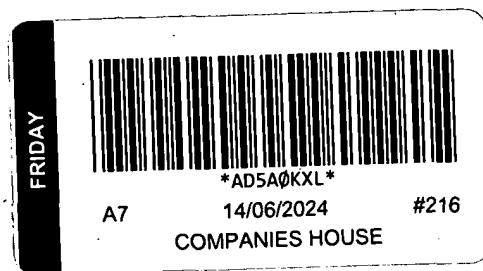


## Charles River Laboratories Edinburgh Limited

Annual report  
for the period ended 30 December 2023



# Charles River Laboratories Edinburgh Limited

**Annual report**  
**For the period ended 30 December 2023**

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## **Charles River Laboratories Edinburgh Limited**

### **Directors and advisers**

#### **Directors**

B Bathgate  
R Heneghan  
G Burns

#### **Company number**

SC091725

#### **Registered office**

Elphinstone Research Centre  
Tranent  
Scotland  
EH33 2NE

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

## Charles River Laboratories Edinburgh Limited

### Strategic report

The directors present their strategic report on the Company for the 52 week period ended 30 December 2023.

### Principal activities

The principal activity of the Company is to contract scientific research and consultancy on behalf of the pharmaceutical, agrochemical and veterinary sectors. The company does not undertake standalone research and development.

### Business performance and future outlook

The turnover for the financial period was £147,065,000 (2022: £125,232,000). The profit for the period amounted to £29,240,000 (2022: £25,234,000). Interim dividends amounting to £12,000,000 (2022: £18,750,000) were paid during the period. The directors do not recommend the payment of a final dividend in respect of the period (2022: £nil).

During the period the Company increased turnover by 17.4% as the result of general business growth and increased operations. Gross profit margins increased from 35.3% to 37.2% and net profit margins decreased from 20.1% to 19.9%. Employee numbers increased from 1,344 to 1,377 in line with underlying growth. At the end of the period the Company maintained a strong net asset position.

The Company commenced 2024 with a substantial order book, and a detailed plan to continue growth in both turnover and profit, through consolidating its strategic partnerships and alliances with the leading global customers in each of its business sectors. The directors have carefully considered the impact to the business of the current and emerging global and macroeconomic situations, and have concluded that the business is not significantly affected. In reaching this conclusion, the directors have considered all available information, including extensive analysis of the impact on the business during 2023, latest forecast results for 2024, overall expected impact to the market sector in which the Company operates, and general impacts to the global economy.

### Section 172 statement

The directors have considered the requirements of section 172 (1) of the Companies Act 2006 and have set out the key considerations below.

The directors of the Company must act in a way which they consider, in good faith, would be most likely to promote the success of the Company, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term,
- b. The interest of the Company's employees,
- c. The need to foster the Company's business relationships with suppliers, customers and others,
- d. The impact of the Company's operations on the community and the environment,
- e. The desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. The need to act fairly between members of the Company.

The Company is a wholly owned subsidiary of Charles River Laboratories International, Inc. a company incorporated in the United States of America and listed on the New York Stock Exchange (NYSE:CRL).

### Long term decisions and strategy

Charles River is committed to advancing human health and creating healthier lives. This commitment drives the long-term strategy of the business and is an underlying factor in our decision-making processes. We partner with our clients to help them deliver innovative, safe, and effective medicines to patients as quickly and efficiently as possible. To do this effectively, we have invested, and continue to invest in both our capabilities and technologies, which enable us to maintain a competitive advantage working with our clients from early in the research process all the way through drug approval and beyond.

## **Charles River Laboratories Edinburgh Limited**

### **Strategic report (continued)**

#### **Interest of our employees**

Our people are at the heart of who we are and the driving force in our collective purpose to create healthier lives. And, it is our culture at Charles River that differentiates us. We create a work environment which gives every person the ability to deliver on business commitments, while having purpose, being energised and continuously learning, and focusing on quality outcomes. This environment is built on trust, inclusion, accountability, respect, and well-being.

#### **Relationship with suppliers, customers and others**

At Charles River, we know that our internal organisation and Environmental, Health, Safety, and Sustainability (EHS&S) performance is closely linked to our supply chain. We are dedicated to sustainable and responsible supply chain management, as well as supplier diversity. We consider our suppliers, contractors, consultants, and agents as a part of the Charles River team and we rely on them to help us accomplish both our business and EHS&S objectives.

At Charles River, our purpose is clear, and our passion is strong: together, we support our clients' research every step of the way to create healthier lives. Our core mission is to utilise our scientific expertise, regulatory leadership, and diverse portfolio to provide our clients with efficient, reliable, and scientific results on a cost-effective basis. Our values: care, lead, own, and collaborate, are integral to everything we do at Charles River. These values guide our business decisions and actions, representing the standards we hold ourselves to every day.

#### **Impact on the community and environment**

At Charles River, our dedication to EHS&S is an integral part of our commitment to improve lives. Our vision is to embed working safely and sustainably into everything we do and every decision we make. We firmly believe that our care extends to the communities in which we live and work, promoting a program of investment in our local community. During 2023, the Company directly supported not-for-profit organisations in our local areas through financial donations. In addition to this, we enabled our employees, through workforce appeals, to donate to other local charities such as food banks, nursing homes, and children's charities.

#### **Code of business conduct**

The Charles River Code of Business Conduct and Ethics (Code) describes our values and outlines the requirements and expected behaviour for all of us who work on behalf of the Company. We expect every employee, including the members of our Board and executive leadership, to adhere to our Code. Our Code outlines the laws and policies that apply to our business, such as anti-bribery and anti-corruption, anti-harassment and anti-discrimination, conflicts of interest, intellectual property (IP), data privacy, and the protection of confidential information.

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#### **Acting fairly between members**

Ultimate governance and oversight responsibility for all Charles River group companies is held by the Board of Charles River Laboratories International, Inc. which is the ultimate parent entity of the Company and its sole member, Charles River Laboratories Montreal ULC. The Company, its sole member, and the ultimate parent entity share common directors which ensures transparency, direct communications, and facilitates the sole members involvement in the decision-making process.

## **Charles River Laboratories Edinburgh Limited**

### **Strategic report (continued)**

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

##### ***Economic and industry risk***

The key economic and industrial risks facing the Company are considered to be the level of research and development activity undertaken by existing and potential customers, as well as the outsourcing policies of these customers. These risks are managed by working across the pharmaceutical sectors, as well as active sales programs, client engagement and monitoring of concentration of turnover.

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

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk, liquidity risk and price risk. The Company does not currently use derivative financial instruments.

##### ***Cash flow risk***

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, as the Company make sales in US Dollars and Euros. To manage this risk, the Company makes purchases in US Dollars and Euros, where possible.

##### ***Credit risk***

The Company's principal financial assets are bank balances and cash and trade and other debtors and amounts owed from group undertakings.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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

There is a level of uncertainty in the global market as a result of the current macroeconomic climate, which can give rise to difficulty in accessing liquidity from third parties.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term inter-company finance.

##### ***Price risk***

The Company is not exposed to any significant price risk.

## Charles River Laboratories Edinburgh Limited

### Strategic report (continued)

#### Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analyses using KPIs are not necessary for an understanding of the development, performance or position of the business. However, the financial key performance indicators that the directors consider to be important in monitoring the success of the business are as follows:

	2023	2022
	£'000	£'000
<b>Revenue per head</b>	<b>106.80</b>	<b>93.18</b>

Revenue per head is calculated by dividing turnover for the period by total average employees throughout the period. Proportionately, there has been an increase from the prior period which has been driven by the change in turnover outweighing the change in staff levels.

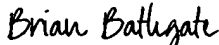
	2023	2022
	%	%
<b>Gross margin</b>	<b>37.2</b>	<b>35.3</b>

The gross margin has improved from the prior period due to changes in the cost base and revenue mix. This is calculated by dividing the gross profit by the turnover for the period.

	2023	2022
	Days	Days
<b>Debtor days</b>	<b>49</b>	<b>47</b>

Debtor days are calculated by considering the trade debtors balance at period end against the turnover for the period. This is actively managed on a day to day basis. Debtor days have increased compared to the prior period, however there are no concerns over the recoverability of debtors held at the balance sheet date.

Approved by the Board on 20 May 2024, and signed on its behalf on 31 May 2024 by:

DocuSigned by:  
  
 710FED6E2C10431...  
 B Bathgate  
 Director

## Charles River Laboratories Edinburgh Limited

### Directors' report for the period ended 30 December 2023

The directors present their report and the audited financial statements of the Company for the 52 week period ended 30 December 2023. The comparative period is the 53 week period ended 31 December 2022. The registered number of the Company is SC091725.

#### Directors

The directors who held office during the financial period and up to the date of signing the financial statements are as follows:

B Bathgate  
R Heneghan  
G Burns (appointed 10 January 2024)  
A Romoli (resigned 2 June 2023)

#### Dividends

Interim dividends amounting to £12,000,000 (2022: £18,750,000) were paid during the period. The directors do not recommend the payment of a final dividend in respect of the period (2022: £nil).

#### Business performance, future outlook and principal risks and uncertainties

The results for the period are set out in the Profit and loss account on page 13. The results for the period, future developments and principal risks and uncertainties have been discussed in the Strategic report presented on pages 2 to 5.

#### Going concern

The directors have prepared a cash flow forecast which shows that they expect the Company to be able to meet its cash obligations as they fall due.

The forecast includes a number of assumptions; however, based on the directors' knowledge of the business and the Company's track record of successfully achieving its targets, they consider that the assumptions which underpin the forecast are realistic and achievable. As discussed in the Strategic report, the business continues to forecast strong performance throughout 2024 and beyond.

As at 30 December 2023, the Company had net current assets of £14,343,000 (2022 - £5,674,000) and a net cash balance of £7,889,000 (2022 - £7,389,000).

In early 2024, the Company commenced participation in the parent entity's European cash pooling system, in which the Company's primary bank accounts are cleared to nil balance on a daily basis and replaced by an intercompany receivable or payable. The Directors have received confirmation from Charles River Laboratories International, Inc. its ultimate parent company, that it will provide financial support as required for the Company to meet its financial obligations as they fall due for at least twelve months from the date of signing these financial statements.

Consequently, based on all of the available evidence, the directors have a reasonable expectation that the Company has adequate financial resources to continue in existence for the foreseeable future, and they continue to adopt the going concern basis in preparing these financial statements.

#### Financial risk management

Financial risks and the management of these risks have been discussed in the Strategic report presented on pages 2 to 5.

#### Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

## Charles River Laboratories Edinburgh Limited

### Directors' report (continued)

#### Disabled employees

The Company is committed to employment policies which allow best practice, based on equal opportunities for all employees, irrespective of sex, race, color, disability or marital status.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### Employee involvement

The Company remains committed to its quality management programme which involves all staff in seeking to continuously improve the services offered to sponsors. Staff share in the success of the group through bonus arrangements. Staff training and development have continued to be emphasised through the availability of extensive in-house training courses and through performance appraisal systems.

The Company communicates with its employees on all matters relevant to them through a variety of media. These include all hands meetings, departmental meetings and one to one feedback, as well as a dedicated intranet site and message boards. The key information provided to staff includes financial performance of the group and its ultimate parent company, regulatory and quality issues and performance improvement initiatives.

#### Streamlined energy and carbon reporting (SECR) disclosure

The SECR disclosure presents our carbon footprint within the United Kingdom for Scope 1, 2 and 3 emissions based on SECR Legislation, an appropriate intensity metric, the total energy usage of electricity, gas and transport fuel, and a summary of energy efficiency actions taken during the relevant financial period.

	Period ended 30 December 2023	Period ended 31 December 2022
Energy consumption used to calculate emissions (kwh)	51,304,288	49,056,246
Emissions from combustion of gases tCO <sub>2</sub> e (Scope 1)	6,464	6,228
Emissions from combustion of fuel for transport purposes tCO <sub>2</sub> e (Scope 1)	-	-
Emissions from business travel in rental cars or employee owned vehicles where company is responsible for purchasing the fuel tCO <sub>2</sub> e (Scope 3)	10	40
Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2, location-based)	3,121	2,857
Total gross tCO <sub>2</sub> e based on above	9,595	9,125
Intensity ratio (tCO <sub>2</sub> e / floor space m <sup>2</sup> )	0.19267	0.18322

#### Energy efficiency action summary

During the period, the Company continued to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including;

- Installation of electric vehicle charging points.
- Upgrading fluorescent and LED lighting with new lower consumption LED lighting.
- Installation of timers on water-baths and bead-baths.
- Installation of combined chiller air source heat pump

The Company also plans the installation of roof mounted solar PV panels during 2024.

## Charles River Laboratories Edinburgh Limited

### Directors' report (continued)

#### SECR disclosure methodology notes

Reporting period	1 January 2023– 30 December 2023
Boundary (consolidation approach)	Operational approach
Alignment with financial reporting	SECR disclosure has been prepared in line with Charles River Laboratories Edinburgh Limited's financial statements made up to the 30 December 2023
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2023 for all emissions factors <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023</a>
Conversion factor source	Natural gas and gasoline: Federal Register EPA; 40 CFR Part 98; e-CFR, June 13, 2017 EPA GHG Emission Factors Hub Diesel: U. S. Energy Information Administration - British Thermal Unit Conversion Factors 2020
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption
Other relevant information on calculation	Where applicable consumption was converted to kWh using conversion factors linked above, while emissions were calculated with the DEFRA emission factors. Transport data was calculated from mileage to kWh and GHG emissions using the method above. In the absence of the exact vehicle types average conversion factors were used to calculate emissions. Not having the exact vehicle types we have used the Vehicles statistics' table VEH1103, issued by the Department for Transport. We used the statistics for the period of Q4 2022 to Q3 2023 as during the preparation of the report the Q4 2023 figures were not published yet.
Reason for the intensity measurement choice	Following the recommendations of the SECR legislation and based on the nature of our business as we perform a wide range of activities, the floor space (tCO <sub>2</sub> e/floor space m <sup>2</sup> ) gives the best overview on our efficiency performance on a longer scale.
Estimation	The report contains estimated data in Scope 1 natural gas (28%) and Scope 2 electric power (3%). For the estimation we used the average consumption of the months for which data was available.
Rounding	The total tCO <sub>2</sub> e expressed in the table above might have a slight difference compared to the absolute results due to rounding (no more than 1%).

## Charles River Laboratories Edinburgh Limited

### Directors' report (continued)

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. 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), including Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)".

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.
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make judgments and accounting estimates that are reasonable and prudent.
- 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 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 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.

#### Directors' confirmations


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.
- 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 re-appointment will be proposed at the annual general meeting.

Approved by the Board on 20 May 2024, and signed on its behalf on 31 May 2024 by:

DocuSigned by:  
  
710FED6E2C10431...  
B Bathgate  
Director

# Independent auditors' report to the members of Charles River Laboratories Edinburgh Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Charles River Laboratories Edinburgh Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2023 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 30 December 2023; the Profit and loss account, Statement of comprehensive income and Statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and the Directors' report**

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 period ended 30 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to MHRA (Medicines and Healthcare Products Regulatory Agency), and we considered the extent to which non-

compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries in order to improve reported performance. Audit procedures performed by the engagement team included:

- Enquiries of management and individuals outside the finance function around known or suspected instances of noncompliance with laws and regulations, claims and litigation and instances of fraud;
- Identifying and testing journal entries, including those with unexpected accounts combinations impacting revenue
- Understanding of managements controls designed to prevent and detect irregularities; and
- Challenged management on assumptions and judgements made in their accounting estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### **Use of this report**

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.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

## **Other matter**

The company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

31 May 2024

## Charles River Laboratories Edinburgh Limited

### Profit and loss account

	Notes	Period ended 30 December 2023 £'000	Restated* Period ended 31 December 2022 £'000
Turnover	5	147,065	125,232
Cost of sales		(92,326)	(81,019)
<b>Gross profit</b>		<b>54,739</b>	<b>44,213</b>
Administrative expenses		(31,121)	(25,900)
Other income		13,889	8,632
<b>Operating profit</b>	6	<b>37,507</b>	<b>26,945</b>
Interest receivable and similar income	9	593	156
Interest payable and similar expenses	9	(73)	(43)
Other financial income		1,027	1,684
<b>Profit before taxation</b>		<b>39,054</b>	<b>28,742</b>
Tax on profit	10	(9,814)	(3,508)
<b>Profit for the financial period</b>		<b>29,240</b>	<b>25,234</b>

### Statement of comprehensive income

		Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Profit for the financial period		29,240	25,234
Actuarial (loss)/gain related to the pension scheme	17	(5,566)	1,509
Deferred tax on actuarial gain/(loss)		1,392	(377)
Other comprehensive (expense)/income		(4,174)	1,132
<b>Total comprehensive income for the financial period</b>		<b>25,066</b>	<b>26,366</b>

\*Refer to note 25 for details of the restatement

The above results relate entirely to continuing activities.

The notes on pages 16 to 36 form part of these financial statements.

## Charles River Laboratories Edinburgh Limited

### Balance sheet

	Notes	As at 30 December 2023 £'000	As at 31 December 2022 £'000
<b>Fixed assets</b>			
Tangible assets	11	66,119	57,060
		<b>66,119</b>	<b>57,060</b>
<b>Current assets</b>			
Inventories	13	3,722	2,348
Debtors	12	56,442	49,549
Cash at bank and in hand	14	7,889	7,389
		<b>68,053</b>	<b>59,286</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(53,710)</b>	<b>(53,612)</b>
<b>Net current assets</b>		<b>14,343</b>	<b>5,674</b>
<b>Total assets less current liabilities</b>		<b>80,462</b>	<b>62,734</b>
Post-employment benefits	17	28,049	32,014
Provision for other liabilities	18	(20,394)	(19,542)
<b>Net assets</b>		<b>88,117</b>	<b>75,206</b>
<b>Capital and reserves</b>			
Called-up share capital	19	275	275
Capital redemption reserve		325	325
Share premium account		1,059	1,059
Retained earnings		86,458	73,546
<b>Total equity</b>		<b>88,117</b>	<b>75,205</b>

The financial statements on pages 13 to 36 were authorised for issue by the Board of directors on 20 May 2024 and were signed on its behalf on 31 May 2024 by:

DocuSigned by:

*Brian Bathgate*

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B Bathgate  
Director

Charles River Laboratories Edinburgh Limited  
Registered no. SC091725

## Charles River Laboratories Edinburgh Limited

### Statement of changes in equity For the period ended 30 December 2023

	Share appropriation	Other	Total retained earnings	Share capital	Capital redemption reserve	Share premium account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 26 December 2021</b>	<b>7,774</b>	<b>59,548</b>	<b>67,322</b>	<b>275</b>	<b>325</b>	<b>1,059</b>	<b>68,981</b>
Profit for the financial period	-	25,234	25,234	-	-	-	25,234
Actuarial gain related to the pension scheme	-	1,132	1,132	-	-	-	1,132
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>26,366</b>	<b>26,366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,366</b>
Charge to equity for share- based payments	1,703	(3,094)	(1,391)	-	-	-	(1,391)
Dividends	-	(18,750)	(18,750)	-	-	-	(18,750)
<b>Total transactions with owners, recognised directly in equity</b>	<b>1,703</b>	<b>(21,844)</b>	<b>(20,141)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,141)</b>
<b>Balance as at 31 December 2022</b>	<b>9,477</b>	<b>64,070</b>	<b>73,547</b>	<b>275</b>	<b>325</b>	<b>1,059</b>	<b>75,206</b>
Profit for the financial period	-	29,240	29,240	-	-	-	29,240
Actuarial loss related to the pension scheme	-	(4,174)	(4,174)	-	-	-	(4,174)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>25,066</b>	<b>25,066</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,066</b>
Charge to equity for share- based payments	1,783	(1,938)	(155)	-	-	-	(155)
Dividends	-	(12,000)	(12,000)	-	-	-	(12,000)
<b>Total transactions with owners, recognised directly in equity</b>	<b>1,783</b>	<b>(13,938)</b>	<b>(12,155)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,155)</b>
<b>Balance as at 30 December 2023</b>	<b>11,260</b>	<b>75,198</b>	<b>86,458</b>	<b>275</b>	<b>325</b>	<b>1,059</b>	<b>88,117</b>

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 1. General information

Charles River Laboratories Edinburgh Limited (the "Company") is a private Company limited by shares and is incorporated in the United Kingdom and registered in Scotland. The address of its registered office is Elphinstone Research Centre, Tranent, Scotland, EH33 2NE.

The principal activity of the Company is conducting pharmaceutical research and early stage drug development.

#### 2. Statement of compliance

The individual financial statements of Charles River Laboratories Edinburgh Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. 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 the periods presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

##### a. Basis of preparation

These financial statements cover the 52 week period beginning 1 January 2023 and ending 30 December 2023. The comparative reporting period covered the 53 week period beginning 26 December 2021 and ending 31 December 2022.

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value throughout the profit and loss account.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### b. Going concern

The directors have prepared a cash flow forecast which shows that they expect the Company to be able to meet its cash obligations as they fall due.

The forecast includes a number of assumptions; however, based on the directors' knowledge of the business and the Company's track record of successfully achieving its targets, they consider that the assumptions which underpin the forecast are realistic and achievable. As discussed in the Directors' report, in early 2024, the Company commenced participation in the parent entity's European cash pooling system, in which the Company's primary bank accounts are cleared to nil balance on a daily basis and replaced by an intercompany receivable or payable. The Directors have received confirmation from Charles River Laboratories International, Inc. its ultimate parent company, that it will provide financial support as required for the Company to meet its financial obligations as they fall due for at least twelve months from the date of signing these financial statements

Consequently, based on all of the available evidence, the directors have a reasonable expectation that the Company has adequate financial resources to continue in existence for the foreseeable future, and they continue to adopt the going concern basis in preparing these financial statements.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

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

##### c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Charles River Laboratories International, Inc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions in its separate financial statements:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from disclosing share-based payment arrangements, required by paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102, concerning its own equity instruments;
- iv) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- v) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

##### d. Consolidated financial statements

The Company is a wholly owned (indirect) subsidiary of Charles River Laboratories International, Inc. It is included in the consolidated financial statements of Charles River Laboratories International, Inc. which are publicly available. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

##### e. Foreign currency

###### *i) Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling.

###### *ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss account within 'finance (expense) / income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating (losses) / gains'.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

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

#### f. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer, (b) the company retains no continuing involvement or control over the goods, (c) the amount of revenue can be measured reliably, (d) it is probable that future economic benefits will flow to the entity, (e) when the specific criteria relating to the each of company's sales channels have been met, as described below.

##### *i) Sale of services*

The Company provides pharmaceutical research services to its customers. This is primarily conducted on a fixed price basis. In this case, turnover is recognised as work is performed using the percentage of completion method, as measured by costs incurred to date compared to estimated total costs at completion. The Company also receives milestone payments, these are recognised as revenue when achieved. In other cases, the Company performs research services in exchange for a fee which is generally dependent on the resource dedicated to the project and charged at a certain rate per full time equivalent (FTE) employee per year. Revenue on such contracts is recognised as the services are rendered.

The timing of revenue recognition, billings and cash collections results in contract assets (unbilled revenue), and contract liabilities (current and long-term deferred revenue and customer contract deposits) on the balance sheet. A contract asset is recorded when a right to consideration in exchange for goods or services transferred to a customer is conditioned other than passage of time. A contract liability is recorded when consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a contract. Contract liabilities are recognised as revenue after control of the products or services is transferred to the customer and all revenue recognition criteria have been met.

#### g. Other income

Other income relates to income that is derived from costs recharged to other group companies. It is considered to be part of normal recurring operating activities, but does not represent revenue (see accounting policy f.).

#### h. Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are items that are material either because of their size or their nature, and are considered non-recurring. These items are presented within the line items to which they best relate and reported separately as exceptional items.

#### i. Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangement and defined contribution pension plans.

##### *i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *ii) Defined benefit pension plan*

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

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

##### i. Employee benefits (continued)

###### ii) Defined benefit pension plan (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- The increase in pension benefit liability arising from employee service during the period.
- The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income or cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This is recognised in profit or loss as 'Other financial income or expense'.

When, at the reporting date, the present value of the defined benefit obligation is less than the fair value of the plan assets, the plan has a surplus. Any surplus will be recognised only to the extent that it can be recovered either through reduced contributions in the future or through refunds from the plan.

###### iii) Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

###### iv) Share-based payments

The Company participates in a number of equity-settled, share-based compensation plans operated by Charles River Laboratories International, Inc. (Note 8). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Profit and loss account.

The intrinsic value of options exercised during the period is invoiced to the Company by Charles River Laboratories International, Inc. Any differences between the intrinsic value and the expense recognised in the Profit and loss account for the period, are recognised as a debit or credit to the share-based payment reserve within shareholders' funds, and are shown in the statement of changes in equity.

National Insurance Contributions (NIC) payable by the Company on the exercise of share options, are provided for based on the intrinsic value of these options and the prevailing rate of NIC at the balance sheet date.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

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

#### j. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

The Government enacted the R&D expenditure credit ("RDEC") tax relief from 1 April 2013 and the Company entered the scheme on this date. The Company has treated the RDEC as grant income within the financial statements.

Current or deferred taxation assets and liabilities are not discounted.

##### *i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

##### *ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### k. Research and development expenditure

Research and development expenditure is charged to the Profit and loss account as incurred.

#### l. Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### m. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

##### *i) Short leasehold improvements*

These include industrial premises and offices, and are stated at cost less accumulated depreciation and accumulated impairment losses.

##### *ii) Office equipment, fixtures and fittings, and laboratory equipment*

These are stated at cost less accumulated depreciation and accumulated impairment losses.

##### *iii) Depreciation and residual values*

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Land and buildings	40 years
Plant and machinery	3 to 10 years

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

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

#### m. Tangible assets (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

##### *iv) Subsequent additions and major components*

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

##### *v) Assets in the course of construction*

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use and are reviewed for impairment at each reporting date.

##### *vi) Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

#### n. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised and added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

#### o. Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### *i) Finance leased assets*

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used.

Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### *ii) Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### *iii) Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight line basis over the period of the lease.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements Period ended 30 December 2023

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

##### p. Impairment of non-financial assets

At each balance sheet non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

##### q. Investments

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

##### r. Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Slow moving inventory lines are written down based on future forecast sales.

##### s. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### t. Provisions and contingencies

###### *i) Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

###### *ii) Contingencies*

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

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

##### u. Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### *i) Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### *ii) Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### *iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### v. 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.

##### w. Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 4. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (a) Critical judgement in applying the entity's accounting policies

The critical judgements, apart from those involving estimates, made by the directors, that had a significant effect on the amounts recognised in the entity financial statements, are as set out below:

###### *i) Recoverability of debtors*

The Company makes a judgement as to whether trade and other debtor balances are recoverable, based on available evidence such as the age of the debt, historical experience, and debtor correspondence. Any amounts judged as not recoverable are written off to the profit and loss account in the period that the judgement is determined. Any amounts previously provided for the impairment of the debt are released from the provision and credited to the profit and loss account in the same period.

###### *ii) Recognition of pension asset*

The Company considers that in accordance with the rules of the defined benefit pension plan, that it has an unconditional right to a refund of surplus after all pension obligations have been fulfilled. As a result, the Company has judged that the surplus due on final termination of the plan should be recognised as an asset.

##### (b) Key accounting estimates and uncertainties

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

###### *i) Useful economic lives of tangible fixed assets*

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets and note 3 for the useful economic lives for each class of tangible fixed assets.

###### *ii) Actuarial estimates of pension scheme assets or liabilities*

The net defined benefit pension asset or liability is an estimate based on actuarial assumptions and a standard approach to the valuation, using the projected unit credit method. The Company relies on a report prepared by an appointed independent qualified actuary. To prepare the valuation report, the actuary uses assumptions in a forward looking financial and demographic model from a wide range of possibilities. The principal estimated assumptions are life expectancy, rate of salary increase, rate of inflation, and the corporate bond discount rate. See note 16 for detailed information regarding the assumptions used.

###### *iii) Percentage of completion revenue recognition*

Revenue on long term projects is estimated based on the percentage of completion method, applied to the overall agreed contract value. If the estimates of the end result of a contract change, the sales and profits recognised are adjusted in the period when the change first becomes known and can be evaluated.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 5. Turnover

The directors are of the opinion that the Company has only one class of business, namely contract scientific research and consultancy. However, the Company provided its services to customers in a number of geographical areas and its turnover can be summarised as follows:

	2023	2022
	£'000	£'000
United Kingdom	54,378	45,742
Rest of Europe	59,688	48,140
Rest of World	32,999	31,350
	<b>147,065</b>	<b>125,232</b>

#### 6. Operating profit

	2023	Restated* 2022
	£'000	£'000
Operating profit is after charging/(crediting):		
Depreciation and amortisation for the period:		
Tangible fixed assets - owned	7,470	6,310
Operating lease rentals	598	621
Loss on sale of tangible fixed assets	114	119
Research and development tax credit	(10,177)	(6,098)
Expenses recharged to other group companies	(13,889)	(8,632)
Foreign exchange loss	126	175

\*Refer to note 25 for details of the restatement

#### The analysis of auditors' remuneration is as follows:

	2023	2022
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	280	213
Total audit fees	<b>280</b>	<b>213</b>

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 7. Employee information

	2023	2022
	No.	No.
<b>The average monthly number of employees was:</b>		
Technical, research and development	1,080	1,056
Sales and administration	297	288
	<b>1,377</b>	<b>1,344</b>
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Staff costs during the period</b>		
Wages and salaries	51,214	44,326
Social security costs	5,639	5,195
Other pension costs	3,671	4,858
Share option costs	1,783	1,704
	<b>62,307</b>	<b>56,083</b>
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Directors' remuneration</b>		
Aggregate emoluments	459	413
	<b>459</b>	<b>413</b>
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Remuneration of highest paid director</b>		
Aggregate remuneration	459	413
	<b>459</b>	<b>413</b>

At the balance sheet date, no directors (2022 - none) were members of a money purchase pension scheme.

One director remunerated by the Company exercised share warrants in the period (2022 - one).

The Company has made arrangements for its staff to join a group personal pension plan should they wish. The Company's contribution to the scheme is fixed and the assets of the scheme are held separately in independently administered funds. There were no outstanding or prepaid contributions at the balance sheet date.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 8. Share-based payments and share options

The ultimate parent company Charles River Laboratories International, Inc. has established a number of approved share option plans and arrangements, under which employees may be granted share-based awards such as stock options, restricted stock units (RSU), and performance share units (PSU):

There are currently 3 approved plans in operation:

- The 2007 Incentive Plan (2007 Plan) as amended in 2009, 2011, 2013 and 2015, effective from May 2007.
- The 2016 Incentive Plan (2016 Plan), effective from May 2016
- The 2018 Incentive Plan (2018 Plan), effective from May 2018

Under each of the plans, the general terms and conditions are as follows:

- Stock options, which entitle the holder to purchase a specified number of shares of common stock at an exercise price equal to the closing market price of common stock on the date of grant; typically vest over 4 years; and typically expire 5 years from date of grant.
- RSU, which represent an unsecured promise to grant at no cost a set number of shares of common stock upon the completion of the vesting schedule, and typically vest over 2 to 4 years. With respect to RSUs, recipients are not entitled to cash dividends and have no voting rights on the stock during the vesting period.
- PSU, which entitle the holder to receive at no cost, a specified number of shares of common stock within a range of shares from zero to a specified maximum and typically vest over 3 years. Payout of this award is contingent upon achievement of certain performance and market conditions.

The options are equity settled and the exercise price is the share price at the grant date. The Company accounts for all share option schemes in accordance with Section 26 of FRS 102 ("Share-based payments").

The volatility is based on a statistical analysis of daily share prices over a period equal to the vesting period of the schemes ending on the day before the grant date for the schemes.

	2023	2022
Volatility	36 %	33 %
Risk free interest rates	3.80 %	2.70 %
Expected dividend yield	Nil	Nil
Weighted average remaining contractual life of options outstanding at end of period	6.0 years	6.0 years

In the fair value model it has been assumed that the expected dividend yield for the share option plan is nil and the estimated life of the share options is 6.0 years (period ended 31 December 2022: 6.0 years). The Company recognised total expenses of £1,783,000 related to Charles River Laboratories International, Inc. equity-settled share-based payment transactions in the period ended 30 December 2023 (2022 - £1,704,000).

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 9. Net interest payable

##### (a) Interest receivable and similar income

	2023	2022
	£'000	£'000
Bank interest receivable and similar income	373	6
Capitalised interest	219	150
<b>Total interest receivable and similar income</b>	<b>592</b>	<b>156</b>

##### (b) Interest payable and similar expenses

	2023	2022
	£'000	£'000
<b>Total interest payable and similar expenses</b>	<b>73</b>	<b>43</b>

#### 10. Tax on profit

##### (a) Analysis of charge for the period

	2023	2022
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax	7,547	1,225
Adjustment in respect of previous periods	23	(217)
	<b>7,570</b>	<b>1,008</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,061	1,906
Adjustment in respect of prior periods	1,116	(8)
Effect of rate changes	67	602
	<b>2,244</b>	<b>2,500</b>
<b>Total tax charge for the period</b>	<b>9,814</b>	<b>3,508</b>

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 10. Tax on profit (continued)

##### (b) Factors affecting tax charge for the period

The tax assessed for the period is different (2022: different) the standard rate of corporation tax in the UK of 23.52% (2022 – 19.00%). The differences are explained below:

	2023	2022
	£'000	£'000
Profit before tax	39,054	28,742
Profit before tax at the standard rate of UK corporation tax of 23.52% (2022–19%)	9,186	5,461
Expenses not deductible for tax purposes	56	64
Income not taxable	(398)	(436)
Effects of group relief/other relief surrendered but not yet paid for	(379)	(1,662)
Adjustment in respect of prior periods	1,139	(226)
Tax rate changes	67	602
Share options – permanent deduction	143	(295)
<b>Total tax charge for the period</b>	<b>9,814</b>	<b>3,508</b>

##### (c) Factors affecting tax charge for future periods

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial period ended 30 December 2023, the current weighted averaged tax rate was 23.52%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The Charles River Laboratories International, Inc. group falls within the scope of the OECD Pillar Two model rules. Pillar Two was enacted in the UK via the UK Finance (No 2) Act 2023 on 11 July 2023. The Pillar Two legislation will be effective in the UK for accounting periods beginning on or after 31 December 2023. Since the Pillar Two legislation was not effective at the reporting date, the company has no related current tax exposure. The company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

## Charles River Laboratories Edinburgh Limited

Notes to the financial statements  
Period ended 30 December 2023

### 11. Tangible assets

	Land and buildings	Plant and machinery	Assets under construction	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2023 (as previously reported)	79,494	67,620	5,221	152,335
Prior year restatement	(22,622)	(16,637)	87	(39,172)
At 1 January 2023 (restated)	<b>56,872</b>	<b>50,983</b>	<b>5,308</b>	<b>113,163</b>
Additions	5,741	6,383	4,533	16,657
Transfers	2,818	2,005	(4,823)	-
Disposals	(236)	(376)	-	(612)
At 30 December 2023	<b>65,195</b>	<b>58,995</b>	<b>5,018</b>	<b>129,208</b>
<b>Accumulated depreciation</b>				
At 1 January 2023 (as previously reported)	(42,993)	(52,282)	-	(95,275)
Prior year restatement	21,170	18,002	-	39,172
At 1 January 2023 (restated)	<b>(21,823)</b>	<b>(34,280)</b>	-	<b>(56,103)</b>
Charge for the period	(2,271)	(5,199)	-	(7,470)
Disposals	107	377	-	484
At 30 December 2023	<b>(23,987)</b>	<b>(39,102)</b>	-	<b>(63,089)</b>
<b>Net book value</b>				
At 30 December 2023	<b>41,208</b>	<b>19,893</b>	<b>5,018</b>	<b>66,119</b>
At 31 December 2022	36,501	15,338	5,221	57,060

The restatement of opening balances relates to historic disposal in prior years of fully depreciated tangible fixed assets. The restatement had no impact to net book value. There was no impact to the Profit and loss account or the Balance sheet.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 12. Debtors

	2023	2022
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Trade debtors	19,652	16,022
Amounts owed by group undertakings	8,506	4,941
Other debtors	-	1,876
R&D expenditure credit	11,926	12,343
Prepayments and accrued income	16,358	14,367
	<b>56,442</b>	<b>49,549</b>

The amounts owed by group undertakings represents trading balances, which are unsecured, do not bear interest, and are repayable on demand.

#### 13. Inventories

	2023	2022
	£'000	£'000
Raw materials and work in progress	3,722	2,348
	<b>3,722</b>	<b>2,348</b>

The amount of stocks recognised as an expense during the period was £8,748,000 (2022: £6,189,000). There is no material difference between the carrying amount of inventory and the replacement cost.

#### 14. Cash at bank and in hand

Cash at bank includes a restricted amount of £130,000 (2022: £130,000) held on guarantee in favour of HMRC. All other cash at bank and in hand is freely disposable.

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

	2023	2022
	£'000	£'000
Trade creditors	6,647	12,431
Amounts owed to group undertakings	3,025	3,766
Taxation and social security	1,022	2,207
Other creditors	770	6,796
Accruals and deferred income	42,246	28,412
	<b>53,710</b>	<b>53,612</b>

The amounts owed to group undertakings represents trading balances, which are unsecured, do not bear interest, and are repayable on demand.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 16. Deferred tax liabilities

	£'000
<b>Movement in period:</b>	
At 1 January 2023	19,542
Adjustment in respect of prior years	1,116
Deferred tax charge to income statement for the period	1,128
Deferred tax charge in OCI for the period	(1,392)
<b>At 30 December 2023</b>	<b>20,394</b>

At 30 December 2023 the Company had deferred tax asset comprising the following:

	2023	2022
	£'000	£'000
Fixed asset timing differences	13,953	12,056
Short term timing differences (trading)	6,441	7,486
	<b>20,394</b>	19,542

Unrecognised deferred tax assets as at 30 December 2023 amounted to £nil (2022 - £nil) including £nil (2022 - £nil) of unrecognised restricted RDEC deferred tax. In accordance with Section 29 of FRS 102 'Income tax', the unprovided deferred tax asset will be utilised in future accounting periods, once there is sufficient, persuasive, reliable evidence that the Company will generate sufficient future trading profits from the same trading activities.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 17. Post-employment benefits

The Company participates in a group defined benefit pension scheme with assets being held in a separate trustee administered fund, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. This scheme was closed to new entrants on 1 January 2003 and was closed to future benefit accrual on 30 November 2016. The former active members have retained their salary link, thus no curtailment gain or loss was recognised in the prior period. The group also participates in a group defined contribution scheme.

The total pension cost for the period in these financial statements amounted to £3,671,000 (2022: £4,858,000). This cost comprised £nil (2022: £nil) in relation to the defined benefit scheme and £3,671,000 (2022: £4,858,000) in relation to the defined contribution scheme. There are no prepaid or accrued contributions at either period end in respect of the defined contribution scheme.

The pension scheme is actuarially valued every three years and the last valuation was at 1 January 2023 by Mercer Limited. The main assumptions of the most recent valuation are as follows:

Discount rate	
-Pre-retirement	4.11% per annum
-Post-retirement	4.11% per annum
RPI Inflation	3.58% per annum
Salary growth	3.58% per annum

#### Post retirement pension increases

-Pre April 2006	3.18% per annum
-Post April 2006	2.03% per annum

#### Results of validation

Market value of scheme assets £151,300,000

Level of funding 104 %

An allowance of 0.05% of the liabilities has been made for GMP equalisation.

During the period the Company made deficit reduction contributions of £nil (2022: £nil). Additional disclosures regarding the group's defined benefit pension scheme required under the provisions of Section 28 of FRS 102 are set out below.

The actuarial valuation described above has been updated as at 30 December 2023 by Mercer Limited, a qualified independent actuary using revised assumptions that are consistent with the requirements of Section 28 of FRS 102. Investments have been valued, for this purpose, at fair value and are disclosed at the end of this note.

	2023	2022
	£'000	£'000
<b>Change in defined benefit obligation</b>		
Benefit obligation at end of prior period	119,582	206,359
Interest expense	5,887	3,681
Effect of changes in actuarial assumptions	(337)	(97,722)
Effects of experience adjustments	2,500	10,929
Benefits paid from plan assets	(3,691)	(3,665)
<b>Benefit obligation at end of period</b>	<b>123,941</b>	<b>119,582</b>

## Charles River Laboratories Edinburgh Limited

Notes to the financial statements  
Period ended 30 December 2023

### 17. Post-employment benefits (continued)

	2023	2022
	£'000	£'000
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at end of prior period	151,596	236,324
Interest income	7,488	4,221
Actuarial return on plan assets	(3,403)	(85,284)
Benefits paid from plan assets	(3,691)	(3,665)
<b>Fair value of plan assets at end of period</b>	<b>151,990</b>	<b>151,596</b>

	2023	2022
	£'000	£'000
<b>Amounts recognised in the balance sheet</b>		
Defined benefit obligations	123,941	119,582
Fair value of plan assets	151,990	151,596
<b>Net defined benefit asset</b>	<b>(28,049)</b>	<b>(32,014)</b>

	2023	2022
	£'000	£'000
<b>Cost relating to defined benefit plans:</b>		
Net interest income	(1,601)	(540)
<b>Income related to defined benefit plans included in the Profit and loss account</b>	<b>(1,601)</b>	<b>(540)</b>

	2023	2022
	£'000	£'000
<b>Re-measurements (recognised in other comprehensive income)</b>		
Effects of changes in assumptions	(337)	(97,722)
Effect of experience adjustments	2,500	10,929
(Return) on plan assets (excluding interest income)	3,403	85,284
<b>Total re-measurements included within Other comprehensive income</b>	<b>5,566</b>	<b>(1,509)</b>
<b>Total cost related to defined benefit plans recognised in Profit and loss account and Other comprehensive income</b>	<b>3,965</b>	<b>(2,049)</b>

<b>Plan assets</b>	2023	2022
The asset allocations at the period end were as follows:	%	%
Equities	5.5	5.1
Bonds	74.9	67.4
Other*	19.0	24.5
Cash	0.6	3.0
	<b>100</b>	<b>100</b>

	2023	2022
	£'000	£'000
<b>Actual return on plan assets</b>	<b>4,085</b>	<b>(81,063)</b>

\*Other consists of diversified growth funds (5.4%) and liability driven investments (13.6%).  
There were no amounts invested in the Company's own financial instruments.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 17. Post-employment benefits (continued)

Weighted average assumptions used to determine benefit obligations	2023	2022
Discount rate	4.8 %	5.0 %
Duration used to set the discount rate (in years)	16.00	18.00
Salary increase rate	3.1 %	3.2 %
Pensions-in-payment increase rate	2.9 %	3.0 %
Price inflation rate	3.1 %	3.2 %
Post retirement mortality assumption	111%/104% male/female (non-pensioners)/ 98%/102% male/female (pensioners) SAPS S3 CMI 2022 (sK=7) improvements with a 1.25% p.a. long-term rate and no initial adjustment parameter	107%/103% male/female (non-pensioners)/ 100%/103% male/female (pensioners) SAPS S3 CMI 2021 (sK=7.5) improvements with a 1.25% p.a. long-term rate and no initial adjustment parameter

#### Contributions

The Company expects to contribute £1,500,000 to its pension plan in 2024 (2023: nil).

#### 18. Provision for liabilities

	Deferred tax (*note 16) £'000	Total £'000
At 1 January 2023	19,542	19,542
Adjustment in respect of prior years	1,116	1,116
Deferred tax charge to income statement for the period	1,128	1,128
Deferred tax charge in OCI for the period	(1,392)	(1,392)
<b>At 30 December 2023</b>	<b>20,394</b>	<b>20,394</b>

#### 19. Called-up share capital

	2023 £'000	2022 £'000
<b>Authorised</b>		
275,000 (2022 - 275,000) ordinary shares of £1 each	275	275
325,000 (2022 - 325,000) 10% cumulative redeemable preference shares of £1 each	325	325
	<b>600</b>	<b>600</b>
<b>Alloted, issued and fully paid</b>		
275,000 (2022 - 275,000) ordinary shares of £1 each	275	275

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. During the year, the Company paid dividends of £43.64 per share (2022: £68.18) totalling £12,000,000 (2022: £18,750,000).

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 20. Financial commitments

At 30 December 2023, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings	
	2023 £'000	2022 £'000
Operating lease commitments which expire:		
Less than a year	518	598
Later than one year and not later than five years	1,619	2,006
Later than five years	-	574
	<b>2,137</b>	<b>3,178</b>

#### 21. Capital commitments

Contracts placed for future capital expenditure not provided in the financial statements are as follows:

	2023 £'000	2022 £'000
Contracted for but not provided for	1,754	11,323

#### 22. Related party transactions

The Company has taken advantage of the exemption contained in paragraph 33.1A of FRS 102 "Related party transactions" not to disclose transactions with other group companies (or investees of the group qualifying as related parties) on the basis that it is a wholly-owned subsidiary of Charles River Laboratories International, Inc. for which consolidated financial statements are publicly available.

#### 23. Controlling parties

The immediate parent company is Charles River Laboratories Montreal ULC, a company registered in Canada.

The ultimate parent undertaking and controlling party for the whole period was Charles River Laboratories International, Inc., a company registered in the United States of America, which is the parent undertaking of the smallest and the largest group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Charles River Laboratories International, Inc. can be obtained from the Company Secretary at Charles River Laboratories International, Inc., 251 Ballardvale Street, Wilmington, MA 01887.

#### 24. Events after the end of the reporting period

There were no significant events to note between the reporting date and the date of signing the financial statements.

## Charles River Laboratories Edinburgh Limited

### Notes to the financial statements

Period ended 30 December 2023

#### 25. Restatement of prior period

In the previous financial statements, expenses recharged to other group companies were included net within the Profit and loss account line item, Administrative expenses. This net treatment was not in compliance with the requirements of FRS102, and the accounts have been restated to show the recharge to other group companies separately as Other income. Correspondingly, Administration expenses have been increased by this amount. The restatement impacts the Profit and loss account as detailed below. There is no impact on the Balance sheet, or the Statement of changes in equity. Profit for the financial period remains unchanged by the restatement.

	<b>Originally stated</b>	<b>Adjustment</b>	<b>Restated</b>
	31 December 2022	31 December 2022	31 December 2022
<b>Profit and loss account</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Administrative expenses	(17,268)	(8,632)	(25,900)
Other income	-	8,632	8,632
Operating profit	26,945	-	26,945
Profit for the financial period	25,234	-	25,234