

14 September 2015
For immediate release

ABCAM PLC
("Abcam" or "the Company")

Preliminary Results for the Year Ended 30 June 2015

Another successful year, returning solid top and bottom line growth, whilst investing for the future

Abcam plc (AIM: ABC), a global leader in the supply of life science research tools, is pleased to announce its preliminary results for the year ended 30 June 2015 [1].

FINANCIAL HIGHLIGHTS:

- Constant exchange rate (CER) product revenue increased by 16.6% to £135.4m (2013/14: £118.0m). On a reported basis the increase was 14.7%
- CER total revenue increased by 14.2% (12.6% on a reported basis) to £144.0m (2013/14: £128.0m)
- CER gross margin improved by 50 basis points, offset by currency headwinds, giving a reported margin of 70.5% (2013/14: 70.6%)
- Adjusted operating margin* 34.2% (2013/14: 36.4%), reflecting the expected operational investment in Firefly and other areas to drive future growth and the impact of foreign exchange rate movements. Reported operating margin was 31.7% (2013/14: 33.9%)
- Adjusted diluted earnings per share (EPS)* increased by 9.4% to 19.76 pence (2013/14: 18.06 pence). Reported EPS increased by 9.1% to 18.57 pence (2013/14: 17.02 pence)
- Closing cash and term deposits were £58.7m (30 June 2014: £56.9m)
- Proposed full year dividend increased by 5.9% to 8.21 pence per share (2013/14: 7.75 pence)

OPERATIONAL HIGHLIGHTS:

- Strong progress continues in executing our strategy, with achievements against our specific strategic KPIs at the top end of, or above, our targets
- Appointment of Alan Hirzel as CEO and Murray Hennessy as Chairman
- Acquisition of Firefly and integration of its technology platform progressing well, bringing product diversification and exposure to fast-growing miRNA market

* Excluding £3.1m (2013/14: £3.3m) of acquisition-related intangible amortisation and acquisition and integration costs of £0.4m (2013/14: nil) and, in the case of EPS, the related tax effect. The full effect is shown in the Reconciliation of Consolidated Adjusted Financial Measures and in note 11 in the case of EPS.

Commenting on the preliminary results, Alan Hirzel, Abcam's Chief Executive Officer, said:

"Through the application of our five strategic priorities we have delivered material returns in the year, exceeding our expectations and increasing the momentum behind our growth platforms. Better understanding of our consumers has allowed us to enhance our position in the core antibody market and at the same time, through investment and acquisitions, we see new markets open to us both in terms of products and new applications and by extending our geographic reach. As a consequence we continue to gain market share. The 2015/16 financial year has started well and we are confident that our continued investments will continue to drive above-market sales growth."

Post Period End Events:

Abcam has separately announced today that Jeff Iliffe, Chief Financial Officer, has today served notice of his intention to step down from the Board. Jeff will transition from the business during the next 12 months to ensure there is an orderly handover.

We have also announced today that Mara Aspinall has been appointed to the Board as a Non-Executive Director. Mara's vast expertise in the diagnostics and pharma industries at Roche and Genzyme, and her knowledge of and experience within the US market, will be invaluable as we continue to expand our business and deliver value.

[1] This announcement, including any information included or incorporated by reference in this announcement, may contain forward-looking statements (including words such as "believe", "expect", "estimate", "intend", "anticipate" and words of similar meaning) which are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Abcam group. All statements other than statements of historical facts may be forward-looking statements and should not be treated as guarantees of future performance. These forward-looking statements involve risks and uncertainties, many of which are beyond the control of the Abcam group, and there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as at the date of this announcement and accordingly undue reliance should not be placed on such statements. The Abcam group does not assume any obligation to, and does not intend to, revise or update these forward-looking statements, except as required pursuant to applicable law.

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Notes to Editors

About Abcam

Abcam plc is a provider of life science research tools, with a wide range of products and expert technical support, enabling scientists to analyse living cells at the molecular level and improving the understanding of health and disease.

Abcam is committed to providing scientists with an extensive choice of reagents and tools, with the most comprehensive, honest and up-to-date datasheets and customer reviews, fast delivery and helpful customer service & technical support. The Company's catalogue evolves with scientific research trends and is growing each year to provide customers with products to meet their research needs. The range now includes primary and secondary antibodies, proteins, peptides, lysates, biochemicals, immunoassays and other kits. Abcam also supports its customers by hosting a range of global scientific events, forums and webinars, providing opportunities for scientists to get together and present their work.

Headquartered in Cambridge, UK, Abcam has nine global subsidiary offices enabling local services, multi-language support and next-day delivery in over 130 countries. The Company was founded in 1998, and now employs over 820 people. Abcam was admitted to AIM in 2005 (AIM:ABC).

To find out more, please visit www.abcam.com

CHAIRMAN'S INTRODUCTION

It gives me pleasure to introduce this year's preliminary financial information which sets out the solid progress Abcam has made over the past twelve months. The Company has embarked on a new strategy which is delivering strong results and exceeded our high expectations for the year. Today, the Company is well placed to take full advantage of the significant opportunities that exist in our markets.

Executing our strategy

Alan Hirzel was appointed CEO in September 2014 and we are very pleased with the results we are seeing from the implementation of the strategy we set out at that time. We have achieved double-digit growth across all of our geographic regions and product types, and we intend to accelerate this strategic process over the coming years.

To continue to achieve growth in a managed and careful way, there are several areas of our business in which we need to invest. Focusing on revenue growth alone will not create a truly sustainable and valuable business. Rather, our strategy is to make focused investments to meet our consumers' needs and then capitalise on the growth opportunities that this creates.

Since it was established, Abcam has spent 17 years developing its product expertise. We are now complementing this through building a consumer-centered organisational infrastructure. During the year we have made progress in high-value targeting, identifying and focusing on products and sub sectors which offer both higher value and higher volume sales opportunities. As we do so we add layers of value and innovation to our existing business.

Our strategy is enabling us to strengthen Abcam's position at the heart of life science research. From our roots, providing antibodies in an ice bucket, we are moving to delivering comprehensive solutions and outstanding service levels to our consumers through a consistently improving online offering and geographic coverage. Our rapid progress in China demonstrates how investing in future markets can accelerate revenue growth and lay the foundations for an expanding international business.

Strong financial performance

Reflecting on the past twelve months, it is clear that Abcam has met ambitious targets and delivered results well above the underlying rate in our core markets. In total, after allowing for the adverse impact of exchange rates, our reported revenues grew by 12.6%, a significant acceleration of the 4.7% growth we recorded in the prior year. On a constant exchange rate basis our total revenue growth was 14.2% (2013/14: 8.6%) compared with underlying market growth of around 4%.

After increased investment to drive future growth including the integration of Firefly, and the negative impact of foreign exchange rate movements, adjusted operating margin was 34.2% (2013/14: 36.4%).

Innovation and innovators

Our progress is driven by the quality and dedication of our people. Today, Abcam employs over 820 people across ten locations. They are our innovators: across all our divisions and functions employees are collaborating to drive innovation, focusing on our consumers' needs, creating value for our shareholders and delivering the technologies that make a real difference to life science researchers. On behalf of all our stakeholders I would like to thank every employee for their enthusiasm, hard work and commitment over the last year.

The past year has seen significant senior management changes, with the appointment of Yvonne Chien, Chief Digital Officer; Sean Hickey, Chief Information Officer; and, after the period end, Suzanne Smith, Chief Legal Officer and Company Secretary. In addition, Alejandra Solache, Global Head of Reagents Product Development and Manufacturing, who joined the Company in early 2014, was appointed to the Senior Leadership Team in the year. These appointments bring added expertise in key areas.

One culture

Abcam's strong consumer-focused, performance-based culture is grounded in our purpose to provide life science researchers with the tools they need to enable scientific progress. Our 'One Team' approach underlines everything we do and serves as a framework for the success of each employee as well as the whole Company.

Our core One Team behaviours are:

- **Focused on success:** taking responsibility for business results, being committed and dependable and having a team focus
- **Bold:** communicating effectively and innovating to provide solutions
- **Consumer-centric:** being culturally aware and focused on the needs of our consumers

Board changes and governance

This year has been an important one for the governance of the Group; Alan Hirzel succeeded Jonathan Milner as CEO in September 2014, with Jonathan taking up a Deputy Chairman role and I took over as Chairman in November 2014. In addition, Sue Harris joined the Board as Chairman of the Audit and Risk Committee in December 2014. Our effective governance framework at Board level and throughout the organisation has helped support this transition in leadership. However, we recognise that there is always scope for further improvement to support us in achieving the aspirations we have set for the Company. As such, over time the Board will continue to be strengthened as we seek to bring in further expertise in product and geographic areas.

Return to shareholders

The Board regularly reviews its dividend distribution policy and overall financial strategy to strike a balance between the needs of the business in terms of investment and the desire to provide a high level of return to shareholders. As such, we continue to operate a progressive dividend policy to grow the dividend if appropriate each year. This year the Board has recommended a final dividend of 5.92 pence per share, to be paid on 4 December 2015 to shareholders on the register on 13 November 2015. This brings the dividend for the full year to 8.21 pence, an increase of 5.9% over the prior year's dividend of 7.75 pence.

Creating future sources of value

Investment over the past two years, that has seen us deliver on our strategy and exceed our targets, has laid the foundations for growth in 2015/16 and beyond, as well as highlighting numerous new opportunities. To take advantage of these opportunities, investment will continue and gather pace. Better IT infrastructure is required to meet the demands of a global business dependent on gathering and sharing knowledge and data. Continued investment in research and consumer insight will enable us to identify new target products and bring them to market quickly. In the medium-term new premises will be required to provide an environment in which the best in the industry can work efficiently and in close proximity to one another. Judicious partnerships and acquisitions can accelerate this trend and we are pleased that Firefly is already generating revenues. These investments will drive further growth for shareholders over the coming years.

When we embarked on our new strategy in 2013/14 we recognised that we were at the beginning of a multi-year journey. Over time we must continue to balance the desire to generate growth and profits in the short term with the need to invest for longer term growth. As Alan outlines throughout this report, the strands of our strategy are beginning to deliver the growth we expect. This gives us the confidence to continue with, and indeed, reinforce our current path.

Murray Hennessy
Chairman
11 September 2015

CHIEF EXECUTIVE OFFICER'S REVIEW: HOW WE DELIVERED VALUE THIS YEAR

In my first year as CEO, I have been delighted by the results delivered by implementing the strategy we outlined last year. 2014/15 shows what we can achieve by becoming a consumer-centered company. We strengthened our product pipeline and increased the momentum behind our growth platforms. Careful investment has driven growth in revenues and profits and our efforts are creating significant value for all our stakeholders.

Innovation

Independent research conducted by BCC Research and published in January 2015 indicates a high percentage of researchers have unmet reagent needs because they cannot find a commercial supplier for their specific targets, species or applications. This is a significant opportunity for Abcam as we continue to identify untapped sources of growth in markets we already serve, as well as in new areas.

We continue to focus on our broad portfolio of research tools to enable breakthrough research into the role of signaling and regulatory molecules and proteins in biological pathways – ultimately leading to treatments for diseases such as cancer and immune deficiency disorders. Our catalogue range now includes over 137,000 diverse products. 38% of our total revenue is now derived from our in-house manufactured products and innovation.

We take a data-driven, multi-layered approach to evaluate the protein targets of interest to scientists and our pipeline provides a complete solution around each target. This high-value targeting strategy is driving further growth across our business, generating increased returns from each new product: RabMAb products introduced using this approach are selling six times more within the first six months compared with previous volumes, with overall CER revenue growth from RabMAb products of 24.2%, in excess of our full year guidance of 15-20%.

Our proprietary, high quality RabMAb technology continues to be an important differentiator. We increased our range of RabMAb antibodies in the year by 1,811 products, including a range of RabMAb pairs: a capture antibody and a detection antibody which are validated to work together, allowing scientists to focus on productive research rather than optimising antibody components in their experiments. These are performing well in competitive benchmarking. Now 90% of our SingleStep ELISA assay kits contain RabMAb pairs, offering sensitive and accurate quantitation of the target protein in just 90 minutes. Led by CER kits and assays revenue growth of 33.0%, CER revenue from our non-primary antibody products grew at 28.2%, towards the upper limit of our target of 25-30%.

Proteins seldom function in isolation, so researchers often study them in their multi-component state. Without the right set of tools, multi-protein analysis can be extremely difficult, for instance because of cross species reactivity when using indirect detection and challenges in sourcing appropriately labelled primary antibodies. Our exclusive range of over 1,500 directly conjugated RabMAb antibodies with multiple labels is designed to overcome these issues and is already selling well. These have laid the foundation for significant revenues in 2015/16.

We continue to innovate through our digital channels to provide personalised, relevant content that anticipates consumer needs and enhances their experience. We were delighted that our digital marketing strategy was recognised with the Life Science Industry Award in November 2014 for the 'Best Use of Digital Media'. Enhanced cross-selling tools on the public website and new category landing pages to allow grouping of related content further improved the user experience and made ordering more efficient. Cross-category purchasing has also increased, for example, in the purchase of kits by our existing core primary antibody customers.

Quality

Antibodies have a vital role in biomedical research and scientific journals are calling for greater reproducibility of data in primary publications. High-quality research antibodies, including high specificity, sensitivity and lot-to-lot consistency, are needed to make critical progress on this issue. At Abcam we are responding with a key focus on improving product quality. This is a fundamental driver of improved NPS and our ambition to become the most recommended brand by life science researchers. We are confident in our strategy, which has seen an increase in NPS from 18% to 24% over the year.

We continue to add value to our consumers using our RabMAb technology which combines the superior antigen recognition of the rabbit immune system with the specificity and consistency of a monoclonal. We have now extended this technology into a number of our other product ranges to ensure consistency of quality across our catalogue.

We also worked closely with our suppliers to gain extra validation data and to investigate and improve any products which did not meet our stringent quality criteria. We continue to build stronger collaborative relationships with suppliers by visiting them, sharing consumer feedback and presenting in-house validation data. One outcome has been significant progress in improving the packaging and consumer acceptance of our cellular assays range.

Service

We are passionate about understanding the needs of our consumers, supporting our aim to provide a customised and optimised service. Our new consumer insights team ran a consumer closeness project during the year, conducting interviews and focus groups in the UK and US to gain a better understanding of the needs of different consumers.

Having appointed 16 global key account managers for strategically important or significant accounts, we have seen twice the level of growth generated in managed accounts compared with those with no dedicated manager.

Other ways in which we have enhanced our services include: extending our custom service capability to Cambridge, UK, building on our established US team and enabling increased service levels for European custom project clients; and adding eProcurement capabilities for two key accounts, allowing consumers to purchase our products through their organisation's own eProcurement applications.

Global expansion

Our strategic investments have yielded CER double-digit growth in all our geographic regions. Indeed, with the exception of Japan, growth over the previous year has accelerated in all regions. Particularly pleasing is China which has benefitted from increased investment in our Shanghai office. Japan was the slowest growing region at 10.4%, due to the uncertainty in funding caused by the challenging macroeconomic situation. We are currently implementing a number of initiatives to get closer to our consumers in Japan, in collaboration with our sub-dealer network, which we hope will yield positive results in 2015/16.

| | Revenue 2014/15 £000 | Revenue 2013/14 £000 | Increase in reported revenue | CER growth |
|--|----------------------------|----------------------------|------------------------------------|----------------|
| The Americas | 58,535 | 51,267 | 14.2% | 11.7% |
| EMEA | 43,343 | 40,633 | 6.7% | 13.8% |
| Japan | 11,148 | 11,116 | 0.3% | 10.4% |
| China | 12,912 | 7,161 | 80.3% | 75.7% |
| Rest of Asia Pacific | 9,444 | 7,813 | 20.9% | 19.8% |
| Product revenue | 135,382 | 117,990 | 14.7% | 16.6% |
| Non-product revenue¹ | 8,651 | 9,964 | (13.2%) | (15.3%) |
| Total reported revenue | 144,033 | 127,954 | 12.6% | 14.2% |

¹ Includes custom services, IVD/IHC, royalties and licence income

After relatively modest investments in our Shanghai sales and distribution facility since its establishment in February 2014, CER incremental sales in China in the year were £5.4m, a growth rate of 75.7%. Among the improvements to the way we serve this market, we have: created a focused team of fewer regional distributors, implemented a local stock-holding facility resulting in nearly all of our best-selling items being in stock at the point of order receipt and directly reached 10,000 scientists through training events, exhibitions and presentations in 62 institutions and 18 cities.

We completed the transition to direct sales in Australia and New Zealand, improving margins and expanding direct relationships with consumers and have also begun the process to set up direct sales in Singapore. We expect this to take effect in 2015/16.

Investing in infrastructure

We see many growth opportunities for Abcam in current and new markets and plan to invest in operational infrastructure in order to help deliver on them. We recruited an experienced Chief Information Officer, Sean Hickey, to lead a strategic review of current systems and plan how these map onto our future business needs. The picture this paints is of a set of highly refined bespoke systems that have underpinned the growth and efficiency of our original business model, but are relatively rigid in their scope and flexibility. As our business model continues to evolve we need to adapt to a more flexible componentised set of IT solutions built around a backbone ERP framework. This will both allow us to scale into different aspects of our business as well as facilitating integration and assimilation of any future acquisitions. We are engaging with an experienced external consultancy over the next few months to help us build a detailed map of our future business processes and align this with a plan to deliver a scalable and flexible platform solution. We expect this to result in an investment programme over a two to three year period and will have further updates on the level of investment as part of our regular communication with shareholders as our plans progress.

The other vital area of capital investment is in our global premises. We have commenced construction of our new Hangzhou office, which will provide enlarged and improved manufacturing facilities. We expect to complete the move in Q2 2015/16 at a cost of around £2m. We are also looking to invest in our Cambridge, US, facilities in order to integrate the Firefly team and support the next growth phase.

Our premises in Cambridge are also in need of investment – we are currently spread over three separate buildings on the Cambridge Science Park and need more space as we grow. A new head office in Cambridge, UK, is planned to bring all Cambridge, UK staff together under one roof, providing a more scalable environment. We are in discussions to lease a purpose-built facility on the new Cambridge Biomedical Campus. This is located on the Addenbrooke's Hospital site and is already becoming a centre for world-class biomedical research and patient care as well as having more direct access to clinical researchers. We estimate moving into our new head office in 2018/19 and will update shareholders on this project as it develops.

Firefly

We are pleased with the progress made by our combined teams since the acquisition of Firefly BioWorks in January 2015. Development of the Firefly particle technology platform is being delivered to plan and we are seeing strong consumer interest. In June 2015, the Firefly range of multiplex miRNA profiling assays was launched on our public website in selected regions and our first Firefly kit sale came through this online proposition. We are excited by the potential of extending the application of the Firefly technology into multiplex protein immunoassay kits. The first product launches in this area are planned for 2015/16.

Other strategic partnerships

To support the other components of our strategy, we are actively seeking to partner with companies that offer complementary products or capabilities in the life science market.

The acquisition of Firefly and the collaborations with Cell Marque in diagnostics and A*STAR in immunoassays are only a few of our existing technology and pipeline collaborations and we continue to work on the development of many more.

In 2015/16 we plan to review market opportunities which are underrepresented in our current business model to ensure we exploit all commercially attractive options available.

Outlook

The 2015/16 year has started well and we have confidence in our ability to achieve the stretching targets we have set for ourselves over the coming year. The carefully balanced investments we have made to date have delivered enhanced profits and have locked-

in future growth. To ensure we are enabled to capitalise fully on the further opportunities available to us we continue to work closely with our consumers and invest in R&D, IT, our infrastructure and our people to provide innovative and improved solutions.

Supported by a clear purpose and strategy, we believe that Abcam is well-positioned to deliver the next stage of value for our shareholders.

Alan Hirzel
Chief Executive Officer
11 September 2015

OUR STRATEGIC PRIORITIES

Our strategy is designed to increase growth and improve our long-term financial performance, in support of our ambition to become the most recommended brand by life science researchers. This will be based on scientists across the world trusting our products and knowing that purchasing from us will achieve faster, better quality and more reliable and reproducible results, thereby accelerating scientific breakthrough.

Our medium-term aspirations

Our strategy is to deliver sustainable, profitable, long-term growth. Within 3-5 years we aspire to have:

- Created significant additional value for shareholders
- An increased base of loyal consumers making more frequent, higher volume purchases – measured by a market-leading NPS
- A product portfolio which provides researchers working on important protein targets with complete solutions
- Superior, reliable quality products giving reproducible results – for recognised market leadership in premium products
- Built a presence in new markets with significant potential
- A scalable and flexible IT platform, enabling efficiencies within the existing business and providing a platform for further growth. and
- A world class workforce attracting great talent

Our strategic investments throughout the organisation will give us the capability to succeed. The following table maps our progress against the priorities set out in last year's annual report and summarises the next steps.

| Our strategic priorities | What we promised for 2014/15 | Key actions we took to deliver on that promise | Highlights demonstrating the impact of our investments | Our next priorities |
|---|--|--|--|---|
| <p>1. Grow our core reagents business faster than the market</p> <p><i>Our aim is to generate above market revenue growth from our existing consumer base, as well as by attracting new consumers to our products</i></p> | <p>Focus on developing high-quality products to high-value targets, particularly where we can use our RabMAb technology</p> <p>Continue to grow the catalogue around research areas which we believe offer the greatest market potential</p> <p>Establish linkages across our product categories to increase the purchase of non-primary antibody products</p> | <p>Published over 1,500 directly conjugated RabMAb primary antibodies against high-value targets</p> <p>Developed improved cross-selling tools on the public website and ran integrated marketing campaigns</p> <p>Created research area and product category landing pages on the public website</p> <p>Worked closely with suppliers to add validation data and ensure consistent quality supply</p> | <p>Strengthened position as No.1 primary antibody supplier</p> <p>24.2% RabMAb revenue growth against target of 15-20%</p> <p>Increase in cross-category purchasing</p> <p>5-fold increase in epigenetics and neuroscience content page views</p> | <p>Continue innovating to build portfolios of products around high-value targets</p> <p>Further digital marketing improvements to provide a more personalised consumer experience</p> <p>Continued focus on quality to ensure products are always specific, selective, and reproducible in the context for which our consumers use them</p> |
| <p>2. Establish new growth platforms</p> <p><i>Our aim is to deliver enhanced value by the addition of attractive new product ranges or services in either the same or adjacent segments and by extending our geographic penetration</i></p> | <p>Use our data and consumer insights to prioritise which kits and assays to provide and incorporate our RabMAb technology into new product development where appropriate</p> <p>Make market share gains in activity assays, proteins and peptides, immunoassays and research biochemicals</p> <p>Continue penetration into consumer segments where</p> | <p>Prioritised launch of RabMAb matched pairs in immunoassay kits</p> <p>Built consumer insights team and ran projects to better understand the needs of consumers in different segments</p> <p>Created a reduced pool of focused distributors in China and further enhanced local stock-holding</p> <p>Enabled two strategically important accounts with punch-</p> | <p>NPS increased from 18% to 24% - an increase across all categories and consumer segments</p> <p>75.7% CER growth in China</p> <p>Non-primaries CER revenue growth of 28.2% against target of 25-30%, led by kits and assays growth of 33.0%.</p> <p>Market share gains as a result of growth in non-primaries of 7-</p> | <p>Continue to strengthen our position in China</p> <p>Build our kits and assays capabilities, leveraging our RabMAb and Firefly technologies</p> <p>Continue to increase our share of underpenetrated segments</p> <p>Increase number of strategically important accounts with eProcurement punch-out capability</p> |

| Our strategic priorities | What we promised for 2014/15 | Key actions we took to deliver on that promise | Highlights demonstrating the impact of our investments | Our next priorities |
|---|--|---|---|--|
| | <p>Abcam is under-represented</p> <p>Use our office in Shanghai to drive the growth of revenues from China</p> | <p>out electronic catalogues in their eProcurement systems</p> | <p>8x market growth rates</p> | |
| <p>3. Scale organisation capabilities</p> <p><i>Our aim is to attract and retain the best people, empower them to succeed and build the capabilities necessary to deliver our strategy</i></p> | <p>Implement performance targets and merit-based incentives across the Group to reward success</p> <p>Invest in our CRM and accounting software and implement a multi-year review of our IT platform</p> <p>Relocate our manufacturing facility in Hangzhou</p> <p>Conclude planning for a new consolidated UK head office</p> | <p>Introduced merit-based pay and bonus scheme, aligning remuneration to individual as well as Company performance</p> <p>Implemented new CRM software, business information tools and financial budgeting and forecasting system</p> <p>Recruited CIO and began strategic IT review</p> <p>Commenced construction work for the relocation of the Hangzhou production facility</p> <p>Identified site and commenced design work for new consolidated UK head office</p> | <p>Strengthened our SLT with 4 important hires</p> <p>360° feedback has driven personal developmental goals for each SLT member that will increase their ability to contribute to Abcam's success</p> <p>"One Team" training delivered in all global locations</p> | <p>Complete move of Hangzhou production facility</p> <p>Complete outline design and begin planning approval process for new head office in Cambridge, UK</p> <p>Implement improvements to the Cambridge, US office and relocate Firefly team to integrate them into the same building</p> <p>Complete strategic IT review and begin implementation</p> <p>Roll-out long-term leadership and development training programme for senior managers</p> |
| <p>4. Sustain attractive economics</p> <p><i>Our aim is to ensure operational efficiency and cost-effectiveness to deliver sustainable, profitable growth</i></p> | <p>Generate strong revenue growth above that of our markets</p> <p>Make investments that drive medium to long-term revenue growth</p> | <p>Extended custom services offering to Europe</p> <p>Established a local office in Australia to allow direct sales in this market, generating increased returns</p> | <p>CER product revenue growth of 16.6%, around 3-4 times market growth</p> <p>Adjusted operating margin of 34.2%</p> | <p>Perform a detailed review of the cost base to maximise operational and capital spending efficiency</p> <p>Establish a Singapore office to allow direct sales in this market</p> <p>Review and optimise other global distribution arrangements</p> <p>Enhance business planning and analysis capabilities</p> |
| <p>5. Selectively pursue partnerships and acquisitions</p> <p><i>Our aim is to supplement the other components of our strategy by making</i></p> | <p>Actively seek out new partnerships, acquisitions and investment opportunities that support our strategy and maximise our</p> | <p>A*STAR collaboration which leverages RabMAb technology in immunoassay kits</p> <p>Agreement with Cell Marque to exploit the potential of RabMAb</p> | <p>Bringing the Firefly technology in-house provides access to the \$400m miRNA market and also the potential to use the</p> | <p>Continue to actively seek out and evaluate new partnerships, acquisitions, collaborations and investment opportunities that support our strategy</p> |

| Our strategic priorities | What we promised for 2014/15 | Key actions we took to deliver on that promise | Highlights demonstrating the impact of our investments | Our next priorities |
|--|--|---|---|---|
| <p><i>acquisitions of and working with partners that add to our competitive advantage in the life science market</i></p> | <p>competitive advantage</p> <p>Continue to work with collaborators on the co-development of innovative products</p> | <p>products in the diagnostics market</p> <p>Acquisition of Firefly, diversifying into adjacent fast-growing miRNA market, with fundamental multiplexing technological advancement</p> <p>Collaboration with Michael J Fox Foundation to develop benchmark RabMAb antibodies in area of neuroscience</p> <p>Several collaborations with high profile Chinese universities</p> | <p>technology in protein multiplexing kits</p> <p>Chinese university collaborations already contributed over 30 high value targets to the RabMAb antibody development pipeline</p> | <p>and leverage our competitive advantage</p> <p>Prepare analysis of markets underrepresented in our current business model and establish prioritisation plan for exploiting opportunities identified</p> |

OUR KPIs

We measure our performance against a number of key performance indicators. Success against these KPIs forms a component of the Board and senior management's incentives.

RabMAb primary antibodies CER revenue growth 24.2%

| 2015/16 target | 2014/15 actual | 2014/15 target | 2013/14 | 2012/13 |
|----------------|----------------|----------------|---------|---------|
| 15-20% | 24.2% | 15-20% | 17.1% | 33.5% |

How we performed

At a CER growth rate of 24.2%, our RabMAb revenues have outperformed our high expectations in the year as a result of the many initiatives we have undertaken and investments made, including the introduction of a range of directly conjugated primary antibodies.

Why it's important

We see our proprietary RabMAb technology, which offers greater specificity and lot-to-lot consistency benefits to our consumers, as a fundamental contributor to Abcam's growth strategy.

Non-primary antibody products CER revenue growth 28.2%

| 2015/16 target | 2014/15 actual | 2014/15 target | 2013/14 | 2012/13 |
|----------------|----------------|----------------|---------|---------|
| 25-30% | 28.2% | 25-30% | 34.3% | 32.4% |

How we performed

Led by our kits and assays business, non-primary antibody CER revenue growth was 28.2%, towards the upper limit of our goal for the year.

Why it's important

Sales of non-primary antibody products will form part of our successful strategic execution as we seek to attain levels of market penetration similar to those we have in the primary antibody market.

Net Promoter Score (NPS) 24%

| 2015/16 target | 2014/15 actual | 2014/15 target | 2013/14 | 2012/13 |
|----------------|----------------|----------------|---------|---------|
| 22-28% | 24% | 20-22% | 18% | 19% |

How we performed

Our NPS improved by 6 percentage points to 24%, above the ambitious target we set at the start of year. Whilst we have progressed further ahead of the industry average, the market-leading competitor NPS also increased, and we remain focused on further advancement.

Why it's important

Our vision is to be the brand most recommended by life science researchers. It is increasingly important that we focus on our consumers and listen to their feedback. We conduct several formal consumer surveys during the year to determine their likelihood of recommending Abcam's products and services to a colleague. The balance of detractors and promoters is then computed into an NPS using standard industry methods. As we seek to measure success against our vision, our NPS will be an important metric.

Market position #1 in primary research antibodies

On-going targets:

- Maintain #1 position in primary research antibodies
- Gain share in at least two other product categories

How we performed

Market research has confirmed that we remain the #1 brand for research antibodies – and gained around 4 points market share – and that we continue to gain market share across all other categories in our product range, demonstrated by CER growth of over five times that of the underlying market in all product categories.

Why it's important

A focus for Abcam is to expand our product ranges to provide a complete solution of research reagents to support our consumers. Market position in each of our product ranges will give a critical measurement of our progress in this area.

OUR FINANCIALS

Reported revenues for the year increased by 12.6% to £144.0m. The relative strengthening of Sterling during the year means that the constant exchange rate (CER) performance was stronger, with revenue growth from sales of products in our catalogue of 16.6%, and 14.2% overall. After increased investment in the business, including the research and development activities of Firefly BioWorks which was acquired during the period, adjusted profit before tax was £49.6m, an increase of 5.9% (2013/14: £46.8m).

As outlined in last year's report, our growth strategy demands that we listen to our consumers and that we use the insights gained to shape our business. We have done this successfully during the year, which has been one of further investment in our capabilities. In practical terms this has meant increased headcount, including at the senior level, new product development activities and investment in our eCommerce capabilities.

The table below shows revenues, costs and expenses for the year, which have been adjusted to aid comparison by separately identifying the acquisition and integration costs arising on the acquisition of Firefly, and the amortisation of acquisition-related intangible assets across the Group. The net contribution to operating profit from Firefly in the post-acquisition period is a net loss of £991k.

Adjusted income statement

| | 2014/15 | | | | 2013/14 | | |
|--|-----------------------------------|---|---|--|-----------------------------------|---|--|
| | Adjusted income statement £000 | Acquisition-related intangible amortisation £000 | Acquisition and integration costs £000 | Reported IFRS income statement £000 | Adjusted income statement £000 | Acquisition-related intangible amortisation £000 | Reported IFRS income statement £000 |
| Revenue | 144,033 | — | — | 144,033 | 127,954 | — | 127,954 |
| Cost of sales | (42,507) | — | — | (42,507) | (37,569) | — | (37,569) |
| Gross profit | 101,526 | — | — | 101,526 | 90,385 | — | 90,385 |
| Administration and management expenses | (44,076) | (1,445) | (359) | (45,880) | (35,501) | (1,517) | (37,018) |
| Research and development expenses | (8,246) | (1,673) | — | (9,919) | (8,306) | (1,748) | (10,054) |
| Operating profit | 49,204 | (3,118) | (359) | 45,727 | 46,578 | (3,265) | 43,313 |
| Finance income | 372 | — | — | 372 | 238 | — | 238 |
| Profit before tax | 49,576 | (3,118) | (359) | 46,099 | 46,816 | (3,265) | 43,551 |
| Taxation | (9,799) | 1,080 | 4 | (8,715) | (10,697) | 1,191 | (9,506) |
| Profit after tax | 39,777 | (2,038) | (355) | 37,384 | 36,119 | (2,074) | 34,045 |
| Earnings per share | | | | | | | |
| Basic | 19.89 | (1.02) | (0.18) | 18.69 | 18.16p | (1.04)p | 17.12p |
| Diluted | 19.76 | (1.01) | (0.18) | 18.57 | 18.06p | (1.04)p | 17.02p |

Revenue

The net strengthening of Sterling during the year against the other currencies in which the Group trades has partly offset the underlying growth in revenues, particularly in the first half of the year. Consequently, while on a CER basis product revenues grew by 16.6% and overall revenues by 14.2%, the reported revenue for the year of £144.1m represents 12.6% growth on the prior year.

Gross margins

Reported gross margin was down very slightly to 70.5% in 2014/15 (2013/14: 70.6%) as the positive impact on margins from product mix and pricing initiatives, which would have taken the margin to 71.0%, were offset by the impact of exchange rates. Whilst the proportion of revenue denominated in US Dollars is significant (50.6%), the proportion of US Dollar denominated costs of sale is higher (60.9%) meaning that the weakening of Sterling against the US Dollar in the period has a negative impact on gross margins. We also saw the same impact from the strengthening of Sterling against the Euro and Japanese Yen since the proportions of revenues from each (21.5% and 7.8% respectively) significantly outweigh the proportion of cost of sale denominated in those currencies (5.5% and 1.0%).

Administration and management expenses

As foreshadowed last year, in 2014/15 we have continued to invest in our capabilities to drive medium and long-term growth, which has increased the cost base. The table below identifies the main cost movements.

| | 2014/15 £000 | 2013/14 £000 | Increase % |
|--|-----------------|-----------------|---------------|
| Total administration and management expenses (as reported) | 45,880 | 37,018 | 23.9% |
| Acquisition-related intangible amortisation | (1,445) | (1,517) | |
| Acquisition and integration costs | (359) | — | |
| Gains/(losses) on forward selling contracts | (212) | 1,659 | |
| Share-based payments charge | (1,395) | (678) | |
| Costs previously reported within R&D | (1,230) | — | |
| Like-for-like administration and management expenses | 41,239 | 36,482 | 13.0% |
| General and inflationary cost increases in line with business growth | (1,851) | — | |
| <i>Other specific areas of investment:</i> | | | |
| Firefly administrative costs | (490) | — | |
| Incremental costs of Shanghai office | (786) | — | |
| Investment in SLT, sales, marketing, IT and eCommerce teams | (1,630) | — | |
| | 36,482 | 36,482 | |

Like-for-like administration and management expenses, as defined in the table above, increased by 13.0%, which is below the growth in revenues. This includes some specific areas of incremental cost in the year: Firefly administrative expenses for the six months since acquisition of £0.5m (which excludes Firefly's share-based payments charge, as this is already included in the £1.4m Group charge disclosed above), the incremental year-on-year spend to support the operation of the Shanghai office of £0.8m and our additional strategic investment in our SLT, sales, marketing, IT and eCommerce teams of £1.6m. The remaining general and inflationary cost increases of £1.9m are in line with business growth, contributing an increase of 5.0% over the prior year total reported administration and management expenses.

Research and development expenditure

Research and development (R&D) expenditure relates to the development of new products, as well as costs incurred in searching for and developing production process improvements. These costs do not meet the requirements to be capitalised as an intangible asset and are therefore expensed through the income statement as incurred.

The reported level of R&D expenditure decreased slightly to £9.9m (2013/14: £10.1m). This reduction comes after we began to classify costs amounting to £1.2m as administration and management expenses, having previously categorised them as R&D. These are support costs of an innovation and manufacturing site and are now classified consistently with similar costs incurred in other Group production facilities. What would otherwise have been an increase in costs in the year reflects increased investment in new product development as part of our organic growth strategy, for example increasing our SimpleStep ELISA (SSE) portfolio and developing the first RabMAb SSE kits, as well as significantly expanding the range of directly conjugated antibodies and investing in additional product enhancements and quality testing. Firefly's activities contributed £0.5m of the increase.

Earnings and tax

The adjusted profit before tax was £49.6m, on which the effective tax rate was 19.8%. This is lower than the 22.8% reported last year primarily due to a reduction in the UK corporation tax rate, the Firefly acquisition and R&D tax credits. After taking into account the deferred tax impact of acquisition-related intangible amortisation, the reported effective tax rate was 18.9% (2013/14: 21.8%).

Balance sheet

Goodwill and other intangibles

Goodwill at the year end was £87.0m (2013/14: £73.5m). Of the increase, £8.0m arose on the acquisition of Firefly and £5.5m from exchange rate movements due to the US Dollar being the predominant functional currency of the acquired companies to which the goodwill relates.

The acquisition of Firefly did not give rise to an additional cash-generating unit (CGU) and the goodwill resulting from the acquisition has been allocated to the CGU for the existing Abcam business. Goodwill is not amortised under IFRS but is subject to impairment review at least on an annual basis. Consequently, during the year, the Directors performed a review which involved

making various assumptions regarding the future performance of the business. After considering various scenarios that could reasonably occur, the Directors concluded that no impairment was required. For more details, please see note 29.

Other intangible assets at 30 June 2015 were £44.7m (2013/14: £30.2m). This movement primarily reflects the value attributed to patents and know-how held by Firefly and exchange rate movements arising because the functional currency of the related assets is predominately US Dollars. The intangible assets amortisation charge was £5.1m (2013/14: £4.8m). No amortisation was charged in relation to the Firefly assets which will be amortised from the point at which commercial product is available for release to a wider customer base, thereby generating meaningful revenues. Other intangible assets are amortised over their estimated useful lives, and the amortisation of acquisition-related intangible assets has been added back in arriving at adjusted profit, as outlined above.

Capital expenditure

Additions of property, plant and equipment and intangible assets arising other than through the acquisition of Firefly totaled £7.7m (2013/14: £7.4m). This reflects continued investment in support of our organic growth strategy. The major items include:

- investment in laboratory equipment of £2.1m which is focused on improving the quality of product data in the catalogue;
- development of new hybridomas and assays of £2.1m, with a further £0.8m expenditure on hybridomas under construction;
- office and computer equipment expenditure of £1.7m. This is an increase of £0.6m over the prior year, mainly due to replacement of IT equipment to support ongoing growth and the fit out of additional office space; and
- continuation of the core IT investment to support the next stage of Abcam's growth. A total of £1.0m was capitalised in the year, including £0.5m of internal salary cost.

Cash flow

Our track record of strong cash control continued in the year and the period ended with an increase in net cash and term deposits of £1.9m to £58.7m (2013/14: £56.9m) after funding the acquisition of Firefly for a cash consideration of £17.6m, and no bank debt (30 June 2014: £nil).

Cash generated by operations was £48.9m (2013/14: £51.2m). This was after a working capital outflow in the period of £7.5m of which £4.1m came from an increase in inventories, reflecting a strategic decision to carry more of our high-selling product lines, a build-up of inventory to support the roll-out of our conjugated primary antibody range, and the effect of the relative strengthening of Sterling for US Dollar denominated purchases. Non-trade receivables have grown by £0.8m due to increased recoverable VAT and new building deposits.

Looking forward

The notable increase in revenue growth is an encouraging indication of the success of our strategy. Underpinned by strong revenue growth, we will continue capital and operational investment to make targeted improvements. Over the next few years we expect to upgrade our IT capabilities to build a more flexible and scalable platform, improve our facilities to increase efficiencies, and will continue to ensure we have the right people and capabilities to deliver the next stage of growth.

We also plan to sustain attractive economics through our continued focus on tight cost management and effective financial control.

Jeff Iliffe
Chief Financial Officer
11 September 2015

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2015

| | Notes | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|---|-------|------------------------------------|------------------------------------|
| Revenue | 5 | 144,033 | 127,954 |
| Cost of sales | | (42,507) | (37,569) |
| Gross profit | | 101,526 | 90,385 |
| Administration and management expenses | | (45,880) | (37,018) |
| Research and development expenses | | (9,919) | (10,054) |
| Operating profit | | 45,727 | 43,313 |
| Finance income | 9 | 372 | 238 |
| Profit before tax | | 46,099 | 43,551 |
| Taxation | 10 | (8,715) | (9,506) |
| Profit for the year attributable to the owners of the parent | 6 | 37,384 | 34,045 |
| Earnings per share | | | |
| Basic | 11 | 18.69p | 17.12p |
| Diluted | 11 | 18.57p | 17.02p |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|---|------------------------------------|------------------------------------|
| Profit for the year | 37,384 | 34,045 |
| Items that may be reclassified to profit or loss | | |
| Movement on cash flow hedges | 1,068 | 2,491 |
| Exchange differences on translation of foreign operations | 7,583 | (11,116) |
| Tax relating to components of other comprehensive income | (203) | (550) |
| Other comprehensive income/(expense) for the year | 8,448 | (9,175) |
| Total comprehensive income for the year | 45,832 | 24,870 |

RECONCILIATION OF CONSOLIDATED ADJUSTED FINANCIAL MEASURES

For the year ended 30 June 2015

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|---|------------------------------------|------------------------------------|
| Profit before tax | 46,099 | 43,551 |
| Acquisition costs | 335 | — |
| Integration costs | 24 | — |
| Amortisation of acquisition-related intangible assets | 3,118 | 3,265 |
| Adjusted profit before tax | 49,576 | 46,816 |

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|---|------------------------------------|------------------------------------|
| Operating profit | 45,727 | 43,313 |
| Acquisition costs | 335 | — |
| Integration costs | 24 | — |
| Amortisation of acquisition-related intangible assets | 3,118 | 3,265 |
| Adjusted operating profit | 49,204 | 46,578 |
| Adjusted operating margin¹ | 34.2% | 36.4% |

¹ Adjusted operating margin is adjusted operating profit divided by revenue

BALANCE SHEETS

At 30 June 2015

| | Notes | Consolidated | | Company | |
|--|-------|----------------------|----------------------|----------------------|----------------------|
| | | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Non-current assets | | | | | |
| Goodwill | 12 | 86,998 | 73,549 | 7,658 | — |
| Intangible assets | 13 | 44,815 | 30,176 | 5,381 | 5,836 |
| Property, plant and equipment | 14 | 12,451 | 8,502 | 6,728 | 3,835 |
| Investments | 15 | — | — | 88,306 | 96,147 |
| Deferred tax asset | 16 | 3,300 | 2,258 | 898 | 485 |
| Loan receivable | 19 | — | — | 60,503 | 39,133 |
| Term deposits | | 1,636 | 1,000 | 1,000 | 1,000 |
| Derivative financial instruments | 21 | 224 | 180 | 224 | 180 |
| | | 149,424 | 115,665 | 170,698 | 146,616 |
| Current assets | | | | | |
| Inventories | 17 | 19,803 | 14,753 | 17,090 | 13,321 |
| Trade and other receivables | 18 | 19,727 | 17,843 | 21,906 | 13,248 |
| Cash and cash equivalents | | 57,059 | 55,278 | 49,931 | 49,013 |
| Term deposits | | — | 584 | — | — |
| Available-for-sale asset | 20 | 678 | 623 | — | — |
| Derivative financial instruments | 21 | 3,255 | 1,848 | 3,255 | 1,848 |
| | | 100,522 | 90,929 | 92,182 | 77,430 |
| Total assets | | 249,946 | 206,594 | 262,880 | 224,046 |
| Current liabilities | | | | | |
| Trade and other payables | 22 | (15,508) | (14,036) | (24,312) | (16,526) |
| Current tax liabilities | | (4,813) | (2,782) | (5,987) | (4,145) |
| Derivative financial instruments | 21 | (737) | (14) | (737) | (14) |
| | | (21,058) | (16,832) | (31,036) | (20,685) |
| Net current assets | | 79,464 | 74,097 | 61,146 | 56,745 |
| Non-current liabilities | | | | | |
| Deferred tax liability | 16 | (14,779) | (8,841) | (119) | — |
| Derivative financial instruments | 21 | (5) | (21) | (5) | (21) |
| | | (14,784) | (8,862) | (124) | (21) |
| Total liabilities | | (35,842) | (25,694) | (31,160) | (20,706) |
| Net assets | | 214,104 | 180,900 | 231,720 | 203,340 |
| Equity | | | | | |
| Share capital | 24 | 402 | 401 | 402 | 401 |
| Share premium account | 24 | 19,522 | 17,692 | 19,522 | 17,692 |
| Merger reserve | 24 | 56,513 | 56,513 | 56,513 | 56,513 |
| Own shares | 24 | (2,812) | (2,143) | (2,812) | (2,143) |
| Translation reserve | 24 | (1,266) | (8,718) | — | — |
| Share-based payments reserve | 24 | 8,319 | 6,441 | 7,860 | 6,113 |
| Hedging reserve | 24 | 1,758 | 893 | 1,758 | 893 |
| Tax reserve | 24 | 585 | (98) | 562 | (121) |
| Retained earnings | | 131,083 | 109,919 | 147,915 | 123,992 |
| Total equity attributable to the owners of the parent | | 214,104 | 180,900 | 231,720 | 203,340 |

The preliminary financial information of Abcam plc, registered number 3509322, were approved by the Board of Directors and authorised for issue on 11 September 2015.

They were signed on its behalf by:

Jeff Iiliffe
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

| | Share capital £000 | Share premium account £000 | Merger reserve £000 | Own shares £000 | Translation reserve ¹ £000 | Share-based payments reserve ² £000 | Hedging reserve ³ £000 | Tax reserve ⁴ £000 | Retained earnings £000 | Total equity £000 |
|--|-----------------------|----------------------------------|---------------------------|-----------------------|---|---|---|-------------------------------------|------------------------------|-------------------------|
| Balance as at 1 July 2014 | 401 | 17,692 | 56,513 | (2,143) | (8,718) | 6,441 | 893 | (98) | 109,919 | 180,900 |
| Profit for the year | — | — | — | — | — | — | — | — | 37,384 | 37,384 |
| Exchange differences on translation of foreign operations | — | — | — | — | 7,452 | 131 | — | — | — | 7,583 |
| Movements on cash flow hedges | — | — | — | — | — | — | 1,068 | — | — | 1,068 |
| Tax relating to components of other comprehensive income | — | — | — | — | — | — | (203) | — | — | (203) |
| Total comprehensive income for the year | — | — | — | — | 7,452 | 131 | 865 | — | 37,384 | 45,832 |
| Issue of share capital | 1 | 1,830 | — | (1,001) | — | — | — | — | — | 830 |
| Own shares disposed of on release of shares | — | — | — | 332 | — | — | — | — | (332) | — |
| Credit to equity for share-based payments | — | — | — | — | — | 1,747 | — | 683 | — | 2,430 |
| Payment of dividends | — | — | — | — | — | — | — | — | (15,888) | (15,888) |
| Balance as at 30 June 2015 | 402 | 19,522 | 56,513 | (2,812) | (1,266) | 8,319 | 1,758 | 585 | 131,083 | 214,104 |

| | Share capital £000 | Share premium account £000 | Merger reserve £000 | Own shares £000 | Translation reserve ¹ £000 | Share-based payments reserve ² £000 | Hedging reserve ³ £000 | Tax reserve ⁴ £000 | Retained earnings £000 | Total equity £000 |
|--|-----------------------|----------------------------------|---------------------------|-----------------------|---|---|---|-------------------------------------|------------------------------|-------------------------|
| Balance as at 1 July 2013 | 399 | 16,395 | 56,513 | (1,872) | 2,203 | 5,893 | (1,048) | 1,252 | 90,542 | 170,277 |
| Profit for the year | — | — | — | — | — | — | — | — | 34,045 | 34,045 |
| Exchange differences on translation of foreign operations | — | — | — | — | (10,921) | (195) | — | — | — | (11,116) |
| Movements on cash flow hedges | — | — | — | — | — | — | 2,491 | — | — | 2,491 |
| Tax relating to components of other comprehensive income | — | — | — | — | — | — | (550) | — | — | (550) |
| Total comprehensive income for the year | — | — | — | — | (10,921) | (195) | 1,941 | — | 34,045 | 24,870 |
| Issue of share capital | 2 | 1,297 | — | (484) | — | (198) | — | — | — | 617 |
| Own shares disposed of on release of shares | — | — | — | 213 | — | — | — | — | (213) | — |
| Credit/(charge) to equity for share- based payments | — | — | — | — | — | 941 | — | (1,350) | — | (409) |
| Payment of dividends | — | — | — | — | — | — | — | — | (14,455) | (14,455) |
| Balance as at 30 June 2014 | 401 | 17,692 | 56,513 | (2,143) | (8,718) | 6,441 | 893 | (98) | 109,919 | 180,900 |

1 Exchange differences on translation of overseas operations.

2 IFRS 2 charge for fair value of equity settled share-based options and awards.

3 Gains and losses recognised on cash flow hedges.

4 Portion of tax asset arising on outstanding share options and share options exercised.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

| | Share capital £000 | Share premium £000 | Merger reserve £000 | Own shares £000 | Share-based payments reserve ¹ £000 | Hedging reserve ² £000 | Tax reserve ³ £000 | Retained earnings £000 | Total equity £000 |
|--|-----------------------|-----------------------|------------------------|--------------------|---|--------------------------------------|----------------------------------|---------------------------|----------------------|
| Balance as at 1 July 2014 | 401 | 17,692 | 56,513 | (2,143) | 6,113 | 893 | (121) | 123,992 | 203,340 |
| Profit for the year | — | — | — | — | — | — | — | 40,372 | 40,372 |
| Movements on cash flow hedges | — | — | — | — | — | 1,068 | — | — | 1,068 |
| Tax relating to components of other comprehensive income | — | — | — | — | — | (203) | — | — | (203) |
| Total comprehensive income for the year | — | — | — | — | — | 865 | — | 40,372 | 41,237 |
| Issue of share capital | 1 | 1,830 | — | (1,001) | — | — | — | — | 830 |
| Own shares disposed of on exercise of share options | — | — | — | 332 | — | — | — | (332) | — |
| Share-based payments charge recognised on behalf of subsidiaries | — | — | — | — | 529 | — | — | — | 529 |
| Credit to equity for share-based payments | — | — | — | — | 1,218 | — | 683 | — | 1,901 |
| Arising on transfer of trade from subsidiary (note 30) | — | — | — | — | — | — | — | (229) | (229) |
| Payment of dividends | — | — | — | — | — | — | — | (15,888) | (15,888) |
| Balance as at 30 June 2015 | 402 | 19,522 | 56,513 | (2,812) | 7,860 | 1,758 | 562 | 147,915 | 231,720 |

| | Share capital £000 | Share premium £000 | Merger reserve £000 | Own shares £000 | Share-based payments reserve ¹ £000 | Hedging reserve ² £000 | Tax reserve ³ £000 | Retained earnings £000 | Total equity £000 |
|--|-----------------------|-----------------------|------------------------|--------------------|---|--------------------------------------|----------------------------------|---------------------------|----------------------|
| Balance as at 1 July 2013 | 399 | 16,395 | 56,513 | (1,872) | 5,370 | (1,048) | 1,022 | 109,360 | 186,139 |
| Profit for the year | — | — | — | — | — | — | — | 29,300 | 29,300 |
| Movements on cash flow hedges | — | — | — | — | — | 2,491 | — | — | 2,491 |
| Tax relating to components of other comprehensive income | — | — | — | — | — | (550) | — | — | (550) |
| Total comprehensive income for the year | — | — | — | — | — | 1,941 | — | 29,300 | 31,241 |
| Issue of share capital | 2 | 1,297 | — | (484) | (198) | — | — | — | 617 |
| Own shares disposed of on exercise of share options | — | — | — | 213 | — | — | — | (213) | — |
| Share-based payments charge recognised on behalf of subsidiaries | — | — | — | — | 307 | — | — | — | 307 |
| Credit/(charge) to equity for share-based payments | — | — | — | — | 634 | — | (1,143) | — | (509) |
| Payment of dividends | — | — | — | — | — | — | — | (14,455) | (14,455) |
| Balance as at 30 June 2014 | 401 | 17,692 | 56,513 | (2,143) | 6,113 | 893 | (121) | 123,992 | 203,340 |

1 IFRS 2 charge for fair value of equity settled share-based options and awards.

2 Gains and losses recognised on cash flow hedges.

3 Portion of tax asset arising on outstanding share options and share options exercised.

CASH FLOW STATEMENTS

For the year ended 30 June 2015

| | Notes | Consolidated | | Company | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Profit before tax | | 46,099 | 43,551 | 50,349 | 37,840 |
| Finance income | | (372) | (238) | (4,110) | (3,361) |
| Finance costs | | — | — | — | 22 |
| Operating profit for the year | | 45,727 | 43,313 | 46,239 | 34,501 |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment | 14 | 2,934 | 1,882 | 1,312 | 852 |
| Amortisation of intangible assets | 13 | 5,104 | 4,831 | 2,004 | 1,767 |
| Impairment loss on intangible assets | 13 | — | 454 | — | 454 |
| Change in fair value of derivatives outstanding at year end | | 325 | (655) | 326 | (655) |
| Share-based payments charge | 27 | 1,891 | 941 | 1,217 | 634 |
| Non-cash foreign currency gains | | 375 | — | — | — |
| Operating cash flows before movements in working capital | | 56,356 | 50,766 | 51,098 | 37,553 |
| (Increase)/decrease in inventories | | (4,071) | 252 | (2,173) | 2,309 |
| (Increase)/decrease in receivables | | (4,646) | (280) | (30,598) | 6,575 |
| Increase in payables | | 1,249 | 508 | 5,500 | 1,719 |
| Cash generated by operations | | 48,888 | 51,246 | 23,827 | 48,156 |
| Income taxes paid | | (8,676) | (9,948) | (7,999) | (8,926) |
| Net cash inflow from operating activities | | 40,212 | 41,298 | 15,828 | 39,230 |
| Investing activities | | | | | |
| Investment income | | 202 | 231 | 4,110 | 3,318 |
| Purchase of property, plant and equipment | | (6,501) | (3,828) | (4,070) | (1,500) |
| Purchase of intangible assets | | (978) | (3,647) | (948) | (3,492) |
| Acquisition of subsidiaries, net of cash and term deposits acquired | 29 | (17,333) | — | — | — |
| Acquisition of trade from subsidiary, net of cash acquired | | — | — | 54 | — |
| Decrease in term deposits | | — | 1,187 | — | — |
| Net cash used in investing activities | | (24,610) | (6,057) | (854) | (1,674) |
| Financing activities | | | | | |
| Dividends paid | 25 | (15,888) | (14,455) | (15,888) | (14,455) |
| Proceeds on issue of shares | | 1,832 | 617 | 1,832 | 617 |
| Net cash used in financing activities | | (14,056) | (13,838) | (14,056) | (13,838) |
| Net increase in cash and cash equivalents | | 1,546 | 21,403 | 918 | 23,718 |
| Cash and cash equivalents at beginning of year | | 55,278 | 35,388 | 49,013 | 25,295 |
| Effect of foreign exchange rates | | 235 | (1,513) | — | — |
| Cash and cash equivalents at end of year | | 57,059 | 55,278 | 49,931 | 49,013 |

Reconciliation to total cash and cash equivalents and term deposits

| | Consolidated | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Cash and cash equivalents | 57,059 | 55,278 | 49,931 | 49,013 |
| Term deposits (non-current) | 1,636 | 1,000 | 1,000 | 1,000 |
| Term deposits (current) | — | 584 | — | — |
| Total cash and cash equivalents and term deposits | 58,695 | 56,862 | 50,931 | 50,013 |

NOTES TO THE PRELIMINARY FINANCIAL INFORMATION

For the year ended 30 June 2015

1. General information

Abcam plc (the Company) is incorporated and domiciled in the UK under the Companies Act 2006. The address of the registered office is 330 Cambridge Science Park, Milton Road, Cambridge CB4 0FL, UK. The Company is a public limited company which is listed on the London Stock Exchange Alternative Investment Market.

The Company and its subsidiaries (together 'the Group'), produce and distribute high-quality research-grade antibodies and associated protein research tools. The Group operates through its ultimate parent company Abcam plc and through a channel of wholly owned manufacturing and distribution subsidiaries mainly based in the US and Asia-Pacific which allows it to serve a global customer base of over 100 countries. A list of all subsidiaries is contained in note 15.

2. Changes in accounting policy and disclosures

New standards, amendments and interpretations adopted by the Group

In the current year, the Group has adopted the following new and revised Standards, amendments and Interpretations which have been assessed as having no financial or disclosure impact on the numbers presented:

IFRS 10 *Consolidated Financial Statements* and IAS 27 *Separate Financial Statements* (as revised in 2011)

IFRS 11 *Joint Arrangements* and IAS 28 *Investment in Associates and Joint Ventures* (as revised in 2011)

IFRS 12 *Disclosure of Interests in Other Entities*

IAS 19 *Employee benefits: Defined benefit plans* (Amendment)

IAS 32 *Offsetting Financial Assets and Financial Liabilities* (Amendment)

IAS 36 *Impairment of assets* (Amendment)

IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (Amendment)

IFRIC 21 *Levies* (Interpretation on IAS 37 'Provisions, contingent liabilities and contingent assets' recognition criteria)

New standards, amendments and interpretations not yet adopted

At the date of authorisation of this preliminary financial information the following Standards and Interpretations were in issue but not yet effective, and have not been applied in preparing this preliminary financial information.

| | | Effective for accounting periods beginning on or after |
|---------------------|---|--|
| IFRS 9 | <i>'Financial Instruments' classification and measurement requirements replacing IAS 39</i> | 1 January 2018 |
| IFRS 10 (amendment) | <i>'Consolidated Financial Statements' addresses inconsistency with IAS 28</i> | 1 January 2016 |
| IFRS 11 (amendment) | <i>'Joint arrangements' on acquisition of an interest in a joint operation</i> | 1 January 2016 |
| IFRS 14 | <i>'Regulatory deferral accounts' recognition of amounts related to rate regulation</i> | 1 January 2016 |
| IFRS 15 | <i>'Revenue from Contracts with Customers' improvement to the financial reporting of revenue</i> | 1 January 2017 |
| IAS 1 (amendment) | <i>'Presentation of financial statements' disclosure initiative</i> | 1 January 2016 |
| IAS 16 (amendment) | <i>'Property, Plant and Equipment' regarding bearer plants</i> | 1 January 2016 |
| IAS 27 (revised) | <i>'Separate Financial Statements' on using the equity method to account for investments</i> | 1 January 2016 |
| IAS 28 (amended) | <i>'Investments in Associates and Joint Ventures' consolidation exception for investment entities</i> | 1 January 2016 |
| IAS 38 (amendment) | <i>'Intangible Assets' clarification of acceptable depreciation and amortisation methods</i> | 1 January 2016 |

The Standards and Interpretations above have not been applied in preparing this preliminary financial information and the Directors do not expect that their adoption in future periods will have a material impact on the preliminary financial information of the Group.

3. Significant accounting policies

Basis of preparation

The preliminary financial information of Abcam plc is prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS and comply with Article 4 of the EU IAS Regulation.

The preliminary financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The Group preliminary financial information is presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The accounting policies adopted in the preparation of the preliminary financial information are consistent with those followed in the preparation of the statements for the year ended 30 June 2014 except where disclosed otherwise in this note.

Going concern

The Group meets its day-to-day working capital requirements from the cash surpluses generated as a result of normal trading. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the limits of its available resources.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing its preliminary financial information.

Basis of consolidation

The consolidated preliminary financial information incorporates the preliminary financial information of the Company and entities controlled by the Company made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Where necessary, adjustments are made to the preliminary financial information of subsidiaries to bring the accounting policies in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value at the date of exchange of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination that meet the recognition criteria under IFRS 3 (2008) are measured at their fair values at the date of acquisition, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments relating to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured as per that Standard.

Investments in subsidiaries are accounted for at cost less impairment. Where applicable, cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is reviewed and tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed in subsequent periods. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

In accordance with IAS 21 goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of that foreign operation and as such are translated at the relevant foreign exchange rate at the balance sheet date.

Revenue and income 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 despatched and title has passed.

Custom service revenue is recognised proportionately when the outcome of each discrete stage of the contract can be estimated reliably and is based on the stage of completion of the contract activity per agreed milestones set out in the contract. Where the outcome cannot be estimated reliably, revenue is recognised to the extent of costs incurred where it is probable these will be recovered. In instances where it is probable that the costs will be in excess of the contract revenue, the expected loss is recognised as an expense immediately.

Licence fee income is recognised on delivery of the licensed technology where the Group's continued performance or future research and development services are not required. Payments received prior to this are recorded as deferred income.

Royalty revenue is recognised based on the contractual terms and the substance of the agreements with the counterparty.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Revenue derived from the Company's conferences is recognised when the conference is held; however, it is not material.

Leasing

Leases are classified as finance 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 as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Foreign currencies

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

In preparing the preliminary 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 that are denominated in foreign currencies 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.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting)

For the purpose of presenting consolidated preliminary financial information, the results of the operations of the Company's overseas subsidiaries are translated at the monthly exchange rates during the period and their balance sheets at the rates prevailing 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.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the nature of the Group's obligations under the schemes is equivalent to those arising in a defined contribution retirement benefit scheme. The Group has no further obligations once the contributions have been paid.

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. Where the current tax deduction in respect of share option exercises exceeds the share option accounting charge for the period, the excess is recorded in the tax reserve rather than the income statement.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the preliminary financial information and the corresponding tax bases used in the computation of 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 liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The Group's liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date that are expected to apply in the period when the liability is settled or the asset is realised. 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

| | |
|---|----------------------|
| Office equipment, fixtures and fittings | Two to five years |
| Laboratory equipment | One to five years |
| Computer equipment | Three years |
| Hybridomas and assays | Three to eight years |
| Motor vehicles | Five years |

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. Residual values of assets and their useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Intangible assets

Payments made to acquire software, distribution rights, capitalised development work and contract-based intangibles from third parties are capitalised at cost and amortised on a straight-line basis over their estimated minimum useful lives. The principal economic lives used for this purpose are as follows:

| | |
|----------------------------------|--------------------|
| Upfront licence fees | Three years |
| Distribution rights | One to ten years |
| Software | One to five years |
| Contract based | Term of contract |
| Customer relationships | Seven to ten years |
| Patents, technology and know-how | Five to 15 years |
| Trade names | Eight years |

Patents, technology and know-how assets are only amortised once the development is complete and meaningful revenue is being derived from identified assets, until this point the asset is deemed to be in-progress.

Expenditure on development activities including internally generated intangible assets is recognised as an asset if and only if it meets the recognition criteria set out in IAS 38 *Intangible Assets*. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and an attributable portion of production overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Available-for-sale financial assets

The Group has an investment in unlisted shares which is not traded in an active market but is classified as an available-for-sale financial asset and stated at cost less any provision for impairment.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently held at amortised cost, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. When a trade receivable is considered uncollectable, 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.

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.

Term deposits

Term deposits represent bank deposits and a charitable bond all with an original maturity of over three months.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

Trade payables are initially recognised at fair value and subsequently held at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

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

Hedge accounting

The Group designates certain derivatives as either hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

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 fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'administration and management expenses' line of the income statement.

Amounts deferred in equity are recycled in the income statement in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item.

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. Any cumulative gain or loss deferred in other comprehensive income at that time remains in other comprehensive income 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 other comprehensive income is recognised immediately in profit or loss.

Share-based payments

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

Incentives in the form of shares are provided to employees under share option, SIP and LTIP schemes. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of 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.

The grant date fair value of options issued under the Group's share option schemes is measured by the use of the Monte Carlo Simulation.

The grant date fair value of the awards under the Group's LTIP is measured by the use of the Monte Carlo Simulation for the TSR portion and the Black Scholes Model for the EPS portion.

The grant date fair value of an equity-settled payment under the SIP is measured as the face value of the award on the date of grant.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Charges made to the income statement in respect of share-based payments are credited to the share-based payments reserve.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The Group operates an employee share benefit trust as part of its incentive plans for UK-based employees. All assets and liabilities of the trust are recorded in the balance sheet as assets and liabilities of the Company until such time as the assets are awarded to the beneficiaries. All income and expenditure of the trust is similarly brought into the results of the Company.

Own shares

Own equity instruments which are acquired are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in reserves.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities as at the date of reporting the preliminary financial information, and the reported amounts of revenues and expenditure during the year. These estimates and judgements are continually evaluated and based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances prevailing at that time. In preparation of the consolidated preliminary 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 initial valuation of intangibles acquired as part of a business combination, the carrying value of goodwill and other intangible assets, and other similar evaluations. Actual amounts may differ from those estimates.

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 uncertainty

The key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation and impairment of intangibles

As part of the business combinations the Group has undertaken in the current and previous years, it has acquired the following types of intangible assets: licence fees, customer relationships, patents, trade names, technology and know-how. The Group obtains a third party valuation for any newly acquired intangible assets to ascertain the initial fair value and identifies a suitable useful life with reference to the third party guidance and the lives attributed to previous similar intangibles. In addition to the acquired intangibles, the Group capitalises IT development costs relating to the rebuilding of the Group's IT core systems, since

these costs meet the recognition criteria of IAS 38. The Group reviews the carrying amount of all intangible assets held at each balance sheet date and considers these in line with the remaining usefulness to the Group. No impairments have been deemed necessary in the current year on any of the asset classifications (2014: £454,000).

Impairment of goodwill and determination of cash generating units

The Group determines whether goodwill is impaired on at least an annual basis or more frequently when there are indications of possible impairment. The impairment review requires a value in use calculation of the cash-generating units to which the goodwill is allocated. It has been determined that the Group has one cash generating unit, there have been no organisational or operational changes in the current year that would indicate additional cash generating units should be recognised. In estimating the value in use, management is required to make an estimate of the expected future cash flows attributable to the cash-generating unit and to choose an appropriate discount rate to calculate the present value of those cash flows. The carrying amount of goodwill at 30 June 2015 was £86,998,000 (2014: £73,549,000). Further details are given in note 12.

Property, plant and equipment and intangible assets carrying value

Property, plant and equipment and intangible assets (excluding goodwill) represent 22.9% (2014: 18.7%) of the Group's total assets; estimates and assumptions made may have a material impact on their carrying value and related depreciation and amortisation charge. See note 13 'Intangible assets' and note 14 'Property, plant and equipment' for further details.

Valuation of own manufactured inventory

The standard costs used for the valuation of own manufactured inventory require a number of assumptions concerning the allocation of overheads. These assumptions are based primarily on management's estimates of time spent in each relevant area of activity and normal levels of activity.

Provision for slow moving or defective inventory

The provision for slow moving inventory is based on management's estimation of the future sales of each of the Group's products over the next five years (or period from the balance sheet date to the expiry date of the product, whichever is the shorter), taking into account actual sales of those products in previous years and applying an assumed growth rate based on historical trends where available.

Should forecast sales (incorporating the projected growth rates) differ from those estimated by management, both the level of provision against existing inventory and the rates of provision applied to inventory in future periods would need to be revised. If the projected unit sales growth on each product category increased by 5% the provision required would reduce by less than 0.2%. If the projected unit sales growth on each product category decreased by 5% the provision required would increase by less than 0.3%. If no growth was factored in across all product categories, the maximum impact that would result would be a £0.2m increase in the provision.

Provisions for income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is employed to determine the income tax provision on a global basis. There are numerous transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from amounts initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Operating segments

Products and services from which reportable segments derive their revenues

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. The information reported to the Group's Chief Executive Officer, who is considered the chief operating decision maker, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8, which is 'sales of antibodies and related products'. The Group's revenue and results and assets for this one reportable segment can be determined by reference to the Group's income statement and balance sheet.

The Group has no individual product or customer which comprises more than 10% of its revenues.

Geographical information

The Group's revenue from external customers and information about its non-current segment assets (excluding deferred tax and derivative financial instruments) by geographical location is detailed below:

| | Revenue | | Non-current assets | |
|---------|------------------------------------|------------------------------------|-------------------------------|-------------------------------|
| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 | As at 30 June 2015 £000 | As at 30 June 2014 £000 |
| US | 62,332 | 55,210 | 123,103 | 92,493 |
| Japan | 11,282 | 11,462 | 55 | 71 |
| Germany | 8,627 | 9,350 | — | — |
| UK | 10,316 | 9,400 | 19,796 | 19,622 |
| China | 13,077 | 7,315 | 1,976 | 1,032 |

| | | | | |
|-----------------|----------------|---------|----------------|---------|
| Other countries | 38,399 | 35,217 | 2 | 9 |
| | 144,033 | 127,954 | 144,932 | 113,227 |

Revenues are attributed to countries on the basis of the customer's location. No country included within 'Other countries' contributes more than 5% of the Group's total revenue.

Revenue by type is shown below:

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|----------------------------------|------------------------------------|------------------------------------|
| Product revenue | 135,382 | 117,990 |
| Non-product revenue ¹ | 8,651 | 9,964 |
| Total reported revenue | 144,033 | 127,954 |

¹ Includes custom services, IVD/IHC, royalties and license income

6. Profit for the year

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

| | Notes | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|--|-------|------------------------------------|------------------------------------|
| Foreign exchange differences arising on financial instruments at fair value through profit or loss | | 325 | (655) |
| Other net foreign exchange differences | | (108) | (1,004) |
| R&D expenditure (including amortisation as detailed below) | | 9,919 | 10,054 |
| Operating lease rentals – land and buildings | 23 | 2,822 | 2,600 |
| Depreciation of property, plant and equipment | 14 | 2,934 | 1,882 |
| Amortisation of intangible assets included within administration and management expenses | 13 | 1,986 | 1,566 |
| Amortisation of acquisition-related intangible assets included within administration and management expenses | 13 | 1,445 | 1,517 |
| Impairment loss on intangible assets | 13 | — | 454 |
| Amortisation of acquisition-related intangible assets included within R&D expenditure | 13 | 1,673 | 1,748 |
| Cost of inventories recognised as an expense | | 35,175 | 35,872 |
| Write down of inventories recognised as an expense | | 1,262 | 1,697 |
| Staff costs | 8 | 33,410 | 26,239 |
| Impairment loss recognised on trade receivables | 18 | 67 | 101 |
| Auditor's remuneration | 7 | 229 | 138 |

7. Auditor remuneration

A detailed analysis of the auditor remuneration on a worldwide basis is provided below:

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|---|------------------------------------|------------------------------------|
| Fees payable to the Company's auditor for the audit of the parent company and the consolidation | 119 | 95 |
| Total audit fees | 119 | 95 |
| – Audit-related assurance services ¹ | 20 | 20 |
| – Audit of the Company's subsidiaries pursuant to legislation | 10 | 10 |
| – Services relating to corporate finance transactions | 80 | — |
| – Other services | — | 13 |
| Total other services fees | 110 | 43 |
| Total auditor remuneration | 229 | 138 |

¹ This relates to the interim review.

Details of the Company's policy on the use of the auditor for non-audit services are set out in the Audit and Risk Committee Report. During the year the auditor was used for due diligence work as this was considered beneficial to the Group due to the auditor's established knowledge and experience of the Group's activities. No services were provided pursuant to contingent fee arrangements.

8. Employees and remuneration

The average monthly number of employees (including Executive Directors) was:

Group

| | Year ended 30 June 2015 Number | Year ended 30 June 2014 Number |
|--|--------------------------------------|--------------------------------------|
| Management, administrative, marketing and distribution | 492 | 437 |
| Laboratory | 290 | 297 |
| | 782 | 734 |

Their aggregate remuneration comprised:

| | Group | |
|---|------------------------------------|------------------------------------|
| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
| Wages and salaries | 27,018 | 21,644 |
| Social security costs | 3,286 | 3,231 |
| Other pension costs | 1,689 | 1,207 |
| Charge in respect of share options and awards granted | 1,891 | 941 |
| Total staff costs | 33,884 | 27,023 |
| Staff costs capitalised ¹ | (474) | (784) |
| Net staff costs | 33,410 | 26,239 |

¹ £474,000 (2014: £784,000) relates to Group staff costs directly attributable to the rebuild of the IT core systems being capitalised as part of an internally generated intangible asset under IAS 38 (see note 13).

9. Finance income

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|------------------------------------|------------------------------------|------------------------------------|
| Interest on cash and term deposits | 372 | 238 |
| Finance income | 372 | 238 |

10. Taxation

| | Note | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|--------------|------|------------------------------------|------------------------------------|
| Current tax | | 10,347 | 9,984 |
| Deferred tax | 16 | (1,632) | (478) |
| | | 8,715 | 9,506 |

UK corporation tax is calculated at 20.75% (2014: 22.5%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The standard rate of UK Corporation Tax reduced from 21% to 20% on 1 April 2015. The Finance Act 2015, which received Royal Assent on 26 March 2015, states that this rate will not change for financial year 2016. Deferred tax has been calculated accordingly in this preliminary financial information.

In the budget of 8 July 2015, the Chancellor of the Exchequer announced tax rate changes, which, if enacted in the proposed manner, will have an effect on the company's future tax position. These additional changes will reduce the standard rate of UK corporation tax from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. These proposed changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in this preliminary financial information. The effect of these announced reductions is not likely to be material.

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the Company.

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

| | Year ended 30 June 2015 £000 | Year ended 30 June 2015 % | Year ended 30 June 2014 £000 | Year ended 30 June 2014 % |
|--|------------------------------------|---------------------------------|------------------------------------|---------------------------------|
| Profit before tax | 46,099 | | 43,551 | |
| Tax at the UK corporation tax rate of 20.75% (2014: 22.5%) | 9,566 | 20.8 | 9,799 | 22.5 |
| Adjusted in respect of foreign tax rates | 891 | 1.9 | 563 | 1.3 |
| Tax effect of expenses that are not deductible in determining taxable profit | 262 | 0.6 | 322 | 0.7 |
| Additional relief in relation to overseas entities | (1,266) | (2.8) | (778) | (1.8) |
| R&D tax credit uplift | (383) | (0.8) | (479) | (1.1) |
| Adjustments in respect of prior year | (324) | (0.7) | 52 | 0.1 |
| Effect of difference between closing deferred tax rate and current tax rate | (31) | (0.1) | 27 | 0.1 |
| Tax expense and effective rate for the year | 8,715 | 18.9 | 9,506 | 21.8 |

11. Earnings per share

The calculation of the basic and diluted EPS is based on the following data:

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|--|------------------------------------|------------------------------------|
| Earnings | | |
| Earnings for the purposes of basic and diluted EPS being net profit attributable to owners of the parent | 37,384 | 34,045 |
| | Number | Number |
| Number of shares | | |
| Weighted average number of ordinary shares for the purposes of basic EPS | 199,978,991 | 198,858,251 |
| Effect of dilutive potential ordinary shares: | | |
| – Share options | 1,298,477 | 1,159,930 |
| Weighted average number of ordinary shares for the purposes of diluted EPS | 201,277,468 | 200,018,181 |

Basic EPS is calculated by dividing the earnings attributable to the owners of the parent by the weighted average number of shares outstanding during the year. Diluted EPS is calculated on the same basis as basic EPS 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-based options and awards granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year and where it is considered performance conditions will be met.

Adjusted earnings per share

The calculation of adjusted EPS excluding acquisition costs, integration costs and amortisation of acquisition-related intangible assets is based on earnings of:

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|--|------------------------------------|------------------------------------|
| Earnings for the purposes of basic and diluted EPS being net profit attributable to the owners of the parent | 37,384 | 34,045 |
| Acquisition costs | 335 | — |
| Integration costs | 24 | — |
| Amortisation of acquisition-related intangible assets | 3,118 | 3,265 |
| Tax effect of adjusting items | (1,084) | (1,191) |
| Profit after tax excluding integration costs and amortisation of acquisition-related intangible assets | 39,777 | 36,119 |

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Adjusted EPS after adding back acquisition costs and amortisation of associated intangible assets:

| | Year ended 30 June 2015 | Year ended 30 June 2014 |
|----------------------|----------------------------|----------------------------|
| Adjusted basic EPS | 19.89p | 18.16p |
| Adjusted diluted EPS | 19.76p | 18.06p |

The adjusted EPS information is provided to allow a clear method for year on year comparison.

12. Goodwill

| | Group £000 | Company £000 |
|---|---------------|-----------------|
| Cost | | |
| At 1 July 2013 | 81,954 | — |
| Exchange differences | (8,405) | — |
| At 1 July 2014 | 73,549 | — |
| Acquired on acquisition of subsidiary (note 29) | 8,013 | — |
| Acquired on transfer of trade from subsidiary (note 30) | — | 7,658 |
| Exchange differences | 5,436 | — |
| At 30 June 2015 | 86,998 | 7,658 |
| Accumulated impairment losses | | |
| At 1 July 2013, 1 July 2014 and 30 June 2015 | — | — |
| Carrying amount | | |
| At 30 June 2013 | 81,954 | — |
| At 30 June 2014 | 73,549 | — |
| At 30 June 2015 | 86,998 | 7,658 |

Group goodwill acquired in the year relates to the acquisition of Firefly BioWorks Inc on 23 January 2015. Note 29 contains further details of the transaction and resulting financial impact on the Group.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The Directors consider there to be one CGU. Acquisitions are immediately integrated into the group's operations and product portfolio, therefore any discrete financial information which is available for an individual entity within the Group does not reflect the true substance of the performance of that entity and the value being added which has meant it is not possible to accurately assess the value in use of acquired entities. There have been no changes to the Group organisation during the interim period which would require a reallocation of the goodwill balance.

The Abcam group CGU is tested for impairment on a Group-wide basis using the future forecast cash flows arising from the Abcam business as a whole.

The Group performs an annual test for goodwill impairment or more frequently if there are any indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculations. The key assumptions considered most sensitive for the value in use calculations are those regarding the discount rates, growth rates and anticipated movements in selling prices and direct costs during the period.

Management has projected cash flows based on financial forecasts over a period of five years. No growth rate has been used in the extrapolation of cash flows beyond the five years. A discount rate of 7.5% has been estimated using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU.

Management has performed sensitivity analysis on the key assumptions mentioned above. Based on the results of this analysis, management is satisfied that the recoverable amount of goodwill exceeds its carrying amount. As such, no impairment of goodwill has been recognised at the balance sheet date.

Due to the headroom which exists between the recoverable amount and the carrying value there is currently no reasonable possible change in any of these key assumptions which would cause the CGU's carrying amount to exceed its recoverable amount.

Company Goodwill

The goodwill acquired in the year on the Company balance sheet has arisen from the transfer of trade and assets from Ascent Scientific Ltd, a subsidiary undertaking. Note 30 contains further details of the transaction.

The Company goodwill is tested for impairment on an annual basis or more frequently if there are any indications that the goodwill might be impaired. The forecast cash flows arising in the Company have been projected using the same key assumptions as used for the Group testing.

Management has performed sensitivity analysis on the key assumptions and based on the results of this analysis, management is satisfied that the recoverable amount of goodwill exceeds its carrying amount. As such, no impairment of goodwill has been recognised at the balance sheet date.

13. Intangible assets

Group

| | Upfront licence fees £000 | Distribution rights £000 | Software £000 | Contract based £000 | Assets under construction £000 | Customer relationships £000 | Patents, technology and know-how £000 | Trade names £000 | Total £000 |
|-------------------------------------|------------------------------------|--------------------------------|------------------|---------------------------|---|-----------------------------------|---|------------------------|---------------|
| Cost | | | | | | | | | |
| At 1 July 2013 | 497 | 1,732 | 4,244 | 3,452 | 218 | 4,790 | 22,820 | 2,022 | 39,775 |
| Additions | 47 | 229 | 175 | — | 3,306 | 106 | — | — | 3,863 |
| Transfer to asset in use | — | — | 3,324 | — | (3,324) | — | — | — | — |
| Disposals | (19) | (868) | (543) | — | — | — | — | — | (1,430) |
| Exchange differences | — | — | (8) | (200) | — | (262) | (1,261) | (121) | (1,852) |
| At 1 July 2014 | 525 | 1,093 | 7,192 | 3,252 | 200 | 4,634 | 21,559 | 1,901 | 40,356 |
| Additions | 2 | 4 | 85 | — | 890 | — | — | — | 981 |
| Transfer to asset in use | — | — | 887 | — | (887) | — | — | — | — |
| Acquisition of subsidiary (note 29) | — | — | 615 | — | — | — | 17,089 | — | 17,704 |
| Exchange differences | — | — | (20) | 280 | — | 371 | 977 | 167 | 1,775 |
| At 30 June 2015 | 527 | 1,097 | 8,759 | 3,532 | 203 | 5,005 | 39,625 | 2,068 | 60,816 |
| Accumulated amortisation | | | | | | | | | |
| At 1 July 2013 | 420 | 1,340 | 651 | 1,041 | — | 631 | 2,285 | 300 | 6,668 |
| Charge for the year | 56 | 152 | 1,353 | 771 | — | 500 | 1,748 | 251 | 4,831 |
| Impairment | — | — | 454 | — | — | — | — | — | 454 |
| Disposals | (2) | (867) | (543) | — | — | — | — | — | (1,412) |
| Exchange differences | — | — | (2) | (100) | — | (55) | (173) | (31) | (361) |
| At 1 July 2014 | 474 | 625 | 1,913 | 1,712 | — | 1,076 | 3,860 | 520 | 10,180 |
| Charge for the year | 40 | 384 | 1,806 | 462 | — | 482 | 1,673 | 257 | 5,104 |
| Exchange differences | — | — | — | 187 | — | 116 | 367 | 47 | 717 |
| At 30 June 2015 | 514 | 1,009 | 3,719 | 2,361 | — | 1,674 | 5,900 | 824 | 16,001 |
| Carrying amount | | | | | | | | | |
| At 30 June 2014 | 51 | 468 | 5,279 | 1,540 | 200 | 3,558 | 17,699 | 1,381 | 30,176 |
| At 30 June 2015 | 13 | 88 | 5,040 | 1,171 | 203 | 3,331 | 33,725 | 1,244 | 44,815 |

Company

| | Upfront licence fees £000 | Distribution rights £000 | Software £000 | Assets under Construction £000 | Customer relationships £000 | Patents, technology and know-how £000 | Total £000 |
|--|---------------------------------|--------------------------------|------------------|--------------------------------------|-----------------------------------|---|---------------|
| Cost | | | | | | | |
| At 1 July 2013 | 493 | 2,127 | 4,195 | 218 | — | — | 7,033 |
| Additions | 47 | 229 | 127 | 3,306 | — | — | 3,709 |
| Transfer to asset in use | — | — | 3,324 | (3,324) | — | — | — |
| Disposals | (15) | (868) | (543) | — | — | — | (1,426) |
| At 1 July 2014 | 525 | 1,488 | 7,103 | 200 | — | — | 9,316 |
| Additions | 1 | 1 | 55 | 890 | — | — | 947 |
| Acquired on trade transfer from subsidiary (note 30) | — | — | — | — | 190 | 412 | 602 |
| Transfer to asset in use | — | — | 887 | (887) | — | — | — |
| At 30 June 2015 | 526 | 1,489 | 8,045 | 203 | 190 | 412 | 10,865 |
| Accumulated amortisation and impairment | | | | | | | |
| At 1 July 2013 | 419 | 1,617 | 636 | — | — | — | 2,672 |
| Charge for the year | 55 | 381 | 1,331 | — | — | — | 1,767 |
| Impairment | — | — | 454 | — | — | — | 454 |
| Disposals | (2) | (868) | (543) | — | — | — | (1,413) |
| At 1 July 2014 | 472 | 1,130 | 1,878 | — | — | — | 3,480 |
| Charge for the year | 40 | 270 | 1,694 | — | — | — | 2,004 |
| At 30 June 2015 | 512 | 1,400 | 3,572 | — | — | — | 5,484 |
| Carrying amount | | | | | | | |
| At 30 June 2014 | 53 | 358 | 5,225 | 200 | — | — | 5,836 |
| At 30 June 2015 | 14 | 89 | 4,473 | 203 | 190 | 412 | 5,381 |

The amortisation period for the upfront licence fees is three years and software is between one and five years. The amortisation period for the distribution rights is the term of the agreement.

Contract-based intangibles predominately relates to two agreements: an agreement with the University of Oregon, under which the university supplies monoclonal antibodies to MitoSciences Inc, which has full rights and entitlement to commercially exploit these materials in exchange for an ongoing fee. The remaining amortisation period is nine years, being the remaining term of the agreement; and an agreement between Epitomics and Loyola University Chicago for access to a patent, this was fully amortised in the current year in February 2015, the expiry date of the agreement.

Assets under construction relate to the development of the core IT systems architecture. These are not amortised until being available for use in the business.

Customer relationships mainly relates to access to new customers as part of the Epitomics acquisition, namely in the reagents and services business. The remaining amortisation period is seven years in line with the history of the business. Customer relationships in the Company balance sheet have been acquired as part of the trade transfer of Ascent Bioscience and represent access to new customers in the biochemical industry. The remaining amortisation period is two years.

Patents, technology and know-how relates to acquired technology as part of the Group's acquisitions: RabMAb® technology as part of the Epitomics business with a remaining amortisation period of 12 years, being the remaining term of the primary patent, and multiplex and complex assay technology as part of the newly acquired Firefly Bioworks business. This is currently held as in-progress research and development and consequently amortisation will not begin until a fully marketable product utilising the technology is established. The amortisation period will then be the remaining term on the primary patent, which is currently 15 years.

Trade names relate to RabMAb® and Epitomics. The remaining amortisation period is five years.

14. Property, plant and equipment

Group

| | Computer equipment £000 | Laboratory equipment £000 | Office equipment, fixtures and fittings £000 | Hybridomas and assays £000 | Hybridomas under construction £000 | Motor vehicles £000 | Total £000 |
|---------------------------------|-------------------------------|---------------------------------|--|----------------------------------|---|---------------------------|---------------|
| Cost | | | | | | | |
| At 1 July 2013 | 1,766 | 9,265 | 2,496 | 2,787 | 1,162 | 156 | 17,632 |
| Additions | 332 | 710 | 768 | 1,468 | 257 | 6 | 3,541 |
| Transfer to asset in use | — | — | — | 342 | (342) | — | — |
| Disposals | (176) | (301) | (63) | — | — | (5) | (545) |
| Exchange differences | (57) | (307) | (197) | (284) | (133) | (19) | (997) |
| At 1 July 2014 | 1,865 | 9,367 | 3,004 | 4,313 | 944 | 138 | 19,631 |
| Additions | 643 | 2,049 | 1,077 | 2,148 | 759 | — | 6,676 |
| Transfer to asset in use | — | — | — | 325 | (325) | — | — |
| Disposals | (109) | (65) | (6) | — | — | — | (180) |
| Exchange differences | 30 | 210 | 102 | 99 | — | 12 | 453 |
| At 30 June 2015 | 2,429 | 11,561 | 4,177 | 6,885 | 1,378 | 150 | 26,580 |
| Accumulated depreciation | | | | | | | |
| At 1 July 2013 | 1,284 | 6,587 | 1,753 | 483 | — | 24 | 10,131 |
| Charge for the year | 312 | 762 | 476 | 312 | — | 20 | 1,882 |
| Disposals | (175) | (284) | (60) | — | — | (5) | (524) |
| Exchange differences | (40) | (143) | (120) | (52) | — | (5) | (360) |
| At 1 July 2014 | 1,381 | 6,922 | 2,049 | 743 | — | 34 | 11,129 |
| Charge for the year | 385 | 1,192 | 481 | 860 | — | 16 | 2,934 |
| Disposals | (109) | (63) | (6) | — | — | — | (178) |
| Exchange differences | 15 | 98 | 73 | 54 | — | 4 | 244 |
| At 30 June 2015 | 1,672 | 8,149 | 2,597 | 1,657 | — | 54 | 14,129 |
| Carrying amount | | | | | | | |
| At 30 June 2014 | 484 | 2,445 | 955 | 3,570 | 944 | 104 | 8,502 |
| At 30 June 2015 | 757 | 3,412 | 1,580 | 5,228 | 1,378 | 96 | 12,451 |

Company

| | Computer equipment £000 | Laboratory Equipment £000 | Office equipment, fixtures and fittings £000 | Hybridomas and assays £000 | Hybridomas under construction £000 | Motor vehicles £000 | Total £000 |
|--|----------------------------|------------------------------|---|-------------------------------|---------------------------------------|------------------------|---------------|
| Cost | | | | | | | |
| At 1 July 2013 | 1,291 | 6,480 | 1,074 | 284 | — | — | 9,129 |
| Additions | 198 | 456 | 289 | 1,242 | 945 | 6 | 3,136 |
| Disposals | (161) | (250) | (25) | — | — | — | (436) |
| At 1 July 2014 | 1,328 | 6,686 | 1,338 | 1,526 | 945 | 6 | 11,829 |
| Additions | 394 | 1,090 | 90 | 1,905 | 592 | — | 4,071 |
| Transfer to asset in use | — | — | — | 291 | (291) | — | — |
| Acquired on trade transfer from subsidiary (note 30) | 8 | 111 | 15 | — | — | — | 134 |
| Disposals | (71) | (1) | — | — | — | — | (72) |
| At 30 June 2015 | 1,659 | 7,886 | 1,443 | 3,722 | 1,246 | 6 | 15,962 |
| Accumulated depreciation | | | | | | | |
| At 1 July 2013 | 968 | 5,501 | 890 | 205 | — | — | 7,564 |
| Charge for the year | 210 | 379 | 149 | 113 | — | 1 | 852 |
| Disposals | (161) | (236) | (25) | — | — | — | (422) |
| At 1 July 2014 | 1,017 | 5,644 | 1,014 | 318 | — | 1 | 7,994 |
| Charge for the year | 250 | 561 | 141 | 358 | — | 2 | 1,312 |
| Disposals | (71) | (1) | — | — | — | — | (72) |
| At 30 June 2015 | 1,196 | 6,204 | 1,155 | 676 | — | 3 | 9,234 |
| Carrying amount | | | | | | | |
| At 30 June 2014 | 311 | 1,042 | 324 | 1,208 | 945 | 5 | 3,835 |
| At 30 June 2015 | 463 | 1,682 | 288 | 3,046 | 1,246 | 3 | 6,728 |

15. Investments

The Company's direct and indirect subsidiaries at 30 June 2015 were:

| | Country of incorporation | Proportion of shares held | Proportion of voting power held |
|---|--------------------------|---------------------------|---------------------------------|
| Abcam Australia Pty Limited | Australia | 100% | 100% |
| Abcam Inc | US | 100% | 100% |
| Abcam KK | Japan | 100% | 100% |
| Abcam (Hong Kong) Limited | Hong Kong | 100% | 100% |
| Abcam Epitomics Holdings, Inc | US | 100% | 100% |
| Abcam LLC | US | 100% | 100% |
| Abcam Trading (Shanghai) Co., Limited | China | 100% | 100% |
| Abcam (US) Limited | UK | 100% | 100% |
| Abcam US Group Holdings Inc | US | 100% | 100% |
| Ascent Scientific Limited | UK | 100% | 100% |
| Camgene Limited (dormant) | UK | 100% | 100% |
| Epitomics Inc | US | 100% | 100% |
| Epitomics (Hangzhou) Biotechnology Co., Limited | China | 100% | 100% |
| Epitomics (Hong Kong) Limited (dormant) | Hong Kong | 100% | 100% |
| Firefly BioWorks Inc | US | 100% | 100% |
| MitoSciences Inc | US | 100% | 100% |
| The Abcam Employee Share Benefit Trust Limited | UK | 100% | 100% |

Analysis of changes in investments

| | £000 |
|--|---------------|
| At 1 July 2013 | 95,840 |
| Capital contribution ¹ | 307 |
| At 30 June 2014 | 96,147 |
| Capital contribution ¹ | 529 |
| Reduction of investment value on transfer of trade to parent (note 30) | (8,370) |
| At 30 June 2015 | 88,306 |

¹ The capital contribution represents share-based payment charges for share options issued by the Company to employees of its subsidiaries.

On 30 June 2015 the Company acquired the trade and assets of Ascent Scientific Ltd (Ascent), a subsidiary undertaking. The

investment held on the Company balance sheet at the date of transfer was £10,127,000, representing the assessed fair value of the net assets at the date of acquisition to the Abcam Group. As a result of the transfer the holding value of the investment is not deemed by the Directors to be representative of the remaining value left in the entity post-transfer due to any economic benefits being transferred into the Company. Consequently the investment value has been reduced down to £1,757,000, the remaining book value of assets and liabilities in Ascent, to more accurately reflect the subsidiary's value. The transferred economic benefit is represented by the new Company goodwill (see note 12). There is no overall economic loss to the Group.

16. Deferred tax assets and liabilities

The following are the deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the current and prior reporting years.

Group

| | Accelerated tax depreciation £000 | Cash flow hedges £000 | Share-based payment £000 | Acquired intangible assets £000 | Other temporary differences £000 | Total £000 |
|---------------------------|--------------------------------------|--------------------------|-----------------------------|------------------------------------|-------------------------------------|-----------------|
| At 30 June 2013 | (1,396) | 312 | 2,162 | (11,284) | 3,933 | (6,273) |
| Credit/(charge) to income | 658 | — | 85 | 1,191 | (1,456) | 478 |
| Charge to equity | — | (550) | (1,350) | — | — | (1,900) |
| Exchange differences | 125 | — | — | 1,252 | (265) | 1,112 |
| At 30 June 2014 | (613) | (238) | 897 | (8,841) | 2,212 | (6,583) |
| (Charge)/credit to income | (608) | — | 62 | 1,079 | 1,099 | 1,632 |
| Acquisition of subsidiary | — | — | — | (6,607) | — | (6,607) |
| (Charge)/credit to equity | — | (203) | 623 | — | — | 420 |
| Exchange differences | (56) | — | — | (410) | 125 | (341) |
| At 30 June 2015 | (1,277) | (441) | 1,582 | (14,779) | 3,436 | (11,479) |

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | 30 June 2015 £000 | 30 June 2014 £000 |
|--------------------------|----------------------|----------------------|
| Deferred tax assets | 3,300 | 2,258 |
| Deferred tax liabilities | (14,779) | (8,841) |
| | (11,479) | (6,583) |

The deferred tax liability of £14,779,000 (2014: £8,841,000) has been recognised in relation to the acquired intangible assets as a result of the acquisitions. Amounts released from this liability during the year were £1,079,000 (2014: £1,191,000), representing the decrease of the deferred tax liability in line with amortisation charged against the carrying value of the associated intangible assets.

Company

| | Accelerated tax depreciation £000 | Cash flow hedges £000 | Share-based payment £000 | Acquired intangible assets £000 | Other temporary differences £000 | Total £000 |
|---------------------------|--------------------------------------|--------------------------|-----------------------------|------------------------------------|-------------------------------------|---------------|
| At 30 June 2013 | 42 | 312 | 2,006 | — | 35 | 2,395 |
| Charge to income | (70) | — | — | — | (147) | (217) |
| Charge to equity | — | (550) | (1,143) | — | — | (1,693) |
| At 30 June 2014 | (28) | (238) | 863 | — | (112) | 485 |
| (Charge)/credit to income | (259) | — | 95 | — | 157 | (7) |
| Acquisition (note 30) | — | — | — | (119) | — | (119) |
| (Charge)/credit to equity | — | (203) | 623 | — | — | 420 |
| At 30 June 2015 | (287) | (441) | 1,581 | (119) | 45 | 779 |

At the balance sheet date, there are no aggregate temporary differences associated with undistributed earnings of subsidiaries for which a deferred tax liability has not been recognised (2014: £nil). No temporary differences exist in the current year as a result of a change to the UK tax legislation which largely exempts dividends from UK tax if received on or after 1 July 2009. The Directors believe that all dividends to be paid by the Company's subsidiaries will meet the criteria for exemption from UK tax.

17. Inventories

| | Group | | Company | |
|------------------|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Raw materials | 1,487 | 834 | — | — |
| Work in progress | 1,845 | 1,079 | — | — |
| Finished goods | 16,471 | 12,840 | 17,090 | 13,321 |

19,803 14,753 **17,090** 13,321

On 30 June 2015, the Company acquired finished goods with a book value of £1,596,000 from Ascent Scientific Ltd, one of its subsidiaries, as part of a transfer of trade and assets, this is included within the closing Company balance. The transaction is detailed in note 30.

18. Financial assets

Trade and other receivables

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Amounts receivable for the sale of goods | 13,791 | 12,620 | 3,964 | 4,124 |
| Allowance for doubtful debts | (565) | (479) | (137) | (196) |
| | 13,226 | 12,141 | 3,827 | 3,928 |
| Amounts owed by subsidiary undertakings | — | — | 14,467 | 7,689 |
| Other debtors | 4,119 | 2,386 | 2,399 | 754 |
| Prepayments | 2,382 | 3,316 | 1,213 | 877 |
| | 19,727 | 17,843 | 21,906 | 13,248 |

Trade receivables

The average credit period taken for sales is 32.5 days (2014: 35.3 days). No interest has been 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 receivables over 90 days past due because historical experience is such that receivables that are past due beyond 90 days are generally not recoverable. Trade receivables between 30 days and 90 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. No customer represents more than 5% of the total balance of trade receivables.

The analysis below shows 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. Neither the Group nor Company holds any collateral or other credit enhancements over these balances, nor do they have a legal right to offset against any amounts owed to the counterparty.

Ageing of past due but not impaired receivables

| | Group | | Company | |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| 0 to 30 days overdue | 2,689 | 2,281 | 599 | 632 |
| 30 to 60 days overdue | 524 | 332 | 52 | 12 |
| | 3,213 | 2,613 | 651 | 644 |

Movement in the allowance for doubtful debts

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Balance at the beginning of the year | (479) | (411) | (196) | (140) |
| Impairment losses (recognised)/released through the income statement | (67) | (101) | 59 | (56) |
| Exchange differences on translation of foreign operations | (19) | 33 | — | — |
| Balance at the end of the year | (565) | (479) | (137) | (196) |

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.

Ageing of impaired receivables

| | Group | | Company | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| 0 to 30 days overdue | 265 | 163 | 79 | 66 |
| 30 to 60 days overdue | 16 | 164 | 1 | 75 |
| 60 to 90 days overdue | 186 | 116 | 14 | 32 |
| More than 90 days overdue | 98 | 36 | 43 | 23 |
| | 565 | 479 | 137 | 196 |

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

19. Loan receivable

| | Group | | Company | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Amount owed by subsidiary undertaking | — | — | 60,503 | 39,133 |

The amount owed to the Company represents three interest-bearing loans due from Abcam US Group Holdings Inc, a subsidiary undertaking.

| | Principal USD'000 | Repayment Date | Interest Rate | Book Value | |
|---------------|----------------------|------------------|------------------|----------------------|----------------------|
| | | | | 30 June 2015 £000 | 30 June 2014 £000 |
| Term Loan 1 | 33,000 | 20 December 2017 | 7.34% | 20,983 | 19,274 |
| Term Loan 2 | 34,000 | 20 December 2019 | 8.69% | 21,619 | 19,859 |
| Bridging Loan | 28,153 | Not applicable | 7.30% | 17,901 | — |
| | | | | 60,503 | 39,133 |

All of the loans are unsecured. The bridging loan was issued on 22 January 2015 and has no fixed repayment date. It is expected that this loan will be replaced with a formal term loan. Any other changes in the book values of each loan are due to foreign exchange movements.

20. Available-for-sale financial asset

| | 30 June 2015 £000 | 30 June 2014 £000 |
|--------|----------------------|----------------------|
| Shares | 678 | 623 |

As part of the Epitomics acquisition the Group acquired a 13% interest in Plexbio Co. Limited (Plexbio), a privately owned biotechnology company headquartered in Taiwan. Plexbio was established to research, develop and manufacture in-vitro diagnostic (IVD) kits. The movement in the year is due to foreign exchange. See note 26 for further details.

21. Derivative financial instruments

Group and Company: 30 June 2015

| | Current | | Non-current | | Total £000 |
|---|---------------|-------------------|---------------|-------------------|---------------|
| | Asset £000 | Liability £000 | Asset £000 | Liability £000 | |
| Derivatives carried at fair value through profit and loss (FVTPL) | | | | | |
| Forward exchange contracts that are not designated in hedge accounting relationships | 784 | (247) | — | — | 537 |
| Derivatives that are designated and effective as hedging instruments carried at fair value | | | | | |
| Forward exchange contracts | 2,471 | (490) | 224 | (5) | 2,200 |
| | 3,255 | (737) | 224 | (5) | 2,737 |

Group and Company: 30 June 2014

| | Current | | Non-current | | Total £000 |
|---|---------------|-------------------|---------------|-------------------|---------------|
| | Asset £000 | Liability £000 | Asset £000 | Liability £000 | |
| Derivatives carried at fair value through profit and loss (FVTPL) | | | | | |
| Forward exchange contracts that are not designated in hedge accounting relationships | 862 | — | — | — | 862 |
| Derivatives that are designated and effective as hedging instruments carried at fair value | | | | | |
| Forward exchange contracts | 986 | (14) | 180 | (21) | 1,131 |
| | 1,848 | (14) | 180 | (21) | 1,993 |

Further details of derivative financial instruments are provided in note 26.

22. Trade and other payables

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |

| Amounts falling due within one year | | | | |
|--|---------------|--------|---------------|--------|
| Trade payables | 4,669 | 3,737 | 3,638 | 3,107 |
| Amounts owed to subsidiary undertakings | — | — | 12,327 | 7,663 |
| Accruals and deferred income | 8,699 | 7,986 | 6,655 | 5,317 |
| Other taxes and social security | 615 | 1,534 | 549 | 431 |
| Other payables | 1,525 | 779 | 1,143 | 8 |
| | 15,508 | 14,036 | 24,312 | 16,526 |

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. At 30 June 2015, the Group had an average of 39.3 days of purchases (2014: 32.8 days) outstanding in trade payables (excluding accruals and deferred income). 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 timetable. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

23. Commitments

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|---|------------------------------------|------------------------------------|
| Minimum lease payments under operating leases recognised as an expense in the year: | | |
| – Land and buildings | 2,822 | 2,600 |

At the balance sheet date, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, all of which relate to land and buildings, which fall due as follows:

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Within one year | 2,853 | 2,458 | 959 | 1,032 |
| In the second to fifth years inclusive | 4,052 | 5,544 | 1,855 | 2,802 |
| After five years | 528 | — | — | — |
| | 7,433 | 8,002 | 2,814 | 3,834 |

The above table reflects the committed cash payments under operating leases, rather than the expected charge to the income statement in the relevant periods. The charge in 2015/16 on these operating leases is expected to be £2.8m for the Group and £0.9m for the Company. At the year end the Group had additional commitments of £1.0m relating to the acquisition of property, plant and equipment and intangible assets (2014: £nil).

24. Capital and reserves

Share capital

Group and Company

| | 30 June 2015 £000 | 30 June 2014 £000 |
|---|-------------------------|-------------------------|
| Issued and fully paid: | | |
| 201,052,039 (2014: 200,446,300) ordinary shares of 0.2 pence each | 402 | 401 |

The movement during the year on the Company's issued and fully paid shares was as follows:

| | 2015 Number | 2015 £000 | 2014 £000 |
|------------------------------|--------------------|--------------|--------------|
| Balance at beginning of year | 200,446,300 | 401 | 399 |
| Issue of share capital | 605,739 | 1 | 2 |
| Balance at end of year | 201,052,039 | 402 | 401 |

The Company has one class of ordinary shares which carry no right to fixed income. The share capital issued during the year arose from the exercise of share options.

Share premium

Group and Company

| | £000 |
|---|---------------|
| Balance at 1 July 2013 | 16,395 |
| Premium arising on issue of equity shares | 1,297 |
| Balance at 1 July 2014 | 17,692 |
| Premium arising on issue of equity shares | 1,830 |
| Balance at 30 June 2015 | 19,522 |

There were no costs of issue incurred during the year or the previous year.

Own shares

Group and Company

| | £000 |
|------------------------------------|----------------|
| Balance at 1 July 2014 | (2,143) |
| Acquired in the year | (1,001) |
| Disposed of on exercise of options | 332 |
| Balance at 30 June 2015 | (2,812) |

This balance represents the cost of 794,549 shares with a nominal value of £1,589 in Abcam plc (2014: 981,901 with a nominal value of £1,964) which were issued by the Company at market value and held by the Abcam Employee Share Benefit Trust. These shares are held in order to satisfy the Free Shares and Matching Shares elements of the SIP. See note 27 for further details of this scheme.

Reserves

Translation reserve

The translation reserve comprises foreign currency differences from the translation of the preliminary financial information of foreign operations.

Share-based payment reserve

The share-based payment reserve comprises the IFRS 2 charge for the fair value of share-based options and awards.

Hedging reserve

The hedging reserve comprises gains and losses recognised on cash flow hedges and the associated deferred tax assets and liabilities created.

Tax reserve

In accordance with IAS 12 the tax reserve comprises the portion of the deferred tax arising on outstanding share options not taken to the income statement and the portion of current tax on exercised share options not taken to the income statement.

Merger reserve

The merger reserve comprises the premium issued on shares allotted as consideration for acquisitions where conditions for merger relief are satisfied.

25. Dividends

| | Year ended 30 June 2015 £000 | Year ended 30 June 2014 £000 |
|--|------------------------------------|------------------------------------|
| Amounts recognised as distributions to the owners of the parent in the year: | | |
| Final dividend for the year ended 30 June 2014 of 5.62 pence (2013: 5.10 pence) per share | 11,287 | 10,187 |
| Interim dividend for the year ended 30 June 2015 of 2.29 pence (2014: 2.13 pence) per share | 4,601 | 4,268 |
| Total distributions to owners of the parent in the period | 15,888 | 14,455 |
| Proposed final dividend for the year ended 30 June 2015 of 5.92 pence (2014: 5.62 pence) per share | 11,902 | 11,265 |

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

26. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the owners of the parent, comprising issued capital, reserves and retained earnings.

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 note 3. Foreign exchange contracts are measured using quoted forward exchange rates and the yield curves derived from quoted interest rates matching maturities of these contracts.

Categories of financial instruments

| | Group carrying value | | Company carrying value | |
|--|----------------------|----------------------|------------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Financial assets | | | | |
| Loans and receivables | | | | |
| Amounts owed by subsidiary undertakings | — | — | 74,970 | 46,822 |
| Trade receivables | 13,226 | 12,141 | 3,827 | 3,928 |
| Other receivables | 1,126 | 1,194 | — | — |
| Cash and cash equivalents and term deposits | 58,695 | 56,862 | 50,931 | 50,013 |
| Total financial assets | 73,047 | 70,197 | 129,728 | 100,763 |
| Financial liabilities | | | | |
| Other financial liabilities at amortised cost | | | | |
| Trade and other payables ¹ | (14,893) | (12,502) | (23,763) | (16,095) |
| Total financial liabilities | (14,893) | (12,502) | (23,763) | (16,095) |

¹ Financial liabilities at amortised cost within trade and other payables consist of trade payables, accruals, intercompany payables and other payables.

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.

Fair value measurements recognised in the balance sheet

Financial instruments that are measured subsequent to initial recognition at fair value have been classified using a fair value hierarchy that reflects the significance of the inputs used in measuring the fair value of those instruments. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable market inputs).

The following table presents the Group's assets and liabilities carried at fair value by valuation method.

| 30 June 2015 | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
|----------------------------------|-----------------|-----------------|-----------------|---------------|
| Assets | | | | |
| Derivative financial instruments | — | 3,479 | — | 3,479 |
| Available-for-sale asset | — | — | 678 | 678 |
| Total assets | — | 3,479 | 678 | 4,157 |
| Liabilities | | | | |
| Derivative financial instruments | — | (742) | — | (742) |
| Total liabilities | — | (742) | — | (742) |
| | | | | |
| 30 June 2014 | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
| Assets | | | | |
| Derivative financial instruments | — | 2,028 | — | 2,028 |
| Available-for-sale asset | — | — | 623 | 623 |
| Total assets | — | 2,028 | 623 | 2,651 |
| Liabilities | | | | |
| Derivative financial instruments | — | (35) | — | (35) |
| Total liabilities | — | (35) | — | (35) |

There were no transfers between levels during the year.

Level 2 derivative financial instruments comprise forward foreign exchange contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market.

The Level 3 available-for-sale asset is an unlisted equity instrument stated at fair value, using the price of the last investment in the entity by a third party, less a discount for illiquidity. The Directors believe that no reasonably foreseeable changes to key assumptions would result in a significant change in fair value.

The Group's finance department performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. It reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every six months, in line with the Group's reporting dates.

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 a significant credit risk exposure to any single counterparty. Ongoing credit evaluation is performed on the financial condition of trade receivables 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 32.5 days (2014: 35.3 days). 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 32.5 days, as well as observable changes in international or local economic conditions.

The standard payment term for intra-group 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 major financial institutions. Funds are split between at least two institutions. The carrying amount best represents the maximum exposure to credit risk.

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 US Dollars, Euros and Japanese Yen.

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, not denominated in the local functional currency, are as follows:

| | Liabilities | | Assets | |
|--------------------|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2015 £000 | 30 June 2014 £000 | 30 June 2015 £000 | 30 June 2014 £000 |
| Euros | (241) | (96) | 7,172 | 4,893 |
| US Dollars | (12,969) | (8,824) | 10,954 | 10,942 |
| Japanese Yen | (21) | (10) | 3,724 | 2,924 |
| Chinese Renminbi | — | — | 4,347 | — |
| Australian Dollars | — | — | 816 | — |
| Hong Kong Dollars | — | — | 139 | 82 |
| | (13,231) | (8,930) | 27,152 | 18,841 |

Foreign currency sensitivity analysis

The Group's principal functional currency is Sterling. The Group is mainly exposed to fluctuations in US Dollars, Euros, Japanese Yen and Chinese Renminbi (RMB) exchange rates.

The following table details the Group's sensitivity to an 8% increase and decrease in the Sterling exchange rate against the relevant foreign currencies on the Group's profit before tax and equity. 8% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and forward exchange contracts in the balance sheet at the end of the relevant accounting period and adjusts their translation at the period end for an 8% change in foreign currency rates. It does not represent the overall impact on Group profitability if the exchange rate sensitivity had been applied through the reporting period. A positive number indicates an increase in profit or other comprehensive income.

| | US Dollar currency impact | | Euro currency impact | | Yen currency impact | | RMB currency impact | |
|--|---------------------------|--------------|----------------------|--------------|---------------------|--------------|---------------------|--------------|
| | 2015 £000 | 2014 £000 | 2015 £000 | 2014 £000 | 2015 £000 | 2014 £000 | 2015 £000 | 2014 £000 |
| Effect of an 8% strengthening of GBP against the relevant currency: | | | | | | | | |
| Income statement | 436 | 311 | 516 | 356 | 277 | 216 | 332 | — |
| Other comprehensive income | 1,973 | 1,996 | 1,875 | 2,211 | 520 | 618 | — | — |
| Effect of an 8% weakening of GBP against the relevant currency: | | | | | | | | |
| Income statement | (512) | (366) | (606) | (417) | (325) | (254) | (390) | — |
| Other comprehensive income | (2,315) | (2,343) | (2,202) | (2,593) | (611) | (726) | — | — |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk since it is limited to the year end exposure and does not reflect the exposure during the year.

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 out to 18 months within 30% to 95% of the exposure generated. Upon maturity of a forward exchange contract, the Group may enter into a new contract designated as a separate hedging relationship.

Foreign currency forward contracts are valued using quoted forward exchange rates and the yield curves derived from quoted interest rates matching maturities of the contracts.

The following table details the forward exchange contracts outstanding as at the year end:

| Outstanding contracts | Average rate 30 June 2015 | Foreign currency 30 June 2015 000 | Contract value 30 June 2015 £000 | Fair value 30 June 2015 £000 |
|---|---------------------------------|--|---|---------------------------------------|
| Sell US Dollars | | | | |
| Less than 3 months | 1.63 | \$12,600 | 7,707 | (307) |
| 3 to 6 months | 1.63 | \$11,037 | 6,762 | (260) |
| 7 to 12 months | 1.56 | \$18,289 | 11,738 | 95 |
| 13 to 18 months | 1.54 | \$9,181 | 5,976 | 131 |
| | 1.59 | \$51,107 | 32,183 | (341) |
| Sell Euros | | | | |
| Less than 3 months | 1.23 | €7,502 | 6,100 | 773 |
| 3 to 6 months | 1.25 | €9,646 | 7,721 | 857 |
| 7 to 12 months | 1.31 | €16,197 | 12,399 | 761 |
| 13 to 18 months | 1.36 | €6,908 | 5,094 | 62 |
| | 1.29 | €40,253 | 31,314 | 2,453 |
| Sell Yen | | | | |
| Less than 3 months | 171.36 | ¥344,314 | 2,009 | 217 |
| 3 to 6 months | 174.53 | ¥339,272 | 1,944 | 174 |
| 7 to 12 months | 181.24 | ¥750,555 | 4,141 | 208 |
| 13 to 18 months | 185.98 | ¥250,274 | 1,346 | 26 |
| | 178.43 | ¥1,684,415 | 9,440 | 625 |
| Total of outstanding forward contracts | | | 72,937 | 2,737 |

| | Average rate 30 June 2014 | Foreign currency 30 June 2014 000 | Contract value 30 June 2014 £000 | Fair value 30 June 2014 £000 |
|---|---------------------------------|---|--|---------------------------------------|
| Outstanding contracts | | | | |
| Sell US Dollars | | | | |
| Less than 3 months | 1.55 | \$10,800 | 6,951 | 627 |
| 3 to 6 months | 1.67 | \$9,571 | 5,715 | 111 |
| 7 to 12 months | 1.67 | \$20,556 | 12,279 | 214 |
| 13 to 18 months | 1.68 | \$12,142 | 7,240 | 86 |
| | 1.65 | \$53,069 | 32,185 | 1,038 |
| Sell Euros | | | | |
| Less than 3 months | 1.19 | €6,750 | 5,653 | 246 |
| 3 to 6 months | 1.22 | €8,369 | 6,851 | 128 |
| 7 to 12 months | 1.22 | €15,704 | 12,842 | 201 |
| 13 to 18 months | 1.23 | €11,075 | 9,015 | 69 |
| | 1.22 | €41,898 | 34,361 | 644 |
| Sell Yen | | | | |
| Less than 3 months | 150.92 | ¥333,000 | 2,207 | 281 |
| 3 to 6 months | 172.13 | ¥350,381 | 2,036 | 8 |
| 7 to 12 months | 171.43 | ¥693,680 | 4,046 | 18 |
| 13 to 18 months | 170.76 | ¥391,512 | 2,293 | 4 |
| | 167.14 | ¥1,768,573 | 10,582 | 311 |
| Total of outstanding forward contracts | | | 77,128 | 1,993 |

At 30 June 2015, the fair value of contracts held as cash flow hedges is an asset of £2,200,000 (2014: asset of £1,131,000). The remaining contracts are not held as cash flow hedges. The loss on the financial assets at fair value through the profit and loss account was £325,000 (2014: gain of £655,000). The gain of £1,068,000 (2014: £2,491,000) recognised through other comprehensive income is the net of fair value gains in the year of £2,125,000 (2014: £1,240,000) and transfers to the income statement of £1,057,000 (2014: £1,251,000 loss).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests 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, continually 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 five years. At 30 June 2015, the average maturity of balances was 430 days (2014: 805 days) of fixed rate deposits not sensitive to changes in interest rates. Sufficient funds are readily available to the Company to meet operational requirements.

Trade payables are normally payable within 30 days of invoice and the standard payment terms for intra-group receivables are 45 days.

Liquidity risk tables – financial liabilities

All trade and other payable balances are capital and do not include accrued interest.

| | Less than six months £000 | Between six months and one year £000 | Total £000 |
|--|---------------------------------|---|---------------|
| Group | | | |
| 2015 | | | |
| Trade and other payables | (14,345) | (548) | (14,893) |
| | (14,345) | (548) | (14,893) |
| Company | | | |
| 2015 | | | |
| Trade and other payables | (10,948) | (479) | (11,427) |
| Trade payables owed to subsidiary undertakings | (6,107) | — | (6,107) |
| Loans payable to subsidiary undertakings | — | (6,229) | (6,229) |
| | (17,055) | (6,708) | (23,763) |

| | Less than six months £000 | Between six months and one year £000 | Total £000 |
|--|---------------------------------|---|---------------|
| Group | | | |
| 2014 | | | |
| Trade and other payables | (12,502) | — | (12,502) |
| | (12,502) | — | (12,502) |
| Company | | | |
| 2014 | | | |
| Trade and other payables | (8,432) | — | (8,432) |
| Trade payables owed to subsidiary undertakings | (3,363) | — | (3,363) |
| Loans payable to subsidiary undertakings | — | (4,300) | (4,300) |
| | (11,795) | (4,300) | (16,095) |

Interest rate risk sensitivity analysis

An increase of 0.25% in the average interest rate during the year would have resulted in an increase in interest received by the Group of £144,000 (2014: £119,000) and by the Company of £126,000 (2014: £95,000). A decrease of 0.25% in the average interest rate during the year would have resulted in a reduction in interest received by the Group of £144,000 (2014: £119,000) and by the Company of £126,000 (2014: £95,000).

The average cash and term deposits balance throughout the year has been used as the basis for the calculations. A 0.25% increase or decrease in interest rates represents management's assessment of the reasonable possible change in interest rates.

27. 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 payments charge relates to option awards from the EMI scheme, Unapproved Share Option Plan, the Abcam Inc share scheme, the Abcam 2005 share option scheme, the Abcam Company Share Option Plan (CSOP), the Long Term Incentive Plan (LTIP) and the Share Incentive Plan (SIP). Option grants under each scheme have been aggregated.

The vesting period ranges from one to four years. 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 volatility of the options is based on the average of standard deviations of daily continuous returns on Abcam plc shares. 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.

The Group recorded a total equity-settled share-based payments expense of £1,747,000 in the year (2014: £941,000), of which £1,251,000 (2014: £678,000) was included within administration and management expenses and £496,000 (2014: £263,000) was included within R&D expenses.

Summary of all schemes, excluding SIP, LTIP and deferred share awards

Options outstanding as at 30 June 2015 had an exercise price of between 56 pence and 464 pence (2014: 12.5 pence and 464 pence). The weighted average remaining contractual life is 7.28 years (2014: 7.28 years). The weighted average fair value of the options outstanding at the end of the year was 87.28 pence (2014: 68.37 pence). The Group recorded a total share-based payments expense of £309,000 (2014: £568,000) in the year relating to all schemes excluding the SIP, LTIP and Deferred share awards.

| | 2015 | | | 2014 | | |
|-----------------------------------|-------------------------------|---|---|-------------------------------|---|---|
| | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence |
| Outstanding at beginning of year | 2,035,466 | 331.77 | — | 2,371,600 | 260.95 | — |
| Granted during year | 569,094 | 406.00 | — | 687,945 | 464.00 | — |
| Forfeited during year | (95,525) | 411.50 | — | (494,329) | 392.32 | — |
| Exercised during year | (363,954) | 244.83 | 448.51 | (529,750) | 122.80 | 446.36 |
| Outstanding at end of year | 2,145,081 | 364.60 | — | 2,035,466 | 333.63 | — |
| Exercisable at end of year | 741,511 | 250.33 | — | 660,947 | 162.95 | — |

Enterprise Management Incentive (EMI) scheme

| | 2015 | | | 2014 | | |
|-----------------------------------|-------------------------|---------------------------------------|--|-------------------------|---------------------------------------|--|
| | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence |
| Outstanding at beginning of year | 147,495 | 58.89 | — | 278,710 | 60.57 | — |
| Exercised during year | (108,575) | 58.34 | 422.66 | (131,215) | 62.45 | 465.99 |
| Outstanding at end of year | 38,920 | 60.42 | — | 147,495 | 58.89 | — |
| Exercisable at end of year | 38,920 | 60.42 | — | 147,495 | 58.89 | — |

The size of the Group means that since 2009 it is no longer able to grant awards under the EMI scheme.

The vesting dates and expected cash receivable on exercise relating to the options outstanding are detailed in the table below.

| Vesting date | Expiry date | 2015 | | | 2014 | | |
|------------------|------------------|-------------------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------------------|
| | | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 |
| 27 May 2008 | 27 May 2015 | — | — | — | 7,900 | 12.5 | 1 |
| 7 September 2009 | 7 September 2016 | 12,060 | 56.0 | 7 | 19,270 | 56.0 | 11 |
| 8 November 2010 | 8 November 2017 | 26,860 | 62.4 | 17 | 120,325 | 62.4 | 75 |
| Total | | 38,920 | | 24 | 147,495 | | 87 |

Unapproved Share Option Plan

| | 2015 | | | 2014 | | |
|-----------------------------------|-------------------------|---------------------------------------|--|-------------------------|---------------------------------------|--|
| | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence |
| Outstanding at beginning of year | 170,460 | 62.4 | — | 376,270 | 73.45 | — |
| Exercised during year | — | — | — | (205,810) | 82.60 | 426.00 |
| Outstanding at end of year | 170,460 | 62.4 | — | 170,460 | 62.40 | — |
| Exercisable at end of year | 170,460 | 62.4 | — | 170,460 | 62.40 | — |

Further grants of unapproved options are now being made under the Abcam 2005 Share Option Scheme.

The vesting dates and expected cash receivable on exercise relating to the options outstanding are detailed in the table below.

| Vesting date | Expiry date | 2015 | | | 2014 | | |
|-----------------|-----------------|-------------------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------------------|
| | | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 |
| 8 November 2010 | 8 November 2017 | 170,460 | 62.4 | 106 | 170,460 | 62.4 | 106 |
| Total | | 170,460 | | 106 | 170,460 | | 106 |

The Abcam 2005 Share Option scheme

| | 2015 | | | 2014 | | |
|-----------------------------------|-------------------------|---------------------------------------|--|-------------------------|---------------------------------------|--|
| | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence |
| Outstanding at beginning of year | 1,188,908 | 395.46 | — | 1,114,907 | 302.18 | — |
| Granted during year | 489,700 | 406.00 | — | 558,241 | 464.00 | — |
| Forfeited during year | (56,319) | 418.60 | — | (410,597) | 396.04 | — |
| Exercised during year | (147,831) | 344.72 | 478.82 | (73,643) | 187.27 | 462.98 |
| Outstanding at end of year | 1,474,458 | 403.17 | — | 1,188,908 | 352.86 | — |
| Exercisable at end of year | 352,435 | 330.41 | — | 156,590 | 242.49 | — |

The vesting dates and expected cash receivable on exercise (subject to performance conditions being met for options yet to vest) relating to the options outstanding are detailed in the table below.

| Vesting date | Expiry date | 2015 | | | 2014 | | |
|------------------|------------------|-------------------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------------------|
| | | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 |
| 6 November 2011 | 6 November 2018 | 34,200 | 92.4 | 32 | 45,100 | 92.4 | 42 |
| 9 November 2012 | 9 November 2019 | 25,875 | 180.8 | 47 | 28,375 | 180.8 | 51 |
| 2 December 2013 | 2 December 2020 | 52,788 | 345.0 | 182 | 83,115 | 345.0 | 287 |
| 1 November 2014 | 1 November 2021 | 122,452 | 370.0 | 453 | 201,410 | 370.0 | 745 |
| 1 November 2014 | 1 November 2022 | 117,120 | 385.0 | 451 | 149,475 | 385.0 | 575 |
| 1 November 2015 | 1 November 2022 | 118,998 | 385.0 | 458 | 128,559 | 385.0 | 495 |
| 1 November 2016 | 1 November 2022 | 72,295 | 385.0 | 278 | 74,714 | 385.0 | 288 |
| 25 November 2015 | 25 November 2023 | 204,626 | 464.0 | 949 | 211,746 | 464.0 | 983 |
| 25 November 2016 | 25 November 2023 | 149,517 | 464.0 | 694 | 160,472 | 464.0 | 745 |
| 25 November 2017 | 25 November 2023 | 102,377 | 464.0 | 475 | 105,942 | 464.0 | 492 |
| 4 November 2016 | 4 November 2024 | 221,856 | 406.0 | 901 | — | — | — |
| 4 November 2017 | 4 November 2024 | 141,357 | 406.0 | 574 | — | — | — |
| 4 November 2018 | 4 November 2024 | 110,997 | 406.0 | 451 | — | — | — |
| Total | | 1,474,458 | | 5,945 | 1,188,908 | | 4,703 |

The Abcam CSOP

| | 2015 | | | 2014 | | |
|-----------------------------------|-------------------------|---------------------------------------|--|-------------------------|---------------------------------------|--|
| | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence | Number of share options | Weighted average exercise price pence | Weighted average share price at date of exercise pence |
| Outstanding at beginning of year | 528,603 | 359.39 | — | 601,713 | 310.46 | — |
| Granted during year | 79,394 | 406.00 | — | 129,704 | 464.00 | — |
| Forfeited during year | (39,206) | 401.29 | — | (83,732) | 374.11 | — |
| Exercised during year | (107,548) | 295.80 | 432.95 | (119,082) | 218.91 | 449.64 |
| Outstanding at end of year | 461,243 | 378.68 | — | 528,603 | 358.68 | — |
| Exercisable at end of year | 179,696 | 312.67 | — | 186,402 | 270.40 | — |

The vesting dates and expected cash receivable on exercise (subject to performance conditions being met for options yet to vest) relating to the options outstanding are detailed in the table below.

| Vesting date | Expiry date | 2015 | | | 2014 | | |
|------------------|------------------|-------------------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------------------|
| | | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 | Number of options outstanding | Exercise price pence | Cash receivable on exercise £000 |
| 9 November 2012 | 9 November 2019 | 45,560 | 180.8 | 82 | 84,685 | 180.8 | 153 |
| 2 December 2013 | 2 December 2020 | 67,308 | 345.0 | 232 | 101,717 | 345.0 | 351 |
| 1 November 2014 | 1 November 2021 | 66,828 | 370.0 | 247 | 107,520 | 370.0 | 398 |
| 1 November 2015 | 1 November 2022 | 103,352 | 385.0 | 398 | 115,202 | 385.0 | 444 |
| 25 November 2016 | 25 November 2023 | 109,349 | 464.0 | 507 | 119,479 | 464.0 | 554 |
| 4 November 2017 | 4 November 2024 | 68,846 | 406.0 | 280 | — | — | — |
| Total | | 461,243 | | 1,746 | 528,603 | | 1,900 |

Option Fair Values

The Abcam 2005 Share Option Scheme

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

| Grant date | 25 November 2013 | 25 November 2013 | 25 November 2013 | 4 November 2014 | 4 November 2014 | 4 November 2014 |
|--------------------------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| Share price at grant (pence) | 464 | 464 | 464 | 406 | 406 | 406 |
| Fair value at valuation date (pence) | 75 | 110 | 115 | 66 | 75 | 97 |
| Exercise price (pence) | 464 | 464 | 464 | 406 | 406 | 406 |
| Expected volatility | 24% | 31% | 30% | 25% | 25% | 30% |
| Expected life (years) | 5 | 6 | 7 | 5 | 6 | 7 |
| Expected dividend yield | 1.70% | 1.70% | 1.70% | 1.91% | 1.91% | 1.91% |
| Risk-free rate | 0.52% | 0.89% | 1.28% | 0.78% | 1.10% | 1.37% |

| | | | | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|
| Employee exercise multiple | 2 | 2 | 2 | 2 | 2 | 2 |
| Employee exit rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

The Abcam CSOP

| | 25 November 2013 | 4 November 2014 |
|--------------------------------------|---------------------|--------------------|
| Grant date | | |
| Share price at grant (pence) | 464 | 406 |
| Fair value at valuation date (pence) | 108 | 77 |
| Exercise price (pence) | 464 | 406 |
| Expected volatility | 31% | 25% |
| Expected life (years) | 6 | 6 |
| Expected dividend yield | 1.70 | 1.91 |
| Risk-free rate | 0.89% | 1.10% |
| Employee exercise multiple | 2 | 2 |
| Employee exit rate | 0.00% | 0.00% |

Share Incentive Plan

All UK-based employees are eligible to participate in the SIP whereby employees buy shares in the Company. These shares are called Partnership Shares and are held in trust on behalf of the employee. For every Partnership Share bought by the employee up to a limit of £1,800 per tax year the Company will give the employee one share free of charge (Matching Shares), provided the employee remains employed by the Company for a period of at least three years. The employees must take their shares out of the plan on leaving the Company and will not be entitled to the Matching Shares if they leave within three years of buying the Partnership Shares. In addition, the Company can also award employees up to a maximum of the HMRC approval limit which during the year was £3,600 of shares (Free Shares) per tax year. There are no vesting conditions attached to the Free Shares, other than being continuously employed by the Company for three years from the date of grant.

| | Number of Free Shares | | Number of Matching Shares | |
|-----------------------------------|-----------------------|----------|---------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Outstanding at beginning of year | 576,230 | 591,272 | 159,230 | 154,857 |
| Granted during year | 165,318 | 109,818 | 42,025 | 31,168 |
| Forfeited during year | (40,497) | (39,156) | (11,365) | (5,819) |
| Released during year | (129,372) | (85,704) | (33,825) | (20,976) |
| Outstanding at end of year | 571,679 | 576,230 | 156,065 | 159,230 |
| Exercisable at end of year | 240,245 | 268,880 | 64,662 | 66,261 |

For the purposes of IFRS 2 the fair value of these Matching Shares and Free Shares is determined as the market value of the shares at the date of grant. No valuation model is required to calculate the fair value of awards under the SIP. The fair value of an equity-based payment under the SIP is the face value of the award on the date of grant because the participants are entitled to receive the full value of the shares and there are no market-based performance conditions attached to the awards.

The Group recognised a total expense of £586,000 (2014: £475,000) in the year relating to Matching and Free Share awards.

Long Term Incentive Plan

The Company approved a new LTIP in 2008. Full details of the performance conditions are outlined in the Directors' Remuneration Report. All awards are nil-cost options which vest, subject to achievement of the relevant performance conditions, after three years and can be exercised over the following seven years. Save as permitted in the LTIP rules, awards lapse on an employee leaving the Company.

Details of performance share awards outstanding during the year are as follows:

| | LTIP awards 2015 | LTIP awards 2014 |
|------------------------------------|---------------------|---------------------|
| Outstanding at beginning of year | 1,168,872 | 1,771,767 |
| Granted during year | 150,333 | 190,224 |
| Forfeited during year | (307,592) | (338,510) |
| Exercised during year ¹ | (70,304) | (454,609) |
| Outstanding at end of year | 941,309 | 1,168,872 |
| Exercisable at end of year | 451,934 | 522,307 |

¹ The weighted average sales price for exercises in the year was 402 pence (2014: 435 pence). Of the 70,304 options exercised during the year 304 were exercised in exchange for cash (2014: 6,407).

The aggregate of the fair values of the awards made in the year were £400,767, £109,376, and £28,694, granted on 4 November 2014, 31 March 2015, and 5 May 2015 respectively. (2014: £856,137).

The estimated fair values of the awards are calculated using the Monte Carlo Model, with the Black Scholes Model used to calculate those with a performance condition based on EPS. The inputs into the models for awards granted are as follows:

| Grant date | 25 November 2013 | 9 December 2013 | 4 November 2014 | 31 March 2015 | 5 May 2015 |
|---|---------------------|--------------------|--------------------|------------------|---------------|
| Weighted average exercise price (pence) | — | — | — | — | — |
| Expected volatility | 31% | 29% | 25% | 24% | 24% |
| Expected life (years) | 3 | 3 | 3 | 3 | 3 |
| Expected dividend yield | 1.70% | 1.66% | 1.91% | 1.63% | 1.51% |
| Risk-free rate | 0.87% | 0.99% | 1.10% | 0.95% | 0.93% |

The Group recognised an expense of £166,000 (2014: a net credit of £102,000) in the year related to performance share awards under the LTIP.

Annual Bonus Plan – Deferred Share Award

The Company approved a new component to the annual bonus plan in 2013 whereby a portion of the annual amount awarded to certain senior management would be deferred in shares. The number of deferred shares granted is dependent on certain performance criteria, consisting of a one-year profit target, and achievement of strategic and personal objectives. There is a further two year compulsory deferral period, at the end of which the Deferred Share Awards will become exercisable subject to continued employment.

Details of performance share awards outstanding during the year are as follows:

| | Deferred Share awards 2015 | Deferred Share awards 2014 |
|-----------------------------------|----------------------------------|----------------------------------|
| Outstanding at beginning of year | 68,886 | — |
| Granted during year | 118,229 | 72,326 |
| Forfeited during year | (1,260) | (3,440) |
| Exercised during year | — | — |
| Outstanding at end of year | 185,855 | 68,886 |
| Exercisable at end of year | — | — |

The aggregate of the fair values of the awards granted on 8 September 2014 was £509,600 (2014: £290,000).

The estimated fair values of the awards are calculated using the Black Scholes Model due to the grants having performance conditions based on non-market conditions. The inputs into the models for awards granted are as follows:

| Grant date | 10 September 2013 | 8 September 2014 |
|---|----------------------|---------------------|
| Weighted average exercise price (pence) | — | — |
| Expected volatility | 35% | 32% |
| Expected life (years) | 3 | 3 |
| Expected dividend yield | 1.32% | 1.71% |
| Risk-free rate | 0.40% | 0.87% |

The Group recognised an expense of £500,800 (2014: a net credit of £225,600) in the year related to deferred share awards under the Annual Bonus Plan.

Cash-settled share option scheme

In addition to the equity settled schemes the Group operates a cash settled scheme for certain overseas employees. The total charge for the year was £144,000 (2014: a net credit of £33,000).

28. Retirement benefit schemes

Defined contribution schemes

The UK-based employees of the Company have the option to be members of a defined contribution pension scheme managed by a third party pension provider. For each employee who is a member of the scheme the Company will contribute a fixed percentage of each employee's salary to the scheme. The only obligation of the Group with respect to this scheme is to make the specified contributions.

Employees of the Group's subsidiaries in the US, Japan, China and Hong Kong are members of state-managed retirement benefit schemes operated by the governments of the US, Japan, China and Hong Kong respectively. Depending on location, the subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions as required by law.

The total cost charged to the income statement in respect of these schemes during the year ended 30 June 2015 was £1,689,000 (2014: £1,207,000). As at 30 June 2015 contributions of £156,000 (2014: £83,000) in respect of the current reporting period had

not been paid over to the schemes.

29. Business Combinations

Firefly BioWorks Inc

On 23 January 2015 the Group acquired 100% of the share capital of Firefly BioWorks Inc (Firefly), a private company incorporated in the United States specialising in novel assay technologies, for \$26.4m. A further payment of \$1.6m was made after the acquisition to settle the pre-existing liabilities. As a result of the acquisition, the Group is expected to produce marketable Micro RNA research products, extending the Group's product portfolio in this increasingly important area of research. In addition the Group is expecting to leverage the acquired technology to produce a new series of protein immunoassays.

The goodwill of \$12.0m (£8.0m) arising from the acquisition consists largely of the product pipeline opportunities and alternative future uses to be derived from the acquired technology and the value of the highly knowledgeable and skilled workforce. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Firefly and the provisional fair value of the assets acquired and liabilities assumed at the acquisition date:

| Recognised amounts of identifiable assets acquired and liabilities assumed | Fair value |
|---|-------------------|
| | £000 |
| Non-current assets | |
| Intangible assets (note 13) | 17,704 |
| Current assets | |
| Cash | 224 |
| Trade and other receivables | 21 |
| Current liabilities | |
| Trade and other payables | (1,323) |
| Non-current liabilities | |
| Deferred tax liability | (7,082) |
| Total identifiable assets acquired | 9,544 |
| Goodwill | 8,013 |
| Total Consideration | 17,557 |
| Consideration at 23 January 2015 | £000 |
| Cash | 17,557 |
| Total consideration transferred | 17,557 |
| Cash and cash equivalents acquired | (224) |
| Net cash outflow arising on acquisition | 17,333 |

Acquisition related expenses totalling £335,000 are included within administrative expenses in the consolidated income statement for the year ended 30 June 2015.

The fair value of the acquired identifiable intangible assets consists of £17,088,800 in-progress R&D and £615,600 of software. The values have been formally assessed by a third party valuation expert. A related deferred tax liability has also been recognised. The book value has been deemed by management to equate to the fair value for the remaining balance sheet accounts.

During the period from the date of acquisition to the balance sheet date, Firefly contributed £151,000 to the Group's revenue from sales to third parties and a loss before tax of £1,033,000 over the same period.

Had Firefly been consolidated from 1 July 2014, the consolidated income statement would show pro-forma revenue of £144,122,000 and profit before tax of £43,558,000.

30. Related party transactions

Remuneration of key management personnel

The remuneration of the Senior Leadership Team and the executive and Non-Executive 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*. Further information about the remuneration of individual directors is provided in the audited part of the Directors' Remuneration Report.

| | 30 June | 30 June |
|-------------------|----------------|----------------|
| | 2015 | 2014 |
| | £000 | £000 |
| Group and Company | | |

| | | |
|---------------------------------------|--------------|--------------|
| Short-term employee benefits and fees | 3,778 | 3,155 |
| Post-employment benefits | 64 | 107 |
| Share-based payments charge | 190 | 190 |
| | 4,032 | 3,452 |

Directors' transactions

Dividends totalling £2,429,438 were paid in the year in respect of ordinary shares held by the Company's Executive and Non-Executive Directors.

During the year the Company made sales to Horizon Discovery Limited, of which Jonathan Milner is a non-executive director, totalling £7,202 (2014: £5,413) and made purchases from Order Dynamics of £60,000 (2014: nil), of which Michael Ross is an executive director.

Company transactions with its subsidiaries

The Company provided goods for resale to, purchased goods from, received dividends from, and was charged management fees by its subsidiaries in the current and prior year as summarised in the following table:

| | 30 June 2015 £000 | 30 June 2014 £000 |
|-------------------------|-------------------------|-------------------------|
| Sales of goods | 76,308 | 62,812 |
| Purchase of goods | (11,887) | (7,495) |
| Dividends received | — | — |
| Management fees charged | (1,004) | (1,209) |
| | 63,417 | 54,108 |

Amounts remaining outstanding at the year end can be seen in the notes to the Company balance sheet.

Ascent Scientific Ltd Intra-group Trade Transfer

During the year the decision was made to hive-up the trade of Ascent Scientific Ltd ('Ascent') into Abcam Plc. Consequently on 30 June 2015 the trade and net assets of Ascent were transferred to the Company at their book value.

The cost of the Company's investment in that subsidiary undertaking reflected the fair value of net assets and goodwill assessed at the time of acquisition to the Abcam group (12 September 2011). As a result of the transfer, the value of the Company's investment in Ascent fell below the amount at which it was stated in the Company's balance sheet.

Schedule 1 to the Companies Act 2006 The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) requires that the investment be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account. However, the directors consider that, as there has been no overall economic loss to the Company, it would fail to give a true and fair view to charge that diminution to the profit and loss account for the year and it should instead follow predecessor accounting, reallocating the cost to goodwill and the identifiable fair value of net assets transferred. The allocation between assets acquired has been taken with reference to the original values assessed formally at the date Ascent was acquired by the Abcam group.

The following table summarises the impact of adopting predecessor accounting for the trade transfer on the Company balance sheet:

| | Fair value recognised £000 |
|---|----------------------------------|
| Non-current assets | |
| Intangible assets (note 13) | 602 |
| Property, plant and equipment (note 14) | 134 |
| Current assets | |
| Cash | 54 |
| Inventories (note 17) | 1,596 |
| Trade and other receivables | 96 |
| Current liabilities | |
| Trade and other payables | (82) |
| Non-current liabilities | |
| Deferred Tax (note 16) | (119) |
| Total identifiable assets recognised | 2,281 |
| Cash consideration | 1,798 |
| Reduction in carrying value of investment (note 15) | 8,370 |

| | |
|--|--------------|
| Recognised directly in equity ¹ | (229) |
| Total Consideration | 9,939 |
| Goodwill recognised | 7,658 |

¹ Amounts recognised directly to equity represent the change in the net assets of Ascent since acquisition on 12 September 2011.

The Group preliminary financial information is not affected by this transfer.

31. Income statement for the Company

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own income statement for the year. Abcam plc reported a profit for the year ended 30 June 2015 of £40,372,000 (2014: £29,300,000).