ABCAM PLC

("Abcam" or "the Company")

Preliminary results for the year ended 30 June 2008

Cambridge, UK: Abcam plc (AIM: ABC), the rapidly growing bioscience company that markets antibodies via its own online catalogue, is pleased to announce its preliminary results for the year ended 30 June 2008.

HIGHLIGHTS

- Sales increased 49.7% to £36.7m (2007: £24.5m)
- Pre-tax profits increased 48.2% to £8.2m pre potential offer related costs of £250k
- Product range grew 29.8% to 44,000 antibodies and related products (2007: 33,900)
- Transfer of all polyclonal production to high-throughput- production (HTP) facility successfully completed, further development of monoclonal production programme and significant increase in levels of product characterisation undertaken in-house
- US subsidiary continued to trade well, and our Japanese subsidiary grew sales by 67.4% in the second half of the year
- Net cash and short term investments at 30 June 2008 of £14.5m (2007: £10.7m)
- EPS increased by 43.8% to 16.88p per share (2007: 11.74p)
- Final dividend increased by 42.9% to 4.56p per share (2007: 3.19p) making a total dividend for the year of 5.60p (2007: 3.99p)

David Cleevely, Chairman of Abcam, said: "The year to June 2008 was another year of impressive growth at Abcam, reflected in our strong sales, profits and cash generation, and in the 42.9% increase in our total dividend. The growing international demand for research antibodies, combined with the strength of our brand, product range and strategy, means that the Board looks forward to the future with confidence."

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Notes for editors

About Abcam plc

Abcam is a producer and distributor of research-grade antibodies headquartered in Cambridge, United Kingdom, with offices in Cambridge, Massachusetts, USA and Tokyo, Japan. Abcam was admitted to AIM in November 2005 and trades under the ticker symbol ABC. The Company produces and distributes its own and third party produced antibodies to academic and commercial users throughout the world. Product ordering is available through the Company's website www.abcam.com, where customers are also able to access up-to-date and detailed technical product data sheets. All the antibodies are sold under the Abcam brand name and the Company's vision is to build the world's largest online resource of high quality and commercially viable antibodies. Abcam now has an online catalogue of over 44,000 products, most of which are antibodies, from over 250 suppliers and employs 184 staff in its three operating companies.

About antibodies

Antibodies are proteins produced by white blood cells in response to the introduction of a foreign body known as an antigen. Antibodies, which have a wide variety of uses in research, diagnostics and therapeutics, are used by bioscientists in research into disease and into the human genome, where they are used to mark and identify specific cells and other living matter. The number of human antibodies of use in research is potentially greater than one million.

Chairman's Review

Abcam has recently celebrated its tenth anniversary and I am delighted to report on another outstanding year as the Group continues to go from strength to strength. Demand for research antibodies has never been higher, nor has our reputation. Our highly developed e-commerce platform, offering targeted information and easy access to products, has become the destination of choice for increasing numbers of researchers across the world.

Our intention is to consistently deliver robust growth whilst at the same time investing in the future of the business, thus ensuring that we have a solid and sustainable foundation for long-term development. This has been achieved this year and the business is well set for continued success.

We have achieved strong growth in all the regions in which we operate: sales in the year increased by 49.7% to £36.7m (49.1% on a constant currency basis), whilst gross margins increased from 59.1% to 60.8%. This outstanding performance is a testimony to the quality of the products and support we offer, the scalability of our operation and Abcam's growing reputation as a quality supplier to the world scientific community.

A key driver of our success is our wealth of product data. This set of data is a tremendous asset and includes technical information, application specific information, user-generated reviews and how our products have been used in published experiments. Using this relevant, easily accessible information, research scientists can identify and purchase the products best suited for their requirements. During the year, our catalogue increased by more than 10,000 products, from 33,900 at the end of the last financial year to over 44,000 at the end of June 2008. Sales of individual products tend to increase the longer they are listed and as more data is gathered. New products contributed £3.2m to sales in the year and we expect sales from these new launches to increase in future years.

Our investments in the year included the continued development of the high-throughput production (HTP) facility. The HTP facility has taken on the production of new and existing polyclonal antibodies and been very successful in adding characterisation data, which is an important driver of growth, to our existing catalogue. A priority for this year has been increasing production efficiencies and managing costs. We have also continued development work on our automated monoclonal development programme. The initial level of sales of the monoclonal antibodies added to the catalogue during the year has been well ahead of expectations and we will continue to prudently manage monoclonal production levels in line with the development of our production process.

Our offices in the USA and Japan have both grown significantly in the year and our commitment to optimising the user experience has driven further investment in our website infrastructure, and the establishment of a dedicated e-commerce team. We are also continuing to build our distributor network in order to improve our geographic reach in parts of the world where an e-commerce model has yet to be fully embraced.

We have continued to attract staff of the highest calibre to ensure that our growth is targeted and well managed. A high proportion of our staff have PhDs and we aim to blend a depth of technical knowledge with strong commercial acumen. In November 2007 we appointed Jeff Iliffe as Chief Financial Officer and, with the extremely valuable contributions from the non-executive directors, we have a strong and effective Board.

Our aim is to continue delivering value to both our customers and our shareholders and I would like to thank them for their continued support. I would also like to extend thanks to our growing number of suppliers and finally to our dedicated and talented staff, who make these achievements possible.

Dividends

The Board's policy is to distribute 33% of profit after tax as dividends. This was increased from 25% last year, in line with the strong cashflow and growing success of the Group. An interim dividend of 1.04p per share was paid in April 2008 and the Directors are therefore recommending a final dividend of 4.56p per share, making a total for the year of

5.60p. Subject to shareholder approval at the Annual General Meeting in November, this dividend will be paid on 28 November 2008 to shareholders on the register on 7 November 2008.

Outlook

Our track record demonstrates the strength of the combination of our highly developed e-commerce platform, wealth of product data, extensive range of antibodies and high-calibre staff. We have built an attractive position in an exciting market and the Board looks to the future with confidence.

David Cleevely FREng

Chairman

8 September 2008

CEO's Review

We have built a truly international reputation in the research community for the reliability of our products and the support we offer. The development of our systems and the power of the internet enable us to focus our marketing effectively and to provide a targeted, high-value service at the individual researcher level. At the same time, our product range has expanded to more than 44,000 products and sales have increased by 49.7% to £36.7m.

We continue to strike a balance between current year growth and investment for the future. Even so, profit before taxation increased by 48.2% from £5.5m to £8.2m before charging £250k in costs associated with the potential offer process last summer.

What is also very exciting is the 29.8% growth achieved in the number of products in the catalogue and the breadth covered by the new products. One of the strengths of the team that sources externally manufactured antibodies from original equipment manufacturers (OEMs) is the diversity of deals that they can cover in building the catalogue. This year, deals range from one adding almost 3,000 antibodies immediately to those on individual products from niche researchers. It is encouraging also that we have built a sufficient market share such that the desirability of pursuing exclusive product line acquisition (PLA) deals has reduced. We do not rule out doing more PLA deals in the future, if the deals are lucrative; however as a source of growth and capturing market share their role and importance has diminished. Overall, we are now managing relationships with more than 250 suppliers and see growth both from new products that our established suppliers bring to us and from the continued addition of new suppliers. We are also expanding the breadth of antibody-related reagents that we can cover, giving us access to new markets; for example, this year we have almost doubled our proteins range.

Our HTP facility is now well established in its new building. The production levels of polyclonal antibodies now exceed the levels achieved in our old facility, with the capacity to increase this in line with market demand. We are also seeing the monoclonal antibodies coming out of the developmental stages of the facility, and showing good initial sales.

A further, particularly satisfying achievement is the introduction of high-throughput screening assays into the HTP facility, leading to increased levels and quality of characterisation which we can now provide with all our products. This is a key driver of our growth and we are delighted with the amount of characterisation data that is being generated.

Both our OEM product sourcing strategies and HTP product development are driven by our approach to the segmentation of the research market into Core Focus Areas (CFAs). This year we have continued to build our CFA strategy through the development and integration of product, marketing, events and support teams within each CFA. We have found that the CFA approach is very effective in capturing market share and continue to add further CFAs in order to maintain this momentum. We started the year with six CFAs and we added two further to take our total number to eight fully established CFAs..

A key area of development based around the CFAs is in the activities of the scientific events team, which organises and runs conferences and seminars. To help across all our CFAs we have also been developing an expert system – the Target Selection Database (TSDB) – to help in the quality of candidate targets that we can select. The TSDB is a powerful data-mining tool that integrates both internal and external scientific data sources to provide a comprehensive profile of the commercial potential of a target in half the time taken previously.

We have a highly efficient business, with end-to-end systems linking the public website directly through to product ordering, inventory management, logistics and accounting. The resulting real-time data gives us strong operational and financial control and enables us to adopt an agile and responsive approach to the management of the business.

Since the creation of the company ten years ago our strong focus has been on serving the researcher and our business philosophy and processes are all based around their needs and the achievement of their objectives. During that time our products have been used in ground-breaking research and referenced in thousands of publications, thus enhancing our international reputation. This commitment is also core to our future as through the development of our systems we build on our relationships, offering an ever more relevant service to each individual as our product range and geographic reach expand.

Jonathan Milner

CEO

8 September 2008

Managing Director's Review

Our new HTP manufacturing facility in Cambridge UK has been open for just over a year and the move from our existing facility has gone well. The production processes for polyclonal antibodies are now established and the development programme for our own monoclonal manufacturing is well underway. During the year we have been commissioning the major pieces of automation equipment from Beckman Coulter needed for scaled-up production of monoclonals. The last of these – the freeze-down workstation for long-term storage of the clones – is scheduled to be commissioned before the end of this calendar year.

This year has marked an important transition for our Tokyo office, which since 1 January 2008 has moved from transacting the majority of our business through our original distributor, to dealing directly with our major sub-dealers in the Japanese market. This enables us both to provide better support to our customers by shortening the communication chain to them and to improve the margin we can realise from selling our products. This transition was always part of the strategy for developing the Tokyo office but I am delighted to report that we have achieved this whilst still delivering 67.4% growth in sales from ¥159.8m (£0.7m) to ¥267.5m (£1.3m), comparing the second half of this financial year with the same period last year.

This year has also seen us continuing our strategy of developing our European sales through our 'virtual offices' based out of our Cambridge UK office, enabling European customers to contact us directly in their own language. The results have been very pleasing, particularly in Germany and France. A combination of targeted marketing campaigns and amendments to our discount structure in Europe has meant we have increased sales by 65.5% from €8.9m to €14.7m. As well as contributing to our overall sales, the strength in growth of our European sales has contributed to the margin improvements we have seen this year.

Our North American sales based out of our office in Cambridge MA have also continued to grow from $24.7m to $33.8m, an increase of 36.9%. We have been fortunate to be able to take on an additional 4,500 square feet of adjoining space that has become vacant at our One Kendall Square address. This will enable us to implement smoothly the planned expansion of our operations in North America without the inconvenience of relocating and should provide sufficient space to accommodate up to three years of projected growth.

An area which is fast maturing into an important cornerstone of our business is our scientific events team. We organise and run conferences and seminars in our CFAs , both as part of our core marketing strategy and to build brand awareness and keep us in touch with our customers and the scientific community. We have gradually built up our capability and reputation in the biological events arena, from running two major events in 2006–07 (around Chromatin and Stem Cells) to four in 2007–08. In addition, we have run twenty smaller, one-day events and seminars this year and will expand these further in 2008-09.

Our strong performance this year is again a tribute to the enthusiasm and commitment of our staff. We aim to provide a rewarding and progressive environment for our employees and we are always seeking ways to improve our overall benefits package for all our staff. For example, this year in the UK, despite still being a relatively small company, we are offering a class-leading self-service flexible benefits system where staff can choose from a variety of benefits, ranging from health care and pensions to cycle-to-work schemes, and take best advantage of the tax concessions available via salary sacrifice. We believe that continuing to develop the creative and innovative individuals who have grown up through a young entrepreneurial culture will enable us to grow successfully over the coming years. This is achieved by being open to both interdepartmental transfers and the career aspirations of staff, together with active training and development programmes utilising local initiatives and other opportunities open to staff.

Jim Warwick

Managing Director

8 September 2008

FINANCIAL REVIEW

Sales

Sales increased in the year by 49.7% to £36.7m or 49.1% on a constant currency basis i.e. if foreign currency exchange rates had remained unchanged from 2007. (Average exchange rate applied to sales: 2008 £1:$1.997: €1.374: ¥220.051; 2007 £1:$1.925: €1.481: ¥229.699.)

Gross margin

Gross margins reported for the period under review are 60.8% compared with 59.1% for the previous year. The increase of 1.7% is attributable to improved pricing which more than compensated for price increases from suppliers (0.7%); higher sales of products acquired under the exclusive product line acquisitions (0.4%); and from the benefit of the stronger Euro during the period, since a relatively small proportion of our product costs are denominated in Euros (0.6%).

During the year our Business Development and Marketing teams combined to actively manage the margin achieved on sales and introduced a number of strategies aimed at working with suppliers to improve sales and manage cost increases.

Administrative expenses

Administrative expenses rose from £7.7m to £12.5m. This increase reflects the 37.2% growth in the average headcount to 166; the first full year of operation of the HTP facility; and the Japanese office. During the year a net impairment charge of £442k was taken to the income statement relating to the reduction in the carrying value of one of the exclusive product line acquisition deals, following an assessment of future prospects under the deal.

The bad debt provision increased from £224k to £591k during the year, largely as a result of an overseas distributor having financial difficulties after becoming involved in a local court action, meaning that recovery of the balance due is now considered doubtful.

Research and Development expenditure

Research and Development expenditure increased by 39.8%, reflecting an increase in investment in the development of the monoclonal production process and new polyclonal production development. The level of expenditure is expected to continue to increase in future as the level of new product polyclonal production grows and the monoclonal development programme scales-up.

Profit

Operating profits increased by 51.3% from £5.0m in the year ended June 2007 to £7.6m after adding back costs of £250k relating to a potential offer for the Group as announced to the market in July 2007. This represents an increase in operating profit as a percentage of sales from 20.5% to 20.8% despite the impact of the additional costs outlined above.

Interest income rose as the Company benefited from strong cash generation during the year.

Tax

The consolidated tax charge for the year was £2.1m or 25.9% of profit before tax reflecting the tax credits arising from the increased amount of research and development undertaken. A credit of £114k was also received for research and development activities undertaken in prior years. The effective tax charge for the year was 25.9% (2007 :26.6%).

The tax charge for 2007 was £1.5m having been restated from £1.6m following the adoption of International Financial Reporting Standards (IFRS). The consolidated tax charge will benefit in future from a full year's impact of the reduction in corporation tax in the UK from 30% to 28% and an increased level of research and development.

Inventories

The Group manages stock levels closely by monitoring the expectations of future sales for every product in the catalogue, and the time taken to restock either from our own production or from OEM suppliers. As a result, stock levels have increased less than the growth in sales during the course of the year. Over time the Group expects the levels of stock to increase relative to sales since Abcam products developed in-house, involve batch sizes larger than required for immediate sale.

Debtors

A main focus for the year has been on debtor control and debtor days at the year end were 34.4 (2007: 44.3). The majority of sales continue to be on credit and we would expect some increase in debtor days over time in line with practice in local markets as the geographic spread of sales widens.

Creditors

Current liabilities rose from £3.4m to £4.8m primarily resulting from a 33.8% increase in trade and other payables, which is slightly less than the increase in sales. Non-current liabilities fell from £0.6m to £0.2m, being the net effect of a decrease in deferred tax balances due to the level of expenditure during the year on capital equipment relating to the HTP facility and a reduction in the estimated amount due as deferred settlement on a product line acquisition concluded in 2006.

Cashflow

The Group's cashflow continues to be strong, with £7.1m (2007: £3.4m) generated from trading in the period. Consequently, despite spending £2.4m on facilities and equipment and £0.3m on acquiring distribution rights, the Group's cash and short term investment balances increased by £3.8m.

Accounting standards

These are the first full year's results of the Group to be stated under IFRS and consequently there are a number of changes to both presentation and content of these financial information. The effects of the adjustments are explained in note 30, the material changes being the inclusion of derivative instruments at fair value, giving rise to a charge to profit and loss of £197k (2007: charge of £168k) and the recognition of a deferred tax asset relating to unexercised share options of £224k (2007: liability of £46k).

EPS

The number of shares issued during the year for the exercise of share options was relatively small at 443,397 (2007: 158,800), meaning that as post tax profit grew by 43.7% (2007: 15.5%) the growth in basic EPS was 43.8% (2007: 5.7%) and diluted EPS was 44.9%.(2007: 6.5%)

Currency exposure

The Group continues to generate significant amounts of dollars and euros in excess of payments in these currencies, and has hedging arrangements in place to reduce the exposure. During the year to 30 June 2008 the Group had forward exchange contracts in place to sell $12.4m and €11.9m at average rates of £1 to $1.9356 and £1 to €1.4054 respectively. Of these, contracts for $4.2m and €4.5m were still outstanding at the year end.

For the year ending 30 June 2009 the Group has forward exchange contracts in place to sell $9.0m and €8.1m at average rates of £1 to $1.924 and €1.294.

Jeff Iliffe

Chief Financial Officer

8 September 2008

Abcam plc
Consolidated Income Statement
For the year ended 30 June 2008

	Notes	Year ended 30 June 2008	Year ended 30 June 2007 Restated*
		£000	£000
Revenue	5	36,694	24,519
Cost of sales		(14,389)	(10,020)
Gross profit		22,305	14,499
Administration and management expenses excluding share based compensation charge		(12,344)	(7,590)
Share based compensation charge		(173)	(142)
Total management and administration expenses		(12,517)	(7,732)
Research and development expenses excluding share based compensation charge		(2,398)	(1,709)
Share based compensation charge		(19)	(20)
Total research and development expenses		(2,417)	(1,729)
OPERATING PROFIT		7,371	5,038
Investment revenue	5	581	495
PROFIT BEFORE TAXATION		7,952	5,533
Tax	11	(2,062)	(1,472)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	6,29	5,890	4,061
Earnings per share from continuing operations - pence			
Basic	13	16.88	11.74
Diluted	13	16.56	11.43

*Restated to reflect the adoption of IFRS as per note 30.

All profit is attributable to equity holders of the parent.

Abcam plc
Consolidated statement of recognised income and expense
For the year ended 30 June 2008

	Year ended 30 June 2008	Year ended 30 June 2007
	£000	£000
(Losses)/gains on cash flow hedges	(168)	168
Exchange differences on translation of foreign operations	3	(28)
Deferred tax on outstanding share options	502	(30)
Net income recognised directly in equity	337	110
Profit for the year	5,890	4,061
Total recognised income and expense for the year	6,227	4,171

Abcam plc
Consolidated Balance Sheet
At 30 June 2008

	Notes	30 June 2008	30 June 2007 Restated*
		£000	£000
Non-current assets			
Intangible assets	14	994	1,691
Property, plant and equipment	15	4,204	2,832
		5,198	4,523
Current assets			
Inventories	17	4,506	3,102
Trade and other receivables	18	4,860	4,327
Cash and cash equivalents	18	13,473	10,709
Short term deposits	18	1,020	-
Derivative financial instruments	19	-	168
		23,859	18,306
Total Assets		29,057	22,829
Current Liabilities			
Trade and other payables	21	(4,073)	(3,045)
Current tax liabilities	21	(382)	(248)
Provisions	22	(96)	(75)
Derivative financial instruments	19	(197)	-
		(4,748)	(3,368)
Net current assets		19,111	14,938
Non-current liabilities			
Deferred tax liabilities	20	(78)	(188)
Deferred creditor	21	(109)	(386)
		(187)	(574)
Total liabilities		(4,935)	(3,942)
Net assets		24,122	18,887
Equity			
Share capital	23,29	351	346
Share premium account	24,29	10,871	10,619
Share based compensation reserve	29	483	251
Deferred tax reserve	29	758	256
Translation reserve	29	(33)	(36)
Hedging reserve	29	-	168
Retained earnings	29	11,692	7,283
Equity attributable to equity holders of the parent.		24,122	18,887

*Restated to reflect the adoption of IFRS as per note 30.
The financial information was approved by the board of directors and authorised for issue on 8 September 2008.
They were signed on its behalf by:

Jeff Iliffe Director

Abcam plc
Company Balance Sheet
At 30 June 2008

	Notes	30 June 2008	30 June 2007 Restated*
		£000	£000
Non-current assets			
Intangible assets	14	994	1,691
Property, plant and equipment	15	3,976	2,459
Investments	16	45	16
		5,015	4,166
Current assets			
Inventories	17	4,501	3,089
Trade and other receivables	18	5,144	4,572
Cash and cash equivalents	18	11,918	10,055
Short term deposits	18	1,020	-
Derivative financial instruments	19	-	168
		22,583	17,884
Total Assets		27,598	22,050
Current Liabilities			
Trade and other payables	21	(3,623)	(2,864)
Current tax liabilities	21	(269)	(243)
Provisions	22	(96)	(75)
Derivative financial instruments	19	(197)	-
		(4,185)	(3,182)
Net current assets		18,398	14,702
Non-current liabilities			
Deferred tax liabilities	20	(178)	(188)
Deferred creditor	21	(109)	(386)
		(287)	(574)
Total liabilities		(4,472)	(3,756)
Net assets		23,126	18,294
Equity			
Share capital	23,29	351	346
Share premium account	24,29	10,871	10,619
Share based compensation reserve	29	444	251
Deferred tax reserve	29	758	256
Hedging reserve	29	-	168
Retained earnings	29	10,702	6,654
		23,126	18,294

*Restated to reflect the adoption of IFRS as per note 30.
The financial information was approved by the board of directors and authorised for issue on 8 September 2008.
They were signed on its behalf by:

Jeff Iliffe Director

Abcam plc
Consolidated cash flow statement
For the year ended 30 June 2008

	Notes	Year ended 30 June 2008	Year ended 30 June 2007 Restated*
		£000	£000
Net cash from operating activities	28	7,142	3,426
Investing activities			
Interest received		581	495
Proceeds on disposal of property, plant and equipment		(1)	2
Purchase of property, plant and equipment		(2,445)	(2,316)
Purchase of intangible assets		(274)	(1,848)
Net cash used in investing activities		(2,139)	(3,667)
Financing activities			
Dividends paid		(1,481)	(968)
Proceeds on issue of shares		257	47
Increase in short term deposits		(1,020)	-
Net cash used in financing activities		(2,244)	(921)
Net increase/(decrease) in cash and cash equivalents		2,759	(1,162)
Cash and cash equivalents at beginning of year		10,709	11,884
Effect of foreign exchange rates		5	(13)
Cash and cash equivalents at end of year		13,473	10,709

*Restated to reflect the adoption of IFRS as per note 30.

Abcam plc
Company cash flow statement
For the year ended 30 June 2008

	Notes	Year ended 30 June 2008	Year ended 30 June 2007 Restated*
		£000	£000
Net cash from operating activities	28	5,858	2,736
Investing activities			
Interest received		561	504
Proceeds on disposal of property, plant and equipment		1	4
Purchases of property, plant and equipment		(2,434)	(2,000)
Purchases of intangible assets		(251)	(1,848)
Investment in subsidiary		(29)	-
Dividends received		401	269
Net cash used in investing activities		(1,751)	(3,071)
Financing activities			
Dividends paid		(1,481)	(968)
Proceeds on issue of shares		257	46
Increase in short term deposits		(1,020)	-
Net cash used in financing activities		(2,244)	(922)
Net increase/(decrease) in cash and cash equivalents		1,863	(1,257)
Cash and cash equivalents at beginning of year		10,055	11,312
Cash and cash equivalents at end of year		11,918	10,055

*Restated to reflect the adoption of IFRS as per note 30.

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

1.General information
Abcam plc is a company incorporated in the England and Wales under the Companies Act 1985. The address of the registered office is 332 Cambridge Science Park, Milton Road, Cambridge, CB4 OFW United Kingdom.

The Group's activities consist of the development, marketing and selling of antibodies and closely related products.The Group sells through the internet to customers in most countries of the world. The Group operates through its parent company Abcam plc and through its wholly owned subsidiaries Abcam Inc. and Abcam KK.

This financial information is presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2.

2.Significant accounting policies
Basis of Accounting
The financial information set out in the announcement does not constitute the company's statutory accounts for the years ended 30 June 2008 or 2007. The financial information for the year ended 30 June 2007 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s237(2) or (3) Companies Act 1985.

Property, plant and equipment
Property, plant and equipment is stated at cost less depreciation and any provision for impairment. Depreciation is provided at cost in equal instalments over the estimated lives of the fixed assets.

The depreciation rates applied are shown below:

Office equipment, fixtures and fittings	20% per annum
Laboratory equipment	20% per annum
Computer equipment	33% per annum
Hybridomas	33% per annum

Depreciation is accelerated if assets are deemed to have been impaired or there is a change in the residual economic life.The remaining useful lives of assets are re-assessed at each balance sheet date.

Intangible assets
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Payments made to acquire distribution rights from third parties are capitalised and are amortised over the period of the agreement.

These assets are amortised on a straight line basis over their estimated minimum useful lives of 3 years.

Intangible assets are reviewed for impairment both annually and when there is an indication that an asset may be impaired when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets' residual values, useful lives, and methods of valuation are reviewed and adjusted, if appropriate, at each financial year end.

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

Inventories
Inventories are stated at the lower of cost and net realisable value.Cost is calculated using the actual cost of the product when acquired or manufactured.

The cost of Abcam own manufactured inventory includes material, direct labour and an attributable portion of production overheads based on normal levels of activity and is calculated using the standard cost method.

Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

Derivative financial instruments
Forward contracts are used by the Group to manage its exposure to the risk associated with the variability in cash flows in relation to both recognised assets or liabilities and forecast transactions. All derivative financial instruments are measured at the balance sheet date at their fair value.

Where derivative financial instruments are not designated as or not determined to be effective hedges, any gain or loss on the remeasurement of the fair value of the instrument at the balance sheet date is taken to the income statement.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is effective in offsetting changes in cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the "other gains and losses" line of the income statement. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the profit and loss from that date and is included in the "other gains and losses" line of the income statement. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or liabilities.

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the calculation of the taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pensions
The Group operates a defined contribution pension scheme in the UK, which is open to all employees and directors of the company.

The amount charged to the income statement in respect of pension costs is the contribution payable in the year.

Any differences between contributions payable in the year, and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

The amount included in the income statement in the year in respect of the pension scheme was £815,000 (2007:£253,000). The amounts included in creditors at 30 June 2008 in relation to the defined contribution pension scheme is £65,000 (2007:£38,000)

Leases
Leases are classified as financial leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable under an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Foreign exchange
The individual financial information of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial information, the results and financial position of each group company are expressed in pounds sterling which is the functional currency of the Company, and the presentation currency for the consolidated financial information.

In preparing the financial information of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated to the rates prevailing at the balance sheet date. Non-monetary items carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial information, the results of the operations of the Company's overseas subsidiaries, Abcam Inc and Abcam KK, are translated at the average rate of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on the translation of the opening net assets and results of operations are classified as equity and recognised in the Group's foreign currency translation reserve.

The treatment of exchange differences on transactions entered into to hedge certain foreign currency risks is detailed under derivative financial instruments above.

All other differences are included in the income statement in the period in which they arise.

Share Based Payments

The Group has applied the requirements of IFRS 2 Share-based payment. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 July 2006.

The Group issues equity-settled share based payments to certain employees. Equity-settled share based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. There are both market and non-market based performance conditions attached to the vesting and exercising of equity instruments. Fair value is measured by the use of the Monte Carlo Simulation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations. Charges made to the income statement in respect of share-based payments are credited to retained earnings.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receiveables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

3.Critical accounting judgements and estimates

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make estimates and assumptions, in accordance with IFRS, that affect the amounts reported as assets and liabilities as at the date of reporting the financial information, and the reported amounts of revenues and expenditure during the year. In preparation of the consolidated financial information, estimates and assumptions have been made by the Directors concerning the fair value of share options, the estimated useful lives of fixed assets, accruals and provisions required, the carrying value of investments, the recoverability of deferred tax assets, the carrying value of intangible assets and other similar evaluations. Actual amounts that result could differ from those 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertaintly
The key assumptions concerning the future and, and other key sources of estimation uncertainty at the balance sheet date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities the most significant effect on the amounts recognised in financial information.

Impairment of intangibles
During the year,management renegotiated a product line agreement. Consequently, it was considered that the carrying value of the intangible was overstated and it was adjusted to take account of the anticipated future sales and the risk associated with the contract.

Fair value of derivatives and other financial instruments
As described in Note 26, the directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Valuation of own manufactured inventory
The standard costs used for the valuation of own manufactured inventory requires a number of assumptions concerning the allocation overheads. These assumptions are based primarily on managements estimates of time spent in each relevant area of activity.

Provision for obsolete stock
The provision for obsolete stock is based on managements estimation of the commercial life of inventory lines and is applied on a prudent basis. In assessing this, management takes in to consideration the sales history of products and the length of time that they have been available for resale.

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

4.Income statement for the Company

The profit for the financial year dealt with in the financial information of the Company was £5,126,000 (2007:£3,687,000).

5.Business and geographical segments

Geographical segments

The Group's operations are located in the UK, USA and Japan.

Business segments

The Directors consider that there are no identifiable business segments that are engaged in providing individual products or services or a group of related products and services that are subject to risks and returns that are different to the core business.

	North America	Europe	UK and rest of world	Japan	Total
	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2008 £000
Revenue					
External sales	16,947	10,748	6,884	2,115	36,694
Total revenue	16,947	10,748	6,884	2,115	36,694
Result					
Segment result	1,046	5,198	3,327	215	9,786
Unallocated corporate expenses					(2,415)
Operating profit					7,371
Investment revenues					581
Profit before tax					7,952
Tax					(2,062)
Profit after tax					5,890
Other information					
Capital additions	28	-	2,744	4	2,776
Depreciation and amortisation	172	-	1,255	10	1,437
Impairment losses recognised in income			642		
Balance sheet					
Assets					
Segment assets	2,946	-	25,384	727	29,057
Consolidated total assets					29,057
Liabilities					
Segment assets	(307)	-	(4,377)	(251)	(4,935)
Consolidated total liabilities					(4,935)

	North America	Europe	UK and rest of world	Japan	Total
	Year ended 30 Jun 2007	Year ended 30 Jun 2007	Year ended 30 Jun 2007	Year ended 30 Jun 2007	Year ended 30 Jun 2007
	£000	£000	£000	£000	£000
Revenue					
External sales	12,815	5,899	5,077	728	24,519
Total revenue	12,815	5,899	5,077	728	24,519
Result					
Segment result	768	3,254	2,823	(78)	6,767
Unallocated corporate expenses					(1,729)
Operating profit					5,038
Investment revenues					495
Profit before tax					5,533
Tax					(1,472)
Profit after tax					4,061
Other information					
Capital additions	285	-	3,848	31	4,164
Depreciation and amortisation	117	-	673	5	795
Balance sheet					
Assets					
Segment assets	2,133	-	20,131	565	22,829
Consolidated total assets					22,829
Liabilities					
Segment liabilities	(154)	-	(3,107)	(31)	(3,292)
Consolidated total liabilities					(3,292)

6.Profit for the year

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

	Year ended 30 Jun 2008	Year ended 30 Jun 2007
	£000	£000
Net foreign exchange losses/(gains)	136	(283)
Operating lease rentals - land and buildings (note 9)	545	237
Depreciation and amortisation of owned assets	1,437	795
Impairment loss on Intangible assets	642	-
Cost of inventories recognised as an expense	13,850	9,692
Write-down of inventories recognised as an expense	539	328
Staff costs (note 8)	7,308	5,250
Impairment loss recognised on trade receivables	367	153
Legal fees associated with proposed sale of group	250	-
Auditors' remuneration (note 7)	91	152

7.Auditors' remuneration

	Year ended 30 Jun 2008	Year ended 30 Jun 2007
	£000	£000
The analysis of the auditors' remuneration is as follows:		
Fees payable to the company's auditors for the audit of the company's annual accounts	75	79
Total audit fees	75	79

Fees payable to the company's auditors for other services to the group		
-Tax services	13	73
-Employment benefits	3	-
Total non-audit fees	16	73

8.Staff costs

Group

The average monthly number of employees (including executive directors) was:

	Year ended 30 Jun 2008	Year ended 30 Jun 2007
Management, administrative, marketing and distribution	130	101
Laboratory	36	20
	166	121

Their aggregate remuneration comprised:

	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2007 £000
Wages and salaries	5,776	4,369
Social security costs	525	466
Pension costs	815	253
Charge in respect of share options granted	192	162
	7,308	5,250

Company

The average monthly number of employees (including executive directors) was:

	Year ended 30 Jun 2008 Number	Year ended 30 Jun 2007 Number
Management, administrative, marketing and distribution	88	69
Laboratory	36	20
	124	89

Their aggregate remuneration comprised:

	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2007 £000
Wages and salaries	4,508	3,511
Social security costs	350	359
Other pension costs	776	233
Charge in respect of share options granted	162	162
	5,796	4,265

9.Operating lease arrangements

	Year ended 30 Jun 2008	Year ended 30 Jun 2007
	£000	£000
Minimum lease payments under operating leases recognised as an expense in the year	545	237

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

Group	30 Jun 2008	30 Jun 2007
	£000	£000
Within one year	651	197
In the second to fifth years inclusive	1,615	631
	2,266	828

Company	30 Jun 2008	30 Jun 2007
	£000	£000
Within one year	392	197
In the second to fifth years inclusive	996	631
	1,388	828

10.Other gains or losses

	Year ended 30 Jun 2008	Year ended 30 Jun 2007
	£000	£000
Loss/(Gain) in fair value of forward exchange contracts		
-On contracts used as hedging instruments	-	(1)
-On other contracts	197	-
(see accounting policy note for derivative financial instruments.)		

11.Tax

	Year ended 30 Jun 2008	Year ended 30 Jun 2007
	£000	£000
Current tax	1,632	1,159
Deferred tax (note 20)	430	313
	2,062	1,472

Corporation tax is calculated at 29.5% (2007:30%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

The charge for the year can be reconciled to the profit per the income statement as follows:

	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2008 %	Year ended 30 Jun 2007 £000	Year ended 30 Jun 2007 %
Profit before tax	7,952		5,533	
Tax at the UK corporation tax rate of 29.5% (2007: 30%)	2,346	29.50%	1,660	30.00%
Effect of different tax rates of subsidiaries operating in different jurisdictions	158	1.99%	110	1.99%
Tax effect of expenses that are not deductible in determining taxable profit	75	0.94%	9	0.16%
R&D Tax credit uplift	(325)	-4.09%	(199)	-3.60%
Deduction for exercise for share options	(122)	-1.53%	(108)	-1.95%
Prior year adjustments	(70)	-0.88%	-	-
Tax expense and effective rate for the year	2,062	25.93%	1,472	26.60%

12. Dividends

	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2007 £000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 30 June 2007 of 3.19p (2006:2.00p) per share.	1,116	691
Interim dividend for the year ended 31 June 2008 of 1.04p (2007:0.80p) per share.	365	277
	1,481	968
Proposed final dividend for the year ended 30 June 2008 of 4.56p (2007:3.19 p) per share.	1,599	1,105

The proposed final dividend is subject to approval of the shareholders at the Annual General Meeting and has not been included as a liability in this financial information.

13. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 30 Jun 2008 £000	Year ended 30 Jun 2007 £000
Earnings		
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent.	5,890	4,061
Number of shares		
Weighted average number of ordinary shares for the purposes of the basic earnings per share	34,902,538	34,572,810
Effect of dilutive potential ordinary shares: Share options	671,614	943,674
Weighted average number of ordinary shares for the purposes of diluted earnings per share.	35,574,152	35,516,484

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the year.

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

Diluted earnings per share is calculated on the same basis as the basic earnings per share but with a further adjustment for the weighted average shares in issue to reflect the effect of all dilutive potential ordinary shares. The number of dilutive potential ordinary shares is derived from the number of share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

14.Intangible assets

Group and Company

	Upfront licence fees	Distribution Rights	Total
	£000	£000	£000
Cost			
At 1 July 2007	150	1,798	1,948
Additions	15	237	252
Disposals	(1)	-	(1)
Revaluation for impairment	-	(642)	(642)
At 30 June 2008	164	1,393	1,557
Amortisation			
At 1 July 2007	68	189	257
Charge for the year	53	254	307
Disposals	(1)	-	(1)
At 30 June 2008	120	443	563
Carrying amount			
At 30 June 2007	82	1,609	1,691
At 30 June 2008	44	950	994

The amortisation period for the upfront licence fees is 3 years.
The amortisation period for the distribution rights is the term of the deal.
The impairment loss is in respect of the reduction in the forecast revenues and profits of one of the distribution right agreement.

15. Property, plant and equipment

Group

	Computer equipment	Laboratory equipment	Office equipment fixtures & fittings	Hybridomas	Total
	£000	£000	£000	£000	£000
Cost					
At 1 July 2007	454	2,531	948	-	3,933
Additions	158	2,168	166	22	2,514
Exchange differences	4	1	2	-	7
Disposals	(28)	(21)	(5)	-	(54)
At 30 June 2008	588	4,679	1,111	22	6,400
Accumulated depreciation					
At 1 July 2007	218	346	537	-	1,101
Charge for the year	149	709	269	3	1,130
Exchange differences	(23)	(9)	(5)	-	(37)
Eliminated on disposals	1	-	1	-	2
At 30 June 2008	345	1,046	802	3	2,196
Carrying amount					
At 30 June 2007	236	2,185	411	-	2,832
At 30 June 2008	243	3,633	310	19	4,204

Company

	Computer equipment	Laboratory equipment	Office equipment fixtures & fittings	Internally generated assets	Total
	£000	£000	£000	£000	£000
Cost					
At 1 July 2007	344	2,286	750	-	3,380
Additions	143	2,161	156	22	2,482
Disposals	(26)	(20)	(2)	-	(48)
At 30 June 2008	461	4,427	904	22	5,814
Accumulated depreciation					
At 1 July 2007	180	292	449	-	921
Charge for the year	113	660	172	3	948
Eliminated on disposals	(21)	(9)	(1)	-	(31)
At 30 June 2008	272	943	620	3	1,838
Carrying amount					
At 30 June 2007	164	1,994	301	-	2,459
At 30 June 2008	189	3,484	284	19	3,976

16. Investments

The company's subsidiaries at 30 June 2008 are:

	Country of incorporation	Proportion of shares held	Proportion of voting power held
Abcam Inc	USA	100%	100%
Abcam KK	Japan	100%	100%
Camgene	UK	100%	100%

Abcam Inc and Abcam KK are involved in the sale and distribution of antibodies.
Camgene is dormant.

Analysis of changes in Investments

	£000's
Cost	
At 1 July 2007	16
Additions	29
At 30 June 2008	45

Investments are held at cost less provision for impairment. All additions represent share based payment charges for share options issued by the company to employees of the subsidiaries.

17. Inventories

	Group 30 Jun 2008	Company 30 Jun 2008	Group 30 Jun 2007	Company 30 Jun 2007
	£000	£000	£000	£000
Goods for resale	4,506	4,501	3,102	3,089

18. Financial assets

	Group 30 Jun 2008 £000	Company 30 Jun 2008 £000	Group 30 Jun 2007 £000	Company 30 Jun 2007 £000
Trade and other receivables:				
Amounts receivable for the sale of goods	4,288	2,470	3,539	1,905
Allowance for doubtful debts	(591)	(413)	(224)	(197)
	3,697	2,057	3,315	1,708
Owed by subsidiary undertakings	-	2,169	-	1,461
Other debtors	499	292	543	979
Prepayments	664	626	469	424
	4,860	5,144	4,327	4,572

The average credit period taken for sales is 34.4 days (2007:44.3 days). No interest is charged on the receivables. Trade receivables are provided for based on estimated irrecoverable amounts determined by reference to past default experience. The group and company have provided fully for all amounts over 120 days because historical experience is such that receivables that are past due 120 days are not generally recoverable. Trade receivables between 30 days and 120 days are provided for based on estimated irrecoverable amounts from the sale of goods determined by reference to past default experience.

Credit limits for each customer are reviewed on a monthly basis. There are no customers who represent more than 5% of the total balance of trade receivables.

The analysis below show the balances included in debtors which are past due at the reporting date for which the group or company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired receivables

	Group 30 Jun 2008 £000	Company 30 Jun 2008 £000	Group 30 Jun 2007 £000	Company 30 Jun 2007 £000
30-60 days	242	111	297	144
60-90	48	48	231	121
>90 days	-	-	331	181
Total	290	159	859	446

During the year the Group has formalised and improved the credit control procedures. This has resulted in a noticeable improvement in the ageing of the debtors.

Movement in the allowance for doubtful debts

	Group 30 Jun 2008 £000	Company 30 Jun 2008 £000	Group 30 Jun 2007 £000	Company 30 Jun 2007 £000
Balance at the beginning of the year	224	198	85	46
Impairment losses recognised	367	215	139	152
Balance at the end of the year	591	413	224	198

In determining the recoverability of a trade receivable the Group and Company consider any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of £289,000 (2007: £121,000) relating to companies in financial difficulties.
The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected litigation proceeds.
Neither the Group or the Company hold collateral over these balances.

Ageing of impaired receivables

	30 Jun 2008	30 Jun 2007
	£000	£000
60-90 days	38	-
>90 days	553	224
Total	591	224

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Cash and cash equivalents

	Group	Company	Group	Company
	30 Jun 2008	30 Jun 2008	30 Jun 2007	30 Jun 2007
	£000	£000	£000	£000
Cash and cash equivalents	14,493	12,938	10,709	10,055

Cash and cash equivalents comprise cash held by the group and short-term deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

19. Derivative financial instruments
Group and Company

	Current	
	30 Jun 2008	30 Jun 2007
	£000	£000
Derivatives that are designated and effective as hedging instruments carried at fair value		
Forward exchange contracts	-	168
Derivatives carried at fair value through profit and loss (FVTPL)		
Forward exchange contracts	(197)	-
	(197)	168

On 22 April 2008, all hedging instruments were de-designated and the fair value adjustments on the outstanding forward exchange contracts were charged through the profit and loss.

20. Deferred tax
The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

Group

	Accelerated tax depreciation	Share based payment	Other timing differences	Total
	£000	£000	£000	£000
At 1 July 2006	(152)	317	40	205
Charge to income	(397)	46	15	(336)
Charge to equity	-	(57)	-	(57)
At 30 June 2007	(549)	306	55	(188)
Charge to income	(332)	(224)	126	(430)
Credit to equity	-	540	-	540
At 30 June 2008	(881)	622	181	(78)

Company

	Accelerated tax depreciation	Share based payment	Other timing differences	Total
At 1 July 2006	(152)	317	40	205
Charge to income	(397)	46	15	(336)
Charge to equity	-	(57)	-	(57)
At 30 June 2007	(549)	306	55	(188)
Charge to income	(338)	54	54	(230)
Credit to equity	-	240	-	240
At 30 June 2008	(887)	600	109	(178)

At the balance sheet date, the aggregate amount of temporary differences associated with undistributable earnings of subsidiaries for which a deferred tax liability has not been recognised is £1,028,000 (2007: £595,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences and it is probable that such differences will not reverse in the foreseeable future.

21.Other financial liabilities

	Group 30 Jun 2008 £000	Company 30 Jun 2008 £000	Group 30 Jun 2007 £000	Company 30 Jun 2007 £000
Trade and other payables				
Trade creditors and accruals	3,638	3,221	2,474	2,309
Deferred creditor	86	86	110	110
Corporation tax	382	269	248	243
Other taxes and social security	160	159	124	124
Other creditors	189	157	337	321
	4,455	3,892	3,293	3,107

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 17 days (2007: 32 days). At the end of the previous financial year, it was decided that supplies should be paid on a more frequent basis.
Most suppliers do not charge interest for the first 60 days of the invoice. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The deferred creditor represents the earn-out payable on sales of products under a distribution agreement (see note 14) .The portion payable in more than 12 months is included in non-current liabilities. (2008: £109,000 2007: £386,000)

The directors consider that the carrying amount of the trade and other payables approximates to their fair value.

22. Provisions

	Group 30 Jun 2008 £000	Company 30 Jun 2008 £000	Group 30 Jun 2007 £000	Company 30 Jun 2007 £000
Amounts payable under the loyalty scheme				
Opening balance	75	75	45	45
Awarded in year	314	314	245	245
Expired in year	(184)	(184)	(133)	(133)
Redeemed in year	(109)	(109)	(82)	(82)
Closing balance	96	96	75	75

This represents amounts awarded to customer under a loyalty scheme.

23. Share Capital

Group and Company

	30 Jun 2008	30 Jun 2007
	£000	£000
Authorised:		
1,000,000 ordinary shares of 1p each	1,000	1,000
Issued and fully paid:		
35,066,781 (2007:34,623,384) ordinary shares of 1p each	351	346

The Company operates a number of share option schemes for certain employees of the Group. Details are provided in note 25.

24. Share Premium

Group and Company

	£000
Balance at 1 July 2006	10,573
Premium arising on issue of equity shares	46
Balance at I July 2007	10,619
Premium arising on issue of equity shares	252
Balance at 30 June 2008	10,871

There were no costs of issue.

25.Share-based payments

Equity-settled share option scheme

The Company operates a number of share option schemes for certain employees of the Group.
The share based compensation charge is made up from option awards from the EMI plan, Unapproved share option plan, the US employees share option plan and the SAYE plan. Option grants under each scheme have been aggregated.

The vesting period is from 1 - 3 years other than for those options with performance criteria, which vest when the criteria are met. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.
The fair value of the options at the date of grant is the market price.
The volatility of the options is based on the long term average volatility in the share price of five quoted companies that are considered to have a reasonable comparability with Abcam plc.
The dividend yield is based on Abcam's actual dividend yield in the past.
The risk free rate is the yield on UK Government Gilts at each date of grant.
The employee exercise multiple is based on published statistics for a portfolio of companies.
The employee exit rate is based on management's expectations and, in accordance with IFRS 2, is applied after vesting.

Details of the share options outstanding during the year are as follows:

Summary of all schemes
Options outstanding as at 30 June 2008 had an exercise price of between 10p and 413p (2007:10p and 280p)
The weighted average remaining contractual life is 8.12 years (2007:5.92 years). The weighted average fair value of the options outstanding at the end of the year was 65.24p (2007:46.27p)
The Group recorded total expenses of £191,000 (2007: 162,000)

	2008 No. of Share options	Weighted average exercise price p	2007 No. of Share options	Weighted average exercise price p
Outstanding at beginning of year	1,497,902	152.83	1,085,160	47.40
Granted during the year	514,349	320.08	651,393	280.00
Forfeited during the year	(260,287)	233.19	(79,851)	280.00
Exercised during the year	(441,815)	57.37	(158,800)	30.00
Outstanding at the end of the year	1,310,149	219.32	1,497,902	152.83
Exercisable at end of year	302,640	43.07	657,960	20.00

Enterprise management incentive scheme

	2008 No. of Share options	Weighted average exercise price p	2007 No. of Share options	Weighted average exercise price p
Outstanding at beginning of year	966,191	131.51	768,480	39.20
Granted during the year	284,851	312.00	352,240	281.40
Forfeited during the year	(90,177)	161.41	(37,089)	280.00
Exercised during the year	(327,337)	53.80	(117,440)	31.80
Outstanding at the end of the year	833,528	206.94	966,191	131.51
Exercisable at end of year	262,640	40.11	547,040	28.00

The growth in the net assets of the Group means that Group will shortly exceed the limits set by the Inland Revenue for the tax incentives available under the Enterprise management incentice scheme.

Unapproved share option scheme

	2008 No. of Share options	Weighted average exercise price p	2007 No. of Share options	Weighted average exercise price p
Outstanding at beginning of year	427,504	194.71	261,360	82.60
Granted during the year	148,338	340.30	168,246	292.70
Forfeited during the year	(137,375)	288.34	(742)	280.00
Exercised during the year	(83,558)	71.76	(1,360)	62.50
Outstanding at the end of the year	354,909	223.66	427,504	194.71
Exercisable at end of year	40,000	62.50	80,000	0.00

Abcam Inc share scheme

	2008 No. of Share options	Weighted average exercise price p	2007 No. of Share options	Weighted average exercise price p
Outstanding at beginning of year	104,207	185.56	55,320	62.50
Granted during the year	81,160	312.00	90,907	280.00
Forfeited during the year	(32,735)	312.00	(42,020)	248.74
Exercised during the year	(30,920)	56.33	-	-
Outstanding at the end of the year	121,712	291.47	104,207	185.56
Exercisable at end of year	-	-	30,920	0.00

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

During the year the company issued 1p ordinary shares as follows:

Date issued	Number of shares	Exercise Price	Total Paid
		p	£
Oct-07	760	10.0	76
Oct-07	20,640	25.0	5,160
Oct-07	32,000	37.5	12,000
Oct-07	235,080	62.5	146,933
Nov-07	61,800	25.0	15,450
Nov-07	20,000	30.0	6,000
Dec-07	7,200	25.0	1,800
Dec-07	2,120	62.5	1,325
Feb-08	14,495	280.0	40,586
Mar-08	10,000	25.0	2,500
Mar-08	3,640	56.3	2,049
Mar-08	4,040	62.5	2,525
Apr-08	9,160	56.3	5,157
Apr-08	2,760	62.5	1,725
May-08	18,120	56.3	10,202
May-08	1,582 *	224.0	3,544
	443,397		257,032

*Issued under SAYE scheme.

Fair value calculation:

The fair value of the options schemes, other than those options with market based performance criteria, has been calculated using the Trinomial method. The inputs into the Trinomial model are as follows:

EMI Scheme

Grant date	**16.6.03**	**16.6.03**	**5.7.04**	**17.12.04**	**27.5.05**	**5.9.05**
Share price at grant -pence	10	10	25	30	62.5	62.5
Fair value at valuation date -pence	2.6	2.6	8.5	12.3	19.2	19.1
Exercise price -pence	25	37.5	25	25	62.5	62.5
Expected volatility	40%	40%	35%	35%	30%	30%
Expected life -years	3	3.08	2	2.88	2	2
Expected dividend yield	1.1	1.1	1.1	1.1	1.1	1.1
Risk free rate	3.97%	3.97%	5.08%	4.49%	4.31%	4.15%
Employee exercise multiple	2	2	2	2	2	2
Employee exit rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Unapproved scheme

Grant date	**20.12.04**	**20.12.04**	**30.9.05**	**30.9.05**	**27.10.05**
Share price at grant -pence	30	30	62.5	62.5	167
Fair value at valuation date -pence	11.2	11.6	18.9	10.2	55.77
Exercise price -pence	25	25	62.5	125	150
Expected volatility	35%	35%	30%	30%	30%
Expected life -years	1.54	2	1.82	1.82	1.635
Expected dividend yield	1.1	1.1	1.1	1.1	1.1
Risk free rate	4.46%	4.46%	4.29%	4.29%	4.40%
Employee exercise multiple	2	2	2	2	2
Employee exit rate	10.00%	10.00%	10.00%	10.00%	10.00%

The fair value of options issued after September 2006, with market based performance criteria, are calculated using the Monte Carlo model.
The inputs into the Monte Carlo model are as follows:

Grant date	**7.9.06**	**8.11.07**	**7.5.08**
Share price at grant -pence	280	312	413
Fair value at valuation date -pence	84	0.59	1.23
Exercise price -pence	280	312	413
Expected volatility	30%	30%	30%
Expected life -years	3	3.01	3
Expected dividend yield	1.1	1.5	1.5
Risk free rate	4.57%	4.80%	4.79%
Employee exercise multiple	2	2	2
Employee exit rate	9.53%	12.00%	12.00%

26. Financial Instruments
Capital Risk Management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns whilst maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of changes in Equity.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in relevant note to the financial information.

Categories of financial instruments
All financial instruments are held for trading.

	Group Carrying value		Company Carrying value	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
	£000	£000	£000	£000
Financial assets				
Loans and receivables				
Amounts owed by Group undertakings	-	-	2,033	1,461
Trade receivables	3,697	3,315	2,057	1,708
VAT Recoverable	234	440	234	440
(included in other debtors)				
	3,931	3,755	4,324	3,609
Cash and cash equivalents				
Deposits held to maturity	12,587	8,500	11,520	8,500
Cash and cash equivalents	1,906	2,209	1,418	1,555
	14,493	10,709	12,938	10,055
Financial liabilities				
Other financial liabilities at amortised cost				
Amounts owed by Group undertakings	-	-	93	-
Trade payables	1,994	1,719	1,784	1,324
Corporation tax payable	382	248	269	564
Other taxes and social security	160	124	160	124
Accruals	2,014	1,277	1,680	1,170
Deferred creditor	110	386	110	386
(shown under Non-Current liabilities)				
	4,660	3,754	4,096	3,568

The Directors consider there to be no material difference between the book value and the fair value of the Group's financial assets and liabilities.This is because most of the financial assets and liabilities are short term.

Risk in relation to the use of financial instruments

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group or the Company.
Trade receivables consist of a large number of customers spread across diverse geographical areas.
The Group does not have any significant credit risk exposure to any single counterparty. Ongoing credit evaluation is performed on the financial condition of accounts receivable and consideration. is given as to whether there is any impairment in the value of any amounts owing.
The standard payment terms for receivables other than intra-group balances are 30 days.
Any variation in these terms requires authorisation by senior management. Year end debtor days are 34.4 (2007:44.3).
All overdue debts are provided for where collectability is considered doubtful or the value of the debt is impaired.
Objective evidence of impairment could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 34.4 days, as well as observable changes in international or local economic conditions.

The standard payment terms for intragroup receivables is 45 days. There is not considered to be any risk of impairment of these receivables unless the financial assets of the entity holding the corresponding liability are impaired.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Funds are split between at least two institutions.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward exchange contracts to hedge the exchange rate risk arising on the sales of goods and services denominated in Dollars and Euros.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies.
The Group's policy is to maintain natural hedges, where possible, by matching foreign currency revenue and expenditure.
Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Liabilities		Assets	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
	£000	£000	£000	£000
Euros	79	79	1,655	1,183
Dollars	821	752	3,886	1,511
Yen	17	32	539	455
	917	863	6,080	3,149

Foreign currency sensitivity analysis

The Group's principal functional currency is pound sterling. The Group is mainly exposed to US dollars and Euros but has an increasing exposure to Japanese Yen.
The following table details the Group's sensitivity to an 8% increase and decrease in Sterling against the relevant foreign currencies. 8% is considered by management to be a reasonably possible change in foreign exchange rates after giving consideration to changes in exchange rates over the last 12 months.
The sensitivity analysis includes only outstanding foreign currency denominated financial assets and liabilities and the cash flow hedging reserve and adjusts their translation at the period end for an 8% change in foreign exchange rates. The analysis below shows the increase or decrease in profit and the change in equity when the Sterling weakens or strengthens 8% against the relevant currency.

	Euro currency impact		Dollar currency impact	
	2008	2007	2008	2007
	£000	£000	£000	£000
Impact of 8% strengthening				
- foreign currency financial ass[e]ts and liabilities	(117)	(82)	(227)	(56)
-Cash flow hedging reserve	-	316	-	176
Impact of 8% weakening				
- foreign currency financial ass[e]ts and liabilities	137	96	266	66
-Cash flow hedging reserve	-	(396)	-	(562)

The Group's sensitivity to foreign currency has increased during the period due to increased sales levels. This increase has been proportionately more than the increase in dollar purchases.
In management's opinion, the sensitivity analysis is representative of the inherent foreign exchange risk at year end.
The Group's policy is to maintain natural hedges, where possible, by matching USD revenue with USD expenditure.

Forward exchange contracts
It is the policy of the Group to enter into forward exchange contracts to manage the risk associated with anticipated sales transactions within 30% to 80% of the exposure generated.

The Group uses a rolling hedging strategy with contracts with terms up to 12 months. Upon maturity of a forward contract, the Group may enter in to a new contract designated as a separate hedging relationship.

Foreign currency forward contracts are measured using quoted forward exchange rates matching maturities of the contracts.

Outstanding contracts	Average rate 30 Jun 2008	Foreign currency 30 Jun 2008 £000's	Contract value 30 Jun 2008 £000's	Fair value 30 Jun 2008 £000's
Sell US Dollars				
Less than 3 months	1.97	$1,200	608	3
3 to 6 months	1.96	$2,400	1,222	2
7 to 12 months	1.94	$600	309	2
	1.96	$4,200	2,139	7
Sell Euros				
Less than 3 months	1.33	€ 1,700	1,278	(70)
3 to 6 months	1.34	€ 2,800	2,088	(133)
7 to 12 months	-	-	-	-
	1.34	€ 4,500	3,366	(203)
Total of outstanding forward contracts			5,505	(196)

	30 Jun 2007	30 Jun 2007 £000's	30 Jun 2007 £000's	30 Jun 2007 £000's
Sell US Dollars				
Less than 3 months	1.92	$1,200	624	25
3 to 6 months	1.92	$2,250	1,171	46
7 to 12 months	1.76	$3,950	2,245	85
	1.83	$7,400	4,040	156
Sell Euros				
Less than 3 months	1.48	€ 400	268	-
3 to 6 months	1.47	€ 3,950	2,685	4
7 to 12 months	1.46	€ 2,100	1,441	8
	1.47	€ 6,450	4,394	13
Total of outstanding forward contracts			8,434	169

The analysis below shows the increase or decrease in profit and the change in equity when the Sterling weakens or strengthens 8% against the relevant currency.

	2008	2007
	£000's	£000's
Fair value of outstanding contracts should sterling strengthen by 8%		
US Dollars	154	176
Euros	440	316
	594	492

	2008	2007
	£000's	£000's
Fair value of outstanding contracts should sterling weaken by 8%		
US Dollars	(196)	(562)
Euros	(72)	(396)
	(268)	(958)

At 30 June 2007, all of the contracts were held as cash flow hedges.
At 30 June 2008, none of the contracts were held as cash flow hedges.

Liquidity risk management
Ultimate responsibility for liquidity risk management rest with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring cash flows and matching the maturity profiles of financial assets and liabilities.

The Group and Company hold cash deposits at call or with a maturity of up to 12 months.
At 30 June 2008, the average maturity of balances was 35 days of fixed rate deposits not sensitive to changes in interest rates.

All funds are readily available to the Company to meet operational requirements.

The amount owing from subsidiaries is payable on demand and is classified as being payable within 1 month.
Trade payables are normally payable within 30 days of invoice.

Liquidity and interest risk tables -financial liabilities
(All balances are capital and do not include accrued interest)

	Weighted average interest rate	On demand 1 month	1 to 3 months	3 months to 1 year	Total
	%	£000's	£000's	£000's	£000's
Group					
2008					
Trade payables	-	1,110	603	4	1,717
Accruals	-	1,561	-	474	2,035
		2,671	603	478	3,752
Company					
2008					
Trade payables	-	1,610	25	-	1,635
Accruals	-	1,284	-	418	1,702
		2,894	25	418	3,337

Group					
2007					
Trade payables	-	1,184	225	-	1,409
Accruals	-	988	-	262	1,250
		2,172	225	262	2,659

Company					
2007					
Trade payables	-	1,194	217	-	1,411
Accruals	-	848	-	235	1,083
		2,042	217	235	2,494

Interest rate risk sensitivity analysis
An increase in 1% in the average interest rate during the year would have resulted in an increase in interest received by the Group of £113,000 (2007:£111,000) and by the Company of £103,000 (2007:£111,000)

A decrease in 1% in the average interest rate during the year would have resulted in an equal and opposite impact on interest received by the Group and the Company as described above.

Fair value of financial instruments
The fair values of the financial assets and liabilities are determined as follows:
Foreign exchange contracts are measured using quoted forward exchange rates and the yield curves derived from quoted interest rates matching maturities of these contracts.

The Directors consider there to be no material difference between the book value and the fair value of the Group's financial assets and liabilities at the balance sheet date. This is because most of the financial assets and liabilities are short term.

27.Related party transactions
Under a New Product Development agreement with a laboratory associated with Tony Kouzarides, (a non-executive director of the company) Abcam provided products from its catalogue free of charge, with a resale value of £16,714 (2007:£14,000) and paid £36,148 in royalties (2007:£23,000).£6,632 of these royalties were outstanding at year end (2007:£7,000).

Eddie Powell, who retired as Finance Director on 20 November 2007 was subsequently employed as an independent contractor for which he was paid £15,322.

Remuneration of key personnel
The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures".

Group and Company

	2008	2007
	30 Jun 2008	30 Jun 2007
Short term employee benefits and fees	1,221	843
Share-based payment	50	29
	1,271	872

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

28.Notes to the cash flow statement

Group

	30 Jun 2008 000's	30 Jun 2007 000's
Operating profit for the year	7,371	5,038
Adjustments for:		
Depreciation of property,plant and equipment	1,092	561
Impairment losses on intangible assets	642	-
Amortisation of intangible assets	309	234
Share based compensation charge	232	163
Operating cash flows before movements in working capital	9,646	5,996
Increase in inventories	(1,405)	(744)
Increase in receivables	(533)	(1,566)
Increase in payables	772	1,045
Decrease in derivative financial instruments	365	-
(Decrease)/Increase in hedging reserve	(168)	168
Cash generated by operations	8,677	4,899
Income taxes paid	(1,535)	(1,473)
NET CASH FROM OPERATING ACTIVITIES	7,142	3,426

Company

	30 Jun 2008 000's	30 Jun 2007 000's
Operating profit for the year	6,113	4,343
Adjustments for:		
Depreciation of property,plant and equipment	917	439
Impairment losses on intangible assets	642	-
Amortisation of intangible assets	306	234
Share based compensation charge	192	163
Operating cash flows before movements in working capital	8,170	5,179
Increase in inventories	(1,412)	(741)
Increase in receivables	(572)	(1,896)
Increase in payables	503	1,031
Decrease in derivative financial instruments	365	-
(Decrease)/increase in hedging reserve	(168)	168
Cash generated by operations	6,886	3,741
Income taxes paid	(1,028)	(1,005)
NET CASH FROM OPERATING ACTIVITIES	5,858	2,736

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

29.Reconciliation of movements in equity

Group

	Share capital	Share premium	Translation reserve 1	Share-based compensation reserve 2	Hedging reserve 3	Deferred tax reserve 4	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance as at 1 July 2006	345	10,573	(8)	89	-	286	4,190	15,475
Exchange differences on translating foreign operations	-	-	(28)	-	-	-	-	(28)
Share-based compensation	-	-	-	162	-	-	-	162
Deferred tax on outstanding share options	-	-	-	-	-	(30)	-	(30)
Profit for the year	-	-	-	-	-	-	4,061	4,061
Total income / expense for the year	-	-	(28)	162	-	(30)	4,061	4,165
Issue of share capital	1	46	-	-	-	-	-	47
Movement on hedging reserve for the adoption of hedge accounting	-	-	-	-	168	-	-	168
Payment of dividends (note 12)	-	-	-	-	-	-	(968)	(968)
Balance as at 30 June 2007	346	10,619	(36)	251	168	256	7,283	18,887
Exchange differences on translating foreign operations	-	-	3	-	-	-	-	3
Share-based compensation	-	-	-	232	-	-	-	232
Deferred tax on outstanding sha share options	-	-	-	-	-	502	-	502
Profit for the year	-	-	-	-	-	-	5,890	5,890
Total income / expense for the year	-	-	3	232	-	502	5,890	6,627
Issue of share capital	5	252	-	-	-	-	-	257
Utilisation of derivative instruments	-	-	-	-	(168)	-	-	(168)
Payment of dividends (note 12)	-	-	-	-	-	-	(1,481)	(1,481)
Balance as at 30 June 2008	351	10,871	(33)	483	-	758	11,692	24,122

1. Exchange differences on translation of overseas operations
2. IFRS 2 Charge for fair value of share options
3. Gains and losses recognised on cash flow hedges
4. Portion of deferred tax asset arising on outstanding share options and share options exercised and not taken to profit and loss in accordance with IAS12.

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

Company

	Share capital	Share premium	Share-based compensation reserve 1	Hedging reserve 2	Deferred tax reserve 3	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance as at 1 July 2006	345	10,573	89	-	286	3,663	14,956
Share-based compensation	-	-	162	-	-	-	162
Deferred tax on outstanding share options	-	-	-	-	(30)	-	(30)
Profit for the year	-	-	-	-	-	3,687	3,687
Total income / expense for the year	-	-	162	-	(30)	3,687	3,819
Issue of share capital	1	46	-	-	-	-	47
Movement on hedging reserve for the adoption of hedge accounting	-	-	-	168	-	-	168
Payment of dividends (note 12)	-	-	-	-	-	(968)	(968)
Receipt of dividends	-	-	-	-	-	272	272
Balance as at 30 June 2007	346	10,619	251	168	256	6,654	18,294
Share-based compensation	-	-	193	-	-	-	193
Deferred tax on outstanding share options	-	-	-	-	502	-	502
Profit for the year	-	-	-	-	-	5,126	5,126
Total income / expense for the year	-	-	193	-	502	5,126	5,821
Issue of share capital	5	252	-	-	-	-	257
Utilisation of derivative instruments	-	-	-	(168)	-	-	(168)
Payment of dividends (note 12)	-	-	-	-	-	(1,481)	(1,481)
Receipt of dividends	-	-	-	-	-	403	403
Balance as at 30 June 2008	351	10,871	444	-	758	10,702	23,126

1. IFRS 2 Charge for fair value of share options
2. Gains and losses recognised on cash flow hedges
3. Portion of deferred tax asset arising on outstanding share options and share options exercised and not taken to profit and loss in accordance with IAS12.

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

30. Explanation of the transition to IFRS

This is the first year that the company has presented its financial information under IFRS. The following disclosures are required in the year of transition. The last financial statements under UK GAAP were for the year ended 30 June 2007 and the date of transition to IFRS was therefore 1 July 2006.

The principal impact of IFRS on this interim financial information has been in relation to the following:

a. The scope of IAS 32 and IAS 39, Financial Instruments: Presentation and Financial Instruments: Recognition and measurement respectively.
IAS 32 and IAS 39 require the company to recognise derivative financial instruments at their fair value on the balance sheet (under UK GAAP, these were off balance sheet items).There may also be a corresponding hedging reserve within equity on the balance sheet if hedge accounting is applied.
The Group designates foreign exchange contracts as cash flow hedges and has implemented hedge accounting.

b. The scope of IAS 12: Income taxes
Under IAS 12, a deferred tax asset arises on the unexercised share options issued to employees. Under UK GAAP the tax charge is only recognised in the income statement when the tax becomes payable.

Reconciliation of income statement for the year ended 30 June 2007
Group

		UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
Revenue		24,519	-	24,519
Cost of Sales		(10,020)	-	(10,020)
Gross Profit		14,499	-	14,499
Administration and management expenses excluding share based compensation charge	a	(7,422)	(168)	(7,590)
			-	-
Share based compensation charge		(142)		(142)
Total management and administration expenses		(7,564)	(168)	(7,732)
Research and Development expenses excluding share based compensation charge		(1,709)	-	(1,709)
				-
Share based compensation charge		(20)	-	(20)
Total research and development expenses		(1,729)	-	(1,729)
OPERATING PROFIT		5,206	(168)	5,038
Investment revenue		495	-	495
PROFIT BEFORE TAXATION		5,701	(168)	5,533
Tax	b	(1,554)	82	(1,472)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		4,147	(86)	4,061

Reconciliation of equity as at 1 July 2006 and 30 June 2007

		1 July 2006	30 June 2007
Total Equity under UK GAAP		15,067	18,427
Loss/gains arising on derivatives in a designated cash flow hedge	a	118	204
Loss/gains arising on deferred tax on outstanding options	b	290	256
Total Equity under IFRS		15,475	18,887

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

Reconciliation of balance sheet presentation at 1 July 2006
Group

		UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
NON-CURRENT ASSETS				
Intangible assets		77	-	77
Property, plant and equipment		1,094	-	1,094
		1,171	-	1,171
CURRENT ASSETS				
Inventories		2,358	-	2,358
Trade and other receivables		2,762	-	2,762
Cash and cash equivalents		11,884	-	11,884
Derivative financial instruments	a	-	169	169
		17,004	169	17,173
CURRENT LIABILITIES				
Trade and other payables		(2,461)	-	(2,461)
Current tax liabilities	a	(562)	(51)	(613)
		(3,023)	(51)	(3,074)
NET CURRENT ASSETS		13,981	118	14,099
TOTAL ASSETS LESS CURRENT LIABILITIES		15,152	118	15,270
NON-CURRENT LIABILITIES				
Deferred tax liabilities	b	(85)	290	205
NET ASSETS		15,067	408	15,475
EQUITY				
Share capital		345	-	345
Share premium account		10,573	-	10,573
Translation reserve		89	-	89
Share based compensation reserve		(8)	-	(8)
Retained earnings	a,b	4,068	408	4,476
TOTAL EQUITY		15,067	408	15,475

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

Reconciliation of balance sheet presentation at 1 July 2006
Company

		UK GAAP	IFRS adjustment	IFRS
		£000's	£000's	£000's
NON-CURRENT ASSETS				
Intangible assets		77	-	77
Property, plant and equipment		901	-	901
Investments		16		16
		994	-	994
CURRENT ASSETS				
Inventories		2,348	-	2,348
Trade and other receivables		2,676	-	2,676
Cash and cash equivalents		11,312		11,312
Derivative financial instruments	a	-	169	169
		16,336	169	16,505
CURRENT LIABILITIES				
Trade and other payables		(2,294)	-	(2,294)
Current tax liabilities	a	(411)	(51)	(462)
		(2,705)	(51)	(2,756)
NET CURRENT ASSETS		13,631	118	13,749
TOTAL ASSETS LESS CURRENT LIABILITIES		14,625	118	14,743
NON-CURRENT LIABILITIES				
Deferred tax liabilities	b	(77)	290	213
NET ASSETS		14,548	408	14,956
EQUITY				
Share capital		345	-	345
Share premium account		10,573	-	10,573
Share based compensation reserve		89	-	89
Retained earnings	a,b	3,541	408	3,949
TOTAL EQUITY		14,548	408	14,956

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

Reconciliation of balance sheet presentation at 30 June 2007
Group

		UK GAAP	IFRS adjustment	IFRS
		£000's	£000's	£000's
NON-CURRENT ASSETS				
Intangible assets		1,691	-	1,691
Property, plant and equipment		2,832	-	2,832
		4,523	-	4,523
CURRENT ASSETS				-
Inventories		3,102	-	3,102
Trade and other receivables		4,327	-	4,327
Cash and cash equivalents	a	10,709		10,709
Derivative financial instruments		-	168	168
		18,138	168	18,306
CURRENT LIABILITIES				
Trade and other payables		(3,404)	36	(3,368)
		(3,404)	36	(3,368)
NET CURRENT ASSETS		14,734	204	14,938
TOTAL ASSETS LESS CURRENT LIABILITIES		19,257	204	19,461
NON-CURRENT LIABILITIES				
Deferred creditor		(386)	-	(386)
Deferred tax liabilities	b	(444)	256	(188)
NET ASSETS		18,427	460	18,887
EQUITY				
Share capital		346	-	346
Share premium account		10,619	-	10,619
Translation reserve		(36)	-	(36)
Share based compensation reserve		251	-	251
Deferred tax reserve	b	-	256	256
Hedging reserve	a	-	168	168
Retained earnings	a	7,247	36	7,283
TOTAL EQUITY		18,427	460	18,887

Abcam plc
Notes to the consolidated financial information
For the year ended 30 June 2008

Reconciliation of balance sheet presentation at 30 June 2007
Company

		UK GAAP	IFRS adjustment	IFRS
		£000's	£000's	£000's
NON-CURRENT ASSETS				
Intangible assets		1,691	-	1,691
Property, plant and equipment		2,459	-	2,459
Investments		16	-	16
		4,166	-	4,166
CURRENT ASSETS				
Inventories		3,089	-	3,089
Trade and other receivables		4,572	-	4,572
Cash and cash equivalents		10,055	-	10,055
Derivative financial instruments	a		168	168
		17,716	168	17,884
CURRENT LIABILITIES				
Trade and other payables		(2,939)	-	(2,939)
Current tax liabilities	a	(279)	36	(243)
		(3,218)	36	(3,182)
NET CURRENT ASSETS		14,498	204	14,702
TOTAL ASSETS LESS CURRENT LIABILITIES		18,664	204	18,868
NON-CURRENT LIABILITIES				
Deferred creditor		(188)	-	(188)
Deferred tax liabilities	b	(642)	256	(386)
NET ASSETS		17,834	460	18,294
EQUITY				
Share capital		346	-	346
Share premium account		10,619	-	10,619
Share based compensation reserve		251	-	251
Deferred tax reserve	b	-	256	256
Hedging reserve	a	-	168	168
Retained earnings	a	6,618	36	6,654
TOTAL EQUITY		17,834	460	18,294

Explanation of material adjustments to the cash flow statement for 2007

Cash held under on short term deposits is included in cash and cash equivalents under IFRS. Under previous GAAP, these amounts were excluded from the cash flow statement. There are no other material differences between the cash flow statement statement presented under IFRS and the cash flow statement presented under previous GAAP.