

Celsis International Limited
Annual report
for the period ended 30 December 2017

Registered Number 02829052



Celsis International Limited
Annual report
for the period ended 30 December 2017
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Celsis International Limited

Directors and advisers

Directors

D R Smith
F T Jordan
J G Montana

Company secretary and registered office

S M Price
Charles River Laboratories
Manston Road
Margate, Kent, CT9 4TL, UK

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Abacus House, Castle Park
Cambridge, CB3 0AN, UK

Celsis International Limited

Strategic report for the period ended 30 December 2017

The Directors present their strategic report of the Company for the 52 week period (period) ended 30 December 2017. The comparative information is for the 53 week period to 31 December 2016.

Principal activities

The principal activity of the Company is to hold investments and act as a holding company. The Directors consider that the activities of the Company will continue at a similar level in the future.

Review of business and future developments

The results of the Company for the period ended 30 December 2017 show a loss before taxation of £80,000 (profit for period ended 31 December 2016: £13,655,000). The Company will continue acting as a holding company in the foreseeable future and distributing dividends to its shareholders.

Key performance indicators

The KPI used to monitor the Celsis Group business is operating profit before taxes.

Review of business risks and uncertainties

Financial risk management

The Company's international operations expose it to a number of risks that include the effect of changes in foreign currency exchange rates, liquidity and interest rates. The Company monitors the risk and seeks to limit the adverse effects on the financial performance of the Company. The Company does not enter into any derivative transactions or trade in financial instruments and the Company is not exposed to commodity price risk.

(a) Foreign exchange risk

In respect of monetary assets and liabilities held in currencies other than Sterling, namely US Dollars and Euro, the Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances. The principal payment for liabilities of the Company in foreign currencies are actually hedged by trading cash flows.

The Company's foreign exchange exposure is continuously monitored.

(b) Interest rate risk

The Company finances its operations through a mixture of retained cash reserves and equity finance. The policy of the Company is to monitor exposure to interest rate risk and take into account potential movements in interest rates when selecting methods of financing or investing in short term deposits. However, the level of the Company's external borrowings as at 30 December 2017 is £nil (2016: £nil) and therefore the risk at present is not considered high.

(c) Liquidity risk

The Company maintains a strong cash balance and has sufficient available funds for its operations.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Discussion of these risks, in the context of the Charles River Laboratories Group as a whole, is provided within the Charles River Laboratories International Inc annual report on Form 10-K for the period ended 30 December 2017, which is available on that Company's website and does not form part of this report.

Results and dividends

The Company's loss for the period ended 30 December 2017 is £80,000 (profit for the period ended 31 December 2016: £13,655,000). The Company paid no dividend during the period ended 30 December 2017 (period ended 31 December 2016: £12,664,000).

On behalf of the board.



D R Smith
Director

20 September 2018

Celsis International Limited

Directors' report for the period ended 30 December 2017

The Directors present their report, which incorporates the strategic report, and the audited financial statements of the Company for the 52 week period (period) ended 30 December 2017.

Results of the period and dividends paid during the period are disclosed on page 3.

Directors

The Directors of the Company during the period and up to the date of signing the financial statements were as follows:

D R Smith

F T Jordan

K L Hilyard (resigned on 1 November 2017)

J G Montana (appointed on 5 December 2017)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial 52 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Indemnity provision

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Celsis International Limited

Directors' report for the period ended 30 December 2017 (continued)

Research and development activities

During the period ended 30 December 2017, the Company incurred research and development expenditure of £2,000 (period ended 31 December 2016: £3,000), all of which has been written off to the profit and loss account. The costs incurred are related to patents.

No political donations were made or political expenditure incurred by the company or its subsidiaries in current year.

On behalf of the board

A handwritten signature in black ink, appearing to read 'D R Smith'.

D R Smith

Director

20 September 2018

Celsis International Limited

Independent auditors' report to the members of Celsis International Limited

Report on the audit of the financial statements

In our opinion, Celsis International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2017 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 30 December 2017, the profit and loss account and statement of comprehensive (loss)/income, the statement of changes in equity for the 52 week period then ended, the accounting policies and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities. With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Celsis International Limited

Independent auditors' report to the members of Celsis International Limited (Continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 30 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements on Page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

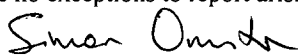
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Simon Ormiston (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cambridge

24 September 2018

Celsis International Limited

Profit and loss account for the period ended 30 December 2017

| | Note | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|---|------|--|--|
| Administrative expenses | | (75) | (180) |
| Research and development expenses | | (2) | (3) |
| Operating loss | 2 | (77) | (183) |
| Income from shares in Group undertakings | | - | 13,826 |
| Interest payable and similar charges | 5 | (3) | - |
| Interest receivable and similar income | 6 | - | 12 |
| (Loss)/Profit before taxation | | (80) | 13,655 |
| Tax on (loss)/profit on ordinary activities | 7 | - | - |
| (Loss)/Profit for the financial period | | (80) | 13,655 |

The results above are derived entirely from continuing operations.

Statement of comprehensive (loss)/income for the period ended 30 December 2017

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|---|--|--|
| (Loss)/Profit for the financial period | (80) | 13,655 |
| Total comprehensive (loss)/income for the financial period | (80) | 13,655 |

Celsis International Limited

Statement of financial position as at 30 December 2017

| | Note | 30 December 2017 £'000 | 31 December 2016 £'000 |
|---|------|------------------------------|------------------------------|
| Fixed assets | | | |
| Intangible assets | 8 | - | 236 |
| Investments | 9 | 5,060 | 5,060 |
| | | 5,060 | 5,296 |
| Current assets | | | |
| Debtors | 10 | 20,268 | 20,155 |
| Cash at bank and in hand | | 391 | 401 |
| | | 20,659 | 20,556 |
| Creditors: amounts falling due within one year | 11 | (384) | (393) |
| Net current assets | | 20,275 | 20,163 |
| Total assets less current liabilities | | 25,335 | 25,459 |
| Creditors: amounts falling due after more than one year | 12 | - | (44) |
| Net assets | | 25,335 | 25,415 |
| Capital and reserves | | | |
| Called up share capital | 15 | 1,149 | 1,149 |
| Other reserves | | 5,150 | 5,150 |
| Retained earnings | | 19,036 | 19,116 |
| Total equity | | 25,335 | 25,415 |

The notes on pages 10 to 20 are an integral part of these financial statements.

The financial statements on pages 7 to 20 were approved by the board of Directors on 20 September 2018 and were signed on its behalf by:



D R Smith
Director

Celsis International Limited
Registered Number: 02829052

Celsis International Limited

Statement of changes in equity for the period ended 30 December 2017

| | Called up share capital £'000 | Other reserves* £'000 | Retained earnings** £'000 | Total equity £'000 |
|---|-------------------------------------|-----------------------------|---------------------------------|-----------------------|
| At 26 December 2015 | 1,149 | 5,150 | 18,125 | 24,424 |
| Profit for the financial period | - | - | 13,655 | 13,655 |
| Other comprehensive loss for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 13,655 | 13,655 |
| Dividends (note 16) | - | - | (12,664) | (12,664) |
| Total transactions with owners, recognised directly in equity | - | - | (12,664) | (12,664) |
| At 31 December 2016 | 1,149 | 5,150 | 19,116 | 25,415 |
| Loss for the financial period | - | - | (80) | (80) |
| Other comprehensive loss for the period | - | - | - | - |
| Total comprehensive loss for the period | - | - | (80) | (80) |
| Total transactions with owners, recognised directly in equity | - | - | - | - |
| At 30 December 2017 | 1,149 | 5,150 | 19,036 | 25,335 |

* Other reserves represent reserves arising on past acquisitions made by the business due to application of merger relief in accordance with Companies Act 2006, and capital contributions made to the Company.

** Retained earnings represent accumulated comprehensive income for the period and prior periods, less dividends paid to shareholders.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017

1 Principal accounting policies

General information

Celsis International Limited (the “Company”) holds investments and acts as a holding company. The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Charles River Laboratories, Manston Road, Margate, Kent, CT9 4TL, UK.

These financial statements are for the 52 week period to 30 December 2017. The prior financial reporting period is for the 53-week period from 27 December 2015 to 31 December 2016.

Statement of compliance

The individual financial statements of Celsis International Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company’s shareholders.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Charles River Laboratories International, Inc., includes the Company’s cash flows in its own consolidated financial statements.

The Company has also taken advantage of the exemption from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Charles River Laboratories International, Inc. has control, over the Company and its related entities.

Consolidated financial statements

The Company is a wholly-owned subsidiary of Nastor Investments Limited and of its ultimate parent, Charles River Laboratories International, Inc. It is included in the consolidated financial statements of Charles River Laboratories International, Inc., which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006. These financial statements are the Company’s separate financial statements.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

1 Principal accounting policies (continued)

Research and development

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

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual values over their estimated useful lives as follows:

| | Years |
|--------------------------|-------|
| Licence fees and patents | 5-20 |
| Trademarks | 30 |
| Capitalised software | 3-5 |

Amortisation expense is charged to administrative expenses.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. Intangible assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses. Investment carrying values are reviewed on a regular basis and provision made for any impairment in value. Impairment reviews are performed when there is an indication of potential impairment.

Financial instruments

(i) Financial assets

Basic financial assets, including amounts owed by Group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

(ii) Financial liabilities

Basic financial liabilities, including amounts owed to Group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

1 Principal accounting policies (continued)

Foreign currencies

(i) Functional and presentational currency

Following the acquisition of Celsis Group Limited and its subsidiaries, including Celsis International Limited, on 24 July 2015, the Directors re-assessed the functional currency of the Company. The Directors concluded that the functional currency of the Company from 24 July 2015 is Sterling, consistent with the functional currency of the immediate parent undertaking of Celsis Group Limited following the acquisition, Charles River Laboratories Holdings Limited, and the primary economic environment in which the Company operates. The previous functional currency was US dollars.

On the date of the change of functional currency all assets, liabilities, issued capital and other components of equity and profit and loss account items were translated into Sterling at the exchange rate on that date. The resulting translated amounts for non-monetary items were treated as their historical cost.

Transactions denominated in a foreign currency are translated at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the profit and loss account within interest receivable/payable. All other foreign exchange gains and losses are presented in the profit and loss account within operating expenses.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

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

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

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

1 Principal accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Capital contributions

Where a Group company settles liabilities on behalf of the Company with no contractual obligation to repay the financing received, such amounts are recorded as capital contributions in equity. Capital contributions are credited to Other reserves in the statement of changes in equity.

Related party transactions

The Company discloses related party transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Dividends

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity. Dividends received from investments are recognised as income in profit and loss when the right to receive payment is established.

Critical accounting judgements and estimation uncertainty

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

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

Impairment of investments in subsidiary undertakings

At each period end, the Company considers whether there are any potential indicators that investments in subsidiary undertakings are impaired. Where a potential indication of impairment is identified, the Company estimates the recoverable value of its investments, which requires the estimation of the future cash flows to be generated from the underlying net assets of the investment, and selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

2 Operating loss

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|--|--|--|
| Operating loss is stated after charging: | | |
| Amortisation - intangible assets | 2 | 3 |
| Research and development | 2 | 3 |

The audit fee is £5,000 (period ended 31 December 2016: £5,000) for the Company for the period.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

3 Directors' emoluments and key management personnel compensation

Neither the Directors nor key management received any emoluments in respect of their services to the Company in the period (period ended 31 December 2016: £nil).

4 Employee information

The Company had no employees during the period (period ended 31 December 2016: nil).

5 Interest payable and similar charges

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|-----------------------|--|--|
| Bank interest payable | - | - |
| Exchange loss | (3) | - |
| | (3) | - |

6 Interest receivable and similar income

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|--------------------------|--|--|
| Bank interest receivable | - | - |
| Exchange gain | - | 12 |
| | - | 12 |

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

7 Tax on (loss)/profit

(a) Tax on (loss)/profit

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|---|--|--|
| Current taxation | | |
| Adjustments in respect of prior years | - | - |
| Total current tax charge | - | - |
| Deferred taxation | | |
| Total deferred tax charge (see note 13) | - | - |
| Tax on (loss)/profit | - | - |

(b) Factors affecting tax charge for the period

The tax charge for the period is higher (period to 31 December 2016: lower) than that assessed at the standard rate of corporation tax in the UK of 19.25% (period to 31 December 2016: 20%). The differences are explained below:

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|---|--|--|
| (Loss)/Profit before taxation | (80) | 13,655 |
| (Loss)/Profit multiplied by the standard rate of UK corporation tax of 19.25% (period to 31 December 2016: 20%) | (15) | 2,731 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | - |
| Income not taxable | - | (2,765) |
| Group relief surrendered for no payment | 15 | 34 |
| Tax charge for the period | - | - |

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

8 Intangible assets

| | Capitalised software £'000 | Licence fees and patents £'000 | Trademarks £'000 | Total £'000 |
|--------------------------------------|----------------------------------|--------------------------------------|---------------------|----------------|
| At 31 December 2016 | | | | |
| Cost | - | 252 | 56 | 308 |
| Accumulated amortisation | - | (54) | (18) | (72) |
| Net book amount | - | 198 | 38 | 236 |
| Period ended 30 December 2017 | | | | |
| Opening net book amount | - | 198 | 38 | 236 |
| Amortisation for the year | - | - | (2) | (2) |
| Disposal | - | (198) | (36) | (234) |
| Closing net book amount | - | - | - | - |
| At 30 December 2017 | | | | |
| Cost | - | - | - | - |
| Accumulated amortisation | - | - | - | - |
| Net book amount | - | - | - | - |

During the year, the intangible assets were transferred to a related party at their carrying value of £234,000.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

9 Investments

| | Interest in subsidiary undertakings £'000 |
|---|--|
| At 31 December 2016 and 30 December 2017 | 5,060 |

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company's direct and indirect subsidiary undertakings, all 100% held, are as follows:

| Name of undertaking | Country of incorporation | Description of shares held |
|--|--------------------------|-----------------------------------|
| Celsis Limited * | England and Wales | 47,000,000 1p ordinary shares |
| Celc SARL α | France | 3,727 EUR 15 shares |
| Celsis International GmbH (formerly Concell GmbH) ** | Germany | 50,000 EUR 0.5113 ordinary shares |
| Celsis International BV (formerly Lumac BV) ** | Netherlands | 500 EUR 455 ordinary shares |
| Celsis Europe BV* | Netherlands | 401 €45.68 ordinary shares |
| Celsis BV** | Netherlands | 400 €45.38 ordinary shares |

Registered addresses of undertakings

Celsis Limited - Manston Road, Margate, CT9 4LT
 Celc SARL – 1 Rue de La Haye, 95731 Roissy CDG, France
 Celsis International GMBH – Europadam 2-6, 41460 Neuss, Germany
 Celsis International BV – Europalaan 24, 6199 AB Maastricht, The Netherlands
 Celsis Europe BV - Europalaan 24, 6199 AB Maastricht, The Netherlands
 Celsis BV - Europalaan 24, 6199 AB Maastricht, The Netherlands

* Held directly by the Company

α Wholly owned by Celsis Limited and Celsis Europe BV, a wholly owned non-trading subsidiary of the Company

** Wholly owned by Celsis Europe BV, a wholly owned non-trading subsidiary of the Company

The principal business activities of Celsis Limited, Celsis International BV, Celc SARL and Celsis International GmbH are the development, manufacture, supply and distribution of rapid diagnostic and monitoring systems for use in the detection and measurement of low level microbial contamination in a wide range of manufacturing processes and end products. The other companies listed above are non-trading holding companies.

All of these companies operate principally in their country of registration or incorporation.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

10 Debtors

| | 30 December 2017 £'000 | 31 December 2016 £'000 |
|------------------------------------|---------------------------|---------------------------|
| Amounts owed by Group undertakings | 20,268 | 20,155 |
| | 20,268 | 20,155 |

The amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due within one year

| | 30 December 2017 £'000 | 31 December 2016 £'000 |
|------------------------------|---------------------------|---------------------------|
| Accruals and deferred income | 384 | 393 |
| | 384 | 393 |

12 Creditors: amounts falling due after more than one year

| | 30 December 2017 £'000 | 31 December 2016 £'000 |
|------------------------------------|---------------------------|---------------------------|
| Amounts owed to Group undertakings | - | 44 |

Amounts owed to Group undertakings are interest-free and unsecured.

13 Deferred tax

The analysis of deferred tax liabilities/(assets) is as follows:

| | Amounts recognised 30 December 2017 £'000 | Amounts recognised 31 December 2016 £'000 | Amounts not recognised 30 December 2017 £'000 | Amounts not recognised 31 December 2016 £'000 |
|--|---|---|---|---|
| Tax effect of timing differences because of: | | | | |
| Excess of capital allowances over amortisation | - | - | - | - |
| Losses | - | - | - | - |
| | - | - | - | - |

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

14 Financial instruments

The Company has the following financial instruments:

| | 30 December 2017 £'000 | 31 December 2016 £'000 |
|---|---------------------------|---------------------------|
| Financial assets measured at amortised cost | | |
| Amounts owed by Group undertakings | 20,268 | 20,155 |
| | 20,268 | 20,155 |
| Financial liabilities measured at amortised cost | | |
| Amounts owed to Group undertakings | - | 44 |
| | - | 44 |

15 Called up share capital

| | 30 December 2017 £'000 | 31 December 2016 £'000 |
|--|---------------------------|---------------------------|
| Authorised | | |
| 30,000,000 (31 December 2016: 30,000,000) ordinary shares of 5p each | 1,500 | 1,500 |
| Allotted and fully paid | | |
| 22,983,369 (31 December 2016: 22,983,369) ordinary shares of 5p each | 1,149 | 1,149 |

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

16 Dividends

| | Period to 30 December 2017 £'000 | Period to 31 December 2016 £'000 |
|--|--|--|
| Dividends paid on ordinary shares (£nil per ordinary share) (period to 31 December 2016: £0.55 per ordinary share) | - | 12,664 |

17 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Nastor Investments Limited, a company incorporated in England and Wales which has a 100% interest in the equity share capital of Celsis International Limited.

The ultimate parent undertaking of the Company is Charles River Laboratories International, Inc., a company incorporated in the US. Charles River Laboratories International, Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

A copy of the consolidated financial statements of Charles River Laboratories International, Inc. is available from the Company secretary at 251 Ballardvale Street, Wilmington, Massachusetts, USA.

Celsis International Limited

Notes to the financial statements for the period ended 30 December 2017 (continued)

18 Subsequent events

The company received dividend payments of £5,000,000 from Celsis Limited on 25 June 2018 and £1,755,400 from Celsis Europe BV on 26 June 2018. The directors have approved a dividend of £6,745,000 to its immediate parent undertaking Nastor Investments Limited by way of a Board Resolution dated 21 June 2018. The dividend was paid on 26 June 2018.