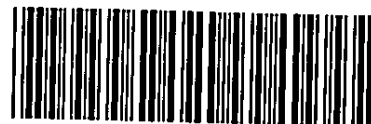


Charles River U.K. Limited
Annual report and financial statements
for the year ended 29 December 2007

Registered Number: 00950184

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Charles River U.K. Limited
Annual report and accounts
for the year ended 29 December 2007
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Charles River U.K. Limited

Directors and advisers

Directors

T F Ackerman

J Foster

D Johst

Company Secretary

G Andrews

Registered Office

Manston Road

Margate

Kent

CT9 4LT

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants & Registered Auditors

First Point

Buckingham Gate

Gatwick

RH6 0PP

Registered number

00950184

Charles River U.K. Limited

Directors' report for the year ended 29 December 2007

The Directors present their annual report and financial statements of the company for the year ended 29 December 2007.

Principal activities

The principal activity of the company is the breeding and sale of research animals and services for use in biomedical research.

Review of business and future developments

The year's trading

The profit and loss account for the year is set out on page 7. Sales increased by 13% (2006: 1%) over previous year and operating profit increased by 37% (2006: 21% decrease). Margins increased as a result of greater manufacturing efficiency and costs being kept under control. The Directors consider the result to be satisfactory.

Risks and future outlook

The future of the pharmaceutical market place will be demanding and the Company will continue to contribute to the development of products in this sector. The Big-pharma companies across the world are being held increasingly accountable for their products and, as a consequence, having to examine their cost bases and relationships with trading partners. Competition will create some pressure on pricing but whilst the directors continue to monitor their prices, they believe the provision of quality products and services to be key to retaining our customers' confidence in the Company.

Financial risk management

The company is exposed to various financial risks as a result of its operations. The pricing of goods for sale are constantly monitored by the directors and management to ensure that they are competitive within the market place. With regards to credit risk, the company has policies which require all new customers to undergo credit checks and detailed monitoring of accounts which fall outside agreed terms. With regards to trading in foreign currencies, the directors consider that the costs outweigh any benefit and therefore the company does not enter into forward currency contracts. The directors consider that all any future finance requirements will be funded internally within the wider Charles River group and therefore the company would not be subject to external interest rate risk factors.

Key performance indicators (KPIs)

The company is owned and managed by Charles River Laboratories Inc and a full business review is reported in the filings of that company. Given the straightforward nature of the business, the Company's directors are of the opinion that further analyses using KPI's is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The company made a profit for the year after taxation of £2,086,000 (2006: £1,701,000). The company paid dividends of £78.56 per ordinary share of £1 (2006: £9.49) amounting to £7,000,433 (2006: £845,174). After payment of these dividends the loss of £4,914,000 (2006: £856,000 profit) has been charged against reserves.

Charles River U.K. Limited

Directors

The Directors who held office during the year and up to the date of approval of these financial statements (unless otherwise stated) are given below:

A R Smith	(resigned 9 March 2007)
T F Ackerman	
J Foster	(appointed 12 March 2007)
D Johst	(appointed 12 March 2007)

Charitable donations

During the year the company contributed £nil (2006: £2,086) to charities. In 2006 £1,500 was given to support a Lobby Group which endorsed the use of animals in the research and development of human medicines and £586 was given to support charities involved in research into Heart Disease and Cancer.

Statement of directors' responsibilities in respect of the Annual Report and Accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare an annual report and accounts for each financial year. Under that law the Directors have elected to prepare the annual report and accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The annual report and accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period.

In preparing the annual report and accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the annual report and accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business in which case there should be supporting assumptions or qualifications.

The Directors confirm that they have complied with the above requirements in preparing the annual report and accounts.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the annual report and accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors indemnity insurance

As permitted by S310(3)(a) of the Companies Act 1985, the ultimate parent company (on behalf of the company), maintain Directors and officers liability insurance against liabilities which directors of the Company may incur personally as a consequence of claims made against them alleging break of duty over the unlawful acts of or omissions in their capacity as directors and officers.

Charles River U.K. Limited

Statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and the Directors have taken all steps that they ought to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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

By order of the Board

A handwritten signature in black ink, appearing to be 'G Andrews', written over a horizontal line.

G Andrews
Secretary

Charles River U.K. Limited

Independent auditors' report to the members of Charles River U.K. Limited

We have audited the financial statements of Charles River U.K. Limited for the year ended 29 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

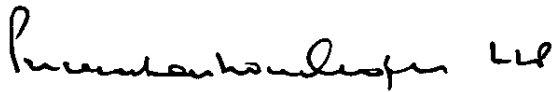
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Charles River U.K. Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

25 March 2008

Charles River U.K. Limited

Profit and loss account for the year ended 29 December 2007

	Note	2007 £'000	2006 £'000
Turnover	2	12,398	10,926
Cost of sales		(6,758)	(6,325)
Gross profit		5,640	4,601
Distribution costs		(1,017)	(931)
Administrative expenses		(2,033)	(1,788)
Operating profit	3	2,590	1,882
Interest receivable and similar income	7	94	191
Amounts written off investments	11	(100)	-
Profit on ordinary activities before taxation		2,584	2,073
Tax on profit on ordinary activities	8	(498)	(372)
Profit for the financial year	19	2,086	1,701

All of the above results are derived from the continuing operations of the company.

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

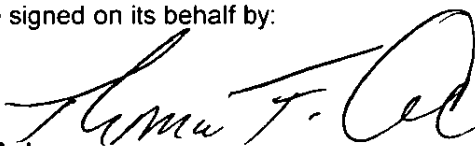
There is no difference between the profit on ordinary activities before taxation and the profit for the year as stated above, and their historical cost equivalents.

Charles River U.K. Limited

Balance sheet as at 29 December 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	10	2,962	2,693
Investments	11	-	100
		2,962	2,793
Current assets			
Stock	12	1,125	1,012
Debtors	13	1,480	1,154
Cash at bank and in hand		1,215	6,584
		3,820	8,750
Creditors: amounts falling due within one year	14	(2,442)	(2,304)
Net current assets		1,378	6,446
Total assets less current liabilities		4,340	9,239
Provisions for liabilities and charges	15	(181)	(166)
Net assets		4,159	9,073
Capital and reserves			
Called up share capital	17	89	89
Profit and loss account	18	4,070	8,984
Total shareholders' funds	19	4,159	9,073

The annual report and accounts which comprise the profit and loss account, the balance sheet and the related notes were approved by the board of Directors on March 12, 2009 and were signed on its behalf by:


T F Ackerman
Director

Charles River U.K. Limited

Notes to the annual report and accounts for the year ended 29 December 2007

1 Accounting policies

a) Basis of preparation

These annual report and accounts are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

b) Accounting period

The company's accounting period is the 52 weeks (and where applicable 53 weeks) period ending on the last Saturday in December.

c) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

d) Consolidation

The annual report and accounts present information about the company as an individual undertaking and not about its group. In accordance with UITF Abstract 43 issued by the Accounting Standards Board the company has not prepared consolidated annual report and accounts and is relieved from the requirement to do so by section 228a of the Companies Act 1985 as it is a subsidiary undertaking of Charles River Laboratories International Inc, a company incorporated in the United States of America, and is included in the consolidated annual report and accounts of that company which are publicly available.

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and where applicable provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class and depreciated over their useful economic lives.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives as follows:

Freehold buildings and improvements	10 – 30 years
Motor vehicles	2 – 5 years
Plant and machinery	4 – 15 years

Charles River U.K. Limited

f) Leased assets

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

g) Stocks

Non-animal stocks are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and an appropriate proportion of overheads.

Animal stocks are valued at the lower of cost and net realisable value by applying an adjustment, relative to the type and age of stocks, to reflect any early deaths or future culling requirements. Net realisable value represents the estimated selling price, less selling costs.

h) Investments

Investments are stated at cost less provision for impairment.

i) Turnover

Turnover represents sales net of value added tax and discounts. Turnover is recognised when the goods have been accepted by the customer and the right to consideration has been earned. Where turnover that has been recognised is found not to be recoverable due to a dispute with a customer these amounts are charged against turnover. When non-recovery is a result of the inability of the customer to meet its obligations, these amounts are charged to administrative expenses.

j) Income from shares in group undertakings

Dividend income from shares in group undertakings is recognised when the company has legal entitlement to the income.

k) Interest

Interest receivable is recognised on an accruals basis.

l) Deferred taxation

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

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

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

m) Foreign currency

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign

Charles River U.K. Limited

currencies at the year end are re-translated using the closing rate. Any gain or loss arising from a movement in rates is reported as an exchange gain or loss in the profit and loss account.

n) Pension costs

The company operates a defined contribution pension scheme (see note 21). Contributions payable to the pension scheme are charged against profits for the year.

o) Share based payments

The company has adopted for the first time in these financial statements, the provisions of FRS20 – “Share Based Payments” and recognised the cost of certain share awards and schemes in accordance with the standard.

As detailed in note 6 to these financial statements, certain of the company's employees are awarded shares or share options in the company's ultimate parent undertaking (see note 24). Where it is necessary to estimate the fair value an option or share awarded, the Black Scholes method of valuation has been used based on the assumptions outlined in the notes to the accounts. An annual assessment is made for those options which are not expected to be exercised and adjustments made accordingly. The fair value of the award at the date of grant is charged to the profit & loss account over the vesting period.

A recharge is made by the ultimate parent undertaking to the Company to reflect amounts due under these awards. Where any amount recharged to the Company exceeds the fair value for awards falling within the scope of this standard, the difference is treated as a distribution of profits. Where any amount recharged to the Company is less than the fair value calculated for awards falling within the scope of the standard the difference is treated as a capital contribution and is disclosed within other reserves.

2 Turnover

The geographical analysis of the company's turnover by destination is as follows:

	2007	2006
	£'000	£'000
United Kingdom	10,752	9,395
Europe and rest of the World	1,646	1,531
	12,398	10,926

Charles River U.K. Limited

3 Operating profit

Operating profit is stated after charging/(crediting):

	2007 £'000	2006 £'000
Wages and salaries	2,685	2,458
Social security costs	266	249
Other pensions costs (see note 21)	186	163
Share based payments	53	27
Staff costs	3,190	2,897
Depreciation of tangible fixed assets:		
- owned assets	420	414
- leased assets	10	59
Operating lease charges:		
- other	143	132
Foreign currency exchange (gains) or losses:	(8)	62
Auditors' remuneration:		
- auditor services	30	28
- tax services	-	4

Charles River U.K. Limited

4 Employee information

The average monthly number of persons (including executive Directors) employed by the company during the year was:

By activity	2007	2006
	Number	Number
Production	107	96
Distribution, sales and administration	27	28
	134	124

5 Directors' emoluments

	2007	2006
	£'000	£'000
Aggregate emoluments	-	30
Company pension contributions to money purchase scheme	-	-
	-	30

The emoluments of the Directors in the current period are paid by the ultimate parent company which makes no recharge to the company. In the comparative period, emoluments of certain directors were paid by the ultimate parent company which made no recharge to the company. These Directors are also Directors of the ultimate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these Directors. Their total emoluments are included in the aggregate of Directors' emoluments disclosed in the annual report and accounts of the parent company. The payments disclosed above in the comparative period relate to emoluments for services of directors who have since left the company.

The directors participate in share option and long term incentive schemes operated by the ultimate parent undertaking. The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received under the long term incentive scheme. Three directors exercised share options during the year (2006: 4). No directors have shares that were received or receivable under long term incentive schemes during the year (2006: nil).

6 Share based payments and share options

The ultimate parent company (note 24) has established a number of approved and unapproved share option plans and arrangements.

2000 Incentive Plan – The 2000 Incentive Plan, effective 23 June 2000 provides for the grant of share options to employees of the group. Options granted under the 2000 plan vest annually in equal instalments as long as the employee continues to be employed by the group. All options granted under the 2000 Incentive Plan expire on or before 2013. The options are equity settled and

Charles River U.K. Limited

the exercise price is the share price ruling at the date of grant. A restricted section of the Incentive Plan provides for the share price at exercise to be nil.

The company accounts for share options in accordance with FRS 20.

The company estimates the fair value of share options using the Black-Scholes valuation model. Key inputs and assumptions used to estimate the fair value of share options include the exercise price of the award, the expected option term, the risk-free interest rate over the option's expected term, the expected annual dividend yield and the expected share price volatility.

The fair value of the shares is charged to the profit and loss account over the period from the beginning of the financial year from which qualifying service commences to the date at which the compensation is expected to vest in the employees (Refer to note 1o for details). The following tables summarise the movement in the number of share options between those outstanding at the beginning and end of the year, together with changes in the weighted average exercise price over the same period. The number of shares authorised for grant under the schemes was equal to the actual number of shares granted in all years presented.

	Options outstanding at the beginning of the year	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options expired during the year	Options outstanding at the end of the year	Options exercisable at the end of the year
2007							
2000 Incentive Plan	10,427	4,610	(1,779)	-	-	13,258	13,258
2006							
2000 Incentive Plan	14,813	6,750	(1,776)	(9,227)	(133)	10,427	10,427

The exercise price of the options granted during the year is the share price on the grant date, unless they were issued under the restricted section, when the exercise price is nil. In 2007 all shares granted, other than restricted grants, were granted on 23 February, 2007 at a price of \$46.60 (£23.38). The average share price for the year was \$54.53 (£27.36). The exercise price of share options granted in prior years were as follows: 13 February, 2004: \$43.07 (£21.61), 23 July, 2003: \$32.87 (£16.49), 15 July, 2002: \$32.15 (£16.13), 15 August, 2001: \$35.08 (£ 17.60).

Charles River U.K. Limited

The annual share based compensation costs (as calculated using the Black Scholes model and spread over the vesting period) are disclosed in note 3 of these financial statements.

The fair value of options granted during the year was determined using a Black Scholes valuation model. The significant inputs into the model were share prices at the grant date, exercise prices, and option lives as disclosed above, and volatility and risk free interest rates as follows:

Volatility	2007	2006
	%	%
2000 Plan	30	30

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 of the schemes.

Risk free interest rates	2007	2006
	%	%
2000 Plan	4.6	4.9

The weighted average remaining contractual lives of options outstanding at 29 December 2007 and 30 December 2006 were as follows:

2000 Plan	5.0 years	5.0 years
-----------	------------------	------------------

In the fair value model it has been assumed that the expected dividend yield for the share option plans is nil and the estimated life of the share options is 5 years.

7 Interest receivable and similar income

	2007	2006
	£'000	£'000
Bank interest receivable	94	191

8 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£'000	£'000
Current tax:		
UK corporation tax on profits for the year	479	392
Adjustments in respect of previous years	4	(13)
Total current tax (Note 8b)	483	379

Charles River U.K. Limited

Deferred tax:

Current year	19	(7)
Adjustment in respect of prior years	(4)	-
Total deferred tax (Note 16)	15	(7)
Tax on profit on ordinary activities	498	372

(b) Factors affecting tax charge for the year

The tax charge for the year is lower (2006: lower) than the standard rate of corporation tax in the United Kingdom of (30%) (2006:30%). The differences are explained below:

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	2,584	2,073
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 30% (2006: 30%)	775	622
Effects of:		
- Permanent timing differences	7	-
- Group relief not paid	(300)	(254)
- Movement in short term timing differences	(3)	16
- Adjustments in respect of previous years	4	(13)
Current tax charge for year (Note 8a)	483	379

(c) Factors affecting future tax charges

A number of changes to the UK Corporation Tax system were announced as part of the March 2007 budget statement. Certain of these changes were substantively enacted in the 2007 Finance Act on 26 June 2007. The impact of these changes has been recognised in these financial statements to the extent that the deferred tax provision has been amended to allow for the reduction in Corporation tax rate from 30% to 28% and the elimination of future Capital Allowances for Industrial Buildings.

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year (except those assets affected by changes in taxation legislation).

Charles River U.K. Limited

9 Dividends

	2007 £'000	2006 £'000
Equity – ordinary		
Final paid: £78.56 per share (2006: £9.49)	7,000	845

10 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Plant and machinery	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 30 December 2006	2,939	15	4,586	96	7,636
Additions	-	-	409	290	699
Transferred assets	35	-	61	(96)	-
At 29 December 2007	2,974	15	5,056	290	8,335
Accumulated depreciation					
At 30 December 2006	1,793	8	3,142	-	4,943
Charge for the year	119	6	305	-	430
At 29 December 2007	1,912	14	3,447	-	5,373
Net book amount					
At 29 December 2007	1,062	1	1,609	290	2,962
At 30 December 2006	1,146	7	1,444	96	2,693

Assets held under finance leases and capitalised in plant and machinery:

	2007 £'000	2006 £'000
Cost	202	191
Aggregate depreciation	(189)	(179)
Net book amount	13	12

Charles River U.K. Limited

11 Investments

	Shares in subsidiary undertakings
	£'000
At 31 December 2006	100
Amounts written off investment	(100)
At 29 December 2007	-

The amount brought forward which has been written off in the year relates to Charles River Endosafe Limited which has been struck off.

Group accounts

The annual report and accounts present information about the company as an individual undertaking and not about its group. In accordance with UITF Abstract 43 issued by the Accounting Standards Board the company has not prepared consolidated annual report and accounts and is relieved from the requirement to do so by section 228a of the Companies Act 1985 as it is a subsidiary undertaking of Charles River Laboratories International Inc, a company incorporated in the United States of America, and is included in the consolidated annual report and accounts of that company.

12 Stock

	2007	2006
	£'000	£'000
Raw materials and consumables	378	329
Livestock	747	683
	1,125	1,012

13 Debtors

	2007	2006
	£'000	£'000
Trade debtors	1,341	1,012
Amounts due from group undertakings	102	78
Prepayments and accrued income	37	64
	1,480	1,154

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Charles River U.K. Limited

14 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Trade creditors	564	285
Amounts owed to group undertakings	693	887
Finance leases (Note 15)	13	12
Corporation tax	231	239
Other taxation and social security	294	345
Accruals and deferred income	647	536
	2,442	2,304

Finance lease obligations are secured over assets concerned. Amounts owed to group undertakings are trade items. Balances are unsecured and bear no interest conditions. Terms of repayment are in accordance with Charles River Group policy, namely that transactions will be paid in the Group Netting Procedure during the second month following that of the transaction.

15 Finance leases

Future minimum payments under finance leases are as follows:

	2007	2006
	£'000	£'000
Within one year	13	12
	13	12

Charles River U.K. Limited

16 Provisions for liabilities and charges

	2007	2006
	£'000	£'000
Deferred taxation	181	166

Amount provided

	2007	2006
	£'000	£'000
Accelerated capital allowances	187	166
Other timing differences	(6)	-
	181	166

Liability at 31 December 2006	166	173
Deferred tax charge / (credit) to the profit and loss account for the year	15	(7)
Liability at 29 December 2007	181	166

17 Called up share capital

	2007	2006
	£'000	£'000
Authorised		
89,105 ordinary shares of £1 each (2006: 89,105)	89	89
Issued and fully paid		
89,105 ordinary shares of £1 each (2006: 89,105)	89	89

18 Reserves

	£'000
Profit and loss account	
At 31 December 2006	8,984
Loss for the financial year (note 19)	(4,914)
At 29 December 2007	4,070

Charles River U.K. Limited

19 Reconciliation of movements in shareholders' funds

	2007	2006
	£'000	£'000
Profit for the financial year	2,086	1,701
Dividends (note 9)	(7,000)	(845)
Total (loss)/profit for the financial year	(4,914)	856
Opening shareholders' funds	9,073	8,217
Closing shareholders' funds	4,159	9,073

20 Financial commitments

At 29 December 2007 the company had annual commitments under non-cancellable plant and machinery operating leases expiring as follows:

	2007	2006
	£'000	£'000
Within one year	2	42
Within two to five years	114	76
	116	118

21 Pension scheme

The company operates a defined contribution pension scheme to which contributions are made based on an agreed proportion of scheme members' total earnings. The pension cost charge for the year was £186,000 (2006: £163,000). At 29 December, 2007, contributions totalling £17,000 (2006: £28,000) were outstanding.

22 Capital commitments and guarantees

At 29 December 2007, the company had outstanding capital commitments for plant & equipment totalling £29,000 (2006: £42,000).

23 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard No. 8 from disclosing transactions with 90% or more controlled subsidiary undertakings. There are no other transactions which require disclosure.

Charles River U.K. Limited

24 Immediate and ultimate parent company

The immediate holding company is Charles River Laboratories Holdings Limited, a company incorporated in the United Kingdom. Copies of the immediate parent company's annual report and accounts can be obtained from The Company Secretary, Charles River Laboratories Holdings Limited, Manston Road, Margate, Kent, CT9 4LT.

The ultimate parent company is Charles River Laboratories International, Inc a company incorporated in the United States of America. Charles River Laboratories International, Inc is the largest group of which the company is a member and the smallest group for which group annual report and accounts are prepared. Copies of the respective group annual report and accounts can be obtained from Charles River Laboratories Inc., 251 Ballardvale Street, Wilmington, Massachusetts, USA.

The ultimate controlling party is considered to be Charles River Laboratories International Inc. which is listed on the New York Stock Exchange.