significant restructuring and consolidation in the UK pharmaceutical market the company expects opportunities for outsourcing in a number of traditional and innovative ways to begin to increase in the coming years For Quintiles Commercial UK Limited these opportunities will continue to drive its strategy to introduce new service offerings to both the pharmaceutical industry and the wider healthcare market

Principal risks and uncertainties

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

Pharmaceutical environment

Revenue and margins are dependent on a variety of factors at play in the industry as already outlined To mitigate this risk the company is expanding service offerings and is now supplying services to a broader range of customers than it did historically

Competition

The company operates in a highly competitive market which has had a downward pressure on margins in recent years To mitigate this risk the company is focusing on service development and continually adding value to its current offerings

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange risk, 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 is exposed to movements in foreign exchange rates as a result of transactions with a number of customers The company's ultimate parent undertaking (Quintiles Transnational Holdings Inc) 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
The company has interest bearing assets and liabilities in the form of inter-company loans and cash Cash balances earn interest at floating rates through a cash-pooling facility with other group companies Inter-company balances are interest free and unsecured

Credit risk
The company has no significant concentrations of exposure to credit risk The Company has implemented policies that require appropriate checks on potential new customers before sales commence and the amount of any individual counterparty is subject to a limit which is reassessed regularly by the company's 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

Directors' report for the year ended 31 December 2009 (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

Results and dividends

The profit and loss account for the year is set out on page 7 The company's profit for the year was £15,980,000 (2008 loss £7,480,000)

The directors do not recommend the payment of a final dividend for the year (2008 £nil)

Directors

The directors of the company at 31 December 2009, who were directors for the whole of the year then ended and up to the date of signing the financial statements were

A Macdonald
J Goodacre
M N Wilson

Employees

The company fully acknowledge the special needs of disabled people and gives full and fair consideration (having regard to the persons' particular aptitudes and abilities) to applications for employment from disabled persons (as defined in the Disabled Persons (Employment) Act 1944) Those appointed are afforded the same opportunities for advancement as other members of staff

The Company will make every effort if an existing employee becomes disabled to retrain and retain them within the Company, whenever reasonable and practicable

The Company continues to seek the active involvement of all employees through systematically providing employees with information on matters of concern to them as employees and consulting with employees on a regular basis so that the company can take the views of employees into account in making decisions that are likely to affect their interests

The company operates a number of bonus and incentive schemes which encourage employees to contribute directly to the achievement of the company's goals and reward individual and collective success

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 annual report and the financial statements

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

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

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements (continued)

In preparing these financial statements, the directors are required to

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

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

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

M Wilson
Director

Date 3 Sept 2010

Independent auditors' report to the members of Quintiles Commercial UK Limited

We have audited the financial statements of Quintiles Commercial UK Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on pages 3 to 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report to the members of Quintiles Commercial UK Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Miles Saunders

Miles Saunders (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Date 3 September 2010

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	**40,723**	45,765
Cost of sales		**(29,272)**	(32,962)
Gross profit		**11,451**	12,803
Administrative expenses		**(12,482)**	(18,835)
Loan waived		**8,274**	-
Operating profit/(loss)	3	**7,243**	(6,032)
Interest payable and similar charges	6	**8,737**	(1,448)
Profit/(loss) on ordinary activities before taxation		**15,980**	(7,480)
Tax on profit/(loss) on ordinary activities	7	**-**	-
Profit/(loss) for the financial year	16	**15,980**	(7,480)

The results for the years shown above are derived entirely from continuing activities

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above, and their historical cost equivalents

Quintiles Commercial UK Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	8	**9,385**	10,107
Tangible assets	9	**5,428**	7,124
Investments	10	**945**	945
		15,758	18,176
Current assets			
Debtors amounts falling due within one year	11	**10,196**	8,932
Debtors amounts falling due after more than one year	12	**72,438**	72,004
		82,634	80,936
Creditors – Amounts falling due within one year	13	**(76,260)**	(82,106)
Net current assets/(liabilities)		**6,374**	(1,170)
Total assets less current liabilities		**22,132**	17,006
Creditors – Amounts falling due after more than one year	14	**(2,164)**	(13,018)
Net assets		**19,968**	3,988
Capital and reserves			
Called-up share capital	15	**115**	115
Share premium account	16	**10,880**	10,880
Merger reserve	16	**56,575**	56,575
Profit and loss account - deficit	16	**(47,602)**	(63,582)
Total shareholder's funds	17	**19,968**	3,988

The financial statements on pages 7 to 19 were approved by the board of directors on 3 Sept 2010 and were signed on its behalf by

M N Wilson
Director

Company registered number: 3127220

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the year, are set out below

Consolidated financial statements

The Company is exempt under section 401 of the Companies Act 2006 from publishing consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of Quintiles Transnational Holdings Inc , which is registered in the United States of America

Cash flow statement

The company is exempt from the requirements of FRS 1 "Cash flow statements (revised 1996)" to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Quintiles Transnational Holdings Inc , whose consolidated financial statements, which include the company's financial statements, are publicly available (see note 22)

Turnover

Turnover represents the billable value of services performed, excluding value added tax, in respect of services provided to customers, except in respect of long term contracts (see long term contracts policy on page 11)

Barter transactions

Where the company enters into non cash transactions where it provides services in exchange for other goods/services from another party it recognises the fair value of these services in the accounts under the normal associated headings, where these amounts can be reliably calculated

The company has previously entered into such an agreement where there will be a transfer of good/services only with no cash settlement involved Quintiles Commercial UK Limited will have the non-transferable right to use a one off customised delivery of certain IMS proprietary data for purposes of promoting, demonstrating and enhancing the benefits of Quintiles Commercial UK Limited's suite of services, and in exchange IMS will have the use of Innovex CSF, sales and marketing resources

The data purchased has been attributed a fair value by reference to product price lists which are deemed non-negotiable

The services to be provided have been attributed a fair value by reference to the provision of similar services to other customers

The data received is expensed as costs are incurred as the data is used within the service development department for monitoring operational effectiveness

Revenue on these barter transactions is recognised as services are provided

Notes to the financial statements for the year ended 31 December 2009 (continued)

1 Accounting policies (continued)

Pension costs

The company makes payments to a defined contribution pension scheme Payments are made to a separately administered, independent scheme and are charged to the profit and loss account as they become payable in accordance with the rules of the scheme Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Current Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Intangible assets – goodwill

Goodwill arising on the acquisition of group undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is estimated at twenty years Impairment reviews are carried out annually and a provision is made for any determined impairment

Tangible fixed assets

Tangible fixed assets are stated at historical cost, net of accumulated depreciation and any provision for impairment, and calculated in accordance with the policy set out below Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned The principal annual rates used for this purpose are

Computer equipment	3 years
Leasehold improvements and capital leases	period of lease
Motor vehicles	4 years
Furniture, fittings and equipment	3-10 years

Investments

Fixed asset investments are shown at cost, plus incidental expenses, if applicable less provision for impairment

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling when the transaction was entered into Monetary assets and liabilities are translated into sterling at the exchange rate ruling at the balance sheet date Exchange gains or losses are included in the profit and loss account in the period in which they arise

1 Accounting policies (continued)

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter Future instalments under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account and the capital element, which reduces the outstanding obligation for future instalments

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Long term contracts

Turnover is recognised according to fee for service for the vast majority of turnover This is booked on actual days delivered and only when there is commitment from a customer The balance of turnover is booked when key performance indicators, agreed between Quintiles Commercial UK Limited and the customer have been fully achieved and we have received mutual written agreement Actual costs are registered into the accounts as they occur or when the liability is committed

Preference shares

The cumulative redeemable preference shares have been classified as liabilities and the 7 5% annual dividend is charged to the profit and loss account as an interest charge The cumulative unpaid dividends, not forgiven, have been accrued as liabilities

2 Segmental analysis

The turnover and profit/(loss) on ordinary activities before taxation of the company are wholly attributable to the Company's principal activity arising in the UK

Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Operating profit/(loss)

	2009 £'000	2008 £'000
Operating profit/(loss) is stated after charging:		
Wages and salaries	**25,177**	28,240
Social security costs	**2,850**	3,276
Pension costs (note 19)	**1,245**	1,446
	29,272	32,962

Services provided by the company's auditor		
- Fees payable to the company's auditor for audit of the company's annual financial statements	**37**	56
- Fees payable to the company's auditor and its associates for tax services	**12**	18
Depreciation		
- owned assets	**321**	517
- leased assets	**2,736**	3,083
Amortisation of intangible fixed assets	**722**	722
Operating lease rentals		
- other assets (net of sublease income)	**-**	(43)
Profit on disposal of tangible fixed assets	**(727)**	(956)
Foreign exchange loss	**11**	78

4 Directors' remuneration

The directors are remunerated for their services to other group companies within the group headed by the company's ultimate parent, Quintiles Transnational Holdings Inc No amounts were received by them as directors of Quintiles Commercial UK Limited (2008 £nil)

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was as follows

By activity	**2009 Number**	2008 Number
Management	**5**	8
Sales, marketing and health management	**703**	846
Administration	**45**	40
	753	894

Notes to the financial statements for the year ended 31 December 2009 (continued)

6 Interest payable and similar charges

	2009	2008
	£'000	£'000
Finance lease interest	292	336
Bank overdraft interest	100	209
Preference shares dividend	825	825
Preference share dividend waived	(9,965)	-
Foreign exchange loss	11	78
	(8,737)	1,448

7 Tax on profit/(loss) on ordinary activities

Analysis of tax charge in the year

There is no tax or deferred tax in the year (2008 £Nil)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2008 higher) than the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are explained below

	2009	2008
	£'000	£'000
Profit/(loss) on ordinary activities before tax	15,890	(7,480)
Profit/(loss) on ordinary activities at standard UK corporation tax rate of 28% (2008 28 5%)	4,449	(2,132)
Effects of		
Expenses not deductible for tax purposes	730	488
Income not chargeable for tax purposes	(5,638)	-
Capital allowances for year in excess of depreciation	162	175
Losses carried forward	297	1,469
Current tax	-	-

Factors that may affect future tax charges

The tax charge in future periods may be affected by the availability of losses from other UK group companies for which no payment is expected to be made

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010 is expected to include legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Tax on profit/(loss) on ordinary activities (continued)

The company has a potential deferred tax asset of £7,078,166 (2008 £7,087,943), none of which has been recognised in the period as the directors of the company consider that it is not more likely than not that this asset will crystallise in the foreseeable future

The unprovided deferred tax asset consists of

	2009	2008
	£'000	£'000
Excess of depreciation over capital allowances	**2,974**	2,871
Short term timing differences	**886**	1,224
Losses	**3,218**	2,993
	7,078	7,088

8 Intangible fixed assets

	Goodwill £'000
Cost	
At 1 January and 31 December 2009	**14,439**
Accumulated amortisation	
At 1 January 2009	4,332
Charge for the year	722
At 31 December 2009	**5,054**
Net book value	
At 31 December 2009	**9,385**
At 31 December 2008	10,107

Goodwill arose on the acquisition of the trade and trading assets and liabilities from Innovex Limited on 1 January 2003 The goodwill is being amortised over its expected useful life which the directors estimate to be 20 years

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Tangible fixed assets

	Leasehold Improvements £'000	Motor Vehicles £'000	Furniture, fittings and equipment £'000	Computer equipment £'000	Capital Leases £'000	Total £'000
Cost						
At 1 January 2009	1,139	12,491	436	3,278	258	17,602
Additions	-	1,902	-	49	-	1,951
Disposals	-	(4,014)	(20)	(1,063)	-	(5,097)
At 31 December 2009	**1,139**	**10,379**	**416**	**2,264**	**258**	**14,456**
Accumulated depreciation						
At 1 January 2009	886	6,205	394	2,815	178	10,478
Charge for the year	83	2,736	17	201	20	3,057
Disposals	-	(3,448)	(20)	(1,039)	-	(4,507)
At 31 December 2009	**969**	**5,493**	**391**	**1,977**	**198**	**9,028**
Net book value						
At 31 December 2009	**170**	**4,886**	**25**	**287**	**60**	**5,428**
At 31 December 2008	253	6,286	42	463	80	7,124

Assets held under finance leases and capitalised in motor vehicles

	2009 £'000	2008 £'000
Cost	**10,379**	12,491
Aggregate depreciation	**(5,493)**	(6,205)
Net book amount	**4,886**	6,286

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Investments

	£'000
Cost	
At 1 January 2009 and 31 December 2009	**945**

The Company's interests in its investments are as follows

Name of company	Country of incorporation	Principal activity	Class of shares held	Percentage of class held
Directly owned				
Innovex Holdings Limited	UK	Intermediate holding company	Ordinary	100%
Indirectly owned				
Innovex Limited	UK	Non-Trading	Ordinary	100%

The directors believe that the balance sheet values are supported by their underlying net assets

In January 2009 Innovex Holdings Limited and Innovex Limited were put into liquidation, and the companies will be dissolved in 2010

11 Debtors - amounts falling due within one year

	2009	2008
	£'000	£'000
Trade debtors	**1,654**	4,317
Amounts recoverable on contracts	**3,951**	1,752
Amounts owed by group undertakings	**1,718**	1,497
Other debtors	**1,747**	231
Prepayments and accrued income	**1,126**	1,135
	10,196	8,932

Amounts owed by group undertakings are interest free, unsecured and payable on demand

12 Debtors - amounts falling due after more than one year

	2009	2008
	£'000	£'000
Prepayments and accrued income	-	556
Amounts owed by group undertakings	**72,438**	71,448
	72,438	72,004

Amounts owed by group undertakings are interest free, unsecured and payable after more than one year

Notes to the financial statements for the year ended 31 December 2009 (continued)

13 Creditors - amounts falling due within one year

	2009 £'000	2008 £'000
Bank overdraft	**10,306**	6,555
Trade creditors	**174**	232
Amounts owed to group undertakings	**55,929**	64,853
Obligations under finance leases	**2,492**	3,426
Accruals and deferred income	**2,975**	2,090
Payments received on account	**4,384**	4,950
	76,260	82,106

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

14 Creditors - amounts falling due after more than one year

	2009 £'000	2008 £'000
Other creditors	**432**	405
11,000,000 7 5% cumulative redeemable preference shares of 1p each	**935**	10,075
Obligations under finance leases	**797**	2,538
	2,164	13,018

The 7 5% cumulative redeemable preference shares (authorised total 11,000,000), which were redeemable on 31 March 2004 at a premium of 99p per share, rank senior to the preferred ordinary shares In accordance with the Company's articles of association and Companies Act 2006 (as amended), as the Company does not have distributable reserves no redemption has taken place These shares attract annual dividends at a rate of 7 5%, which cumulates if unpaid These dividends have never been paid, and total arrears as at 31 December 2008 of £9,964,850 were forgiven on 16 July 2009 The unpaid dividends at 31 December 2009 were £825,000 In the event of a liquidation or winding up by any other means, the paid up share capital and any unpaid dividends accruing to this point are repayable in priority to the preferred ordinary shares and ordinary shares

Future minimum payments under finance leases are as follows

	2009 £'000	2008 £'000
Less than one year	**2,620**	3,683
Between two and five years	**807**	2,632
Total gross payments	**3,427**	6,315
Less finance charges	**(138)**	(351)
	3,289	5,964

Notes to the financial statements for the year ended 31 December 2009 (continued)

15 Called up share capital

	2009 £'000	2008 £'000
Authorised		
250,000,000 ordinary shares of 0 1p each	**250**	250
42,819,065 cumulative participating preferred ordinary shares of 0 1p each	**43**	43
	293	293
Allotted and fully paid		
72,633,305 ordinary shares of 0 1p each	**72**	72
42,819,065 cumulative participating preferred ordinary shares of 0 1p each	**43**	43
	115	115

The cumulative participating preferred ordinary shares rank for a cumulative participating net dividend in respect of the year ended 31 March 2001 and subsequent years The amount of the dividend will be equal to a percentage of profit after tax, where the percentage equals one third of the number of preferred shares in issue during the relevant year as a percentage of the total number of ordinary shares and preferred share in issue during such years No dividend is payable in respect of the year ended 31 December 2009 (31 December 2008 £nil) These shares rank senior to the ordinary shares, and in the event of a liquidation or winding up by any other means, any unpaid dividends accruing to this point are repayable in priority to the repayment of preferred and ordinary share capital

Redeemable preference shares are treated as debt and the arrears are recorded within creditors During the year arrears were forgiven on unpaid dividends Refer to note 14

16 Reserves

	Share premium account £'000	Merger reserve £'000	Profit and loss account (deficit) £'000	Total £'000
At 1 January 2009	10,880	56,575	(63,582)	3,873
Profit for the financial year	-	-	15,980	15,980
At 31 December 2009	**10,880**	**56,575**	**(47,602)**	**19,853**

The merger reserve arose in respect of applicable group reorganisations whereby the company has been able to take advantage of the provisions of Section 611 of the Companies Act 2006, which permits any premium on the issue of shares in excess of the minimum premium value to be recorded within a merger reserve, as opposed to the share premium account

17 Reconciliation of movement in shareholder's funds

	2009 £'000	2008 £'000
Profit/(loss) for the financial year	**15,980**	(7,480)
Opening shareholder's funds	**3,988**	11,468
Closing shareholder's funds	**19,968**	3,988

Notes to the financial statements for the year ended 31 December 2009 (continued)

18 Financial commitments

At 31 December 2009 the Company had annual commitments under non-cancellable operating leases expiring as follows

	Land and Buildings	
	2009	2008
	£'000	£'000
Within two to five years	**700**	700
	700	700

19 Pension scheme

The company is a member of the Standard Life Quintiles Pension Plan, a defined contribution pension scheme operated for employees in the Quintiles Commercial UK Limited The assets of the scheme are held separately from the company in an independently administered fund The pension costs charged for the year represent contributions payable by the company to the fund and amounted to £1,245,000 (2008 £1,446,000)

There were no unpaid contributions outstanding at the end of the year (2008 £nil)

20 Related parties

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures' on the grounds that it is a wholly owned subsidiary of a group headed by Quintiles Transnational Holdings Inc , whose accounts are publicly available (see note 22)

21 Subsequent Events

On 1 February 2010 the company changed its name from Innovex (UK) Limited to Quintiles Commercial UK Limited

22 Intermediate and ultimate holding company and controlling parties

The immediate parent undertaking is Quintiles European Holdings, a company incorporated in the United Kingdom

The ultimate parent undertaking and controlling party was Quintiles Transnational Holdings Inc , a company incorporated in the United States of America The previous ultimate holding company was Quintiles Transnational Corp However following a reorganization on 15 December 2009 a new holding company was incorporated above this holding 100% of the share capital in Quintiles Transnational Corp , namely Quintiles Transnational Holdings Inc

Quintiles Transnational Holding's Inc was the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2009 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