



Company registration No. 3509322

ABCAM LIMITED

Report and Financial Statements

30 June 2005

ABCAM LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Dr D D Cleevely (Chairman)
Prof. T Kouzarides
Dr J S Milner
Dr E W Powell
Mr D J Warwick

SECRETARY

Thomas Cochrane Maguire

REGISTERED OFFICE

332 Cambridge Science Park
Cambridge
CB4 0FW

BANKERS

National Westminster Bank Plc
King's Parade
Cambridge
CB2 3PU

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Cambridge

ABCAM LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the group and the audited financial statements for the year ended 30 June 2005.

ACTIVITY

The principal activities of the company and the group are the development and sale of antibodies.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company has continued to strive to improve the service it offers to its customers by concentrating on setting high standards of quality and on developing its website. It has also continued to focus on strengthening its expertise in certain core areas of biotechnology and in extending the range of products it offers in those areas.

RESEARCH AND DEVELOPMENT

The company spent £740,461 (2004 - £404,073) in the year on research and developing new products. The expenditure is written off to the profit and loss account in the period in which it is incurred.

DIVIDENDS

The company paid interim dividends for the current year of £1,317,143 (2004 - £300,000).

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year, together with their beneficial and family interests in the share capital of the company, are as follows:

	Share options granted and not exercised		Ordinary Shares of £0.04 at 30 June 2005	Ordinary shares of £0.04 at 30 June 2004
	30 June 2005	30 June 2004		
Dr D D Cleevely	500	8,000	238,669	201,369
Prof. T Kouzarides	738	738	15,727	15,727
Dr J S Milner	1,200	1,275	275,477	274,202
Dr E W Powell	900	5,000	32,036	27,036
Mr D J Warwick	5,335	6,614	20,925	18,721

Further details relating to directors' share options are shown in Note 3.

ABCAM LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the next annual general meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements each financial year which give a true and fair view of the state of affairs of the company and group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors
and signed on behalf of the Board

D D Cleevely
Chairman

21 September 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABCAM LIMITED

We have audited the financial statements of Abcam Limited for the year ended 30 June 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheets, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 June 2005 and the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Chartered Accountants and
Registered Auditors
Cambridge

22 September 2005

Note

1. The maintenance and integrity of the Abcam plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ABCAM LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 2005

		Year to 30.6.05	Year to 30.6.04
	Note	£	£
TURNOVER: continuing operations	2	12,135,086	6,724,700
Cost of sales		<u>(4,677,706)</u>	<u>(2,511,412)</u>
Gross profit		7,457,380	4,213,288
Administrative expenses		<u>(4,554,548)</u>	<u>(2,794,124)</u>
		2,902,832	1,419,164
Other operating income		<u>15,229</u>	<u>19,316</u>
OPERATING PROFIT: continuing operations	4	2,918,061	1,438,480
Interest receivable and similar income		<u>59,324</u>	<u>11,407</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,977,385	1,449,887
Tax on profit on ordinary activities	5	<u>(696,496)</u>	<u>(441,152)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,280,889</u>	<u>1,008,735</u>
Dividends paid	7	(1,317,143)	(300,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	8	<u>963,746</u>	<u>708,735</u>

The statement of movements on reserves is shown in note 8.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 June 2005

	Year to 30.6.05	Year to 30.6.04
	£	£
Profit for the financial year	2,280,889	1,008,735
Foreign exchange differences	11,594	3,893
Total recognised gains and losses in the year	<u>2,292,483</u>	<u>1,012,628</u>

ABCAM LIMITED**CONSOLIDATED BALANCE SHEET
30 June 2005**

		30.6.05	30.6.04
	Note	£	£
FIXED ASSETS			
Tangible assets	9	835,399	175,031
Investments	10	10	10
		<u>835,409</u>	<u>175,041</u>
CURRENT ASSETS			
Stocks	11	1,186,752	557,783
Debtors	12	1,911,734	1,000,942
Investment: cash deposit		1,000,000	850,000
Cash at bank and in hand		510,253	274,254
		<u>4,608,739</u>	<u>2,682,979</u>
CREDITORS: amounts falling due within one year	13	(2,149,155)	(1,204,174)
		<u>2,459,584</u>	<u>1,478,805</u>
NET CURRENT ASSETS			
		<u>2,459,584</u>	<u>1,478,805</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		3,294,993	1,653,846
Provisions for liabilities and charges	15	(79,977)	(1,330)
		<u>3,215,016</u>	<u>1,652,516</u>
NET ASSETS			
		<u>3,215,016</u>	<u>1,652,516</u>
CAPITAL AND RESERVES			
Called up share capital	16	27,805	25,404
Share premium account	8	1,568,382	1,000,673
Foreign exchange reserve	8	15,487	3,893
Other reserves	8	334,743	318,008
Profit and loss account	8	1,268,599	304,538
		<u>3,215,016</u>	<u>1,652,516</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			
	17	<u>3,215,016</u>	<u>1,652,516</u>

These financial statements were approved by the Board of Directors on 21 September 2005

Signed on behalf of the Board of Directors

Dr E W Powell

ABCAM LIMITED**COMPANY BALANCE SHEET
30 June 2005**

	Note	30.6.05 £	30.6.04 £
FIXED ASSETS			
Tangible assets	9	723,787	147,984
Investments	10	6,108	6,108
		<u>729,895</u>	<u>154,092</u>
CURRENT ASSETS			
Stocks	11	1,181,626	557,783
Debtors	12	1,932,418	1,141,771
Investment: cash deposit		1,000,000	850,000
Cash at bank and in hand		207,562	96,816
		<u>4,321,606</u>	<u>2,646,370</u>
CREDITORS: amounts falling due within one year	13	(1,908,426)	(1,117,682)
		<u>2,413,180</u>	<u>1,528,688</u>
NET CURRENT ASSETS			
		<u>2,413,180</u>	<u>1,528,688</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		3,143,075	1,682,780
Provisions for liabilities and charges	15	(73,664)	(1,330)
		<u>3,069,411</u>	<u>1,681,450</u>
NET ASSETS			
		<u>3,069,411</u>	<u>1,681,450</u>
CAPITAL AND RESERVES			
Called up share capital	16	27,805	25,404
Share premium account	8	1,568,382	1,000,673
Other reserves	8	334,743	318,008
Profit and loss account	8	1,138,481	337,365
		<u>3,069,411</u>	<u>1,681,450</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			
		<u>3,069,411</u>	<u>1,681,450</u>

These financial statements were approved by the Board of Directors on 21 September 2005

Signed on behalf of the Board of Directors

Dr E W Powell

ABCAM LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2005

	Note	Year to 2005 £	Year to 2005 £	Year to 2004 £	Year to 2004 £
Net cash inflow from operating activities	A		2,571,318		1,076,099
Returns on investments and servicing of finance					
Interest received		<u>59,324</u>		<u>11,407</u>	
Net cash inflow from returns on investments and servicing of finance			59,324		11,407
Taxation					
Corporation tax paid (including advance corporation tax)		<u>(700,872)</u>		<u>(35)</u>	
Tax paid			(700,872)		(35)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(847,324)		(82,893)	
Receipts from sales of tangible fixed assets		<u>22,427</u>		<u>426</u>	
Net cash outflow from capital expenditure and financial investment			(824,897)		(82,467)
Equity dividends paid			(1,317,143)		(300,000)
Net cash outflow before use of liquid resources and financing			<u>(212,270)</u>		<u>705,004</u>
Management of liquid resources					
Increase in short term deposits		<u>(150,000)</u>		<u>(750,000)</u>	
Net cash outflow from management of liquid resources			(150,000)		(750,000)
Financing					
Issue of ordinary share capital		<u>570,110</u>		<u>247,425</u>	
Net cash inflow from financing			570,110		247,425
Increase in cash	B		<u>207,840</u>		<u>202,429</u>

ABCAM LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2005

A Reconciliation of operating profit to net cash inflow from operating activities

	Year to 2005 £	Year to 2004 £
Operating profit	2,918,061	1,438,480
Depreciation	152,716	155,971
Loss on sale of tangible fixed assets	12,300	135
Increase in stocks	(628,969)	(371,868)
Increase in debtors	(910,792)	(518,555)
Increase in creditors	1,028,002	371,936
Net cash inflow from operating activities	<u><u>2,571,318</u></u>	<u><u>1,076,099</u></u>

B Analysis of net funds

	At 01.07.04 £	Cash Flow £	Exchange Movement £	At 30.06.05 £
Cash in hand and at bank	274,254	207,840	28,159	510,253
Current asset investments	850,000	150,000	-	1,000,000
Total	<u><u>1,124,254</u></u>	<u><u>357,840</u></u>	<u><u>28,159</u></u>	<u><u>1,510,253</u></u>

C Reconciliation of net cash flow to movement in net funds

	30.6.05 £	30.6.05 £	30.6.04 £	30.6.04 £
Increase in cash in the year	207,840		202,429	
Cash outflow from decrease in liquid resources	150,000		750,000	
Change in net funds resulting from cash flows		357,840		952,429
Translation difference		28,159		5,701
Movement in net funds in the year		385,999		958,130
Net funds at start of year		1,124,254		166,124
Net funds at end of year		<u><u>1,510,253</u></u>		<u><u>1,124,254</u></u>

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Fixed assets

Depreciation is provided at cost in equal instalments over the estimated lives of the fixed assets.

The depreciation rates generally used are shown below:

Office equipment, fixtures and fittings	20% per annum
Laboratory equipment	20% per annum
Computer equipment	33% per annum
Website development	50% per annum
Motor vehicles	33% per annum

Depreciation is accelerated if assets are deemed to have been impaired or there is a change in the residual economic life.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Stocks

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

Deferred taxation

Deferred taxation is provided in full on timing differences which represent an obligation at the balance sheet date to pay more tax or a right to pay less tax at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking Abcam Inc. The results of Camgene Ltd., the company's only other subsidiary, have been excluded from the consolidation on the grounds of immateriality. The group's investment in Camgene Ltd. are shown as a fixed asset investment in both the group and company only balance sheets.

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

1 ACCOUNTING POLICIES (continued)

Pensions

The group pays contributions on behalf of employees and directors into defined contribution pension schemes. The contributions are charged in the accounts when they become due.

Research and development

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

Leases

Operating lease rentals are charged to the profit and loss account in equal annual instalments over the lease term.

Foreign exchange

Transactions denominated in foreign currencies are translated at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date or, if appropriate, at the forward contract rate. These translation differences are dealt with in the profit and loss account. The results of the company's subsidiary, Abcam Inc's, operations are translated at the average rate of exchange during the period and its balance sheet at the rate ruling at the balance sheet date. Exchange differences arising on the translation of the opening net assets and results of operations are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

2 TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax.

An analysis of turnover by class of business and geographical location is not presented as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the group.

Revenue is recognised on delivery to the customer. This is when legal title of the goods pass from the company to the customer.

ABCAM LIMITED

NOTES TO THE ACCOUNTS
Year ended 30 June 2005

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration	Year to 30.6.05 £	Year to 30.6.04 £
Emoluments	<u>402,611</u>	<u>370,187</u>

Retirement benefits are accruing in respect of qualifying services for three directors (2004 - three) under money purchase schemes. In the year £16,384 (2004 - £25,198) was paid into those schemes.

Highest paid director:

Emoluments	144,207	132,500
Contributions to money a purchase scheme	<u>5,748</u>	<u>3,683</u>
	<u>149,955</u>	<u>136,183</u>

Number of share options exercised during the year by the highest paid director

<u>1,275</u>	<u>10,800</u>
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Directors have the following options over unissued shares:

	30.6.05	30.6.04	Exercise price	Vesting dates
Dr D D Clevely	500	8,000	£5	Apr-05
Prof. T Kouzarides	738	738	£5	Apr-04 to Apr-05
Dr J S Milner	1,200	1,275	£10	Jul-06
Dr E W Powell	900	5,000	£10	Jul-06
Mr D J Warwick	5,335	6,614	£5 to £20	Jun-05 to Jul-06

During the year three directors exercised options (2004 - three).

Average number of persons employed	No.	No.
Administrative	50	31
Laboratory	<u>8</u>	<u>5</u>
	<u>58</u>	<u>36</u>

Staff costs during the year (including directors)

	£	£
Wages and salaries	1,998,536	1,373,380
Social security costs	172,514	119,774
Pension costs	55,081	31,972
Charge in respect of share options granted	<u>17,050</u>	<u>-</u>
	<u>2,243,181</u>	<u>1,525,126</u>

4 OPERATING PROFIT

Operating profit is after charging:

	£	£
Depreciation - owned assets	152,716	155,971
Loss on disposal of fixed assets	12,300	135
Auditors' remuneration - group and company	25,942	15,014
R & D expenditure	740,461	404,073
Rentals under operating leases:		
Land and buildings	198,136	90,737
Other	<u>-</u>	<u>2,469</u>

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 30.6.05	Year to 30.6.04
Current tax	£	£
UK corporation tax at 30% (2004 - 30%)	662,186	401,556
Foreign tax	97,267	8,828
Adjustments in respect of prior periods - UK tax	(135,010)	(480)
Adjustments in respect of prior periods - foreign tax	(6,594)	-
Total current tax	<u>617,849</u>	<u>409,904</u>
Deferred tax		
Timing differences origination and reversal - UK tax	72,334	31,248
Timing differences origination and reversal - foreign tax	6,313	-
Total deferred tax	<u>78,647</u>	<u>31,248</u>
	<u>696,496</u>	<u>441,152</u>

The standard rate of current tax for the year is 30% (2004 - 30%).

The current tax charge for the year reconciles to the standard rate as follows:

	£	£
Profit on ordinary activities before tax	<u>2,977,385</u>	<u>1,449,887</u>
Tax on profit on ordinary activities at standard rate of:	893,216	434,966
<i>Factors affecting charge for the period:</i>		
Capital allowances for period in (excess)/deficit of depreciation	(67,646)	23,476
Other timing differences	2,727	84
Expenses not deductible for tax purposes	66,150	3,274
Revenue items capitalised	(510)	-
R&D tax credit uplift	(65,671)	-
Deduction for exercise of share options	(97,081)	-
Adjustment in respect of prior years	(141,604)	(480)
Differences in tax rates	28,268	-
Utilised tax losses	-	(51,416)
Current tax charge for the year	<u>617,849</u>	<u>409,904</u>

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

6 PROFIT ATTRIBUTABLE TO THE COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent's profit for the financial year before dividends amounted to £2,117,944 (2004 - £992,043).

7 DIVIDENDS PAID

During the year interim dividends of 191.42p (2004 - 47.24p) per share were paid on equity shares.

8 STATEMENT OF MOVEMENTS ON RESERVES

	Share premium account £	Foreign exchange reserve £	Reserve for share options granted £	Profit and loss account £
GROUP				
As at 1 July 2004	1,000,673	3,893	318,008	304,538
Profit for the year	-	-	-	963,746
Currency translation difference on foreign currency net investments	-	11,594	-	-
Charge in respect of share options	-	-	17,050	-
Transfer in respect of options waived or cancelled	-	-	(315)	315
Shares issued	567,709	-	-	-
At 30 June 2005	<u>1,568,382</u>	<u>15,487</u>	<u>334,743</u>	<u>1,268,599</u>
COMPANY				
As at 1 July 2004	1,000,673		318,008	337,365
Profit for the year	-		-	800,801
Charge in respect of share options	-		17,050	-
Transfer in respect of options waived or cancelled	-		(315)	315
Shares issued	567,709		-	-
At 30 June 2005	<u>1,568,382</u>		<u>334,743</u>	<u>1,138,481</u>

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

9 TANGIBLE FIXED ASSETS

	Computer and laboratory equipment £	Website development £	Office equipment, fixtures and fittings £	Motor Vehicles £	Total £
Group					
Cost					
At 1 July 2004	191,049	372,928	198,802	-	762,779
Additions in year	233,240	-	587,284	26,800	847,324
Disposals in year	(7,908)	(372,928)	(146,782)	(26,800)	(554,418)
Exchange difference	249	-	181	-	430
At 30 June 2005	<u>416,630</u>	<u>-</u>	<u>639,485</u>	<u>-</u>	<u>1,056,115</u>
Accumulated depreciation					
At 1 July 2004	85,372	372,928	129,448	-	587,748
Charge for the year	70,650	-	73,918	8,148	152,716
Disposals in year	(4,424)	(372,928)	(134,337)	(8,148)	(519,837)
Exchange difference	59	-	30	-	89
At 30 June 2005	<u>151,657</u>	<u>-</u>	<u>69,059</u>	<u>-</u>	<u>220,716</u>
Net book value					
At 30 June 2005	<u>264,973</u>	<u>-</u>	<u>570,426</u>	<u>-</u>	<u>835,399</u>
At 30 June 2004	<u>105,677</u>	<u>-</u>	<u>69,354</u>	<u>-</u>	<u>175,031</u>
Company					
Cost					
At 1 July 2004	171,234	372,928	184,411	-	728,573
Additions in year	208,313	-	508,348	26,800	743,461
Disposals in year	(7,908)	(372,928)	(142,901)	(26,800)	(550,537)
At 30 June 2005	<u>371,639</u>	<u>-</u>	<u>549,858</u>	<u>-</u>	<u>921,497</u>
Accumulated depreciation					
At 1 July 2004	80,639	372,928	127,022	-	580,589
Charge for the year	61,747	-	65,177	8,148	135,072
Disposals in year	(4,424)	(372,928)	(132,451)	(8,148)	(517,951)
At 30 June 2005	<u>137,962</u>	<u>-</u>	<u>59,748</u>	<u>-</u>	<u>197,710</u>
Net book value					
At 30 June 2005	<u>233,677</u>	<u>-</u>	<u>490,110</u>	<u>-</u>	<u>723,787</u>
At 30 June 2004	<u>90,595</u>	<u>-</u>	<u>57,389</u>	<u>-</u>	<u>147,984</u>

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

10 FIXED ASSET INVESTMENTS

	Group £	Company £
Cost		
At 1 July 2004 and 30 June 2005	<u>10</u>	<u>6,108</u>

The Company owns the issued share capital of the following companies:

	Incorporated in	Class of shares held	Proportion of shares held	Proportion of voting rights held
Abcam Inc	USA	ordinary	100%	100%
Camgene Ltd	UK	ordinary	100%	100%

Abcam Inc sells antibodies.

As at 30 June 2005 the called up share capital and reserves of Camgene were £10 (2004 - £10). The company is dormant.

11 STOCKS

	Group 30.6.05 £	Company 30.6.05 £	Group 30.6.04 £	Company 30.6.04 £
Goods for resale	945,645	940,518	463,352	463,352
Work in progress	241,107	241,108	94,431	94,431
	<u>1,186,752</u>	<u>1,181,626</u>	<u>557,783</u>	<u>557,783</u>

12 DEBTORS

	£	£	£	£
Trade debtors	1,732,749	805,350	926,811	557,253
Owed by subsidiary undertaking	-	954,959	-	524,233
Other debtors and prepayments	178,985	172,109	74,131	60,285
	<u>1,911,734</u>	<u>1,932,418</u>	<u>1,000,942</u>	<u>1,141,771</u>

All amounts are due within one year.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£	£	£
Trade creditors	834,854	741,634	386,118	362,713
Corporation tax	327,362	251,186	410,384	401,556
Other taxes and social security	62,375	54,120	37,775	35,987
Other creditors	109,284	90,658	61,035	56,339
Accruals and deferred income	815,280	770,828	308,862	261,087
	<u>2,149,155</u>	<u>1,908,426</u>	<u>1,204,174</u>	<u>1,117,682</u>

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

14 FINANCIAL COMMITMENTS

Operating lease commitments

At 30 June 2005 the following payments were committed to be paid during the next year in respect of operating leases:

	30.6.05	30.6.04
	Land and buildings £	Land and buildings £
Group		
Leases which expire:		
within two to five years	68,038	122,015
after five years	<u>177,348</u>	<u>-</u>
	<u><u>245,386</u></u>	<u><u>122,015</u></u>
Company		
Leases which expire:		
within two to five years	-	96,000
after five years	<u>177,348</u>	<u>-</u>
	<u><u>177,348</u></u>	<u><u>96,000</u></u>

The company enters into forward foreign currency contracts to manage currency exposure from transactions in foreign currency. At the year end, Abcam Limited was contracted to £5,057k of United States Dollars (2004 – £nil) and £2,320k of Euro (2004- nil)

15 DEFERRED TAX

Company and Group

Deferred taxation provided is as follows:

	Group		Company	
	Provided/(recognised)		Provided/(not recognised)	
	30.6.05	30.6.04	30.6.05	30.6.04
	£	£	£	£
Accelerated capital allowances	107,470	4,330	78,140	4,330
Other timing differences	<u>(27,493)</u>	<u>(3,000)</u>	<u>(4,476)</u>	<u>(3,000)</u>
Deferred tax liability	<u><u>79,977</u></u>	<u><u>1,330</u></u>	<u><u>73,664</u></u>	<u><u>1,330</u></u>
Group		£		
At 1 July 2004		1,330		
Charge in year		<u>78,647</u>		
At 30 June 2005		<u><u>79,977</u></u>		
Company				
At 1 July 2004		1,330		
Charge in year		<u>72,334</u>		
At 30 June 2005		<u><u>73,664</u></u>		

ABCAM LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2005

16	CALLED UP SHARE CAPITAL	30.6.05	30.6.04
		£	£
	Authorised		
	4,000,000 ordinary shares of 4p each	<u>160,000</u>	<u>160,000</u>
	Called up, allotted and fully paid		
	695,118 (2004-635,096) ordinary shares of 4p each	<u>27,805</u>	<u>25,404</u>

Under the Company's Enterprise Management Incentive Scheme employees held options at 30 June 2005 for 23,788 unissued ordinary shares (2004 - 34,203). During the year 21,247 of these options were exercised, 11,831 were granted and 999 options lapsed. The options outstanding at the end of the year were as follows:

Date of grant	Number of shares	Option price per share	Date of Vesting
Jun-01	2,000	£5.00	Jun-03
Apr-02	2,818	£5.00	Apr-04
May-02	500	£5.00	May-04
Apr-03	2,613	£5.00	Apr-05
Jun-03	4,410	£5.00	Jun-05 to Jun-06
Jul-04	5,947	£10.00	Jul-06
Dec-04	5,500	£10.00	2 years after a listing

Employees also held options under an unapproved scheme at 30 June 2005 for 4,263 unissued ordinary shares (2004 - 10,013) at exercise prices of £5 or £10 per share. 8,775 of these options were exercised during the year, and 3,025 were granted. The options vest over the period April 2004 to July 2006.

In addition, Crickholm Pension Scheme held options for 30,000 (2004 - 30,000) unissued ordinary shares at an exercise price of £14 per share and subject to the terms of an agreement. The option was exercised during the year. The Crickholm Pension Scheme is a related party as described in note 19.

An option for 1,000 (2004 - 1,000) unissued ordinary shares has been granted to a scientific advisor at an exercise price of £10.00 per share. The option vested in May 2005.

During the year the company issued ordinary 4p shares as follows:

Date issued	Number of shares	Issue price per share	Funds Raised
		£	£
23.11.04	30,000	14.00	420,000
23.11.04	16,353	5.00	81,765
19.04.05	450	5.00	2,250
22.04.05	1,913	5.00	9,565
04.05.05	650	5.00	3,250
23.05.05	7,281	5.00	36,405
24.05.05	2,400	5.00	12,000
16.06.05	975	5.00	4,875
	<u>60,022</u>		<u>570,110</u>

ABCAM LIMITED**NOTES TO THE ACCOUNTS**

Year ended 30 June 2005

17 RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the year	2,280,889	1,008,735
Other recognised gains and losses relating to the year (net)	11,594	3,893
Add back: charge in respect of share options	17,050	-
	<u>2,309,533</u>	<u>1,012,628</u>
Dividends paid	(1,317,143)	(300,000)
Issue of shares	570,110	247,426
Net addition to shareholders' funds	<u>1,562,500</u>	<u>960,054</u>
Opening shareholders' funds	<u>1,652,516</u>	<u>692,462</u>
Closing shareholders' funds	<u><u>3,215,016</u></u>	<u><u>1,652,516</u></u>

18 ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party in either year.

19 RELATED PARTY TRANSACTIONS

Dr D D Cleevly was a director and shareholder of Analysys Limited, which has provided website services to the company amounting to £2,000 in the year (2004 - £3,500).

Dr D D Cleevly is a trustee of the Crickholm Pension Scheme which holds options to purchase shares in the company as described in note 16.

Dr E W Powell is a director of Cambridge Theranostics Ltd.
The company provided office and management services totalling £15,228 (2004 - £13,842) to that company in the year, antibody sales totalling £707 (2004 - nil) and a salary recharge totalling £36,096 (2004 - nil)