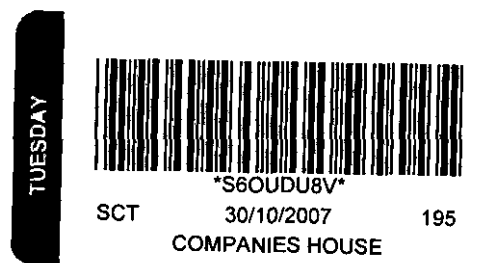


Charles River Laboratories Clinical Services Limited
Annual report and financial statements
for the year ended 30 December 2006

Registered number SC109802



Charles River Laboratories Clinical Services Limited
Annual report and financial statements
for the year ended 30 December 2006
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Charles River Laboratories Clinical Services Limited

Directors and advisors for the year ended 30 December 2006

Directors

J C Foster

T F Ackerman

D Johst

G C Kerkhof (resigned 1st September 2006)

Company secretary

D Johst

Company number

SC109802

Registered office

Elphinstone Research Centre

Tranent

EH33 2NE

Auditors

PricewaterhouseCoopers LLP

PO Box 90

Erskine House

68 73 Queen Street

Edinburgh

EH2 4NH

Charles River Laboratories Clinical Services Limited

Directors' report for the year ended 30 December 2006

The directors present their report and the audited financial statements of the company for the year ended 30 December 2006

Review of business and future developments

The principal activity of the company is scientific research and consultancy

The turnover for the year was £11,046,000 (2005 £10,836,000) The profit on ordinary activities after taxation amounted to £1,754,000 (2005 £1,892,000) The Directors do not recommend the payment of a dividend (2005 £15,201,000)

During the year the company repaid its outstanding bank term loan of £2,031,000 in full

Principal risks and uncertainties

The key business risks facing the company are considered to be the level of research and development activity undertaken by existing and potential customers, as well as the outsourcing policies of these customers

Future outlook

The directors are of the opinion that the state of affairs of the company at the year end is satisfactory and operations will grow in the next financial year

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analyses using KPIs are not necessary for an understanding of the development, performance or position of the business

Directors and their interests

Ordinary shares of £1 each	
2006	2005

J C Foster
T F Ackerman
D Johst
G C Kerkhof

The interests of the directors in the ultimate parent company are shown in the financial statements of that company (Note 19)

Disabled employees

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

Employee involvement

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

Charles River Laboratories Clinical Services Limited

Directors' report for the year ended 30 December 2006 (continued)

Statement of directors' responsibilities

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 statement 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). The financial statements 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 that period.

In preparing those financial statements, 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 financial statements 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 as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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 financial statements 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' Statement as to Disclosure of Information to Auditors

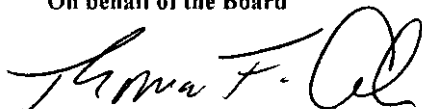
The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow Directors, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their Report of which the auditors are unaware, and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the auditors are aware of that information.

Auditors

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

On behalf of the Board



T F Ackerman
Director
10 October 2007

Charles River Laboratories Clinical Services Limited

Independent auditors' report to the members of Charles River Laboratories Clinical Services Limited

We have audited the financial statements of Charles River Laboratories Clinical Services Limited for the year ended 30 December 2006 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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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 30 December 2006 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
Edinburgh
12 October 2007

Charles River Laboratories Clinical Services Limited

Profit and loss account for the year ended 30 December 2006

		2006	2005
			Restated
	Notes	£'000	£'000
Turnover	2	11,046	10,836
Cost of sales		(6,936)	(6,966)
Gross profit		4,110	3,870
Administrative expenses		(2,137)	(1,764)
Operating profit	3	1,973	2,106
Interest received (net)	5	190	117
Profit on ordinary activities before taxation		2,163	2,223
Tax on profit on ordinary activities	6	(409)	(331)
Profit on ordinary activities after taxation	14	1,754	1,892
Dividends (2005 £1,520 14 per ordinary share)	15		(15,201)
Profit/(loss) for the financial year		1,754	(13,309)

As permitted by Financial Reporting Standard 3 "Reporting Financial Performance", the company has not prepared a Statement of Total Recognised Gains and Losses as it has no recognized gains or losses in either year other than the retained profit or loss for that year

The 2005 comparative results have been restated to reflect the reclassification of certain Administrative expenses from Cost Sales, amounting to £505k. This is consistent with the classification in the 2006 financial year.

All of the above activities are continuing

Charles River Laboratories Clinical Services Limited

Note of historical cost profits and losses for the year ended 30 December 2006

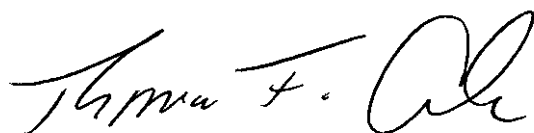
	2006	2005
	£'000	£'000
Reported profit on ordinary activities before taxation	2,163	2,223
Difference between historical cost depreciation charge and actual depreciation charge for the year	35	35
Historical cost profit on ordinary activities before taxation	2,198	2,258
Historical cost profit for the year after taxation	1,789	1,927

Charles River Laboratories Clinical Services Limited

Balance sheet as at 30 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible fixed assets	7	1,192	1,196
Current assets			
Stocks and work in progress	8	1	1
Debtors	9	3,045	6,319
Cash at bank and in hand		4,525	2,269
		7,571	8,589
Creditors amounts falling due within one year	10	(3,521)	(4,373)
Net current assets		4,050	4,216
Total assets less current liabilities		5,242	5,412
Creditors amounts falling due after more than one year	11		(2,031)
Provisions for liabilities and charges	12	(107)	
Net assets		5,135	3,381
Capital and reserves			
Called up share capital	13		
Revaluation reserve	14	100	135
Profit and loss account	14	5,035	3,246
Shareholder's funds	15	5,135	3,381

The financial statements on pages 5 to 18 were approved by the Board of Directors on 10 October 2007 and were signed on its behalf by



T F Ackerman
Director

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006

1 Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Prior year reclassification

The 2005 comparatives in the profit and loss account have been restated to reflect a reclassification of expenses totaling £505,000 from Cost of Sales to Administrative expenses.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets.

Cash flow statement

The company is a wholly owned subsidiary of Charles River Laboratories International Inc (Note 19) and the cash flows of the company and group are included in the consolidated cash flow statements of Charles River Laboratories International Inc. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement.

Research and development expenditure

Research and development expenditure is written off in the period in which it is incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off their cost on a straight line basis over their expected useful lives as follows:

Long leasehold property	Forty years
Plant and machinery	Three to five years

Tangible fixed assets are revalued every 5 years with interim valuations every 3 years. The surplus or deficit on revaluation compared to book value is transferred to the revaluation reserve, except where a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

1 Principal accounting policies (continued)

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred, net of amounts transferred to cost of sales, and anticipated future losses on contracts are fully provided for.

Taxation

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

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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax assets and liabilities are not discounted.

Turnover

Turnover, which excludes value added tax and trade discounts, represents amounts receivable for goods and services provided in the normal course of business.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

Pension costs

The company participates in a group pension scheme, operated by its UK parent company, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the participating companies being invested through investment managers and managed by Pension Scheme Trustees.

Contributions to the scheme, which are based on pension costs across the group as a whole, are charged to the group profit and loss account so as to spread the expected cost of providing pensions over employees' expected average working lives with the company. The contributions are determined by a qualified actuary on the basis

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

1 Principal accounting policies (continued)

Pension costs (continued)

of triennial valuations using the attained age method. The company pension cost is based on contributions made by the company to the group scheme.

The company also operates a defined contribution pension scheme in respect of certain employees. The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. Pension contributions are charged to the profit and loss account as they become due and payable in accordance with the rules of the scheme.

Leases

Rentals payable under operating leases are charged to the profit and loss account when they become due and payable.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are reported at rates ruling at the balance sheet date. All exchange rate differences are included in the profit and loss account.

2 Turnover

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

	2006 £'000	2005 £'000
United Kingdom	3,960	2,581
Other	7,086	8,255
	11,046	10,836

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

3 Operating Profit

Operating profit is stated after charging / (crediting)

	2006	2005
	£'000	£'000
Depreciation and amounts written off tangible fixed assets		
owned assets	121	103
Auditors' remuneration		
audit services	19	
Operating lease rentals		
motor vehicles	1	4
property	72	67
Gain on sale of fixed assets		(4)
Foreign exchange loss / (gain)	10	(72)

The 2005 audit fees were borne by another group undertaking

4 Directors and employees

The average monthly number of persons both full time and part time (excluding executive directors) employed by the company during the year was

	2006	2005
	Number	Number
Operating areas	59	58
Administration	12	12
	71	70

Their aggregate remuneration (including directors' remuneration) comprised

	2006	2005
	£'000	£'000
Wages and salaries	1,789	1,566
Social security costs	169	150
Other pension costs (Note 18)	349	162
Share option costs	(2)	139
	2,305	2,017

The ultimate parent company (Note 19) has established a number of share option plans and arrangements. Employees of the company participate in these plans and arrangements, which give them the right to acquire shares in the ultimate parent company at various prices ("exercise prices"). Full details of the group share option schemes, including disclosures required under FRS 20, are contained in the financial statements of the parent company Charles River Laboratories Preclinical Services Edinburgh Ltd.

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

4 Directors and employees (continued)

Under the terms of an agreement with the ultimate parent company, gains made by employees on the exercise of these share options are recharged to the company. The charge recorded by the company represents both the actual gains made by employees on options exercised during the year, and the intrinsic gain on all unexercised options. The intrinsic gain is calculated by reference to the year end market value of the shares and the individual exercise prices. Where share options do not vest in employees immediately, the gain is spread over the vesting period on a straight line basis.

Directors' remuneration

In the current year and the prior year, directors' emoluments were borne by the ultimate parent (Note 19).

The directors participate in share option and long term incentive schemes operated by the ultimate parent company. 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 these long term incentive schemes. Four directors exercised share options during the year (2005: 1). No directors have shares that were received or receivable under long term incentive schemes during the year (2005: none).

There are no directors (2005: none) to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services.

5 Interest received (net)

	2006	2005
	£'000	£'000
Bank interest received	156	120
Interest receivable on intercompany loans	89	
Bank term loan interest payable	(55)	(3)
Net interest receivable	190	117

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

6 Tax on profit on ordinary activities

The tax charge comprises

	2006 £'000	2005 £'000
Current tax		
UK Corporation tax		
current year	266	276
prior years	32	
Total current tax	298	276
Deferred tax		
Origination and reversal of timing differences		
current year	111	1
prior years		54
	111	55
Tax charge for the year	409	331

The differences between the current tax charge for the year and that calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	2,163	2,223
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 – 30%)	649	667
Effects of		
Expenses not deductible for tax purposes		5
Other timing differences	(104)	9
Research and development tax credits	(272)	(262)
Capital allowances in excess of depreciation	(7)	(10)
Adjustment in respect of prior years	32	
Utilisation of group relief		(133)
Current tax charge for the year	298	276

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

7 Tangible fixed assets

	Long leasehold property £'000	Plant and machinery £'000	Total £'000
Cost / valuation			
At 31 December 2005	2,857	1,993	4,850
Additions	20	97	117
Disposals		(122)	(122)
At 30 December 2006	2,877	1,968	4,845
Depreciation			
At 31 December 2005	2,046	1,608	3,654
Charge for the year	26	95	121
Disposals	(177)	55	(122)
At 30 December 2006	1,895	1,758	3,653
Net book value			
At 30 December 2006	982	210	1,192
At 31 December 2005	811	385	1,196

The tangible fixed assets were professionally valued on an open market, existing use basis as at 20 October 2004 by Ernst & Young, a qualified external valuer

If the plant and machinery had not been revalued it would have been included at the following amounts

	2006 £'000	2005 £'000
Cost	1,792	1,817
Accumulated depreciation	(1,682)	(1,567)
Net book value	110	250

8 Stocks

	2006 £'000	2005 £'000
Raw materials and consumables	1	1

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

9 Debtors

	2006 £'000	2005 £'000
Amounts falling due within one year		
Trade debtors	2,477	1,127
Amounts recoverable on contracts	379	268
Amounts owed by group undertakings	50	4,853
Prepayments and accrued income	57	66
Other debtors	82	
Deferred tax asset (Note 12)		5
	3,045	6,319

10 Creditors : amounts falling due within one year

	2006 £'000	2005 £'000
Payments received on account	1,243	2,316
Trade creditors	468	44
Amounts owed to group undertakings	1,078	1,315
Other creditors	291	9
Other taxation and social security	206	318
VAT	38	
Corporation tax payable	142	142
Accruals and deferred income	55	229
	3,521	4,373

11 Creditors : amounts falling due after more than one year

	2006 £'000	2005 £'000
Amounts falling due after more than one year		
Bank loan		2,031

The bank term loan bore interest at commercial rates and was repaid in full during the year

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

12 Provisions for liabilities and charges

Deferred taxation

The deferred taxation liability / (asset), which has been fully provided / (recognised) for is as follows

	2006 £'000	2005 £'000
Accelerated capital allowances	158	150
Other timing differences	(51)	(155)
	107	(5)

The movement in the year was as follows

	2006 £'000	2005 £'000
At beginning of year (asset)	(5)	(60)
Charged to profit and loss account	112	55
At end of year – liability / (asset)	107	(5)

13 Called up share capital

	2006 £'000	2005 £'000
Authorised		
100,000 ordinary shares of £0.01 each	1	1
Allotted, called up and fully paid		
10,000 ordinary shares of £0.01 each		

14 Reserves

The movement on reserves in the year was as follows

	Profit and loss account £'000	Revaluation reserve £'000	Total £,000
At beginning of year	3,246	135	3,381
Profit for the year	1,754		1,754
Transfer from revaluation reserve	35	(35)	
At end of year	5,035	100	5,135

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

15 Reconciliation of movements in shareholder's funds

	2006 £'000	2005 £'000
Profit for the year	1,754	1,892
Dividend		(15,201)
Net addition to (depletion of) shareholders' funds	1,754	(13,309)
Opening shareholders' funds	3,381	16,690
Closing shareholders' funds	5,135	3,381

16 Obligations under operating leases

The company had annual commitments under non cancellable operating leases expiring as follow

	2006 Property £'000	2005 Property £'000
Between two and five years		35
Over five years	35	32
	35	67

17 Capital commitments

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

	2006 £'000	2005 £'000
Contracted but not provided for		69

18 Pension costs

The immediate parent undertaking operates a pension scheme for its employees and those of its subsidiaries providing benefits based on final pensionable pay. Following a review of the group's pension arrangements the scheme was closed to new entrants on 1 January 2003.

The immediate parent company also operates a defined contribution scheme.

The group defined benefits pension scheme remains open to certain members who continue to accrue future service benefits. Contributions to the scheme, in respect of these members, are determined by qualified actuaries employed by the immediate parent undertaking, using the projected unit method.

Charles River Laboratories Clinical Services Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

18 Pension costs (continued)

The immediate parent company adopted FRS 17 "Retirement Benefits" in full for the first time for the year ended 31 December 2005. As the company's employees only form part of the multi employer scheme operated by the immediate parent undertaking for which the assets and liabilities relating to individual subsidiaries are not identified, the company has accounted for its pension contributions as if they were made to a defined contribution scheme.

Full details of the group defined benefits pension scheme, including disclosures required under FRS 17, are contained in the financial statements of Charles River Laboratories Preclinical Services Edinburgh Ltd (Note 19).

The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. Pension contributions are charged to the profit and loss account as they become due and payable in accordance with the rules of the scheme.

The total pension cost for the year in these financial statements amounted to £349,000 (2005 £162,000). This cost comprised £334,000 in relation to the defined benefit scheme and £15,000 in relation to the defined contribution scheme.

19 Ultimate parent company and controlling party

The ultimate parent company at 30 December 2006 was Charles River Laboratories International Inc, a company registered in the United States of America and the largest group into which the results of the company are consolidated. Copies of the consolidated financial statements of Charles River Laboratories Inc can be obtained from the Company Secretary at Charles River Laboratories Inc, 251 Ballardvale Street, Wilmington, MA 01887. The smallest group into which the results of the company are consolidated is that headed by Charles River Laboratories Preclinical Services Edinburgh Ltd, a company registered in the United Kingdom.

20 Related party transactions

Under the terms of Financial Reporting Standard 8, the company is exempt from disclosing related party transactions and balances with fellow members of the group headed by Charles River Laboratories International Inc.

21 Post balance sheet events

The Chancellor of the Exchequer, in his budget on 21 March 2007, announced a number of proposed changes to tax legislation, including a reduction in the rate of UK corporation tax from 30% to 28% with effect from April 2008. These proposed changes in legislation are subject to enactment. Due to the nature of this event, it is non adjusting. No estimate of its financial effect has been made for this financial information.