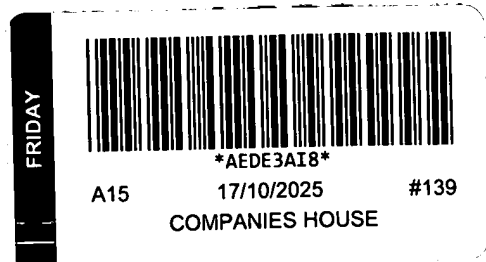


Company Registration No. 01171833 (England and Wales)

**LABCORP EARLY DEVELOPMENT
LABORATORIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**



LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

COMPANY INFORMATION

Directors	T Kremer R J Hainsworth K W Kyle
Company number	01171833
Registered office	Otley Road Harrogate HG3 1PY
Independent auditor	AAB Audit & Accountancy Limited 5-7 St Pauls Street Leeds West Yorkshire LS1 2JG

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

CONTENTS

	Page
Strategic report	1 - 5
Directors' report	6 - 9
Directors' responsibilities statement	10
Independent auditor's report	11 - 13
Statement of comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Notes to the financial statements	17 - 38

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the Strategic Report together with the audited financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company is to provide a wide range of contract biological and chemical research services, primarily servicing the pharmaceutical, chemical and agrochemical industries.

Review of the business

2024 was a recovery year for the company, where a stabilization in macro-economic impacts, including the funding environment and global demand, improved across the year. This led to a 11.0% increase in turnover to £292.0m (2023 - £263.0m).

The company reported an operating loss this year primarily due to the annual goodwill amortisation exceeding the underlying profitability of the business. Earnings before interest, depreciation and amortisation ("EBITDA") for the year was £31.2m (2023 - £11.7m)

During the year, the company saw Revenue growth across several lines of business including Mammalian Toxicology and Genetic Toxicology business lines. The Chemistry Solutions business line also grew, mostly due to the Bioanalytical business line. This growth was underpinned by the recovery of the wider pre-clinical market.

Shareholder's funds at the year end decreased to £357.2m (2023 - £390.1m), primarily as a result of trading losses and an actuarial loss of £5.7m (2023 - £11.7m) on the company's defined benefit pension schemes. Debtors decreased to £186.6m (2023 - £195.3m) primarily due to decreases in trading balances. Creditors increased to £222.8m (2023 - £172.5m), due to increases in amounts owed to group undertakings offsetting trading balances. Cash at bank increased to £80.8m (2023 - £9.3m) as a result of the underlying profitability of the company (excluding amortisation) and movements in the working capital cycle.

Future outlook

Flat to Low growth in the business is expected in 2025, driven by a continued, depressed stability in the wider macro-economic environment. The Biotech & Pharmaceutical markets are still dealing with low funding levels, high interest rates & a changeable regulatory environment.

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	2024	2023	Movement
	£000	£000	%
Turnover	291,952	262,989	11.01%
Operating loss	(20,667)	(38,205)	45.90%
Trade debtors	61,770	67,315	(8.24)%
Unbilled receivables	31,961	54,692	(41.56)%
Payment received on account	(88,172)	(91,699)	(3.85)%
Average number of employees	2,938	3,016	(2.59)%

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

The company's activities expose it to financial risks including changes in foreign currency exchange rates and interest rates. The company has in place risk management policies that seek to limit the adverse effect of these risk factors on the financial performance of the company. A description of those risks and the risk management policies are given below.

Credit risk

The company's credit risk is primarily attributable to its trade debtors, unbilled receivables and amounts owed by group undertakings. The amount presented in the Statement of Financial Position is net of allowances for doubtful debts, estimated by management based on prior experience, the current economic environment or specific customer issues. The company has implemented policies that require appropriate credit checks on potential customers or review of existing customer credit history before a sale is made.

Interest rate risk

Interest rate risk is limited to cash balances, amounts owed to group undertakings, and the defined benefit pension scheme. The company and the pension scheme trustees review the pension scheme's risks and risk management on a regular basis. The directors feel this is an appropriate process to monitor and manage this risk.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US Dollar. In order to limit this risk in the medium to longer term, sale contracts are primarily structured to recover a sterling value converted at the currency rate prevailing on the billing date. The risk is therefore mainly limited to fluctuations in the short term, being between the billing date and the receipt date. Management consider this to be an acceptable level of risk.

Liquidity risk

The company's liquidity risk management, which is carried out by the global treasury function, ensures that there is sufficient cash available for funding operations and planned expansions.

Business risk

There are risks and uncertainties relevant to the company's business, financial condition and the results of operations which may affect future performance. The factors listed below are amongst those which could cause its actual results to differ materially from expected or historical results.

Operational failure

The company conducts biological and chemical research and development activities for the international pharmaceutical chemical and agrochemical industry. These projects may involve testing of large numbers of compounds, over a relatively short time frame and are therefore complex in nature. A major operational failure resulting in incorrect study information being submitted to a customer could result in significant damage to its reputation, which is critical in winning new business and also the extra cost of the additional work required to correct the project. The company has a high degree of focus on maintaining operational processes and controls to ensure that it mitigates the risk of operational failures.

The loss, modification, or delay of large or multiple contracts

The loss, modification, or delay of large or multiple contracts could negatively impact the company's operating results. Management closely monitors the running of projects to mitigate any delays.

Fixed price nature of contracts

A significant number of the company's contracts with its customers include a fixed price for an agreed scope of work. Failure to adequately price contracts or cost overruns during delivery of projects can have an effect on operating results. Management closely monitor the running of trial projects to ensure they are in line with budgets and targets.

Changes in governmental regulations

Failure to comply with the broad range of regulatory controls around the testing and approval of healthcare products could result in the termination of ongoing research, or the disqualification of data for submission to regulatory authorities. The company has a high degree of focus on following regulatory procedures.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties (continued)

Recruitment of qualified employees

The success of the company's business depends on its ability to attract and retain qualified professional, scientific and technical staff. The company believes that its strong reputation is an advantage in attracting employees. In addition, the company believes the wide range of trials in which it participates allows it to offer broad experience to current and prospective employees.

Reliance on information technology

The company is reliant on information technology systems. Any disruption to these systems due to internal or external factors could materially affect the company's operations. The company maintains a number of IT security measures to mitigate the threat.

Macroeconomic and geopolitical factors

Biotech & Pharmaceutical markets are still dealing with low funding levels, high interest rates & a changeable regulatory environment. Venture capital funding for early-stage assets has been slow for 2 years, as investment focuses on later stage assets, closer to market release. This is a response to needing more certainty around near-term future cashflows & higher global interest rates. A changing global regulatory environment, especially in the United States, has also slowed progress/investment into earlier stage assets, as companies wait to see how the landscape settles under new federal frameworks. As the global economy adjusts to the impact created by the above, the company continues to align its cost base to match demand.

Section 172 (1) statement

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

Code of business conduct

The company carries out its business activities according to a code of business conduct that promotes the highest standards of honesty and integrity among its staff. The code requires that staff:

- Comply with the rules and regulations of Government and other applicable regulatory bodies and promptly report any activity that is believed to violate any laws, regulations, or standards of business ethics or conduct;
- Do not offer, pay or accept bribes; and
- Respect the confidentiality of information acquired in the course of their work (except when authorised and legally obliged to disclose such information) and ensure such information is not used for personal advantage.

The environment

The company aims to minimise the environmental impact of its operations by complying with or exceeding its obligations under all relevant environmental legislation, considering full compliance to be the minimum acceptable level of performance. The company routinely assesses the environmental impact of all its operations and aims to reduce (and eliminate wherever practicable) waste, the consumption of resources and pollution of the environment. The company is committed to the conservation of energy, water and natural resources through increased efficiency and the introduction of new technologies where practicable. It also minimises waste; recycling wherever possible and properly disposing of those wastes that cannot be recycled. The company commits sufficient staff and resources to ensure that these objectives are met and continuously monitors its progress.

Health and safety

The company recognises that safeguarding the health and safety of employees is integral to the success of its business and aims to create a working environment that assures this. Managing safety (through controlling risk and reducing losses arising from accidents, ill health and poorly planned work) benefits staff and their families, as well as customers and other stakeholders. The company also recognises and accepts its responsibilities towards contractors, visitors and other persons working on its premises and acknowledges and accepts all its legal responsibilities under health and safety-related law. The company recognises that to fulfil these commitments it must have a risk-informed and engaged workforce that accepts fully the health and safety responsibilities of their role within the business; in turn, the company is committed to providing leadership and the necessary resources in terms of facilities, equipment, training, expertise and time.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Section 172 (1) statement (continued)

Employment

The company understands that its people are its most important resource and consequently strives to adopt human resource policies, practices and procedures that provide its employees with a good working environment, equitable compensation and benefits as well as the opportunity to be recognised on the basis of individual merit and develop their career in line with their ability and potential.

The company aims to:

- Employ the most capable individuals available for each position regardless of sex, sexual orientation, marital status, race, creed, colour, nationality, ethnic origin, religion, or age. Disabled persons are employed by the company when they appear to be suited to a particular position. The aptitude and abilities of disabled persons are more easily met in certain aspects of the company's business and every effort is made to ensure that they are given full and fair consideration;
- Maximise the potential of each individual through comprehensive personal development programmes so that both the individual and the company benefit;
- Develop and maintain an equitable pay structure;
- Provide an employee benefit package to help safeguard employees and their dependants in case of sickness, accident, disability or death;
- Provide all employees with a safe and healthy workplace;
- Ensure that any grievance or misunderstanding will be considered impartially, and every step taken to obtain a fair resolution;
- Ensure that (within the bounds of commercial confidentiality) information is disseminated to all employees about matters that affect the progress of the company and are of interest and concern to them as employees; and
- Encourage and respect feedback and innovation from employees.

Suppliers and contractors

The company recognises that social, ethical and environmental governance of its supply chain is integral to its business success. As a consequence, the company expects its suppliers and contractors to ensure that they comply with all applicable laws and regulations, including those relating to bribery and corruption, fair employment practices, safety, health and the environment. Each supplier or contractor must agree that it is responsible for controlling its own supply chain and that it shall encourage compliance with ethical standards and human rights by any subsequent supplier of goods and services that they use when fulfilling their obligations to the company. In addition, the supplier or contractor must confirm that it adopts ethical and human rights policies and an appropriate complaints procedure to deal with any breaches of such policies.

Animal welfare

Animal research is an essential element in the evaluation of the safety and effectiveness of new medicines and other chemicals and is also a legal requirement. The company is committed to the highest standards of animal welfare, as well as the 3Rs (Reduction, Refinement and Replacement) of animal testing, and considers them integral to its business success.

The company complies with all national regulations as a minimum standard with regard to the care and use of animals. The use of animals in scientific research in the UK is strictly regulated by the Animals (Scientific Procedures) Act 1986 (the A(SP)A), which makes it an offence to carry out regulated procedures on a protected animal unless authorised by a personal licence, a project licence, and a certificate of designation. Project licenses are granted only when it can be demonstrated that there are no viable non-animal alternatives and the expected benefits of the research are likely to outweigh any adverse effects on the animals. The number of animals used, and their suffering must also be minimised. The A(SP)A is administered by Home Office professional advisers (physicians and veterinarians) who oversee the issuing of licenses, provide advice and conduct regular announced and unannounced audits to ensure compliance.

The company's facilities are accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International and have policies, systems, and procedures to support legislative compliance and best animal welfare practices. This includes a Local Ethical Review process. A sustained investment programme and maintenance schedule ensures animal facilities, plant and equipment continue to meet national guidelines, codes of practice and operating criteria.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STRATEGIC REPORT (CONTINUED)

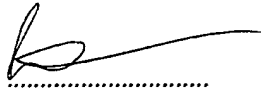
FOR THE YEAR ENDED 31 DECEMBER 2024

Section 172 (1) statement (continued)

Animal welfare (continued)

Each operating establishment also provides sufficient and adequately trained staff to ensure legislative compliance, maintenance of high animal welfare standards and execution of Good Laboratory Practice. The company ensures that all animal care and technical staff hold qualifications appropriate to their positions and responsibilities and receive the necessary education and training. All company members of staff are issued with a 'whistle blowing' card which tells them how to inform management should they have any concerns regarding welfare.

On behalf of the board



R J Hainsworth
Director

Date: 14th October 2025

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Results and dividends

The results for the year are set out on page 14.

Ordinary interim dividends of £nil (2023 - £48,807k) were declared during the year. The directors do not recommend payment of a final dividend (2023 - £nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G A Eisenberg	(Resigned 15 April 2025)
T Kremer	
S D Van Der Vaart	(Resigned 15 April 2025)
R J Hainsworth	(Appointed 15 April 2025)
K W Kyle	(Appointed 15 April 2025)

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of certain directors during the year have been provided under a group policy. The provisions remain in force at the reporting date.

Research and development

The company's activities allow it to claim a research and development (RDEC) credit under current HMRC legislation. Expenditure for research and development amounted to £153.7m (2023 - £154.3m).

Disabled persons

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 within the company continues and that the 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

Regular meetings are held throughout the company for all employees to discuss sales, financial position and prospects. Opportunity is given at these meetings for senior executives to be questioned about matters which are of interest to the employees. Periodic electronic communication and the company intranet site is available to all employees, which includes articles on developments within the company.

Auditor

In accordance with the company's articles, a resolution proposing that AAB Audit & Accountancy Limited be reappointed as auditor of the company will be put at a General Meeting.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Energy and carbon reporting

The company is reporting energy and carbon emissions in accordance with the mandatory requirements of the Streamlined Energy and Carbon Reporting regulations (SECR). The compilation of this report is in line with the UK Government publication 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and Greenhouse Gas ("GHG") Reporting'.

Methodology

Metered readings are taken for electric and gas from the UK sites and inputted into the wider group's Resource Advisor platform. The GHG emissions are calculated and are reported using both market-based and location based methodologies, aligned with the GHG protocol and the local grid mix for electricity. The emissions for all Scopes are 3rd party assured. Emissions are reported for all Labcorp entities within the wider group within the Corporate Responsibility Report of Laboratory Corporation of America Holdings.

2024	kWh	tCO2e
Scope 1 - Fuels	706,123	16,800
Scope 2 - Electricity	75,221,549	41
Gross intensity ratio - tCO2e per £m of turnover		57.68

2023	kWh	tCO2e
Scope 1 - Fuels	94,810,683	17,328
Scope 2 - Electricity	39,903,816	14,571
Gross intensity ratio - tCO2e per £m of turnover		121.29

Labcorp takes a proactive approach to environmental, social and governance (ESG) leadership, integrating these principles into our corporate strategy. Our ESG Executive Steering Committee (ESC) drives our long-term vision and strategic priorities in key ESG areas.

Comprising cross-functional executive and senior management leaders, the ESC works in close collaboration with our Chairman and Chief Executive Officer Adam Schechter, other senior executives and our board of directors to shape our ESG strategy. The committee plays a critical role in advising on policies, practices and disclosures that align with our corporate objectives and global impact.

Through regular meetings, the ESC evaluates our performance across environmental sustainability, employee well-being, corporate social responsibility, governance and relevant public policy issues. These sessions provide a forum for strategic decision-making, fostering leadership and accountability in advancing both immediate and long-term ESG commitments. Our efforts are designed to drive meaningful, sustainable progress across our business units, global operations and stakeholder ecosystem.

During the year all UK sites continued the effort in improving our building efficiency through renovations and refurbishments.

Projects improving Carbon footprint in UK

- 100% renewable electricity to all UK sites as of February 2024.
- Eye using only biofuel for heating and steam generation in Eye. Biofuel is certified 100% compensated.
- Continue in roof changeouts and Building demolitions.
- Continue in insulation and changeouts of technical installation with more efficient, better insulated ones (pipes, pumps, circulators, chillers, AHU, etc).
- Deployment of Reverse Osmosis water pre-treatment project to all UK sites to minimize energy consumption and chemical usage

Biodiversity initiatives

- Plants and wildflowers programs at every site, Bee's initiatives expanded to all owned sites.
- UK site participated to the Labcorp Honey Challenge to raise awareness on biodiversity importance. Eye elected best Labcorp Honey

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal activities, the financial risks of the company and their management and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Corporate Governance

Background

For the year ended 31 December 2024, under the Companies (Miscellaneous Reporting) Regulations 2018, the company has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council ("FRC") in December 2018 and available on the FRC website).

Set out below is how the directors have applied the principles during the year and will continue to do so during the forthcoming year as they exercise their duties as directors.

The Board structure in place is reflective of the nature of the company being a wholly owned subsidiary of Laboratory Holdings Inc ("Labcorp") and the oversight that is provided by Labcorp Management and its Board of Directors and Committees as part of their management of the global group. There are no sub committees in place at the entity level as these are not considered to be necessary at this level for the directors to discharge their duties.

Whilst specific matters relevant to the company are mentioned below, reference should also be made to the Labcorp website (<https://www.labcorp.com/>) which sets out in more details the principles that apply across the group.

Principle 1 – Purpose and Leadership

Labcorp (NYSE: LH), an S&P 500 company, is a leading global life sciences company that is deeply integrated in guiding patient care, providing comprehensive clinical laboratory and end-to-end drug development services. With a mission to improve health and improve lives, Labcorp delivers world-class diagnostics solutions, brings innovative medicines to patients faster, and uses technology to improve the delivery of care. Labcorp reported revenue of \$13.0 billion in 2024. To learn more about Labcorp, visit www.Labcorp.com, and to learn more about Labcorp Drug Development segment, visit www.biopharma.labcorp.com.

The entity Board applies these core principles and concepts in the day to day operation of the company, integrating its operations as part of the wider Labcorp group.

Principle 2 – Board Composition

The Board of Labcorp Early Development Laboratories Limited consists of three executive directors who are a mix of individuals focused on the operational aspects of the group, including two who sit on the Labcorp Executive Committee and all of whom are able to apply group wide considerations to this entity. The Board do not consider that it is necessary or appropriate to have separately appointed non-executive directors at this entity level given the close interaction across the global group.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principle 3 – Director Responsibilities

As a subsidiary Board, the Board meets less formally than might be required if the company were a standalone entity. There is no formal programme of meetings and the Board will meet up as often as is required to manage matters of significance to the business.

The Board will receive details on key performance including financial performance, operational matters and will liaise with operational management as required to address matters arising. Each director has delegated authority to act on behalf of the company in fulfilling their duties. The Board consider this split of duties as appropriate to allow the effective use of the skills in place which mix operational and board level experience.

Matters such as the appointment of auditors are dealt with at Board level with input from senior members of the management team to assess the ongoing performance and service delivery.

Principle 4 – Opportunity & Risk

Several of the key opportunities and risks are set out in the Strategic Report. The integrated nature of global operations means that macro level risks such as Regulatory risk in undertaking its activities are addressed at the group level with the directors sharing relevant responsibility for addressing these at the entity level.

Principle 5 – Remuneration

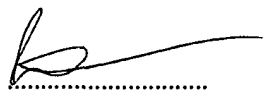
Matters with regards to the remuneration of the directors are dealt with as part of the wider group remuneration policy.

Matters with regards to staff remuneration, gender pay matters and involvement of staff are addressed in the disclosures in the strategic report. Decisions regarding these areas are dealt with by appropriate committees of the main group board with the entity board of directors having responsibility for implementation.

Principle 6 – Stakeholders

The Board (as part of the wider group) has a clear understanding and position that good governance is essential on a day to day basis to effectively deliver the services that the company provides. They are also vital in the interactions that the company has with its customers, suppliers, employees, regulators and the parent company as shareholders. Further information is set out in the Section 172 statement.

On behalf of the board



.....
R J Hainsworth
Director

Date: 14th October 2025.....

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the Strategic Report and the Directors' 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). 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 judgements and accounting 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

Opinion

We have audited the financial statements of Labcorp Early Development Laboratories Limited (the 'company') for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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.

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.

Opinion 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 10, 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.

The 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 obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006, UK Taxation legislation and employment law.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets;
- Timing of revenue recognition; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Testing a sample of revenue contracts and associated recognition of revenue on projects ongoing across the year end to ensure appropriate;
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud;
- Enquiries of management about litigation and claims and inspection of relevant correspondence; and
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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.



Helen Daniels LLB FCA CTA
Senior Statutory Auditor
For and on behalf of
AAB Audit & Accountancy Limited
Gresham House
5-7 St Pauls Street
Leeds
West Yorkshire, LS1 2JG
14 October 2025

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £000	2023 £000
Turnover	3	291,952	262,989
Cost of sales		(237,054)	(233,842)
Gross profit		54,898	29,147
Administrative expenses		(75,565)	(67,352)
Operating loss	6	(20,667)	(38,205)
Interest receivable and similar income	8	756	1,480
Interest payable and similar expenses	9	(2,095)	(1,750)
Loss before taxation		(22,006)	(38,475)
Tax on loss	10	(7,868)	2,247
Loss for the financial year		(29,874)	(36,228)
Other comprehensive income/(expense) net of taxation			
Actuarial loss on defined benefit pension schemes		(5,656)	(11,717)
Tax relating to other comprehensive income	10	1,380	2,929
Total comprehensive loss for the year		(34,150)	(45,016)

The notes on pages 17 to 38 form part of these financial statements.

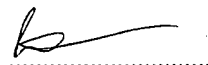
All the activities of the company are from continuing operations.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

	Notes	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Goodwill	12		180,125		214,434
Tangible assets	13		124,474		132,239
Investments	14		2		2
			<u>304,601</u>		<u>346,675</u>
Current assets					
Stocks	16	12,715		11,906	
Debtors	17	186,570		195,335	
Cash at bank and in hand		80,824		9,329	
		<u>280,109</u>		<u>216,570</u>	
Creditors: amounts falling due within one year	18	<u>(222,797)</u>		<u>(172,495)</u>	
Net current assets			<u>57,312</u>		<u>44,075</u>
Total assets less current liabilities			<u>361,913</u>		<u>390,750</u>
Provisions for liabilities	20		<u>(4,673)</u>		<u>(340)</u>
Net assets excluding pension liability			<u>357,240</u>		<u>390,410</u>
Defined benefit pension liability	21		<u>-</u>		<u>(340)</u>
Net assets			<u><u>357,240</u></u>		<u><u>390,070</u></u>
Capital and reserves					
Called up share capital	22		11,750		11,750
Profit and loss reserves	23		345,490		378,320
Total equity			<u><u>357,240</u></u>		<u><u>390,070</u></u>

The notes on pages 17 to 38 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 14/10/2025 and are signed on its behalf by:



R J Hainsworth
Director

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2023		11,750	395,824	75,311	482,885
Year ended 31 December 2023:					
Loss for the year		-	-	(36,228)	(36,228)
Other comprehensive expense net of taxation:					
Actuarial loss on defined benefit plans		-	-	(11,717)	(11,717)
Tax relating to other comprehensive expense		-	-	2,929	2,929
Total comprehensive expense for the year		-	-	(45,016)	(45,016)
Dividends	11	-	-	(48,807)	(48,807)
Credit to equity for equity settled share-based payments	24	-	-	1,008	1,008
Capital reduction		-	(395,824)	395,824	-
Balance at 31 December 2023		11,750	-	378,320	390,070
Year ended 31 December 2024:					
Loss for the year		-	-	(29,874)	(29,874)
Other comprehensive expense net of taxation:					
Actuarial loss on defined benefit plans		-	-	(5,656)	(5,656)
Tax relating to other comprehensive income		-	-	1,380	1,380
Total comprehensive expense for the year		-	-	(34,150)	(34,150)
Credit to equity for equity settled share-based payments	24	-	-	1,320	1,320
Balance at 31 December 2024		11,750	-	345,490	357,240

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Labcorp Early Development Laboratories Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Otley Road, Harrogate, HG3 1PY.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced Disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including those of this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Labcorp Holdings Inc as at 31 December 2024. These consolidated financial statements are available from its registered office, 358 South Main Street, Burlington, 27215, United States of America.

Consolidated accounts

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The company has made a loss after tax and before other comprehensive income of £29,874k (2023 - £36,228k) and the Statement of Financial Position shows net current assets of £57,312k (2023 - £44,075k), shareholder's funds of £357,240k (2023 - £390,070k) and cash balances of £80,824k (2023 - £9,329k).

Having considered the company's resources, including a letter of support provided by the ultimate parent company, the directors are satisfied that the company has adequate resources to continue in operational existence and to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. On that basis, the financial statements have been prepared on a going concern basis.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Turnover

Where the company contracts directly with third party customers, profits on long term contracts are taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract revenue with costs incurred to date compared to total expected costs for that contract. Income derived from variations on contracts is recognised only when those variations have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Unbilled receivables represent income recognised to date, less billings on account and are included in debtors to the extent that income recognised to date exceeds billings on account. Where amounts received by customers exceed income recognised to date, the excess is shown as income in advance and included in creditors.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Credits received in relation to research and development expenditure are credited to profit and loss in the year in which it is received.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment charges. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment. The initial measurement of costs includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the costs of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	2% - 10% straight line
Plant and machinery	4% - 33% straight line
Fixtures and fittings	10% - 20% straight line

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Tangible fixed assets (continued)

Assets under construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the statement of comprehensive income.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment charges. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment charges are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is calculated on the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is computed on a first in, first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over their estimated selling price less costs to complete and sell is recognised as an impairment in the statement of comprehensive income. Reversals of impairments are also recognised in the statement of comprehensive income.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, unbilled receivables, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment 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 is recognised in the statement of comprehensive income.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank overdrafts, payments received on account, amounts owed to group undertakings and accruals, are initially recognised at transaction price.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Retirement benefits (continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the net for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), and the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements and key sources of estimation uncertainty

The following judgements and key sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets

Critical judgement

To determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. See note 13 for carrying amounts of tangible fixed assets and note 1 for their useful lives.

Goodwill

Critical judgement

To determine whether there are indicators of impairment of the company's goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Estimation uncertainty

Goodwill is amortised over its useful life taking into account residual value where appropriate. The actual life of the asset and residual value is assessed annually and may vary depending on a number of factors. In reassessing asset life, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. See note 12 for the carrying amount of goodwill and note 1 for its useful life.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Judgements and key sources of estimation uncertainty (Continued)

Defined benefit pension scheme

Critical judgement

To determine the appropriate underlying assumptions of the defined benefit pension scheme and its related pension assets and liabilities. In doing this, the directors utilise the expertise of a third party in order to agree these judgements.

Estimation uncertainty

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to: the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rate and expected returns on Pension Fund investments. The company has engaged Capita Employee Benefits, a firm of consulting actuaries, to provide expert advice about the assumptions to be applied. Details of the key assumptions used and the net pension liability at the year end are shown in note 21.

Turnover

Critical judgement

In the opinion of the directors, there are no critical judgements with regards to turnover.

Estimation uncertainty

Recognition of revenue on long term contracts requires the directors to estimate both the expected final costs and revenues on a contract by contract basis. Revenue is recognised according to the stage reached in the contract by reference to costs incurred. Contracts in progress are valued at cost less provision for any foreseeable losses. Long term contracts also include an element of profit in their valuation where the outcome can be assessed with reasonable certainty. The value of unbilled receivables and payments received on account in respect of long term contracts are shown in notes 17 and 18 respectively.

Share based payments

Critical judgement

The judgement relating to share based payment expenses includes the selection of an appropriate valuation option pricing model and consideration of the inputs necessary for the valuation model to appropriately calculate the value of the Restricted Stock Units held in respect of employee services.

Estimation uncertainty

Inputs subject to estimation relate to the estimation of the number of awards that will ultimately vest and future volatility of the share price. The expense recognised for share-based payments in respect of Restricted Stock Units during the year is shown in note 24.

Impairment of debtors

Critical judgement

In the opinion of the directors, there are no critical judgements with regards to trade and other debtors.

Estimation uncertainty

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of debtors and impairment losses recognised in the year.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Turnover

An analysis of the company's turnover is as follows:

	2024	2023
	£000	£000
Turnover analysed by class of business		
Contract biological and chemical research services	291,952	262,989
	<u>291,952</u>	<u>262,989</u>
	2024	2023
	£000	£000
Turnover analysed by geographical market		
United Kingdom	65,966	63,811
Rest of Europe	129,713	118,732
North America	70,485	52,683
Japan	11,474	10,579
Rest of the world	14,314	17,184
	<u>291,952</u>	<u>262,989</u>

4 Employees

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

	2024	2023
	Number	Number
Operations	2,510	2,595
Administration	428	421
	<u>2,938</u>	<u>3,016</u>

Their aggregate remuneration comprised:

	2024	2023
	£000	£000
Wages and salaries	120,203	119,994
Social security costs	12,751	12,574
Pension costs	7,754	7,426
	<u>140,708</u>	<u>139,994</u>

Included in wages and salaries is a total expense relating to share-based payments of £1,320k (2023 - £1,008k) all of which relates to equity settled share-based payments transactions.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Directors' remuneration

	2024 £000	2023 £000
Remuneration for qualifying services	145	-
Company pension contributions to defined contribution schemes	44	-
	<u>189</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2023 - nil).

The directors' remuneration figure does not include sums for 2 (2023 - 2) of the directors at the year end date as they are remunerated by other group or related entities and no allocation of their services to this company is made.

6 Operating loss

	2024 £000	2023 £000
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	3,109	1,223
Research and development costs	(30,741)	(27,792)
Depreciation of owned tangible fixed assets	17,540	15,582
Loss on disposal of tangible fixed assets	69	-
Amortisation of intangible assets	34,309	34,310
Share-based payments	1,320	1,008
Operating lease charges	1,023	539
	<u></u>	<u></u>

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Auditor's remuneration	2024	2023
	£000	£000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	59	56
	<u> </u>	<u> </u>
No fees were payable to company's auditor for non-audit services.		
8 Interest receivable and similar income	2024	2023
	£000	£000
Interest income		
Interest on bank deposits	654	1,480
Net interest on the net defined benefit liability	69	-
Other interest income	33	-
	<u> </u>	<u> </u>
Total income	756	1,480
	<u> </u>	<u> </u>
9 Interest payable and similar expenses	2024	2023
	£000	£000
Interest on bank overdrafts	-	344
Interest payable to group undertakings	1,932	1,406
Other interest on financial liabilities	163	-
	<u> </u>	<u> </u>
	2,095	1,750
	<u> </u>	<u> </u>

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation

	2024	2023
	£000	£000
Current tax		
UK corporation tax on profits for the current period	352	-
Adjustments in respect of prior periods	314	(41)
Group tax relief	1,489	(2,616)
	<u>2,155</u>	<u>(2,657)</u>
Deferred tax		
Origination and reversal of timing differences	5,759	419
Adjustment in respect of prior periods	(46)	(9)
	<u>5,713</u>	<u>410</u>
Total tax charge/(credit)	<u>7,868</u>	<u>(2,247)</u>

The standard rate of tax applied to reported profit on ordinary activities, as at 1 April 2023, is 25% for taxable profits over £250,000, 19% for taxable profits under £50,000 and a marginal relief rate for taxable profits between £50,000 and £250,000. Deferred tax has been calculated at 25% which was the tax rate substantively enacted as at 31 December 2024.

Pillar Two legislation arising from the Organisation for Economic Co-operation and Development's base erosion and profit shifting initiative has been enacted or substantively enacted in certain jurisdictions in which the Labcorp group operates. The legislation was effective for Labcorp's financial year beginning January 1, 2024. The Labcorp group is in scope of the enacted or substantively enacted legislation and has performed an assessment of its potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by country reporting, and financial statements for the constituent entities in the group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the group operates, including the UK, are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief may not apply, and the Pillar Two effective tax rate is close to 15%. Accordingly, the Labcorp group has provisioned for USD 2.7 of incremental income tax expense attributable to Pillar Two in its consolidated accounts.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation (Continued)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2024 £000	2023 £000
Loss before taxation	(22,006)	(38,475)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%)	(5,502)	(9,049)
Tax effect of expenses that are not deductible in determining taxable profit	490	8,835
Tax effect of income not taxable in determining taxable profit	-	(228)
Adjustments in respect of prior years	314	(41)
Effect of change in corporation tax rate	-	28
Group relief	(1,489)	822
Research and development tax credit	(1)	87
Other permanent differences	(44)	(73)
Deferred tax adjustments in respect of prior years	(46)	(9)
Adjustments to brought forward values	-	54
Fixed assets differences	12,619	-
Receipt for group relief	1,489	(2,616)
Amounts relating to other comprehensive income or otherwise transferred	(1,380)	-
Deferred tax relating to other comprehensive income	1,380	(57)
Transfer pricing adjustments	38	-
Taxation charge/(credit) for the year	7,868	(2,247)

In addition to the amount charged/(credited) to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2024 £000	2023 £000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(1,380)	(2,929)

11 Dividends

	2024 Per share £000	2023 Per share £000	2024 Total £000	2023 Total £000
Ordinary shares of £1				
Interim paid	-	4.43	-	48,807

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2024 and 31 December 2024	343,095
Amortisation and impairment	
At 1 January 2024	128,661
Amortisation charged for the year	34,309
At 31 December 2024	162,970
Carrying amount	
At 31 December 2024	180,125
At 31 December 2023	214,434

Amortisation of goodwill is included within administrative expenses.

13 Tangible fixed assets

	Freehold property £000	Assets under construction £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost					
At 1 January 2024	162,751	14,303	104,541	1,539	283,134
Additions	-	9,985	-	-	9,985
Disposals	-	-	(3,781)	(4)	(3,785)
Transfers	7,762	(17,576)	9,633	181	-
At 31 December 2024	170,513	6,712	110,393	1,716	289,334
Depreciation and impairment					
At 1 January 2024	76,768	-	72,609	1,518	150,895
Depreciation charged in the year	7,069	-	10,447	24	17,540
Eliminated in respect of disposals	-	-	(3,571)	(4)	(3,575)
At 31 December 2024	83,837	-	79,485	1,538	164,860
Carrying amount					
At 31 December 2024	86,676	6,712	30,908	178	124,474
At 31 December 2023	85,983	14,303	31,932	21	132,239

Included in freehold property is land of £7,570k (2023 - £7,570k) which is not depreciated.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Fixed asset investments

	Notes	2024 £000	2023 £000
Investments in subsidiaries	15	2	2

Movements in fixed asset investments

	Shares in group undertakings £000
Cost	
At 1 January 2024 & 31 December 2024	2
Additions	-
Carrying amount	
At 31 December 2024	2
At 31 December 2023	2

On 14 March 2024, Labcorp LSR Pension Escrow Limited was incorporated and the company subscribed to the £1 Ordinary share capital.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Hazpen Trustees Limited	Otley Road, Harrogate, North Yorkshire, HG3 1PY	Group pension trustees	Ordinary	100.00	-
LSR Pension Scheme Limited	Otley Road, Harrogate, North Yorkshire, HG3 1PY	Group pension trustees	Ordinary	100.00	-
Covance CRS International Limited	Woolley Road, Alconbury, Huntingdon, Cambridgeshire, PE28 4HS	Dormant	Ordinary	100.00	-
Labcorp Early Development India Pvt Ltd	29 Union Street, Off Cubbon Road, Bangalore, 560001, Karnataka, India	Clinical research	Ordinary	99.90	-
Labcorp LSR Pension Escrow Limited	21 Holborn Viaduct, London, United Kingdom, EC1A 2DY	Pension funding	Ordinary	-	100.00

On 19 March 2024, a final strike off notice for Labcorp UK Limited was filed, on which date the company was subsequently dissolved.

16 Stocks

	2024 £000	2023 £000
Raw materials and consumables	12,715	11,906

The difference between purchase price or production cost of stocks and their replacement costs is not material.

17 Debtors

	2024 £000	2023 £000
Amounts falling due within one year:		
Trade debtors	61,770	67,315
Unbilled receivables	31,961	54,692
R&D Expenditure Credit recoverable	44,592	37,838
Amounts owed by group undertakings	12,411	5,643
Other debtors	630	4,406
Prepayments and accrued income	10,246	7,460
	<u>161,610</u>	<u>177,354</u>

	2024 £000	2023 £000
Amounts falling due after more than one year:		
R&D Expenditure Credit recoverable	24,960	17,981
	<u>24,960</u>	<u>17,981</u>
Total debtors	<u>186,570</u>	<u>195,335</u>

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Debtors (Continued)

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The charge in the Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £14,078k (2023 - £3,097k).

18 Creditors: amounts falling due within one year

	Notes	2024 £000	2023 £000
Bank overdrafts	19	-	67
Payments received on account		88,172	91,699
Trade creditors		10,610	9,046
Amounts owed to group undertakings		103,356	51,135
Taxation and social security		2,735	2,694
Other creditors		1,075	938
Accruals and deferred income		16,849	16,916
		<u>222,797</u>	<u>172,495</u>

Amounts owed to group undertakings include a revolving loan facility with a year end value of £26,452k (2023 - £24,520k) provided by Labcorp International Holdings B.V. The loan facility is unsecured, accrues interest at a rate of Bank of England prevailing rate + 2.5%, and is repayable on demand.

All other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

19 Borrowings

	2024 £000	2023 £000
Bank overdrafts	-	67
	<u>-</u>	<u>67</u>
Payable within one year	-	67
	<u>-</u>	<u>67</u>

Bank overdrafts were in respect of the company holding the header accounts for the wider group's cash pooling arrangement. As part of the wider spin-off exercise previously detailed in the company's financial statements, a significant proportion of this arrangement was cancelled during the prior year.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2024 £000	Liabilities 2023 £000
Balances:		
Fixed asset timing differences	24,525	21,561
Capital gains	2,307	2,306
Short term timing differences	(622)	(1,904)
Losses and other deductions	(21,537)	(21,623)
	<u>4,673</u>	<u>340</u>
		2024 £000
Movements in the year:		
Liability at 1 January 2024		340
Charge to profit or loss		5,713
Credit to other comprehensive income		(1,380)
Liability at 31 December 2024		<u>4,673</u>

21 Retirement benefit schemes

	2024 £000	2023 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>7,754</u>	<u>7,426</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions amounting to £1,196k (2023 - £1,178k) were payable to the fund and are included in other creditors.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Retirement benefit schemes (Continued)

Defined benefit schemes

The company's subsidiary, Hazpen Trustees Limited, operates a defined benefit pension scheme, the Covance Laboratories Pension Scheme ("the Scheme"), in the United Kingdom, which was closed to new entrants with effect from 31 August 2002. Employed members continued to accrue benefits linked to final pensionable salary and service at date until 31 December 2019 when the scheme was closed to future accrual. This has resulted in a re-assessment of the scheme liabilities on the basis that all active members became deferred members at that date.

The company's subsidiary, LSR Pension Scheme Limited, operates a defined benefit pension scheme, the LSR Pension Scheme ("the Scheme"), in the United Kingdom, which was closed to new entrants with effect from 5 April 1997. Employed members of this scheme continued to accrue benefits linked to final pensionable salary and service at date until 31 December 2002 when the scheme was closed to future accrual. This has resulted in a re-assessment of the scheme liabilities on the basis that all active members became deferred members at that date.

The movements on both schemes are shown in aggregate below.

The Schemes' assets are held in separate trustee administered funds to meet long term pension liabilities to past and present employees. The trustees are required to act in the best interests of the Schemes' beneficiaries.

The liabilities of the Schemes are measured by discounting the best estimate of future cash flows to be paid out by the Schemes using the projected unit credit method, which is an accrued benefits valuation method in which the liabilities make allowance for projected salaries.

The liabilities set out in this note have been calculated by an independent actuary based on the most recent full actuarial valuations at 31 December 2022, updated to 31 December 2024. The results of the calculations and the assumptions that have been adopted are shown below.

	2024	2023
<i>Key assumptions</i>	%	%
Discount rate	5.40	4.45
Inflation (RPI)	3.20	3.25
Inflation (CPI)	2.40 - 2.70	2.45-2.75
Rate of increases to deferred pensions	2.40 - 2.70	2.45-2.75
	====	====
<i>Mortality assumptions</i>	2024	2023
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.0 - 21.2	20.9 - 21.6
- Females	23.0 - 23.2	23.3 - 24.0
	====	====
Retiring in 20 years		
- Males	22.0 - 22.4	21.8 - 23.1
- Females	24.1 - 24.6	24.5 - 25.7
	====	====

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Retirement benefit schemes (Continued)

	2024 £000	2023 £000
<i>Amounts recognised in the income statement</i>		
Net interest on net defined benefit liability/(asset)	(69)	-
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	16,319	(14,504)
Less: calculated interest element	11,678	12,088
Return on scheme assets excluding interest income	27,997	(2,416)
Actuarial changes related to obligations	(31,745)	3,612
Effect of changes in the amount of surplus that is not recoverable	9,404	16,877
Total costs	5,656	18,073

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2024 £000	2023 £000
Present value of defined benefit obligations	215,656	247,357
Fair value of plan assets	(242,753)	(263,894)
Surplus in scheme	(27,097)	(16,537)
Restriction on scheme assets	27,097	16,877
Total liability recognised	-	340

	2024 £000
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2024	247,357
Benefits paid	(10,749)
Actuarial gains and losses	(31,745)
Interest cost	10,793
At 31 December 2024	215,656

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Retirement benefit schemes (Continued)

	2024
	£000
<i>The defined benefit obligations arise from plans funded as follows:</i>	
Wholly unfunded obligations	-
Wholly or partly funded obligations	215,656
	<u>215,656</u>

	2024
	£000
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2024	263,894
Interest income	11,678
Return on plan assets (excluding amounts included in net interest)	(27,997)
Benefits paid	(10,749)
Contributions by the employer	5,927
	<u>242,753</u>
At 31 December 2024	<u>242,753</u>

	2024	2023
	£000	£000
<i>The analysis of the scheme assets at the reporting date were as follows:</i>		
Equity instruments	48,181	21,966
Property	8,657	8,579
Bonds	121,678	148,804
Cash	3,276	36,324
Investment funds	60,961	48,221
	<u>242,753</u>	<u>263,894</u>

22 Share capital

	2024	2023
	£000	£000
Ordinary share capital		
Issued and fully paid		
11,005,001 Ordinary shares of £1 each	11,005	11,005
745,000 Redeemable Preferred Ordinary shares of £1 each	745	745
	<u>11,750</u>	<u>11,750</u>

Ordinary shares are non-redeemable, hold full voting rights and the right to receive dividends.

The redeemable preferred ordinary shares are redeemable at par at any time subject to a minimum of 21 days' notice. These shares carry the rights to dividends and to payment of the par value in a winding up, both in priority to any payment to the holders of any other class of share. There are no voting rights in relation to these shares.

LABCORP EARLY DEVELOPMENT LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

24 Share-based payment transactions

Restricted Stock Unit (RSU) awards in Laboratory Corporation of America Holdings are made to senior managers at the discretion of the company. These awards vest over a three year period with 33% received one year after the grant date, 34% two years after the grant date and the balance three years after the grant date. Performance shares in Laboratory Corporation of America Holdings are made to senior executives at the discretion of the company. These awards vest three years after grant date.

The expense recognised for share-based payments in respect of these RSUs for employee services received during the year amounts to £1,320k (2023 - £1,008k), all of which relates to equity settled share-based payment transactions. The fair value was obtained from the open market share value of the shares issued on the grant date.

25 Operating lease commitments

Lessee

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£000	£000
Within one year	677	649
Between one and five years	1,318	1,653
In over five years	541	271
	<u>2,536</u>	<u>2,573</u>

26 Ultimate controlling party

Clearstone Holdings (International) Limited, a company incorporated in England and Wales is the company's immediate parent.

The company's ultimate parent is Labcorp Holdings Inc, a company incorporated in the United States of America, and is the smallest and largest group for which consolidated accounts including the company are prepared. The consolidated accounts of Labcorp Holdings Inc are available from its registered office, 358 South Main Street, Burlington, 27215, United States of America.