

SYNLAB VPG LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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SYNLAB VPG LIMITED

COMPANY INFORMATION

DIRECTORS

M P F Dollar
T E Evans
Dr F Gosling

REGISTERED NUMBER

11006776

REGISTERED OFFICE

Unit 1b Science Park Babbage Way
Clyst Honiton
Exeter
EX5 2FN
United Kingdom

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
United Kingdom

SYNLAB VPG LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 26

SYNLAB VPG LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL ACTIVITIES

The principal activities of the Company comprise the provision of veterinary pathology services.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The Company provides testing and diagnostic support to veterinary surgeries and clinics. Despite the ongoing pandemic issues faced with Covid-19 the performance of the Company was positive with test volumes increasing by 11.5%. Excluding volumes from March and April in both years, as these months were largely impacted by Covid in 2020, the underlying volume growth was 3.3%.

The directors consider that the principal key performance indicators relating to the Company are revenue and operating profit. During the year the Company had revenue of £11,593,046 (2020: £9,486,252) and an operating profit of £1,795,694 (2020: £1,021,436).

The following table shows certain line items from the Statement of Comprehensive Income for the financial year ended 31 December 2021 and for the year ended 31 December 2020. Revenue growth was substantial, as the business rebounded from the impact of Covid-19, test volumes increased by 11.5%. An average sales price tariff increase of 11.0% also contributed to an overall revenue growth of 22.2%.

Gross margin has remained strong with a relatively minor increase from 82.7% to 83.1%. The increase in sales price tariff did not translate fully in to an increase in gross margin. This was partly due to a new corporate contract which delivered a significantly lower margin and the Company experienced a large increase of logistic costs.

Administrative expenses have increased by 15.2% and partly due to an increase of 13.4% in personnel costs. This was due to an increase of 5.8% in full-time equivalent employees and an inflationary pay increase in the region of 3%. During 2020 the company received a benefit of £128,884 due to government support from the Job Retention Scheme, with no support received during 2021.

Other significant increases are 72% higher for fuel and vehicle maintenance, which was as a result of the increase in activity. In 2021, short-term leases for most of the vehicle fleet increased administrative expenses by £108,376. This was due to a change in the lease terms, but did not result in an overall cost increase to the company, but a reduction in depreciation and interest charges. Marketing costs increased by 182% as the Company supported its revenue growth with business development.

	2021	2020
	£'000	£'000
Exeter and Ringwood	5,948	5,090
Leeds	2,240	1,680
Hitchin	2,359	1,805
Bristol	446	400
Intra Group trading	601	511
Total revenue	<u>11,594</u>	<u>9,486</u>
Cost of sales	<u>(1,954)</u>	<u>(1,639)</u>
Gross profit	9,640	7,847
Administrative expenses	(7,878)	(6,837)
Other operating income	<u>34</u>	<u>11</u>
Operating profit	<u><u>1,796</u></u>	<u><u>1,021</u></u>
Full-time equivalents*	No.	No.
Operational	120	112
Administration	<u>14</u>	<u>14</u>
	<u><u>134</u></u>	<u><u>126</u></u>

*Please refer to note 7 of the financial statements for the headcount comparative

SYNLAB VPG LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Test volumes	<u>202,245</u>	<u>181,312</u>
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The Company has one trading subsidiary, VLSI Limited and below is its results for the year to 31 December 2021.

	2021 £'000	2020 £'000
Revenue	<u>1,272</u>	<u>1,262</u>
Operating (loss) / profit	<u>(73)</u>	<u>134</u>

*VLSI Limited is registered in Ireland and trades in euros. For a comparable underlying trading performance both current and prior year results are translated to pounds sterling with an exchange rate of €1 to £0.840.

PRINCIPAL RISKS AND UNCERTAINTIES

Covid-19

The global crisis of the Covid-19 virus has created significant risk and uncertainty for many commercial organisations. As at the date the financial statements were approved, the Company's laboratory remains open, operational and trading in excess of 95% of pre-pandemic levels. Nonetheless, the key risks that the Company is exposed to are :

- decreasing sales demand;
- shortage of laboratory employees;
- uncertainty in relation to cash collection;
- uncertainty in relation to the impact to key suppliers; and
- uncertainty to the duration of the pandemic and how it will impact public health and the UK economic environment.

Pricing risk

The Company operates in a very competitive market and is subject to pressure on its price tariffs. To mitigate this risk the business operates in both routine and specialist markets and regularly monitors its sales price to ensure they remain appropriate.

Economic risk

The UK left the EU on the 31 December 2020. The principal uncertainty from this decision was expected to be surrounding the recruitment and retention of staff within the UK labour market, which may be adversely affected by the decision to leave the EU. Sales demand is not expected to be directly affected by the decision to leave the EU. Any potential weakening in the value of pounds sterling is expected not to have a significant negative impact on the Company. This is due to the Company only having a minor volume of transactions in foreign currencies. To date the Company has not seen any adverse effects to its sales demand, financial performance, recruitment and retention of staff or operational stability from the decision to leave the EU.

Credit risk

Management has credit policies in place to manage risk and to monitor exposure to risk on an ongoing basis. These include the use of customer specific credit limits based on third party credit reports and in cases of customer default or requests for credit above agreed limits the use of pro forma invoices to secure payment in advance of delivery.

Key supplier risk

The Company's operations are dependent on a number of key product and consumable lines from a limited number of suppliers. The operations would be at risk if the supply chain was not maintained and therefore this risk is mitigated through continual review of stock levels and order processing.

SYNLAB VPG LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Liquidity risk

The Company has net current liabilities and the risk is that it may not be able to settle its liabilities as and when they fall due. The Company is a member of the UK cash pooling group and receives support as and when needed. In addition, the Company is part of the wider group and benefits from banking and treasury facilities with its parent companies.

Regulatory risk

The Company operates in a heavily regulated market and it complies with all necessary legislation and supervisory bodies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company is part of SYNLAB wider group where Synlab AG is the ultimate controlling parent. SYNLAB published an Environmental, Social and Governance (ESG) Report in 2021 and have updated this further in spring. SYNLAB is committed to an exciting agenda of change that will improve the sustainability of all the companies in the group.

The report challenges the group with ambitious targets with a major objective to be carbon neutral by 2025. SYNLAB will work in collaboration with suppliers, partners and customers, and engage its staff to deliver on these ambitions. Supplier roundtable events have commenced and the participants have been invited to share knowledge and experience on joint goals such as reducing waste. As part of the target to reduce carbon emissions, SYNLAB will switch to carbon neutral energy. Firm environmental requirements have been introduced in some of our new contracts, for example requiring our logistics provider in London to use green options such as electric vehicles and push bikes.

Staff from across every part of our organisation are empowered through subject specific groups such as the Quality Managers and Health and Safety Committees and are further supported through the Diversity and Inclusion Champions. SYNLAB have signed up to the Employers Network for Equality and Inclusion and are a Disability Confident Committed Employer.

We impact our communities by fulfilling our mission to improve healthcare by providing reliable, effective and timely diagnostic information, but we also contribute through outreach programmes with local schools, and fundraising campaigns to support causes such as breast cancer awareness.

The ESG Framework and Roadmap will be developed further as technology and opportunities evolve, and we are excited to contribute to this critical agenda which affects our communities.

This report was approved by the board and signed on its behalf.



T E Evans
Director

Date: 26 August 2022

SYNLAB VPG LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL ACTIVITIES

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £938,774 (2020: loss of £146,565). No dividends were declared or paid during the current year and none were proposed after the year (2020: Nil).

DIRECTORS

The directors who served during the year and up to the date of this report were:

M P F Dollar

T E Evans

Dr A G Torrance (resigned on 21 August 2021)

Dr F Gosling (appointed on 9 September 2021)

DIRECTORS' INDEMNITIES

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

GOING CONCERN

Following the contractually agreed sale of the Company to JAB Holdings B.V, which is expected to complete on 30 September 2022, the activities of this Company will no longer be controlled by SYNLAB group or the directors of this Company. However, the directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. Refer to note 2 (b) for further information.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties, including financial risk management, are referred to on page 2-3 of the strategic report.

SUBSEQUENT EVENTS

On 26 July 2022 the sale of the Company and its subsidiary VLSI Limited to JAB Holdings B.V. was agreed, with the sale being contractually binding and with JAB Holdings B.V. subsequently novating the SPA to its affiliate JAB Pet Services B.V. The expected completion date of the sale is 30 September 2022. The Company will then cease to be part of the SYNLAB group. Following the sale of the Company the long term financing structure of the Company will change. At the completion of the sale, JAB Pet Services B.V. is contractually obliged to put the Company in funds to repay the amounts due to group undertakings. The value of the debt at the statement of financial position was £17,281,251 and at 30 September is expected to be £17,051,598. Refer to note 24 for other subsequent events.

FUTURE DEVELOPMENTS

As the United Kingdom focuses on learning to live with the Covid-19 virus, along with the criticality of the services provided means that the Company is resilient to many of the issues faced by many businesses in other sectors. As at the date of signing these financial statements, the laboratory remains open and operational with analytical volumes in line with pre pandemic levels.

Other than those disclosed as subsequent events there are no other future developments that will affect the operations of the Company.

SYNLAB VPG LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



T E Evans
Director

Date: 26 August 2022

SYNLAB VPG LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SYNLAB VPG LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Independent auditor's report to the members of Synlab VPG Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Synlab VPG Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 25; and

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

SYNLAB VPG LIMITED

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired about their own identification and assessment of the risk of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and local tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included local health and safety laws and regulations and local employment law.

SYNLAB VPG LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and both in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

SYNLAB VPG LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Signature

Helen Wildman ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 26th August 2022

SYNLAB VPG LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Revenue	4	11,594	9,486
Cost of sales		<u>(1,954)</u>	<u>(1,639)</u>
Gross profit		9,640	7,847
Administrative expenses		(7,878)	(6,837)
Other operating income		<u>34</u>	<u>11</u>
Operating profit	5	1,796	1,021
Finance costs	8	<u>(988)</u>	<u>(1,175)</u>
Profit / (loss) before tax		808	(154)
Income tax	9	<u>131</u>	<u>7</u>
Profit / (loss) for the year		939	(147)
Other comprehensive income for the year net of tax		<u>-</u>	<u>-</u>
Total comprehensive income / (expense) for the year attributable to the owners of the company		<u>939</u>	<u>(147)</u>

Revenue and operating profit are all derived from continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

SYNLAB VPG LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Investment in subsidiaries	10	2,467	2,467
Intangible assets	11	74	134
Goodwill	12	14,995	14,995
Property, plant and equipment	13	602	440
Right-of-use asset	14	1,591	1,789
Deferred tax asset	17	131	-
		<u>19,860</u>	<u>19,825</u>
Current assets			
Inventories	15	223	194
Receivables: amounts due within one year	16	1,656	1,496
Cash at bank and in hand	18	277	351
		<u>2,156</u>	<u>2,041</u>
Current liabilities			
Payables: amounts due within one year	19	(2,159)	(2,220)
Net current liabilities		<u>(3)</u>	<u>(179)</u>
Total assets less current liabilities		<u>19,857</u>	<u>19,646</u>
Non-current liabilities			
Payables: amounts due after one year	19	(18,992)	(19,720)
Net assets / (liabilities)		<u>865</u>	<u>(74)</u>
Capital and reserves			
Called up share capital	21	-	-
Merger reserve		1,531	1,531
Profit and loss account		(666)	(1,605)
Net shareholders' funds		<u>865</u>	<u>(74)</u>

The notes on pages 14 to 26 form part of these financial statements.

The financial statements of Synlab VPG Limited (registered number: 11006776) were approved by the board of directors and authorised for issue on 26 August 2022. They were signed on its behalf by:



T E Evans
Director

SYNLAB VPG LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £ '000	Profit and loss account £ '000	Merger reserve £ '000	Total £ '000
Balance at 1 January 2020	-	(1,458)	1,531	73
Total comprehensive expense for the year	-	(147)	-	(147)
Balance at 31 December 2020	<u>-</u>	<u>(1,605)</u>	<u>1,531</u>	<u>(74)</u>
Total comprehensive income for the year	-	939	-	939
Balance at 31 December 2021	<u>-</u>	<u>(666)</u>	<u>1,531</u>	<u>865</u>

The notes on pages 14 to 26 form part of these financial statements.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Synlab VPG Limited (the Company) was incorporated in the United Kingdom and is registered in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page. It is a private registered company, limited by shares. The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied.

(a) Basis of preparation of the financial statements

The financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The measurement basis used in the preparation of the financial statements is the historical cost basis unless otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future year.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash-flow statement and related party transactions. The disclosure exemption has been taken on the basis that the ultimate controlling party, Synlab AG, a company registered in Germany and whose registered office is Moosacher Straße 88, 80809 Munich, Germany, is an entity that prepares consolidated financial statements.

Under Section 400 of the Companies Act (2006) the Company is exempt from preparing group accounts. This is due to the Company being a wholly owned subsidiary of Synlab AG and is included in its consolidated accounts that are publicly available on the website <https://ag.synlab.com/financial-results>.

(b) Going Concern

Following the contractually agreed sale of the Company to JAB Pet Services B.V., which is expected to complete on 30 September 2022, the activities of the Company will no longer be controlled by SYNLAB group or the current directors of the Company.

The new owner has yet to fully complete their strategy plans, but has confirmed to the directors the following;

- There will be no break-up of the Company or sale of assets for the next 12 months following the approval of these financial statements;

SYNLAB VPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES (continued):

- The Company is expected to trade to a similar level for the next 12 months following the approval of these financial statements due to the arrangements in place with customers which are unaffected by the sale;
- The new owner, JAB Pet Services B.V., has agreed to fund the Company for its ordinary course operations for the next 12 months, if needed; and
- There will be a change to the funding structure with the long term debt and amounts due the Company's immediate parent Company, Labco UK Group Limited, to be repaid at the completion of the sale.

Based on the above analysis the directors have not identified a material uncertainty regarding the going concern assumption for the Company and therefore have a reasonable expectation that the Company will be able to continue to operate for at least the next 12 months. Therefore, the financial statements have been prepared on a going concern basis.

(c) Revenue recognition

The Company will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company enters into the contracts with veterinary clinics for the services and the prices are determined. Services agreed upon are considered to be a single performance obligation. Revenue is recognised when the services are provided.

(d) Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the Statement of Comprehensive Income in the year in which they arise.

(e) Other operating income

Other operating income is recognised in the Statement of Comprehensive Income in the year in which it is received.

(f) Government grants

Grants claimed via the Coronavirus Job Retention Scheme are recognised as a reduction of expenditure in the Statement of Comprehensive Income in the year in which it is received.

(g) Finance costs

All finance costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred and comprise interest expenses on group cash pooling balances and lease liabilities of right-of-use-assets.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES (continued):

(h) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, which are those assets with minimum lease payment of £5,000. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

(i) Retirement benefit schemes

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 payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES (continued):

(j) Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(k) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. The Company determines whether Investments are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value might not be recoverable.

(l) Intangible assets

Computer software

Computer software is measured initially at purchase cost and is amortised on a straight line basis within 3- 5 years.

Stamp Duty

Stamp duty is measured initially at purchase cost and is amortised on a straight line basis within 4 years.

(m) Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the net assets and trade purchased from its subsidiaries. Subsequently goodwill is not amortised but is reviewed annually for impairment or when there is an indicator of impairment.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES (continued):

(n) Property, plant and equipment

Assets are stated in the Statement of Financial Position at their historic cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Building improvements, motor vehicles, computer hardware and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight line method, on the following bases:

The company has elected to depart from the requirements set out in paragraph 22 of Schedule 1 to the FRS101 Regulations and has applied the requirements of IFRS 3 business combinations. This has resulted in goodwill not being amortised and carried at cost less impairment, which is consistent with the accounting policies applied by the Synlab Group.

Building improvements	25% straight line
Motor vehicles	25% straight line
Computer hardware	25% straight line
Equipment	25% straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises materials, reagents and consumables directly used to the process of diagnostic services. Cost is calculated using the first in first out cost method. Net realisable value represents the cost of the materials, reagents and consumables less any provision for damaged or obsolete stock.

(p) Receivables

Receivables are measured at their amortised cost less any impairment. The Company follows IFRS 9 and uses a simplified and consistent approach for measuring expected credit losses.

(q) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

(r) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are measured at their amortised cost.

(s) Change in accounting policies

There are no newly applicable financial reporting standards that have a material effect on the Company's financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

SYNLAB VPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES (continued):

Critical judgements in applying the Company's accounting policies:

Investments in subsidiaries

The Company determines whether Investments are impaired when changes in events or situations indicate that the carrying value might not be recoverable. Management will assess if there are indicators of impairment, and if appropriate, use their judgement to ascertain the recoverable amount of the investment in the subsidiary. Management have concluded that there are no indicators of impairment in the current year.

Key sources of estimation uncertainty in applying the Company's accounting policies:

Impairment of goodwill

On an annual basis the Company determines the recoverable amount of its goodwill. The Company uses the value in use model and if the recoverable amount is less than the carrying value the Company recognises an impairment charge. Management apply an appropriate discount rate and growth rate to estimate future cash flows to value the recoverable amount of its single cash generating unit to which the goodwill is allocated. Management have concluded that there is no impairment to the carrying value of its goodwill.

4. REVENUE

The whole of the revenue is attributable to the provision of veterinary pathology services within the United Kingdom.

	2021	2020
	£'000	£'000
Exeter and Ringwood	5,948	5,090
Leeds	2,240	1,680
Hitchin	2,359	1,805
Bristol	446	400
Intra Group trading	601	511
	<u>11,594</u>	<u>9,486</u>

Intra Group trading includes sales to its non UK direct and indirect subsidiaries that are part of the wider Synlab Group.

5. OPERATING PROFIT

Profit for the year has been arrived at after charging / (crediting):

	2021	2020
	£'000	£'000
Net foreign exchange loss / (gain)	15	(18)
Staff costs	5,774	5,090
Amortisation of intangible assets	36	32
Depreciation of property, plant and equipment	240	242
Depreciation of right-of-use assets	288	273
Inventory recognised as an expense	970	958
(Reversal of impairment) / impairment of trade receivables	<u>(5)</u>	<u>6</u>

6. AUDITOR'S REMUNERATION

	2021	2020
	£'000	£'000
Fees payable for the audit of the Company's financial statements	<u>35</u>	<u>35</u>

There were no non-audit services provided by the auditor during the current or prior year.

7. STAFF COSTS

Management has deemed average full time equivalents ("FTE") units to be more appropriate measurement of employees as compared to the head count which was previously disclosed. 2020 comparatives have also been changed to reflect such decision.

	2021	2020
Full-time equivalents	2021	2020
Operational	120	112
Administration	14	14
	<u>134</u>	<u>126</u>

SYNLAB VPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STAFF COSTS (continued):

Headcount	2021	2020
Operational	147	127
Administration	15	15
	<u>162</u>	<u>142</u>
	2021	2020
	£'000	£'000
Wages and salaries	5,103	4,481
Social security costs	486	452
Pension costs	185	157
	<u>5,774</u>	<u>5,090</u>

Due to the Company being operational throughout the Covid-19 pandemic, the Company did not request support from the government Job Retention Scheme in 2021 (2020: £128,884).

8. FINANCE COSTS

	2021	2020
	£'000	£'000
Interest payable to group companies	887	1,067
Lease interest	101	108
	<u>988</u>	<u>1,175</u>

9. INCOME TAX

	2021	2020
	£'000	£'000
UK corporation tax	-	4
Deferred tax	(131)	(11)
	<u>(131)</u>	<u>(7)</u>

Corporation tax is calculated at 19% (2019: 19%) of the estimated taxable profit for the year. The credit for the year can be reconciled to the profit in the profit and loss account as follows.

	2021	2020
	£'000	£'000
Profit / (loss) before tax	<u>808</u>	<u>(154)</u>
Tax at the UK corporation tax rate of 19% (2020: 19%)	154	(29)
Expenses not deductible	-	23
Tax rate changes	(31)	-
Permanent Differences	5	-
Amounts in respect of prior periods	(98)	(7)
Transfer pricing adjustments	(28)	(37)
Tax effect of group relief claimed / surrendered	(128)	7
Amounts not recognised	(5)	36
Tax credit for the year	<u>(131)</u>	<u>(7)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The total amount of unrelieved tax losses at the Statement of Financial Position date was £1,420,459 (2020: £1,293,333) and are available to be carried forward to set off against future taxable profits. However due to uncertainty if the tax losses will be relieved against future taxable profits the Company has not recognised a deferred tax asset on its tax losses.

A deferred tax asset has been recognised to reflect the timing difference of the carrying value of property, plant and equipment (see note 16).

It was announced in the March 2021 Budget, that effective from 1 April 2023, the main UK corporation tax rate will increase from 19% to 25%.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. INVESTMENTS IN SUBSIDIARIES

£'000

Cost

At 1 January 2021 and 31 December 2021	2,467
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Provision for impairment

At 1 January 2021 and 31 December 2021	-
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Carrying amount

At 1 January 2021 and 31 December 2021	2,467
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SUBSIDIARY UNDERTAKINGS

The Company has investments in the following subsidiary undertakings:

Company Name	Country of incorporation	Class of shares	Holding
TDDS 2015 Limited (dissolved 13th April 2022)	United Kingdom	Ordinary	100%
CTDS 2015 Limited (In process of voluntary liquidation)	United Kingdom	Ordinary	100%
PTDS Limited (In process of voluntary liquidation)	United Kingdom	Ordinary	100%
Bridge Pathology Limited (dissolved 13th April 2022)	United Kingdom	Ordinary	100%
VLSI Limited	Ireland	Ordinary	100%

The registered office for Bridge Pathology Limited is 139 College Road, Birmingham, B13 9LJ.

The registered office of all the remaining companies registered in the United Kingdom is 1 More London Place, London, SE1 2AF.

The registered office of VLSI Limited is Unit 1, Brushville House, Dosco Business Park, South Douglas Road, Cork, T12 XR6V, Ireland.

11. INTANGIBLE ASSETS

	Stamp duty £'000	Intellectual property £'000	Computer software £'000	Total £'000
Cost				
At 1 January 2021	33	3	140	176
Additions	-	-	19	19
Disposals	-	(3)	(43)	(46)
At 31 December 2021	33	-	116	149
Amortisation				
At 1 January 2021	12	3	27	42
Charge for the year	9	-	27	36
Disposals	-	(3)	-	(3)
At 31 December 2021	21	-	54	75
Carrying amount				
At 31 December 2021	12	-	62	74
At 31 December 2020	21	-	113	134

The disposal in computer software is due to a prior year over accrual at year end. No depreciation was charged.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. GOODWILL

£'000

Cost

At 1 January 2021 and 31 December 2021

14,995

Provision for impairment

At 1 January 2021 and 31 December 2021

-

Carrying amount

At 31 December 2020 and 31 December 2021

14,995

The carrying amount of £14,995k (2020: £14,995k) of goodwill is the cash paid in excess, of the fair value of the net assets and trade in respect of a corporate restructure. The assets, liabilities and trade were transferred to this Company from TDDS 2015 Limited, CTDS 2015 Limited, PTDS Limited and Bridge Pathology Limited, all of which are subsidiaries of this Company that are either liquidated or in voluntary liquidation.

13. PROPERTY, PLANT AND EQUIPMENT

	Building improve- ments £'000	Motor vehicles £'000	Computer hardware £'000	Equipment £'000	Total £'000
Cost					
At 1 January 2021	105	13	41	691	850
Additions	-	-	-	402	402
At 31 December 2021	<u>105</u>	<u>13</u>	<u>41</u>	<u>1,093</u>	<u>1,252</u>
Accumulated depreciation					
At 1 January 2021	35	11	14	350	410
Charge for the year	26	2	10	202	240
At 31 December 2021	<u>61</u>	<u>13</u>	<u>24</u>	<u>552</u>	<u>650</u>
Carrying amount					
At 31 December 2021	<u>44</u>	<u>-</u>	<u>17</u>	<u>541</u>	<u>602</u>
At 31 December 2020	<u>70</u>	<u>2</u>	<u>27</u>	<u>341</u>	<u>440</u>

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. RIGHT-OF-USE ASSET

	Leasehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2021	2,138	246	2,384
Additions	79	11	90
Disposals	-	(66)	(66)
At 31 December 2021	<u>2,217</u>	<u>191</u>	<u>2,408</u>
Accumulated depreciation			
At 1 January 2021	439	156	595
Charge for the year	212	76	288
Disposals	-	(66)	(66)
At 31 December 2021	<u>651</u>	<u>166</u>	<u>817</u>
Carrying amount			
At 31 December 2021	<u>1,566</u>	<u>25</u>	<u>1,591</u>
At 31 December 2020	<u>1,699</u>	<u>90</u>	<u>1,789</u>

The carrying value of motor vehicles is low due to leases expiring during the first half of the following year.

15. INVENTORIES

	2021 £'000	2020 £'000
Consumables and reagents	<u>223</u>	<u>194</u>

16. RECEIVABLES

<i>Amounts falling due within one year</i>	2021 £'000	2020 £'000
Trade receivables	1,476	1,338
Amounts owed by group undertakings	20	35
Other receivables	29	30
Prepayments and accrued income	<u>131</u>	<u>93</u>
	<u>1,656</u>	<u>1,496</u>

The amounts owed by group undertakings are unsecured and repayable upon demand. The balance is non-trading and non-interest bearing.

17. DEFERRED TAX ASSET

<i>Amounts falling due after one year</i>	2021 £'000	2020 £'000
At 1 January 2021	-	-
Deferred tax credit for depreciation in excess of capital allowances	131	-
At 31 December 2021	<u>131</u>	<u>-</u>

SYNLAB VPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. CASH AT BANK AND IN HAND

	2021	2020
	£'000	£'000
Cash at bank	<u>277</u>	<u>351</u>

19. PAYABLES

<i>Amounts falling due within one year</i>	2021	2020
	£'000	£'000

Trade payables	435	319
Taxation and security	413	523
Lease liabilities	212	189
Other payables	53	54
Accruals and deferred income	<u>1,046</u>	<u>1,135</u>
	<u>2,159</u>	<u>2,220</u>

<i>Amounts falling due after one year</i>	2021	2020
	£'000	£'000

Amounts owed to group undertakings	17,281	17,883
Lease liabilities	<u>1,711</u>	<u>1,837</u>
	<u>18,992</u>	<u>19,720</u>

The Company became a member of a group cash pooling facility on 26 July 2018. Interest of 5.10% (2020: 5.10%) per annum is payable to the immediate parent company, Labco UK Group Limited. The amount outstanding at the Statement of Financial Position date was a payable of £17,281,251 (2020: £17,884,114). The outstanding amount is repayable with 3 working days notice period, with the earliest repayment date being not before 5 January 2023.

20. LEASE LIABILITIES

	2021	2020
	£'000	£'000

Maturity analysis:

Year 1	212	189
Year 2	176	206
Year 3	165	157
Year 4	173	149
Year 5	182	157
Onwards	<u>1,015</u>	<u>1,168</u>
	<u>1,923</u>	<u>2,026</u>

Analysed as:

Non-current	1,711	1,837
Current	<u>212</u>	<u>189</u>
	<u>1,923</u>	<u>2,026</u>

21. CALLED UP SHARE CAPITAL

Authorised, issued and fully paid:

	2021	2020
	£	£
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

The shares rank pari passu in all respects.

SYNLAB VPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. RETIREMENT BENEFIT SCHEME

Defined contribution scheme

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the Statement of Comprehensive Income of £184,525 (2020: £157,417) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2021, contributions of £24,079 (2020: £23,987) due in respect of the current reporting year had not been paid over to the schemes and are included in other payables.

23. RELATED PARTY TRANSACTIONS

Directors' remuneration

The directors' remuneration, analysed under the headings required by company law, is set out below.

	2021 £'000	2020 £'000
Wages and salaries	86	91
Pension costs	<u>14</u>	<u>8</u>
	<u>99</u>	<u>99</u>

There were 2 directors (2020: 3) who served during the year that are not remunerated by this Company. These directors are employed and remunerated by another Group company. An allocation of their remuneration for the operational day to day affairs of this Company is shown below:

	2021 £'000	2020 £'000
Wages and salaries	50	118
Pension costs	<u>2</u>	<u>3</u>
	<u>52</u>	<u>121</u>

There were no further directors (2020: 1) who served during the year and are not remunerated by this Company.

24. SUBSEQUENT EVENTS

On 13 April 2022, two of the Company's investments (TDDS 2015 Limited and Bridge Pathology Limited) were dissolved.

On 20 July 2022, two of the Company's investments in (CTDS 2015 Limited and PTDS Limited), which are both in liquidation were transferred to this Company's immediate parent company, Labco UK Group at £nil value.

On 26 July 2022 the sale of the Company and its subsidiary VLSI Limited to JAB Holdings B.V. was agreed, with the sale being contractually binding and with JAB Holdings B.V. subsequently novating the SPA to its affiliate JAB Pet Services B.V. The expected completion date of the sale is 30 September 2022. The Company will then cease to be part of the SYNLAB group. Following the sale of the Company the long term financing structure of the Company will change. At the completion of the sale, JAB Pet Services B.V. is contractually obliged to put the Company in funds to repay the amounts due to group undertakings. The value of the debt at the statement of financial position was £17,281,251 and at 30 September is expected to be £17,051,598.

There were no other subsequent events.

SYNLAB VPG LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

25. CONTROLLING PARTY

In the opinion of the directors, the Company's ultimate parent company during the majority of 2021 was Cinven Capital Management (V) General Partner Limited. Due to a reduction in shareholdings, Cinven Capital Management (V) General Partner Limited is no longer the ultimate parent company and on the 25th November 2021 the Company's ultimate parent company and ultimate controlling party is Synlab AG, a company registered in Germany, whose registered office is Moosacher Straße 88, 80809 Munich, Germany.

The parent undertaking of the smallest and largest group, which includes the Company and for which group financial statements are prepared is, Synlab AG, a company registered in Germany and whose registered office is Moosacher Straße 88, 80809 Munich, Germany.

The Company's immediate controlling party is Labco UK Group Limited, a company registered in the United Kingdom and whose registered office is Francis House, 9 Kings Head Yard, London SE1 1NA.