

Abcam Limited

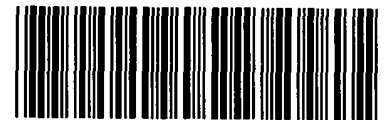
Formerly Abcam Plc

Annual Report and Financial Statements

For the year ended 31 December 2023

Company Number: 03509322

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Directors Christopher M Bouda
Frank T McFaden
Philip B Whitehead

Registered office Discovery Drive, Cambridge Biomedical Campus, Cambridge, United Kingdom, CB2 0AX

Company Number 03509322

Auditors PricewaterhouseCoopers LLP

Abcam Limited
Strategic Report
for the year ended 31 December 2023

Principal activities and review of the business

On 6 December 2023, Abcam Limited, formerly known as Abcam Plc, was acquired by Diadem Holdco Limited, a subsidiary of Danaher Corporation, by way of a court-sanctioned scheme of arrangement. On the same date, the company changed its name from Abcam Plc to Abcam Limited.

The principal activity of the Abcam group is the identification, manufacture and sale of high-quality biological reagents. Our products are used by hundreds of thousands of researchers worldwide to study biological pathways critical for scientific research, diagnostics, and drug discovery. Our product offering includes an extensive portfolio of antibodies and related research tools that are fundamental to protein research and experimental workflow. There have not been any significant changes in the principal activities of the Abcam Group in the year under review and the directors are not aware, at the date of this report, of any major changes in the principal activity in the next year.

As shown in the consolidated income statement, the group has increased revenue from £361.7 million in the year ended 31 December 2022 to £383.5 million in the year ended 31 December 2023. The Americas market continues to be the group's largest market (45% of total revenue in the years ended 31 December 2023 and 31 December 2022 respectively) and growth was achieved across the groups three largest markets (Americas, EMEA and China), whereas Asia Pacific was broadly flat and there was a decline in revenue in Japan.

The group made a loss before tax of £80.3 million for the year ended 31 December 2023 (year ended 31 December 2022: loss before tax of £15.6 million), with the underlying increase in revenue and gross profit more than offset by adjusted operating expenses of £159.4 million (year ended 31 December 2022: £86.4 million), including £83.9 million associated with the sale of the group to Danaher.

Net assets increased from £726.9 million at 31 December 2022 to £856.5 million at 31 December 2023, with the issue of new ordinary shares for consideration of £218.3 million offsetting the loss in the year. The cash and cash equivalents balance increased by £37.0 million to £126.0 million (31 December 2022: £89.0 million).

The group's key financial and other performance indicators were as follows:

<u>KPI</u>	<u>2023</u>	<u>2022</u>
Revenue growth ('CER' basis) ¹	7%	8%
Adjusted operating profit	£90.1m	£76.3m
Return on Capital Employed ('ROCE')	9%	9%
Transactional Net Promoter Score (tNPS)	51	25

Notes to KPIs

1. Revenue growth of the business on a constant exchange rate basis (CER), is measured by applying the prior year's actual exchange rates to the current year's results. The Group achieved CER revenue growth of 7% in 2023.

2. Operating profit based on the related IFRS measure but excluding adjusting items (see note 7 of the consolidated financial statements for more information) to provide a measure of underlying business profitability for management. This increased to £90.1m in 2023, following revenue growth and gross margin expansion in 2023. Adjusted operating margins increased to 23% (2022: 21%).
3. Return on Capital Employed (ROCE) is calculated by dividing adjusted operating profit by total capital employed (calculated by subtracting the Group's current liabilities from its total assets) at the end of the period. ROCE stayed at 9% with the increased profitability offset by an increase in capital employed.
4. Transactional (often referred to as 'touchpoint') Net Promoter Score (tNPS) is an industry standard benchmark used to gauge the loyalty of our customer relationships based on their interactions with us. tNPS increased to a score of 51. The 2022 score was negatively impacted by the implementation of a new Oracle cloud ERP system.

Future developments

The Company and the Board remain focused on supporting our global customers and meeting our business and corporate objectives as Abcam transitions to become part of the Danaher group.

Section 172 Statement

In accordance with the Companies Act 2006 (the Act) as amended by the Companies (Miscellaneous Reporting) Regulations 2018, the Directors provide this statement to describe how they have engaged with and had regard to the interests of our key stakeholders when performing their duty to promote the success of the Company, under section 172 of the Act. The Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1)(a) to (f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2023.

Understanding the views and values of all our stakeholders is critical to Abcam's success, and we value their broad range of perspectives. Details on how the business and the Board engage with our stakeholders and some of the decisions made by the Board this year which demonstrate how section 172 matters have been considered are outlined below.

Our customers (section 172(1)(c))

We serve a global population of approximately one million research scientists based within academic, research, government and biopharmaceutical organisations.

We engage with customers through the use of industry surveys delivered after interactions to obtain close to real-time feedback on our performance. We also regularly conduct focus groups with our customers and have key account managers who proactively engage with key customers to assess their needs and the challenges they face.

Customers continue to tell us that product quality, service response speed and quality scientific support remain key drivers of loyalty and advocacy. Researchers' continue to need access to a secure and reliable supply of high-quality products, with detailed and reliable data to save time and ensure that experiments are conclusive, consistent and repeatable.

Customers increasingly want an efficient and streamlined ordering experience that allows them to place

and receive their orders, whether standard products or more customised solutions, quickly and conveniently. We have responded to these requirements by:

- continuing to innovate and improve the tools, data and purchasing experience for customers;
- expanding our product offering to add complementary and adjacent technologies; and
- investing in our customer service and scientific support teams.

Our employees (section 172(1)(a) and (b))

Our people are our most important asset. They are fundamental to our continued success, as their skill and dedication enable us to fulfil our vision and purpose.

We carry out 'pulse' employee surveys every month to hear feedback and receive timely and actionable data on employee engagement. This is both qualitative and quantitative feedback.

We operate seven Employee Resource Groups aligned to our Diversity & Inclusion strategy. A sponsor from the Executive Leadership Team sits in each group.

Our employees continue to tell us they want a great career, and a positive and motivating work environment, all underpinned by a supportive culture in a sector that has positive impact in society.

In carrying out the strategic review process in June to August 2023 that culminated in the Board's recommendation for the sale of the Company to Danaher, the Board gave appropriate consideration to the needs of Abcam's employees, and secured certain protections for employees in the final Transaction Agreement that was signed with Danaher, a copy of which was publicly filed with the US Securities and Exchange Commission.

Our suppliers, customers and other partners (section 172(1)(a)(c) and (d))

Our partners include those who have a direct working or contractual relationship, or share a mutual interest with us. This includes our strategic business partners, our suppliers, service providers, industry organisations, and local and central governments.

We engage with our partners through relationship meetings with key partners and suppliers, through attending and running conferences and seminars on key issues, and through the use of questionnaires and due diligence.

We also engage through market insight and technologies, for example we have been able to propose and develop content for some of our partners' proteomics platforms.

Our industry partners receive access to our products and technologies, supporting the development of antibodies and immunoassays that they are able to take to market for diagnostic and therapeutic use.

Our communities (section 172(1)(a)(b)(d) and (e))

Our communities includes those who live and work in areas where we operate – and society as a whole.

We need to develop positive local relationships and understand local people's needs in order to attract talent and deliver our goals.

Engagement from our communities on diversity and inclusion continues to increase, in particular on how we can create opportunities in STEM for those that are often overlooked. We promote access to STEM careers through our partnership with In2Science and other initiatives, and We've continued our outreach into community schools in and around Boston and have maintained our Co-ops and internship programmes both in the US and UK. Our Employee Resource Groups are employee-led, leader sponsored forums that educate on and champion the topics of gender, race, sexual orientation, mental health, social mobility, family networks and diverse abilities.

Our shareholders

On 6 December 2023, the Company was acquired by Danaher Corporation, by way of a court-sanctioned scheme of arrangement ("Transaction"). Following completion of the Transaction, a dedicated transition team was set up and began working to integrate Abcam as an operating company within the Danaher group.

Prior to the acquisition, the Board engaged with shareholders extensively throughout the activism campaign brought against the company by Jonathan Milner. During the course of that engagement, a number of the Company's largest shareholders indicated that they would like the Board to explore strategic alternatives for the Company. In June 2023, members of the Board met with most of Abcam's then top 20 shareholders. During these meetings shareholders expressed a clear desire for Abcam to commence a sale process. Subsequently, the Board unanimously resolved to initiate a process to explore strategic alternatives. Through this process, Abcam engaged with over 30 potential counterparties, including 21 corporates and 12 financial sponsors from the U.S., Europe, and Asia, before ultimately entering into a definitive agreement with Danaher. The Board reached its decision to recommend the Transaction through careful consideration of the financial and legal terms presented by Danaher and competing bidders.

In reaching their recommendation in favour of the Transaction, the Abcam Directors took into account the Danaher offer price of \$24.00 in cash per share relative to the medium term expected trading price of Abcam ADSs if the Company were to continue as a standalone entity.

The entire process was fully supervised by the Board, supported by a dedicated Strategic Review Subcommittee. At all times the Board were guided by their fiduciary duty to maximize value to shareholders.

Principal risks and uncertainties

Principal risks and uncertainties affecting our business include (but are not limited to) the following:

- geopolitical instability continues to affect our business, including impacts on our operations and supply chains;
- challenges in implementing our strategies for revenue growth in light of competitive challenges;

- the development of new products or the enhancement of existing products, and the need to adapt to significant technological changes or respond to the introduction of new products by competitors to remain competitive;
- failing to successfully identify or integrate acquired businesses or assets into our operations or fully recognize the anticipated benefits of businesses or assets that we acquire;
- our customers discontinuing or spending less on research, development, production or other scientific endeavours;
- failing to successfully use, access and maintain information systems and implement new systems to handle our changing needs, including those needs arising from our becoming part of the Danaher group;
- cyber security risks and any failure to maintain the confidentiality, integrity and availability of our computer hardware, software and internet applications and related tools and functions;
- failing to successfully manage our current and potential future growth;
- any significant interruptions in our operations;
- our products fail to satisfy applicable quality criteria, specifications and performance standards;
- failing to maintain and enhance our brand and reputation;
- ability to react to unfavourable geopolitical or economic changes that affect life science funding;
- failing to deliver on transformational growth projects; and
- our dependence upon management and highly skilled employees and our ability to attract and retain these highly skilled employees.

Streamlined Energy and Carbon Reporting

The below table and supporting narrative summarise the Streamlined Energy and Carbon Reporting (SECR) disclosure in line with the mandatory requirements for a “large” unquoted company, as per The Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The disclosure also extends beyond the scope of a “large” unquoted company and includes fugitive emissions from the operation of facilities and chemical process emissions in the form of CO₂ (liquid and dry ice). The scope also extends beyond the reporting of UK emissions only and includes global emissions.

N.B Abcam do not operate or purchase fuel directly for any forms of business travel and therefore these emissions do not fit into the definition of business travel under SECR. Full business travel emissions have been calculated in Abcam’s 2023 Scope 1,2,3 GHG inventory.

Methodology

The above greenhouse gas emissions estimates are calculated to cover all sources of emissions defined under SECR guidance. This is part of a wider project that has calculated a full Scope 1, 2 and 3 inventory. The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach.

All available emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included, along with the addition of fugitive and process emissions and the extension of the scope to global emissions, rather than UK emissions only.

Current reporting year	12 months to December 2022			12 months to 31 December 2023		
	UOM	UK	Global (excl. UK)	UOM	UK	Global (excl. UK)
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1).	tCO2e	289	935	tCO2e	480	803
Emissions from purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2).	tCO2e	370	3,000	tCO2e	517	3,077
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3).	tCO2e	N/A	N/A	tCO2e	N/A	N/A
Total gross Scope 1, Scope 2, and Scope 3 emissions	tCO2e	659	3,935	tCO2e	997	3,880
Energy consumption used to calculate emissions from activities for which the company own or control including combustion of fuel & operation of facilities.	kWh	1,293,697	3,656,170	kWh	2,133,200	3,380,131
Energy consumption used to calculate emissions from purchase of electricity, heat, steam, and cooling purchased for own use.	kWh	1,923,486	6,763,539	kWh	2,497,113	6,516,234
Energy consumption used to calculate emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel.	kWh	N/A	N/A	kWh	N/A	N/A
Total energy consumption based on the above	kWh	3,217,183	10,419,709	kWh	4,630,313	9,896,365
Intensity ratio for 12 months to 31 December 2023: tCO2e (gross Scope 1, 2 + 3) per US\$ m sales revenue		1.47	8.85		2.10	8.16

The calculation covers all Abcam's operations that are consolidated in the financial statement, including: the offices leased to conduct operations, activities for which Abcam own vehicles that are used for business reasons, or where Abcam purchases fuel directly for employee-owned vehicles. Data has been obtained from across the business from invoices and spreadsheets held by Finance, as well as direct consumption figures from facility services. Where there were data gaps, energy consumption was calculated using pro-rata extrapolation of available primary data. This was deemed as appropriate as sufficient seasonal data was available to allow for reasonable estimation. Energy was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2023, IEA Emissions Factors 2023, and US EPA Emissions Factors 2023 (<https://www.epa.gov/eGRID>).

Energy Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per million US\$ revenue.

Trends and Action

- Abcam achieved a 3% decrease in total emissions, driven by reductions in full scope, scope 3 emissions, particularly due to reduced expenditure.
- Scope 1 and 2 emissions increased by 283 tonnes of CO₂e year-on-year, primarily attributed to important increases in natural gas, dry ice, and refrigerant usage at Cambridge and Waltham.
- Employee commuting trends reveal continued reliance on petrol and diesel cars, with a significant uptick in the adoption of electric and hybrid cars. The proportion of distance commuted to Cambridge with EVs or hybrid cars rose from 1% to 18% in FY23.
- While petrol and diesel cars continue to be the primary modes of employee commuting at US sites, employees in APAC primarily rely on public transport. Specifically, Singapore and Tokyo use public transport and cycling exclusively, while only 20% of the total distance commuted to Shanghai comes from petrol cars, with the remaining from public transport, cycling, and EVs.
- Abcam reduced waste generated by 55%, but wastewater rose by 64% due to increased water consumption at Waltham, which accounts for nearly 90% of Abcam's total water consumption.

Approved by the board of directors and signed on its behalf by:



Christopher Bouda
Director
17 May 2024

Abcom Limited
Directors' Report
for the year ended 31 December 2023

The Directors present their Report together with the audited consolidated financial statements for the 12 months ended 31 December 2023.

Additional information incorporated by reference into this Directors' Report, including disclosures required under the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, can be located as follows:

Disclosure	Location
Likely future developments	In the Strategic Report on page 4
Financial instruments and risk management	Note 25 to the consolidated financial statements
Greenhouse Gas reporting	Page 7
Shareholder, employee and other stakeholder engagement	Section 172 statement on page 4

Dividends

The Board has decided not to recommend a final dividend (2022: £nil). The Board will continue to review the Group's dividend policy, with future distributions reflecting the cash generation and capital needs of the Company.

Research and development

Research and development are concentrated on developing new and improving existing products and production processes, informed by the needs of our customers, to enhance revenue and profit earning potential. We are constantly searching for new ways to bring more products in-house and to improve our internal innovation capabilities through the use of data analytics, especially where we see that customer needs are not being fulfilled or if there is demand for a higher quality alternative. We are engaged in ongoing research and development in all our major product lines and believe that our future success depends, to a large extent, on our ability to continue to serve our customers' needs and keep pace with changing technologies.

Directors

The directors who served during the year were as follows:

Christopher M Bouda (appointed 6 December 2023)

Frank T McFaden (appointed 6 December 2023)

Philip B Whitehead (appointed 6 December 2023)

Alan Hirzel (resigned 6 December 2023)

Michael Baldock (resigned 6 December 2023)

Peter Allen (resigned 6 December 2023)
Mara Aspinall (resigned 6 December 2023)
Mark Capone (resigned 6 December 2023)
Sally W Crawford (resigned 6 December 2023)
Lubov Greenwood (resigned 6 December 2023)
Giles Kerr (resigned 6 December 2023)
Chienling Lee (resigned 6 December 2023)

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the reporting period and these remain in force at the date of this report.

Directors' and officers' insurance

The Company has maintained throughout the financial year up directors' and officers' liability insurance to cover any claim for wrongful acts in connection with their positions. The insurance provided does not extend to claims arising from fraud or dishonesty.

Going concern

The Group meets its day-to-day working capital requirements from the cash surpluses generated as a result of normal trading and no longer has any borrowings to service, following the repayment and closure of the Revolving Credit Facility in December 2023. In considering going concern, the Directors have reviewed the Group's forecasts and projections, taking account of reasonably possible changes in trading performance. These show that the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and at least one year from the date of approval of the financial statements.

Further, following the change in ownership in December 2023, Abcam will benefit from access to wider capital and liquidity within Danaher Corporation.

For these reasons, the Directors continue to adopt the going concern basis in preparing its consolidated financial statements.

Disabled employees

Abcam is an equal opportunities employer and ensures that applications for employment from people with disabilities and other under-represented groups are given full and fair consideration. Such individuals are given the same training, development and job opportunities as other employees and Abcam provides an accessible working environment in which reasonable adjustments are made during recruitment and employment. Every effort is made to retain and support employees who become disabled during their employment, including flexible working to assist their re-entry into the workplace and making alternative suitable provisions, along with a zero-tolerance approach to discrimination, bullying and harassment based on protected characteristics.

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

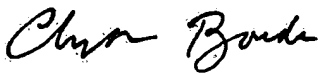
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to the auditor

Each Director in office at the date the Directors' Report is approved confirms that:

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

Approved by the board of directors and signed on its behalf by:



Christopher Bouda
Director
17 May 2024

Abcam Limited
Independent Auditor's Report
for the year ended 31 December 2023

Independent auditors' report to the members of Abcam Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Abcam Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 December 2023; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the

company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control

as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate the financial statements and bias in estimates or judgments as a result of management override of controls. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations;
- designing and performing audit procedures to incorporate an element of unpredictability in to our testing;
- reviewing meeting minutes, including those of the board of directors;
- assessing and challenging assumptions made by management in their significant accounting estimates, including the provision for expected credit losses of trade receivables in Abcam Inc; and
- evaluating the business rationale for significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
17 May 2024.

Consolidated income statement
Year ended 31 December 2023

	Note	Year ended 31 December 2023			Year ended 31 December 2022		
		Adjusted £m	Adjusting Items £m	Total £m	Adjusted £m	Adjusting Items £m	Total £m
Revenue	5	383.5	—	383.5	361.7	—	361.7
Cost of sales		(89.5)	—	(89.5)	(88.5)	(2.7)	(91.2)
Gross profit		294.0	—	294.0	273.2	(2.7)	270.5
Selling, general and administrative expenses		(184.1)	(137.1)	(321.2)	(176.3)	(48.2)	(224.5)
Research and development expenses		(19.8)	(22.3)	(42.1)	(20.6)	(35.5)	(56.1)
Operating profit/(loss)	6	90.1	(159.4)	(69.3)	76.3	(86.4)	(10.1)
Finance income	10	1.6	—	1.6	0.4	—	0.4
Finance costs	10	(12.6)	—	(12.6)	(5.9)	—	(5.9)
Profit/(loss) before tax		79.1	(159.4)	(80.3)	70.8	(86.4)	(15.6)
Tax	11	(22.8)	(11.7)	(34.5)	(13.1)	20.2	7.1
Profit/(loss) for the year attributable to the equity shareholders of the parent		56.3	(171.1)	(114.8)	57.7	(66.2)	(8.5)

Adjusted figures exclude impairment of asset held for sale, systems and process improvement costs, amortisation of fair value adjustments, integration and reorganisation costs, amortisation of acquisition intangibles, share-based payments and employer tax contributions thereon, EGM costs, strategic review and deal related costs, transition costs and the tax effect of adjusting items. Such excluded items are described as 'adjusting items'. Further information on these items is shown in note 7.


Consolidated statement of comprehensive
income Year ended 31 December 2023

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Loss for the year attributable to the equity shareholders of the parent		(114.8)	(8.5)
Items that may be reclassified to the income statement in subsequent years			
Movement on cash flow hedges	25	0.1	(0.4)
Exchange differences on translation of foreign operations		(34.5)	58.6
Tax relating to components of other comprehensive expense		—	(1.3)
Items that will not be reclassified to the income statement in subsequent years			
Movement in fair value of investments	16	1.0	(0.4)
Other comprehensive (expense) / Income for the year		(33.4)	56.5
Total comprehensive (expense) / Income for the year		(148.2)	48.0

Consolidated balance sheet
As at 31 December 2023

	Note	31 December 2023 £m	31 December 2022 £m
Non-current assets			
Goodwill	12	379.0	398.3
Intangible assets	13	217.6	227.9
Property, plant and equipment	14	83.5	80.5
Right-of-use assets	15	110.7	79.2
Investments	16	4.2	3.2
Deferred tax asset	17	11.7	12.1
		806.7	801.2
Current assets			
Inventories	18	68.6	68.0
Trade and other receivables	19	100.4	84.0
Current tax receivable		15.9	13.9
Derivative financial instruments	20	—	0.5
Cash and cash equivalents		126.0	89.0
		310.9	255.4
Total assets		1,117.6	1,056.6
Current liabilities			
Trade and other payables	21	(96.7)	(67.8)
Derivative financial instruments	20	—	(0.8)
Lease liabilities	15	(12.6)	(8.5)
Borrowings	22	—	(119.6)
Current tax liabilities		(3.5)	(5.1)
		(112.8)	(201.8)
Net current assets		198.1	53.6
Non-current liabilities			
Deferred tax liability	17	(27.2)	(32.1)
Lease liabilities	15	(121.1)	(95.8)
		(148.3)	(127.9)
Total liabilities		(261.1)	(329.7)
Net assets		856.5	726.9
Equity			
Share capital	23	0.5	0.5
Share premium account		487.7	269.4
Merger reserve	23	68.6	68.6
Own shares	23	—	(1.9)
Translation reserve	23	55.2	89.7
Hedging reserve	23	—	(0.1)
Retained earnings		244.5	300.7
Total equity attributable to the equity shareholders of the parent		856.5	726.9

The consolidated financial statements on pages 17 to 57 were approved by the Board of Directors on 17 May 2024 and signed on its behalf by:



Christopher Bouda
Director

Consolidated statement of changes in equity
Year ended 31 December 2023

	Share capital	Share premium account	Merger reserve	Own shares	Translation reserve	Hedging reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance as at 1 January 2022	0.5	268.3	68.6	(2.2)	31.1	0.2	289.6	656.1
Loss for the year	—	—	—	—	—	—	(8.5)	(8.5)
Other comprehensive income/ (expense)	—	—	—	—	58.6	(0.3)	(1.8)	56.5
Total comprehensive income/ (expense)	—	—	—	—	58.6	(0.3)	(10.3)	48.0
Issue of ordinary shares	—	1.1	—	—	—	—	—	1.1
Own shares disposed of on exercise of share options	—	—	—	0.3	—	—	(0.3)	—
Share-based payments inclusive of deferred tax	—	—	—	—	—	—	21.9	21.9
Purchase of own shares	—	—	—	—	—	—	(0.2)	(0.2)
Balance as at 31 December 2022	0.5	269.4	68.6	(1.9)	89.7	(0.1)	300.7	726.9
Loss for the year	—	—	—	—	—	—	(114.8)	(114.8)
Other comprehensive (expense) / income	—	—	—	—	(34.5)	0.1	1.0	(33.4)
Total comprehensive income/ (expense)	—	—	—	—	(34.5)	0.1	(113.8)	(148.2)
Issue of ordinary shares	—	218.3	—	—	—	—	—	218.3
Own shares disposed of on exercise of share options	—	—	—	1.9	—	—	0.8	2.7
Share-based payments inclusive of deferred tax	—	—	—	—	—	—	42.3	42.3
Deferred tax arising from transactions outside profit or loss	—	—	—	—	—	—	12.6	12.6
Current tax arising from transactions outside profit or loss	—	—	—	—	—	—	2.0	2.0
Purchase of own shares	—	—	—	—	—	—	(0.1)	(0.1)
Balance as at 31 December 2023	0.5	487.7	68.6	—	55.2	—	244.5	856.5

Consolidated cash flow statement
Year ended 31 December 2023

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Cash generated from operations	24	130.0	36.0
Net income taxes paid		(18.4)	(7.3)
Net cash inflow from operating activities	(i)	111.6	28.7
Investing activities			
Interest income		1.6	0.4
Purchase of property, plant and equipment	(i)	(25.5)	(16.8)
Purchase of intangible assets	(i)	(25.4)	(24.5)
Transfer of cash from escrow in respect of future capital expenditure		—	0.3
Net cash inflow arising from acquisitions		—	16.2
Net cash outflow from investing activities		(49.3)	(24.4)
Financing activities			
Principal element of lease obligations	(i)	(9.9)	(11.3)
Interest element of lease obligations	(i)	(2.5)	(2.1)
Interest paid		(7.0)	(3.0)
Utilisation of revolving credit facility	(ii)	120.0	—
Repayment of revolving credit facility	(ii)	(120.0)	—
Proceeds on issue of shares, net of issue costs		1.7	1.1
Facility arrangement fees		(2.9)	—
Purchase of own shares		(0.1)	(0.2)
Net cash outflow from financing activities		(20.7)	(15.5)
Net decrease in cash and cash equivalents		41.6	(11.2)
Cash and cash equivalents at beginning of year		89.0	95.1
Effect of foreign exchange rates		(4.6)	5.1
Cash and cash equivalents at end of year		126.0	89.0
Free cash flow	(i)	48.3	(25.7)

(i) Free cash flow comprises net cash generated from operating activities less purchases of property, plant and equipment, purchases of intangible assets and the principal and interest elements of lease obligations.

(ii) On 7 March 2023, the Group replaced its existing Revolving Credit Facility ('RCF') with a new RCF. The amount of £120m drawn down on the previous RCF was rolled forward into the new facility.

On 7 December 2023, the parent of the Company, Diadem Holdco Limited, re-paid both borrowings and fees associated with the acquisition of the Company, on behalf of the Company, in exchange for promissory notes amounting to £218.3 million. Also on 7 December 2023, the Company issued 11,452,653 new ordinary shares to Diadem Holdco Limited for consideration of £218.3 million. The subscription price was offset against the promissory notes, such that the promissory notes were satisfied in full and extinguished. The offset of the promissory notes against the ordinary shares was a significant non-cash transaction.

Notes to the consolidated financial statements Year ended 31 December 2023

1. Presentation of the financial statements

a) General information

The Company's shares were listed on NASDAQ from October 2020 through to December 2023, when they were delisted following the completion of the acquisition by Danaher Corporation. Following the acquisition on 6 December 2023, the Company is a direct subsidiary of Diadem Holdco Limited, which is part of Danaher Corporation.

b) Basis of preparation and consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities under its control (together the 'Group'). Control is achieved when the Company has power to control the financial and operating policies of an entity either directly or indirectly and the ability to use that power to affect the returns it receives from its involvement with the entity.

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been presented in Sterling, the functional currency of the Company, and on the historical cost basis, except as modified to include revaluation of certain financial instruments to fair value.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group. All intra-group transactions, balances, equity, income and expenses are eliminated on consolidation.

The Group's directly and indirectly held subsidiary undertakings are disclosed in note C8 to the Company financial statements.

c) Adjusted performance measures

Adjusted performance measures are used by the Directors and management to monitor business performance internally and exclude certain cash and non-cash items which they believe are not reflective of the normal day-to-day operating activities of the Group. The Directors believe that disclosing such non-IFRS measures enables a reader to isolate and evaluate the impact of such items on results and allows for a fuller understanding of performance from year to year. Adjusted performance measures may not be directly comparable with other similarly titled measures used by other companies. A detailed reconciliation between reported and adjusted measures is presented in note 7.

d) Going concern

The Group meets its day-to-day working capital requirements from the cash surpluses generated as a result of normal trading and no longer has any borrowings to service, following the repayment and closure of the Revolving Credit Facility in December 2023. In considering going concern, the Directors have reviewed the Group's forecasts and projections, taking account of reasonably possible changes in trading performance.

These show that the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and at least one year from the date of approval of the financial statements.

Further, following the change in ownership in December 2023, Abcam will benefit from wider access to capital and liquidity within Danaher Corporation.

For these reasons, the Directors continue to adopt the going concern basis in preparing its consolidated financial statements.

2 New accounting standards, amendments and interpretations

Standards, amendments and Interpretations effective during the period

The following standards and amendments are effective in the group's consolidated financial statements:

- Amendments to IFRS 17 'Insurance contracts';
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;
- Amendments to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction';
- Amendments effective during the reporting period did not have any significant impact on adoption.

Standards, amendments and interpretations not yet effective and not early adopted

Standards, amendments and Interpretations not yet effective and not early adopted

The following standards and amendments have not been adopted in the group's consolidated financial statements as they are not yet effective:

- Amendments to IFRS 16 'Lease liability in a sale and leaseback' (effective from 1 January 2024);
- Amendments to IAS 1 'Non-current liabilities with covenants' (effective from 1 January 2024); and
- Amendments regarding supplier finance arrangements to IFRS 7 Financial Instruments: Disclosures (effective from 1 January 2024).

The amendments listed above are not expected to have a

material impact on the financial statements of the Group in future periods.

3. Principal accounting policies

The following paragraphs describe the main accounting policies, which have been applied consistently.

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, net of discounts, VAT and other sales-related taxes.

No significant element of financing is deemed present, because the sales are made with a credit terms which are consistent with market practice.

Revenue from sales of goods, including revenue generated from products sold from the Group's catalogue and sale of products with use for in vitro diagnostics ('IVD') and which represents the significant majority of the Group's revenue, is recognised upon delivery to the customer or the point at which the customer takes control of the goods if this is sooner.

Custom product and service revenue, which can be the provision of a service or the development of products for customers, is recognised at the point at which a milestone, as defined in the contract, has been completed. Each milestone is typically aligned to a customer deliverable, for example, the amount of services provided, a deliverable arising from the services or the number of products successfully developed and provided to customers, and accordingly is considered to be a performance obligation. Every milestone has a defined transaction price. If it is identified that the costs will be in excess of the contract revenue, the expected loss is recognised as an expense immediately.

License fee income is recognised upon delivery of the licensed technology where the Group's continued performance or future research and development services are not required. Royalty revenue is recognised on an accruals basis based on the contractual terms and the substance of the agreements with the counterparty, provided that the amount can be reliably measured and it is probable that the economic benefit will flow to the Group.

Leasing

Leased assets are capitalised on inception of the lease as right-of-use assets. A corresponding lease liability, representing the present value of the lease payments is also recognised and split between current and non-current liabilities accordingly.

The lease liability includes fixed payments, variable lease payments dependent on an index or rate (initially measured using the index or rate on the lease commencement date) and in substance fixed payments. The variable aspect of

variable payments is recognised when the rate or index takes effect resulting in an adjustment to the liability and right-of-use asset.

The discounted lease liability is calculated where possible using the interest rate implicit in the lease or where this is not attainable the incremental borrowing rate is utilised. The incremental borrowing rate is the rate the Group would have to pay to borrow the funds necessary to obtain a similar asset under similar conditions. The Group calculates the incremental borrowing rate using the risk free rate of the country where the asset is held, adjusted for length of the lease and a risk premium.

Lease payments are allocated against the principal and finance cost. Finance costs, representing the unwinding of the discount on the lease liability are charged to the income statement to produce a constant periodic rate of interest on the remaining liability.

Right-of-use assets are measured at cost including; the discounted initial lease liability, lease payments made at or before the commencement date, any initial direct costs and reduced by any lease incentives received.

Right-of-use assets are depreciated over the shorter of the non-cancellable lease period and any extension options that are considered reasonably certain to be taken or the useful life of the asset. The Group's current leases run from 1–20 years.

Modifications to lease agreements result in remeasurement of the lease liability and right-of-use asset.

Short-term leases, defined as less than one year, and also of low value, are recognised on a straight-line basis in the income statement.

There are no material lease agreements where the Group acts as a lessor.

Foreign currencies

Foreign currency transactions are booked at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rates of exchange ruling at the balance sheet date. Exchange differences arising on settlement or retranslation of monetary assets and liabilities are included in the income statement.

The results of overseas subsidiaries are translated into Sterling using the average exchange rates during the year. Assets and liabilities are translated at the rates ruling at the balance sheet date. Goodwill arising on the acquisition of a foreign operation is treated as an asset of that foreign operation and as such is translated at the relevant foreign exchange rate at the balance sheet date. Exchange differences arising on this translation are recognised through other comprehensive income in the translation reserve.

Other exchange differences are recognised in the income statement in the period in which they arise except for where items are designated as hedging instruments or where there is a net investment hedge.

3. Principal accounting policies continued

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Group has no further obligations once the contributions have been paid.

Taxation

Current tax payable is based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes certain items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. 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 equity rather than the income statement.

The group benefits from UK research and development credits under the UK's Research and Development Expenditure Credit (RDEC) scheme. The benefit is recorded as income included in profit before tax, netted against research and development expenses, as the RDEC is of the nature of a government grant.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements 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 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 other comprehensive income or reserves, in which case the deferred tax is also dealt with in other comprehensive income or reserves respectively.

Deferred tax assets and liabilities are offset when there is a

legally enforceable right to set off current tax assets against current tax liabilities, they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

Business combinations

Business combinations are accounted for using the acquisition method. On the acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be reliably measured in which case the value is subsumed into goodwill.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year. Where measurement period adjustments are identified, comparative prior period is revised to reflect the change to the acquisition accounting.

Acquisition-related costs are expensed to the consolidated income statement in the period they are incurred.

Goodwill

Goodwill represents the excess of the fair value of the consideration over the fair value of the net assets acquired. Where the fair value of the consideration is less than the fair value of the acquired net assets, the deficit is recognised immediately in the income statement as a bargain purchase. Goodwill is not amortised, but is subject to an impairment review at least annually and is carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to cash generating units (CGUs). The CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the carrying value may not be recoverable.

3. Principal accounting policies continued

Intangible assets

Acquisition intangibles:

Acquisition intangibles comprise license fees, customer relationships and distribution rights, patents, technology and know-how and trade names. These arise in respect of business combinations, are capitalised at fair value and amortised on a straight-line basis over their estimated useful lives. The principal expected useful lives are as follows:

License fees	Term of license
Customer relationships and distribution rights	4 to 10 years
Patents, technology and know-how	10 to 16 years
Trade names	8 to 11 years

Patents, technology and know-how assets are only amortised once the development is complete and being utilised for their intended purpose; until this point the assets are deemed to be in progress.

Other intangibles:

These comprise software and expenditure on capitalised internally developed technology. Internally developed technology costs are recognised as an asset if and only if they meet the recognition criteria set out in IAS 38 'Intangible Assets' which are that:

- the project must be technically feasible;
- there must be the intention to complete the project;
- there must be adequate resources to be able to complete the project;
- the ability to use or sell the asset or product is secure;
- the future economic benefits must exceed the costs; and
- the ability to reliably measure costs.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. Assets under construction are not amortised.

The principal expected useful lives are as follows:

Software	3 to 10 years
Internally developed technology	3 to 16 years
Patents and licenses	2 to 3 years

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and, where appropriate, provision for impairment in value. 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, as follows:

Laboratory equipment	2 to 5 years
Cell line assets	10 years
Office fixtures, fittings and other equipment	2 to 5 years
Leasehold improvements	Term of lease

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 the

income statement. Residual values of assets and their useful lives are assessed on an ongoing basis and adjusted, if appropriate, at each balance sheet date. Assets under the course of construction are not depreciated.

Impairment of property, plant and equipment and intangible assets excluding goodwill

A review is undertaken upon the occurrence of events or circumstances which indicate that the carrying amount may not be recoverable. In addition, any assets not yet available for use are tested for impairment annually.

The 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 it is not possible to determine the recoverable amount for an individual asset, the assessment is made for the asset's cash-generating unit (CGU).

Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labor costs and an attributable portion of production overheads that have been incurred in bringing the inventories to their present location and condition. The valuation methodology is on a weighted average cost basis, depending on the nature of the inventory, and 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 assets

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. The Group's financial assets comprise cash and cash equivalents, receivables which involve a contractual right to receive cash from external parties, and investments.

Investments

Investments in shares are held at fair market value, with any revaluation gain or loss recorded through other comprehensive income.

3. Principal accounting policies continued

Trade and other receivables

Trade receivables (excluding derivative financial assets) are recognised at cost less allowances for expected credit loss. The provision is based on the Group's expected credit loss, which is calculated using the simplified approach for trade receivables based on historical data adjusted for forward looking information.

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.

Financial liabilities

Financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at cost which equates to their fair value.

Equity instruments

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

Derivative financial Instruments

The Group uses forward contracts to manage the exposure to fluctuating foreign exchange rates in relation to forecast future transactions.

Derivatives are initially recognised at fair value at the date a contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. 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.

Hedge accounting

At the inception of a hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, its effectiveness along with its risk management objectives, and its strategy for undertaking various hedge transactions. The effectiveness is repeated on an ongoing basis during the life of the instrument to ensure that the instrument remains effective.

Hedge effectiveness is assessed via the dollar offset method, being the ratio of change in the cumulative fair value of the hedging instrument divided by the cumulative change in present value of the hedged item attributed to changes in the stated currency pair forward rate.

Cash flow hedges

The Group designates certain derivatives as cash flow hedges of highly probable forecast foreign currency transactions.

The effective portion of changes in the fair value of derivatives which are designated and qualify as cash flow hedges is deferred in other comprehensive income. Gains or losses relating to the ineffective portion are recognised immediately in the income statement.

Amounts deferred in other comprehensive income are recycled to the income statement in the periods when the hedged item is recognised in the income statement.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or it no longer qualifies for hedge accounting. Any cumulative gain or loss in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in other comprehensive income is recognised immediately in the income statement.

Share-based payments

Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and 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. Where the vesting date is brought forward during the vesting period, the associated expense is accelerated so that the remaining expense is recognised by the vesting date.

Share-based payments where vesting is by reference to external performance criteria (such as growth in an external index) are valued using the Monte Carlo simulation method. Those which are subject only to internal performance criteria or service conditions are valued using the Black-Scholes model.

For all schemes, the number of options expected to vest is recalculated at each balance sheet date based on expectations of leavers prior to vesting. The number of options expected to vest for schemes with internal performance criteria is also adjusted based on expectations of performance against targets. No adjustments are made for expected performance against external or 'market-based' targets. Charges made to the income statement in respect of equity settled share-based payments are credited to equity.

For cash settled share-based payments, the Group recognised a liability for the services acquired, measured initially at the fair value of the liability. This liability is remeasured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the income statement.

3. Principal accounting policies continued

Own shares

No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own shares. Any difference between the carrying amount and the consideration is recognised in equity.

4. Critical accounting judgements and sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the application of its accounting policies which affect the reported amounts of assets, liabilities, revenue and expenses. Actual amounts and results may differ from those estimates.

Judgements and estimates are evaluated regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Any revisions to accounting estimates are recognised in the period in which the estimate is revised.

a) Key accounting judgements

Capitalisation of intangible assets – internal software development

The Group capitalises internal software development costs, in particular internal staff costs, relating to the enhancement of the Group's core IT systems architecture and developments. Judgement is required in applying the Capitalisation criteria of IAS 38 'Intangible Assets', differentiating between enhancements and maintenance. Those costs which are not treated as capital but are directly attributable to the Group's system and process improvement project are treated as adjusting items.

In establishing the principles on which costs are capitalised, consideration is given to the nature of work being performed, whether the costs and the activities are incremental and whether the associated deliverables meet the characteristics of an asset. Processes are in place to evaluate this, and the same processes are used to confirm whether the expensed costs are related to the system and process improvement project so that classification as an adjusting item is appropriate.

Capitalisation of intangible assets – internally developed technology

The Group capitalises internal costs associated with internally developed technology as intangible assets as described further in notes 3 and 13. This requires judgement to determine that the characteristics of such

assets meet the relevant criteria if IAS 38 'Intangible Assets' for classification as an intangible asset.

Internal costs are capitalised as internally developed technology within intangible assets which are used to generate antibodies and kits. The point at which such internal costs are capitalised as well as their magnitude (whereby the amount capitalised comprises mainly of attributable salary costs and consumables used in the manufacture process) is a key area of judgement.

A key area in respect of the stage of development of internally developed technology is subject to judgement as to when a product's future economic value justifies capitalisation. Management regularly reviews these factors in order to determine that the costs meet the criteria for capitalisation as intangible assets.

b) Key sources of estimation uncertainty

Provision for expected credit losses

Following the implementation of a new ERP system module for sales and distribution in 2022, there have continued to be ongoing issues with data, system interfaces and certain payment processes throughout 2023. This has impacted Abcam's ability to both distribute and collect sales invoices in a timely manner, particularly within Abcam Inc., and so the amounts collected may be less than the amounts billed. Whilst these factors are unrelated to credit risk, they make the valuation of accounts receivable more subjective.

Abcam assesses the requirement for a provision against bad or doubtful debts in line with the lifetime expected credit loss ('ECL') for the trade receivables. The ECL is based upon the Group's historical credit loss experience that is then adjusted to account for factors that are specific to the individual customer balances, the general economic conditions and the forecast conditions at the balance sheet date. The evaluation of these historical and other factors involves complex, subjective judgments.

The valuation of trade receivables is adjusted for the expected credit loss in the form of a provision for bad and doubtful debts. Our collection procedures include: review of account aging; review of current sales activity; and direct contact with our payors. An uncollectible amount is written off to the provision after reasonable collection efforts have been exhausted. As of 31 December 2023, the provision for bad and doubtful accounts balance was £4.6 million (31 December 2022: £2.4 million) which is included in accounts receivable, net of allowances on the Group's Consolidated balance sheet.

Details on the ageing of trade receivables can be found in note 19.

5. Revenue

Geographical Information

Revenues are attributed to regions based primarily on customers' location. The Group's revenue from external customers is set out below:

	Revenue	
	Year ended 31 December 2023	Year ended 31 December 2022
	£m	£m
The Americas	172.6	162.5
EMEA	103.2	90.1
China	64.1	62.9
Japan	15.5	17.9
Rest of Asia Pacific	28.1	28.3
	383.5	361.7

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Catalogue revenue	361.0	339.8
Custom products and services	5.7	6.8
IVD	5.8	6.1
Royalties and licenses	11.0	9.0
Custom products and licensing	22.5	21.9
Total reported revenue	383.5	361.7

Because all custom products and services projects within a contract had an original expected duration of one year or less, the Group has taken advantage of the exemption not to disclose outstanding amounts in respect of uncompleted contracts

6. Operating profit / (loss)

Operating profit / (loss) for the year is stated after charging/(crediting):

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Cost of inventories recognised as an expense	60.4	60.6
Write down of inventories recognised as an expense	5.2	3.6
UK R&D tax credits	(1.9)	(2.0)
Deferred RDEC IT tax credit	1.0	—
Movements arising on financial instruments at fair value through profit or loss	(3.0)	0.2
Other net foreign exchange differences (including cash flow hedge movements reclassified from other comprehensive income)	0.4	0.1

Auditor's remuneration comprised the following:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
<i>Audit services</i>		
Group and parent company	811	805
Subsidiary companies pursuant to legislation	—	12
Total audit fees	811	817
<i>Audit related assurance services</i>		
Interim reviews	145	69
Other	702	598
Total auditor remuneration	1,658	1,484

Other audit-related assurance services includes work performed in relation to attestation under s404 of Sarbanes - Oxley Act 2002 and the audit of the 20-F filing. Though some audit work was performed in the expectation that Abcam would file a 20-F and attest under s404 of Sarbanes -Oxley Act 2002 for the 12 months ended 31 December 2023, this was no longer a requirement following the acquisition by Danaher and subsequent de-listing from Nasdaq.

7. Adjusted performance measures

A reconciliation of the Group's adjusted performance measures to the reported IFRS measures is presented below:

	Year ended 31 December 2023			Year ended 31 December 2022			
	Note	Adjusted £m	Adjusting Items £m	Total £m	Adjusted £m	Adjusting Items £m	Total £m
Cost of sales		(89.5)	—	(89.5)	(88.5)	(2.7)	(91.2)
Gross profit		294.0	—	294.0	273.2	(2.7)	270.5
Selling, general and administrative expenses		(184.1)	(137.1)	(321.2)	(176.3)	(48.2)	(224.5)
Research and development expenses		(19.8)	(22.3)	(42.1)	(20.6)	(35.5)	(56.1)
Operating profit / (loss)		90.1	(159.4)	(69.3)	76.3	(86.4)	(10.1)
Finance income	10	1.6	—	1.6	0.4	—	0.4
Finance costs	10	(12.6)	—	(12.6)	(5.9)	—	(5.9)
Profit / (loss) before tax		79.1	(159.4)	(80.3)	70.8	(86.4)	(15.6)
Tax	11	(22.8)	(11.7)	(34.5)	(13.1)	20.2	7.1
Profit / (loss) for the year		56.3	(171.1)	(114.8)	57.7	(66.2)	(8.5)

Analysis of adjusting items:

		Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Amortisation of fair value adjustments	(i)	—	(2.7)
Affecting gross profit		—	(2.7)
Impairment of asset held for sale	(ii)	—	(18.3)
System and process improvement costs	(iii)	—	(6.6)
Integration and re organisation costs	(iv)	(12.2)	(15.7)
Amortisation of acquisition Intangibles	(v)	(15.6)	(16.9)
Share-based payment charges	(vi)	(41.0)	(26.2)
EGM	(vii)	(2.5)	—
Strategic review and sale related costs	(viii)	(83.9)	—
Transition costs	(ix)	(4.2)	—
Affecting operating profit and profit before tax		(159.4)	(86.4)
Tax effect of adjusting items		(11.7)	20.2
Total adjusting items after tax		(171.1)	(66.2)

(i) Comprises amortisation of fair value adjustments relating to the acquisition of BioVision, Inc in 2021. Following the acquisition, the Group recognised a fair value uplift of £5.8m (\$7.7m) to inventory carried on the Group's balance sheet. This adjustment was amortised over 4 months from November 2021 and so a charge was included at the beginning of the year ended 31 December 2022. Such costs are included within cost of sales.

(ii) During the year ended 31 December 2022, the assets relating to Firefly BioWorks multiplex and assay technology were actively marketed, along with other assets relating to this technology and product range. Accordingly, these assets were classified as held for sale on the Group's balance sheet, which included an allocation of goodwill (£1.6m). The group was not successful in locating a buyer and a decision was made by the directors, in the second half of 2022, to discontinue the group's investment in these products and technology. As such an impairment charge of £18.3m has been recognised within R&D expenses in the income statement, with the carrying amount of the assets classified as held for sale written down to £nil. Further, associated deferred tax liabilities of £4.1m and other liabilities of £0.2m were also released to the income statement, as well as other costs associated with this decision of £0.2m. Details can be found in note 9. The impairment charge is included within research and development expenses.

- (iii) Year ended 31 December 2023: £nil. Year ended 31 December 2022: Comprises costs of the strategic ERP implementation which do not qualify for capitalisation and impairment charges of £0.7m for a software asset developed as part of the ERP project that was no longer required. Such costs are included within selling, general and administrative expenses.
- (iv) Year ended 31 December 2023: Integration and reorganisation costs primarily relate to incremental costs associated with the cost refinement actions announced in the first half of 2023, which includes the consolidation of our global footprint, streamlining organizational structures and eliminating redundant processes. Also within included within these costs are the finalization of the integration of the acquired BioVision business. £1.2m of integration and reorganisation costs are included within research and development expenses and the remaining £11.0m is included within selling, general and administrative expenses.
Year ended 31 December 2022: Integration and reorganisation costs relate to the integration of the acquired BioVision business, the accelerated depreciation of a property lease that is no longer in use and de-listing and other set-up costs associated with having a sole listing on Nasdaq.
£0.1m of integration and reorganisation costs are included within research and development expenses and the remaining £15.6m is included within selling, general and administrative expenses.
- (v) Amortisation of £12.9m (period ended 31 December 2022: £14.5m) is included within research and development expenses, with the remaining £2.7m (period ended 31 December 2022: £2.4m) included within selling, general and administrative expenses.
- (vi) Comprises share-based payment charges of £37.4m (period ended 31 December 2022: £23.3m) and employer's tax contributions of £3.6m (period ended 31 December 2022: £2.9m) thereon for all the Group's equity- and cash-settled schemes. Charges of £8.2m (period ended 31 December 2022: £2.6m) are included in research and development expenses, with the remaining £32.8m (period ended 31 December 2022: £23.6m) included within selling, general and administrative expenses.
- (vii) Comprises professional fees associated with the calling of an extraordinary general meeting ('EGM') for July 2023. These costs are included in selling, general and administrative expenses.
- (viii) Comprises professional fees associated with the strategic review that was initiated in June 2023 and resulted in the sale of the Abcam group to Danaher Corporation at the end of the year. These costs are included in selling, general and administrative expenses.
- (ix) Comprises incremental costs associated with the transition of Abcam to becoming part of the Danaher group. These costs are included in selling, general and administrative expenses.

8. Employees

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

	Year ended 31 December 2023 number	Year ended 31 December 2022 number
Management, administrative, marketing and distribution	1,238	1,304
Laboratory	395	425
	1,633	1,729

Their aggregate remuneration comprised:

	31 December 2023 £m	31 December 2022 £m
Wages and salaries	113.6	103.6
Social security costs	14.8	15.1
Other pension costs	9.1	7.2
Share-based payments charge	37.4	23.3
Total staff costs	174.9	149.2

The remuneration of the Directors, excluding shares receivable under long term incentive schemes, was as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Aggregate emoluments	6.0	2.4

Two directors (2022: two directors) exercised share options or awards during the year and received shares under long term incentive schemes.

The highest paid director's emoluments, excluding shares receivable under long term incentive schemes, were as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Aggregate emoluments	2.9	0.9

The highest paid director exercised share options or awards during the year and received shares under long term incentive schemes

Three directors did not receive remuneration from the company for their services as directors in the year ended 31 December 2023 (year ended 31 December 2022: nil).

9. Impairment of asset held for sale

Assets held for sale and subsequently impaired in the year ended 31 December 2022:

	Impairment of assets held for sale £m
Impaired assets held for sale	
Goodwill	1.6
Intangible assets	15.8
Property plant and equipment	0.5
Inventories	0.4
Assets	18.3
Trade and other payables	(0.2)
Deferred tax liabilities	(4.1)
Liabilities	(4.3)
Impairment charges impacting operating profit	18.3
Release of other liabilities	(0.2)
Other costs associated with discontinued investment	0.2
Expenses recognised within operating profit	18.3
Release of deferred tax liabilities	(4.1)
Loss recognised within the income statement	14.2

During the year ended 31 December 2022, the assets relating to Firefly Bioworks multiplex and assay technology were actively marketed, along with other assets relating to this technology and product range, which included an allocation of goodwill (£1.6m). The criteria for classification as an Asset Held for Sale under IFRS 5 was met in May 2022, when active marketing of these assets had commenced, and these assets were classified as held for sale on the group's balance sheet.

The group was not successful in locating a buyer and a decision was made by the directors, in the second half of 2022, to discontinue the group's investment in these products and technology. As such an impairment charge of £18.3m was recognised within R&D expenses within the income statement, with the carrying amount of the assets classified as held for sale written down to £nil. Further, associated deferred tax liabilities of £4.1m and other liabilities of £0.2m were also released to the income statement, as well as other costs associated with this decision of £0.2m.

10. Finance income and costs

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Interest receivable	1.6	0.4
Finance income	1.6	0.4
Interest expense on lease liabilities	(2.5)	(2.1)
Borrowing costs	(10.1)	(3.3)
Other interest expense	—	(0.5)
Finance costs	(12.6)	(5.9)
Net finance costs	(11.0)	(5.5)

Borrowing costs includes £2.9m of arrangement fees that relate to the new Revolving Credit Facility ('RCF') agreement that was signed on 7 March 2023. These fees were initially capitalized on the balance sheet and were to be amortised over the length of the facility (four years). However, following the repayment and closure of the RCF in December 2023, the carrying amount held in relation to these fees was fully released through finance costs in the income statement.

11. Tax

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Current tax			
Current income tax charge		15.2	11.2
Adjustment in respect of prior years		4.5	(5.4)
		19.7	5.8
Deferred tax			
Origination and reversal of temporary differences		23.6	(15.4)
Adjustment in respect of prior years		(2.4)	5.4
Effect of tax rate change		(6.4)	(2.9)
	17	14.8	(12.9)
Total income tax charge / (credit)		34.5	(7.1)

The Group reported a net tax charge of £34.5m (year ended 31 December 2022: credit of £7.1m).

The UK corporation tax rate for the year was 23.5% (31 December 2022: 19.0%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future. On 10 June 2021, the UK Government's proposal to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 was enacted into UK law. In line with the rate increase, there has been an increase to our effective tax rate for periods from 2023 onwards.

The charge / (credit) for the year can be reconciled to the loss per the income statement as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Loss before tax	(80.3)	(15.6)
Tax at the UK corporation tax rate of 23.5% (period ended 31 December 2022: 19.0%)	(18.9)	(3.0)
Adjustment in respect of overseas tax rates	0.6	2.3
Adjustments in respect of prior years	2.1	—
Effect of 'patent box' benefit	(4.5)	(2.8)
Tax effect of non-deductible expenses and non-taxable income	54.0	0.1
Overseas R&D tax credit uplift	(0.6)	(0.8)
Effect of tax rate change	(6.4)	(2.9)
Derecognition of previously recognized tax losses	4.9	—
Fixed Asset timing differences	3.2	—
Deferred R&D expenditure	0.1	—
Tax charge / (credit) for the year	34.5	(7.1)

12. Goodwill

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Cost and carrying amount			
At beginning of year		398.3	363.5
Transfer to asset held for sale	9	—	(1.6)
Exchange differences		(19.3)	36.4
At end of year		379.0	398.3

Goodwill is converted at the exchange rate on the date of acquisition and retranslated at the balance sheet date.

Goodwill acquired in a business combination is allocated at acquisition to the Cash Generating Unit (CGU) which is expected to benefit from that business combination.

Goodwill is subject to an annual impairment review or more frequently if there are any indications that goodwill might be impaired. The review assesses the carrying amount of the group's CGU, which is equivalent to the net assets of the group, in comparison to its recoverable amount.

After performing the annual impairment review, management has identified significant headroom between the recoverable amount and the carrying value. Based on the results of this analysis, management is satisfied that the recoverable amount of the group's CGU, inclusive of the recorded goodwill, exceeds its carrying amount. The recoverable amount has been measured with reference to the acquisition price paid by Danaher Corporation for the Abcam group and so there is not any reasonable possible change in these assumptions that would cause the carrying amount of the CGU to exceed its recoverable amount. As such, a sensitivity analysis has not been performed.

13. Intangible assets

	Acquisition Intangibles				Sub-total £m	Software £m	Internally developed technology £m	Patents and licenses £m	Total £m
	Customer relationships and distribution rights £m	Patents, technology and know-how £m	License fees £m	Trade names £m					
Cost									
At 1 January 2022	12.2	189.2	15.8	3.6	220.8	88.8	48.7	1.6	359.9
Additions	—	—	—	—	—	14.6	8.5	0.4	23.5
Transfer to asset held for sale	—	(21.6)	—	—	(21.6)	(0.8)	(5.2)	—	(27.6)
Exchange differences	1.0	18.5	0.6	0.3	20.4	0.2	0.5	—	21.1
At 31 December 2022	13.2	186.1	16.4	3.9	219.6	102.8	52.5	2.0	376.9
Additions	—	—	—	—	—	15.3	9.8	0.5	25.6
Exchange differences	(0.5)	(9.0)	(0.3)	(0.2)	(10.0)	(0.1)	(0.2)	0.0	(10.3)
At 31 December 2023	12.7	177.1	16.1	3.7	209.6	118.0	62.1	2.5	392.2
Accumulated amortisation									
At 1 January 2022	7.0	50.9	8.9	2.6	69.4	37.6	18.2	0.5	125.7
Charge for the period	1.0	14.5	1.3	0.1	16.9	6.1	3.0	0.4	26.4
Impairment	—	—	—	—	—	0.7	0.3	—	1.0
Transfer to asset held for sale	—	(9.4)	—	—	(9.4)	(0.1)	(2.3)	—	(11.8)
Exchange differences	0.6	5.7	0.6	0.3	7.2	0.1	0.4	—	7.7
At 31 December 2022	8.6	61.7	10.8	3.0	84.1	44.4	19.6	0.9	149.0
Charge for the year	0.7	13.5	1.3	0.1	15.6	8.0	3.3	1.0	27.9
Impairment	—	—	—	—	—	—	2.0	0.2	2.2
Exchange differences	(0.3)	(3.5)	(0.3)	(0.2)	(4.3)	—	(0.2)	—	(4.5)
At 31 December 2023	9.0	71.7	11.8	2.9	95.4	52.4	24.7	2.1	174.6
Carrying amount									
At 31 December 2022	4.6	124.4	5.6	0.9	135.5	58.4	32.9	1.1	227.9
At 31 December 2023	3.7	105.4	4.3	0.8	114.2	65.6	37.4	0.4	217.6
Included in carrying amount – Assets under construction									
At 31 December 2022	—	—	—	—	—	14.7	8.4	1.0	24.1
At 31 December 2023	—	—	—	—	—	3.0	10.3	0.1	13.4

Amortisation of £16.3m (period ended 31 December 2022: £12.0m) is included within research and development expenses and £11.6m (31 December 2022: £14.4m) is included within selling, general and administrative expenses.

During the year ended 31 December 2022, the assets relating to Firefly Bioworks multiplex and assay technology were actively marketed for sale, along with other assets relating to this technology and product range. These assets which included acquired patents, technology and know-how, software, and internally developed technology with a total carrying amount of £15.8m were classified as assets held for sale in May 2022.

Capital commitments at 31 December 2023 amounted to £0.3m (2022: £2.3m).

Individually material intangible assets

	Year ended 31 December 2023		Year ended 31 December 2022	
	Carrying amount £'m	Remaining amortization period Years	Carrying amount £'m	Remaining amortization period Years
Expedeon CaptSure technology	18.8	12	21.7	13
Expedeon antibody labelling and conjugation technology	13.5	12	14.6	13
Epitomics RabMAb® technology	5.9	3	8.1	4
Roche license agreement	4.3	5	5.3	6
BioVision Metabolism Assays & Proteins	65.4	8	77.9	9
Website platform	26.6	7	—	—
ERP System	28.4	8	26.4	9

14. Property, plant and equipment

	Laboratory equipment £m	Office fixtures, fittings and other equipment £m	Cell line assets £m	Leasehold improvements £m	Total £m
Cost					
At 1 January 2022	36.1	18.5	8.5	49.2	112.3
Additions	8.0	1.4	1.9	6.9	18.2
Transfer to assets held for sale	(1.3)	—	—	—	(1.3)
Transfers	0.3	(0.3)	—	—	—
Disposals	(0.2)	(0.1)	—	—	(0.3)
Exchange differences	2.3	1.3	—	3.3	6.9
At 31 December 2022	45.2	20.8	10.4	59.4	135.8
Additions	4.9	0.6	2.4	17.3	25.2
Disposals	(3.0)	(0.8)	—	—	(3.8)
Exchange differences	(3.7)	(1.0)	—	(2.4)	(7.1)
At 31 December 2023	43.4	19.6	12.8	74.3	150.1
Accumulated depreciation					
At 31 December 2021	20.8	11.5	1.2	5.3	38.8
Charge for the year	6.2	2.4	1.2	5.2	15.0
Disposals	(0.2)	(0.1)	—	—	(0.3)
Transfers	0.3	(0.3)	—	—	—
Transfer to assets held for sale	(0.8)	—	—	—	(0.8)
Exchange differences	1.5	1.0	—	0.1	2.6
At 31 December 2022	27.8	14.5	2.4	10.6	55.3
Charge for the year	6.1	2.6	1.0	7.5	17.2
Disposals	(3.0)	(0.8)	—	—	(3.8)
Exchange differences	(0.9)	(0.6)	—	(0.6)	(2.1)
At 31 December 2023	30.0	15.7	3.4	17.5	66.6
Net book value					
At 31 December 2022	17.4	6.3	8.0	48.8	80.5
At 31 December 2023	13.4	3.9	9.4	56.8	83.5
Included in net book value – Assets under construction					
At 31 December 2022	—	—	0.8	7.1	7.9
At 31 December 2023	—	—	0.7	0.1	0.8

Capital commitments at 31 December 2023 amounted to £3.0m (2022: £20.7m).

During the year ended 31 December 2022, the assets relating to Firefly Bioworks multiplex and assay technology were actively marketed, along with other assets relating to this technology and product range. These assets related to laboratory equipment with a total carrying amount of £0.5m were classified as assets held for sale in May 2022.

15. Leases

Right-of-use assets	Land and Buildings £m	Other £m	Total £m
Cost			
At 1 January 2022	107.1	0.3	107.4
Additions	1.1	0.1	1.2
Disposals and other adjustments	(2.9)	—	(2.9)
Exchange differences	5.4	—	5.4
At 31 December 2022	110.7	0.4	111.1
Additions	1.6	0.3	1.9
Remeasurement	40.6	—	40.6
Disposals and other adjustments	(1.9)	(0.2)	(2.1)
Exchange differences	(3.1)	—	(3.1)
31 December 2023	147.9	0.5	148.4
Accumulated Amortisation			
At 1 January 2022	19.0	0.2	19.2
Charge for the period	11.4	0.1	11.5
Exchange differences	1.2	—	1.2
At 31 December 2022	31.6	0.3	31.9
Charge for the year	9.1	0.1	9.2
Disposals and other adjustments	(1.9)	(0.2)	(2.1)
Exchange differences	(1.3)	—	(1.3)
31 December 2023	37.5	0.2	37.7
Carrying amount			
At 31 December 2022	79.1	0.1	79.2
At 31 December 2023	110.4	0.3	110.7
Lease liabilities			
Maturity analysis of lease liabilities:			
		31 December 2023 £m	31 December 2022 £m
Amounts falling due within			
One year		12.6	8.5
Between one and five years		39.3	33.2
Later than five years		81.8	62.6
		133.7	104.3

The interest expense incurred on lease liabilities included within finance costs was £2.5m (Year ended 31 December 2022: £2.1m). The lease expense relating to short-term leases and low value assets (that are not shown in the tables above) was £0.3m (year ended 31 December 2022: £0.2m). Cash outflows in respect of right-of-use assets were £12.4m (31 December 2022: £13.4m).

16. Investments

	31 December 2023 £m	31 December 2022 £m
At beginning of year	3.2	3.5
Revaluation to fair value	1.0	(0.4)
Exchange differences	—	0.1
At end of year	4.2	3.2

Revaluation adjustments to fair value include adjustments to equity investments, which is further described in note 25.

17. Deferred tax assets and liabilities

	Accelerated capital allowances £m	Cash flow hedges £m	Share-based payments £m	Acquired intangible assets £m	Losses £m	Other temporary differences £m	Total £m
At 31 December 2021	(14.8)	—	7.6	(32.2)	6.1	5.0	(28.3)
(Charge)/credit to income	(8.3)	—	5.5	7.5	5.8	2.4	12.9
Charge to equity	—	—	(1.4)	—	—	—	(1.4)
Credit to other comprehensive income	—	0.1	—	—	—	—	0.1
Exchange differences	0.1	—	—	(3.6)	0.1	0.1	(3.3)
At 31 December 2022	(23.0)	0.1	11.7	(28.3)	12.0	7.5	(20.0)
(Charge)/credit to income	(3.6)	—	(16.8)	5.2	(1.0)	1.4	(14.8)
Credit to equity	—	—	5.1	—	12.6	—	17.7
Charge to other comprehensive income	—	(0.1)	—	—	—	—	(0.1)
Exchange difference	0.5	—	—	1.7	(0.1)	(0.4)	1.7
At 31 December 2023	(26.1)	—	—	(21.4)	23.5	8.5	(15.5)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so and an intention to settle net.

Deferred tax balances are comprised as follows:

	31 December 2023 £m	31 December 2022 £m
Deferred tax assets to be recovered		
Within 12 months	3.6	13.4
After more than 12 months	8.1	(1.3)
	11.7	12.1
Deferred tax liabilities to be settled		
Within 12 months	(1.4)	0.1
After more than 12 months	(25.8)	(32.2)
	(27.2)	(32.1)
Deferred tax liabilities (net)	(15.5)	(20.0)

Deferred tax is calculated using tax rates that are expected to apply in the period when the liability or asset is expected to be realised based on rates enacted or substantively enacted by the reporting date.

As at 31 December 2023, the group had an unrecognized deferred tax asset of £11.6m (31 December 2022: £nil).

18. Inventories

	31 December 2023 £m	31 December 2022 £m
Raw materials	20.1	13.8
Work in progress	15.6	23.2
Finished goods and goods for resale	32.9	31.0
	68.6	68.0

Inventories are stated net of provision for slow moving or defective inventory of £14.4m (2022: £14.8m). Cost of inventories recognised as an expense and write down of inventories recognised as an expense (and which are included as part of cost of sales) are set out in note 6.

19. Trade and other receivables

	31 December 2023 £m	31 December 2022 £m
Amounts receivable for the sale of goods and services	73.3	69.4
Less provision for bad and doubtful debts	(4.6)	(2.4)
	68.7	67.0
Amounts owed from parent undertaking	17.3	—
Other receivables	8.1	9.4
Prepayments	6.3	7.6
	100.4	84.0

On 7 December 2023, the Company issued 11,452,653 new ordinary shares for consideration of £218.3 million, following the capitalization of promissory notes issued by Diadem Holdco Limited. Consideration of £17.3 million in relation to these shares remained unpaid at the year end and is included as 'amounts owed from parent undertaking'.

Ageing of trade receivables:

	31 December 2023			31 December 2022		
	Gross £m	Provision £m	Net £m	Gross £m	Provision £m	Net £m
Not past due	19.7	—	19.7	26.5	—	26.5
Past due						
0 to 30 days	8.4	(0.1)	8.3	12.7	(0.1)	12.6
30 to 60 days	5.7	(0.2)	5.5	8.3	(0.2)	8.1
More than 60 days	39.5	(4.3)	35.2	21.9	(2.1)	19.8
	53.6	(4.6)	49.0	42.9	(2.4)	40.5
	73.3	(4.6)	68.7	69.4	(2.4)	67.0

Movement in provision for bad and doubtful debts

	31 December 2023 £m	31 December 2022 £m
Balance at beginning of year	(2.4)	(0.8)
Impairment losses recognised in the income statement	(2.2)	(1.6)
Balance at end of year	(4.6)	(2.4)

The average credit period taken for sales is 70 days (31 December 2022: 61 days). Trade and other receivables are non-interest bearing and generally on terms between 30 to 90 days. Trade receivables are provided for based on estimated irrecoverable amounts determined by specific circumstances as described in note 4.

19. Trade and other receivables

The Group does not hold any collateral or other credit enhancements over its trade receivables, nor do they have a legal right to offset against any amounts owed to the counterparty.

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

20. Derivative financial instruments

The group changed its foreign currency risk management policy at the end of 2023 and no longer purchases forward contracts to manage its exposure to transactions in Euros, US Dollars, Chinese Renminbi and Japanese Yen. Accordingly, all foreign currency forward contract positions were exited during the year and the group did not hold any derivative financial instruments as at 31 December 2023. The derivative financial instruments held as at 31 December 2022 are presented below.

31 December 2022

	Current		Non-current	Total
	Asset £m	Liability £m		
Derivatives carried at fair value through profit and loss				
Forward exchange contracts that are not designated in hedge accounting relationships	—	(0.2)	—	(0.2)
Derivatives that are designated and effective as hedging instruments carried at fair value				
Forward exchange contracts	0.5	(0.6)	—	(0.1)
	0.5	(0.8)	—	(0.3)

21. Trade and other payables

	31 December 2023 £m	31 December 2022 £m
Amounts falling due within one year		
Trade payables	9.6	15.8
Accruals	33.8	36.3
Deferred income	9.4	7.3
Other taxes and social security	34.7	1.9
Other payables	9.2	6.5
	96.7	67.8

December 2023, the Group had an average of 26 days of purchases (31 December 2022: 38 days) outstanding in trade payables (excluding accruals and deferred income). 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 their fair value.

Deferred income includes contract liabilities of £3.9m (2022: £3.2m) which represent consideration received for performance obligations not yet satisfied, in delivering products or services to customers. All deferred income is to be recognised within the next financial year.

Other taxes and social security includes liabilities due to tax authorities for employment related taxes arising from the vesting and exercise of employee share options and awards at the end of 2023

22. Borrowings

	31 December 2023 £m	31 December 2022 £m
Amounts falling due within one year		
Revolving Credit Facility ("RCF")	—	(119.6)

Borrowings are presented net of unamortised arrangement fees of £nil (31 December 2022: £0.4m).

On 7 March 2023, the Group replaced its existing RCF which was due to expire on January 31 2024 with a new RCF for an amount of £300m.

All outstanding drawings on the RCF, which amounted to £120m, were re-paid in full on Abcam Limited's behalf by its parent company, Diadem Holdco Limited, in December 2023, following the acquisition of the Company. This liability, along with other liabilities relating to professional fees associated with the acquisition, were initially replaced with promissory notes issued by Diadem Holdco Limited that were subsequently capitalized in exchange for the issue of 11.5m new ordinary shares. Refer to note 23 for further information.

The RCF was closed in December 2023.

23. Share capital and reserves

Share capital

	31 December 2023 £m	31 December 2022 £m
Authorised, issued and fully paid:		
246,241,637 (2022: 229,309,701) ordinary shares of 0.2 pence each	0.5	0.5

The Company has one class of ordinary shares which carries no right to fixed income.

On 7 December 2023, the Company issued 11,452,653 new ordinary shares for consideration of £218.3 million, following the capitalization of promissory notes issued by Diadem Holdco Limited. Consideration of £17.3 million in relation to these shares remained unpaid at the year end.

Other reserves

Merger reserve

Comprises the premium on shares issued as consideration for acquisitions where conditions for merger relief have been satisfied.

Own shares

Represents shares in the Company held by the Equiniti Share Plan Trustees Limited. These shares are held in order to satisfy the Free Shares and Matching Shares elements of the SIP, further details of which are set out in note 26.

	31 December 2023		31 December 2022	
	Nominal value £'000	Number	Nominal value £'000	Number
Own shares	—	—	1	272,400

All remaining shares held in relation to the SIP were exercised during the year and all remaining residual shares held in the Own shares reserve were purchased by Diadem Holdco Limited in December 2023. As such, there were no shares remaining in the reserve at 31 December 2023.

Translation reserve

Represents exchange differences on translation of overseas operations.

Hedging reserve

Comprises gains and losses recognised on cash flow hedges and the associated deferred tax assets.

24. Notes to the cash flow statement

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Operating loss		(69.3)	(10.1)
Adjustments for:			
Depreciation of property, plant and equipment	14	17.2	15.0
Depreciation of right-of-use assets	15	9.2	11.5
Amortisation of intangible assets	13	27.9	26.4
Impairment of intangible assets	13	2.2	1.0
Impairment of assets held for sale		—	18.3
Gain on sub-let of previously impaired right of use asset		(0.6)	—
Loss on disposal of right of use asset		—	0.6
Professional fees settled in exchange for issue of ordinary shares		78.5	—
Derivative financial instruments at fair value through profit or loss	6	—	0.2
Research and development expenditure credit	6	(1.0)	(2.0)
Share-based payments charge	26	37.2	23.2
Unrealised currency translation (gains)/losses		1.6	(1.3)
Operating cash flows before movements in working capital		102.9	82.9
Increase in inventories		(3.6)	(7.4)
Increase in receivables		(6.8)	(33.3)
Increase / (decrease) in payables		37.5	(6.2)
Cash generated from operations		130.0	36.0

Analysis of changes in net debt

	Cash and cash equivalents £m	Lease liabilities* £m	Borrowings* £m	Net debt £m
At 31 December 2021	95.1	(110.5)	(119.2)	(134.6)
Additions to leases	—	(1.2)	—	(1.2)
Cash flow	(11.2)	13.4	—	2.2
Foreign exchange and other non-cash movements	5.1	(6.0)	(0.4)	(1.3)
At 31 December 2022	89.0	(104.3)	(119.6)	(134.9)
Additions to leases	—	(42.5)	—	(42.5)
Cash flow	41.6	12.4	(2.9)	51.1
Foreign exchange and other non-cash movements	(4.6)	0.7	122.5	118.6
Net debt	126.0	(133.7)	—	(7.7)

Total financial liabilities included within net debt comprise those items marked * and amount to £133.7m (31 December 2022: £223.9m). Liabilities arising from financing activities comprise the Group's RCF (as set out in note 22) and lease liabilities (as set out in note 15).

Foreign exchange and other non-cash movements within net debt includes £120.0m of borrowings held under the groups RCF. This facility was re-paid on Abcam's behalf, as well as certain professional fees, following the acquisition of Abcam by Danaher. These liabilities were initially replaced with promissory notes issued by Abcam's parent company, Diadem Holdco Limited, and were subsequently capitalized in exchange for new ordinary shares in a non-cash transaction.

25. Financial instruments

Capital risk management

The capital structure of the Group comprises of cash and cash equivalents and total equity attributable to the owners of the parent. The Group maintains a capital structure with the following objectives:

- to protect the ability of the Group to continue as a going concern and maintain sufficient available resources as protection for unforeseen events;
- to provide flexibility of resource for strategic growth and investment where opportunities arise; and
- to provide reasonable returns to shareholders whilst maintaining a limited level of risk.

As part of achieving these objectives the Group identifies the principal financial risk exposures that are created by the Group's financial instruments and monitors them on a regular basis. These are considered to be foreign currency risk (a component of market risk), credit risk and liquidity risk.

Where appropriate the Group uses financial derivatives to help mitigate the key risks, the use of which is governed by the Group's policies approved by the Board of Directors. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk

This is the risk that a change in currency rates causes an adverse impact on the Group's performance or financial position.

The Group has transactions denominated in various currencies with the principal currency exposure being fluctuations in US Dollars (USD), Euros, Japanese Yen and Chinese Renminbi (RMB). Collectively these currencies make up approximately 90% of the Group's revenue and cash inflows. Whilst a large portion of the manufacturing and research and development costs are USD and RMB, giving a natural offset against the currency inflows, the majority of administration costs remain as Sterling leaving an overall net currency inflow in the Group's cash flows.

For most of the year, this remaining currency exposure was centrally managed with the objective being to secure a level of certainty of Sterling value for up to 90% of the future net exposure based on forecast cash flows expected to occur up to 12 months ahead. The Group uses forward currency contracts to achieve this objective and applies hedge accounting where applicable.

During December 2023, the Group's policy changed so that forward currency contracts were no longer to be used to manage foreign currency risk and all outstanding forward contract arrangements were exited. Foreign currency risk continues to be monitored and is overseen by the centralized treasury team of Danaher.

No hedges were designated as ineffective in the year ended 31 December 2023 (year ended 31 December 2022: nil).

25. Financial Instruments continued

The Group did not have any open forward currency contracts at 31 December 2023. Details of open forward currency contracts and their maturity profile as at 31 December 2022 is as follows:

	31 December 2022 Average rate	31 December 2022 Foreign currency £m
Outstanding contracts		
Sell US Dollars		
Less than 3 months	1.21	\$3.2
3 to 6 months	1.18	\$6.6
7 to 12 months	1.18	\$5.3
	1.19	\$15.1
Sell Euros		
Less than 3 months	1.15	€9.9
3 to 6 months	1.15	€7.8
7 to 12 months	1.13	€6.3
	1.15	€24.0
Sell Yen		
Less than 3 months	159.86	¥431.1
3 to 6 months	159.87	¥427.5
7 to 12 months	157.58	¥310.7
	159.25	¥1,169.3
Sell Chinese Renminbi		
Less than 3 months	8.27	¥35.6
3 to 6 months	8.18	¥22.3
7 to 12 months	8.19	¥16.5
	8.22	¥74.4

At 31 December 2023, the fair value of contracts held as cash flow hedges was £nil (2022: net asset of £0.1m).

The movement recognised in other comprehensive (expense) / income in the year:

	31 December 2023 £m	31 December 2022 £m
Gain / (loss) in the year	3.1	(0.6)
Recycled to profit and loss	(3.0)	0.2
Loss recognised in other comprehensive (expense) / income	0.1	(0.4)

25. Financial instruments continued

Currency risk sensitivity analysis

The following table shows the sensitivity of the Group's financial instruments to changes in exchange rates by detailing the impact on profit and other comprehensive income of a 10% change in the Sterling exchange rate against the relevant foreign currencies.

10% represents management's assessment of a reasonably possible change in foreign exchange rates over a 12 month period.

The sensitivity analysis below only includes financial instruments denominated in non-functional currency and forward currency contracts outstanding at the reporting date and represents the impact of an immediate change in Sterling against other currencies.

	US Dollar currency Impact		Euro currency Impact		Yen currency Impact		RMB currency Impact	
	+10% £m	-10% £m	+10% £m	-10% £m	+10% £m	-10% £m	+10% £m	-10% £m
31 December 2023								
Income statement	1.0	(1.2)	0.3	(0.4)	0.1	(0.1)	0.1	(0.2)
31 December 2022								
Income statement	0.5	(0.6)	0.5	(0.6)	0.3	(0.4)	0.2	(0.2)
Other comprehensive income	1.1	(1.4)	1.4	(1.8)	0.5	(0.6)	0.8	(1.0)

The sensitivity analysis is limited to the year-end exposure and therefore does not reflect the exposure and inherent risk during the year.

Liquidity risk

This is the risk that the Group will have insufficient funds available in the right currency to settle its obligations as they fall due.

The Group generates funds from operational activities in excess of its operational requirements and has substantial cash balances available for its current investment activities.

The Board reviews the funding requirement of the Group as part of the budgeting and long-term planning processes and considers as necessary alternative possible sources of funding where the requirement is not satisfied by the Group's forecast operational cash generation.

The Group manages liquidity risk by maintaining an adequate level of easily accessible cash reserves, in a currency profile representative of the Group's cost base and matching customer and supplier terms where possible. The Group also has access to daily currency trading facilities which provides the ability to convert currency within the agreed settlement limits as required.

For most of the year, the Group had access to an RCF, allowing for drawings of up to and including £300.0m. Following the completion of the acquisition by Diadem Holdco Limited, the drawn down balance on this facility was re-paid on Abcam's behalf and the facility was closed. Abcam has not entered in to any other such facilities subsequent to this.

25. Financial instruments continued

The maturity profile of financial liabilities shown below represents the Group's gross expected contractual cash flows.

	Less than 1 year £m	Between 2 and 5 years £m	Over five years £m	Total £m
31 December 2023				
Trade and other payables	87.1	—	—	87.1
Lease liabilities	15.1	47.1	87.3	149.5
31 December 2022				
Trade and other payables	55.3	—	—	55.3
Borrowings	120.0	—	—	120.0
Lease liabilities	10.7	40.0	67.7	118.4
Derivative financial instruments	50.1	—	—	50.1

The Group holds sufficient funds to meet these commitments as they fall due.

25. Financial Instruments continued

Credit risk

This refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group is exposed to credit risk on its financial assets; however, there is not deemed to be a significant exposure due to the nature of its customer base and the types of transaction that are undertaken.

Trade receivables consist of a large number of customers spread globally with the majority being in economically strong geographies. The Group's customer base is predominantly government-funded institutions, pharmaceutical companies conducting research, and local distributors. The perceived risk of default is deemed to be low.

Further information on the Group's trade receivable ageing and impairment can be found in note 19.

The Group generates significant levels of operational cash. Cash in excess of local operational requirements is remitted and managed centrally. Exposure to counterparty default risk is managed by limiting the concentration of funds and contracts held with individual financial institutions and ensuring funds are only placed with Institutions or in products rated BBB- or above by Standard & Pooors.

Interest rate risk

This refers to the risk that a potential change in interest rates will increase the group's exposure to greater net finance costs and increased cash outflows in servicing debt. Following the full repayment and subsequent closure of the Group's revolving credit facility, the Group is no longer in a net debt position or exposed to any Interest rate risk on its financial instruments.

Categories of financial instruments

	Carrying and fair value	
	11 December 2023 £m	31 December 2022 £m
Financial Instruments held at amortised cost		
Trade receivables	68.7	67.0
Other receivables	1.7	3.4
Cash and cash equivalents	126.0	89.0
Trade and other payables	(87.1)	(55.3)
Borrowings	—	(120.0)
Lease liabilities	(133.7)	(104.3)
Financial Instruments held at fair value		
Derivative financial instruments	—	(0.3)
Investment	4.2	3.2

The Directors consider there to be no material difference between the carrying value and the fair value of the financial instruments classified as held at amortised cost. For the items classified as held at fair value, the fair value is recognised on the balance sheet as the carrying amount.

25. Financial instruments continued

Financial Instruments held at fair value

Financial instruments that are measured at fair value are classified using a fair value hierarchy that reflects the source of inputs used in deriving the fair value. The three classification levels are:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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: 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.

	Level 1	Level 2	Level 3	Total
31 December 2023	£m	£m	£m	£m
Assets				
Investment	0.7	—	3.5	4.2
31 December 2022				
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Derivative financial instruments	—	0.5	—	0.5
Investment	0.7	—	2.5	3.2
	0.7	0.5	2.5	3.7
Liabilities				
Derivative financial instruments	—	(0.8)	—	(0.8)
	—	(0.8)	—	(0.8)

Level 1 investments comprise listed equity securities in Plexbio, Inc. See note 16 for further information.

Level 2 derivative financial instruments comprise forward foreign exchange contracts. The fair value is remeasured on a monthly basis with reference to available forward market rates and comparative instrument pricing.

Level 3 investments comprise non-listed equity securities in respect of Brickbio, Inc. and Somaserve Limited. The fair value is determined to be equal to the carrying amount of the investment and is reviewed periodically based on information available about the performance of the underlying business.

26. Share-based payments

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Expense arising from share-based payment transactions:		
Included in selling, general and administrative expenses	29.2	20.7
Included in research and development expenses	8.2	2.6
	37.4	23.3
Equity settled share-based payment expense	37.2	23.3
Cash settled share-based payment expense*	0.2	—
	37.4	23.3

* There was no liability as at 31 December 2023 (2022: £0.2m) of which none (2022: less than £0.1m) relates to options which have vested.

26. Share-based payments continued

Equity settled share option schemes

Following the completion of the acquisition of the Company by Diadem Holdco Limited, all outstanding share options and awards at the acquisition date vested and were exercised, or, where vesting conditions were not fulfilled entirely, share options and awards lapsed to the extent that vesting conditions has not been met. There were not any outstanding share options or awards across any of the schemes at 31 December 2023 and all employee share schemes have been closed to new participants.

Discretionary awards

Share option plans: SOS and CSOP

	Year ended 31 December 2023		Year ended 31 December 2022	
	Number	Weighted average exercise price pence	Number	Weighted average exercise price pence
Outstanding at beginning of year	246,663	738.5	391,817	726.5
Forfeited	(20,224)	—	(8,445)	843.9
Exercised	(226,439)	738.5	(136,709)	697.6
Outstanding at end of year	—	—	246,663	738.5
Number of options exercisable at end of year	—	—	246,663	738.5

Analysed by range of exercise price:	Grant year	Year ended 31 December 2023		Year ended 31 December 2022	
		Number outstanding	Weighted average contractual life	Number outstanding	Weighted average contractual life
180.8p-464.0p	prior to 2016	—	—	71,883	1.5 years
598.0p	2016	—	—	38,946	2.8 years
851.0p	2017	—	—	61,003	3.8 years
1,020.0p	2018	—	—	74,831	4.8 years
		—	—	246,663	3.3 years

	Year ended 31 December 2023	Year ended 31 December 2022
Weighted average share price at date of exercise	1,780.0p	1,322.6p

There were no grants issued under the SOS in the periods ended 31 December 2023 and 31 December 2022. All shares granted under these schemes have fully vested.

26. Share-based payments continued

Share award plans: LTIP and DSA

	Year ended 31 December 2023	Year ended 31 December 2022
Outstanding at beginning of year	1,012,327	1,005,345
Granted	112,319	460,018
Forfeited	(264,425)	(195,221)
Exercised	(860,221)	(257,815)
Outstanding at end of year	—	1,012,327
Number of options exercisable at end of year	—	95,245

	Year ended 31 December 2023	Year ended 31 December 2022
Weighted average fair value of awards granted	1,107.3p	1,169.9p
Weighted average share price at date of exercise	1,786.2p	1,370.4p
Weighted average remaining contractual life	—	3.2 years

Fair values of the awards with a performance condition based on non-market condition, for example EPS, are calculated using the Black-Scholes model. The inputs into the models for awards granted in the current and prior periods were as follows:

	Year ended 31 December 2023			
	LTIP 29 September 2023	LTIP 06 September 2023	LTIP 22 March 2023	DSA 03 Jan 2023
Share price at grant (pence)	1,847.0	1,809.0	1,103.0	1,243.0
Expected volatility	27%	27%	54%	46%
Contractual life (years)	2.3 years	2.3 years	1 year	3.3 years
Risk-free interest rate	4.58%	4.83%	3.92%	3.58%

	Year ended 31 December 2022			
	LTIP 14 September 2022	LTIP 18 May 2022	LTIP 18 May 2022	DSA 25 March 2022
Share price at grant (pence)	1,383.0	1,104.0	1,104.0	1,358.0
Expected volatility	33%	31%	32%	35%
Contractual life (years)	<1 year	1 year	2 years	2 years
Risk-free interest rate	2.66%	1.38%	1.47%	1.43%

The volatility of the options is based on the average of standard deviations of historical daily continuous returns on Abcam plc shares, looking back over the same period as the expected life of the option. The dividend yield is based on Abcam plc's actual dividend yield in the past. The risk-free rate is the yield on UK government gilts at each date of grant.

LTIP: LTIP awards are subject to achievement of performance conditions and can be exercised up to ten years after the grant date. Save as permitted in the LTIP rules, awards lapsed on an employee leaving the Company. There were not any awards outstanding under the LTIP as at 31 December 2023.

26. Share-based payments continued

DSA: Prior to the acquisition, for those employees entitled to participate in the annual bonus plan, a portion of the bonus was awarded in the form of shares for which there was a compulsory holding period of two years and a requirement for continued employment before these fully vest to the employees (deferred shares). The number of deferred shares granted was dependent on certain performance criteria, comprising a one-year profit target and achievement of strategic and personal objectives. Following the acquisition of the Group, there will not be any further shares issued under the DSA and all bonus payments, including those relating to the 2023 financial year, will be made entirely in cash.

Share award plans: PGIP

In Summer 2021, the Company approved a new share scheme PGIP (Profitable Growth Incentive Plan) which aims to align the reward to shareholders and incentivise key management employees & the executive directors to deliver the revenue growth ambition underpinned by ROCE. It was agreed at the Remuneration committee that the outstanding awards under the PGIP would vest on a pro-rated basis at the acquisition date and achieved a performance of 64%. All remaining unvested shares have lapsed.

	Year ended 31-Dec 2023	Year ended 31-Dec 2022
Outstanding at beginning of year	5,852,973	4,873,002
Granted	610,813	1,116,996
Forfeited	(4,137,972)	(137,025)
Exercised	(2,325,814)	—
Outstanding at end of year	—	5,852,973
Number of options exercisable at end of year	—	—

	Year ended 31-Dec 2023	Year ended 31-Dec 2022
Weighted average fair value of awards granted	1,809.0p	1,383.0p
Weighted average share price at date of exercise	1,894.4p	—
Weighted average remaining contractual life	—	2.6 years

Fair values of the awards with a performance condition based on non-market conditions, for example EPS, are calculated using the Black-Scholes model. The inputs into the models for awards granted in the current and prior periods were as follows:

	PGIP 6 September 2023	PGIP 14 September 2022
Share price at grant (pence)	1,809.0	1,383.0
Expected volatility	27%	34%
Contractual life (years)	1.5 years	3 years
Risk-free interest rate	4.99%	3.0%

The inputs to the Black-Scholes model, such as expected volatility, are based on the same calculation as those for other schemes.

All awards are subject to achievement of the performance conditions and can be exercised over the following five years. Same as permitted in the LTIP rules, awards lapse on an employee leaving the Company.

26. Share-based payments continued

All employee share schemes: AbShare, SIPs and Abcam Growth Plan

Abcam Growth Plan (AGP)

In Spring 2022, the Company launched a share scheme (Abcam Growth Plan) under which all employees globally, excluding those eligible for the PGIP, were eligible to receive shares. The scheme is split in to two components; an annual incentive and a strategic incentive. Participants can receive up to 10% of their salary annually under the annual incentive where annual customer focused and financial targets are met over the three year period of the scheme. The strategic incentive pays out at up to 30% of salary, where the Group's growth targets are achieved by the end of the 2024 financial year.

	Year ended 31 December 2023	Year ended 31 December 2022
Outstanding at beginning of year	1,542,217	—
Granted	1,054,509	1,765,344
Forfeited	(529,897)	(223,127)
Exercised	(2,066,829)	—
Outstanding at end of year	—	1,542,217
Number of options exercisable at end of year	—	—

	Year ended 31 December 2023	Year ended 31 December 2022
Weighted average fair value of awards granted	1,314.1p	1,398.6p
Weighted average share price at date of exercise	1,840.6p	—
Weighted average remaining contractual life	—	1.9 years

Fair values of the awards with a performance condition based on non-market conditions, for example EPS, are calculated using the Black-Scholes model. The inputs into the models for awards granted in the current and prior periods were as follows:

	Year ended 31 December 2023					
	AGP 02 October 2023	AGP 02 October 2023	AGP 03 July 2023	AGP 03 July 2023	AGP 14 April 2023	AGP 14 April 2023
Share price at grant (pence)	1,847.00	1,847.00	1,912.00	1,912.00	1,261.00	1,261.00
Expected volatility	51%	27%	53%	28%	48%	29%
Contractual life (years)	<1 year	1.5 years	<1 year	1.8 years	1 year	2 years
Risk-free interest rate	5.0%	4.8%	5.4%	5.3%	4.2%	3.8%

	Year ended 31 December 2022			
	AGP 01 July 2022	AGP 01 July 2022	AGP 29 March 2022	AGP 29 March 2022
Share price at grant (pence)	1,202.0	1,202.0	1,406.0	1,406.0
Expected volatility	32%	34%	28%	35%
Contractual life (years)	1 year	3 years	1 year	3 years
Risk-free interest rate	1.6%	1.7%	1.2%	1.4%

The inputs to the Black-Scholes model, such as expected volatility, are based on the same calculation as those for other schemes.

SIP

Up until October 2018, all UK-based employees were eligible to participate in the SIP whereby employees could purchase shares in the Company. These shares are referred to as 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 (Matching Shares), provided the employee remains employed by the Company for a period of at least three years.

Employees must withdraw their shares from the plan upon leaving the Company and will not be entitled to the Matching Shares if they leave within three years of purchasing the Partnership Shares.

In addition to this, also up until October 2018, the Company also awarded shares to employees (Free Shares) with a value of up to £3,600 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.

The fair value of 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.

	Number of free shares		Number of matching shares	
	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2022
Outstanding at beginning of year	171,513	232,390	43,667	59,890
Forfeited	—	—	—	—
Exercised	(171,513)	(60,877)	(43,667)	(16,223)
Outstanding at end of year	—	171,513	—	43,667
Exercisable at end of year	—	171,513	—	43,667

Other awards: NED share award

A component of the Non-Executive Directors' remuneration was delivered as a fixed number of fully paid ordinary shares in the first open period following the announcement of annual results of the financial year to which the award relates. For the services provided in the year ended 31 December 2023, these fees were paid entirely in cash.

27. Retirement benefit schemes

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Total charge to income statement in respect of defined contribution schemes	9.1	7.2

Defined contribution schemes

The UK-based employees of the Group have the option to join a defined contribution pension scheme managed by a third party pension provider. For each member the Company contributes a fixed percentage of salary to the scheme.

Employees of the Group's subsidiaries in the US, Japan, China and Hong Kong are members of state-managed retirement benefit schemes. Depending on location, the subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits.

As at 31 December 2023 contributions of £0.6m (2022: £0.2m) due in respect of the current reporting period had not been paid over to the schemes.

28. Related party transactions and ultimate controlling party

Remuneration of key management personnel

Key management personnel is comprised of the Non-Executive Directors, the Executive Directors and the Executive Leadership Team who served during the year.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Short-term employee benefits and fees	8.9	4.1
Post-employment benefits	0.2	0.1
Share-based payments	5.8	16.0
	14.9	20.2

Directors' transactions

During the year, the Group made purchases from companies related to Directors of £nil (period ended 31 December 2022: £nil) of which the balance outstanding at 31 December 2023 was £nil (2022: £nil). Total sales to companies related to the Directors was less than £0.1 m (period ended 31 December 2022: less than £0.1m), of which less than £0.1m (2022: less than £0.1m) was outstanding as at 31 December 2023.

Ultimate controlling party

As of 6 December 2023, the Company's immediate parent undertaking is Diadem Holdco Limited, a company incorporated in the United Kingdom, and ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the USA. The consolidated financial statements of Danaher Corporation are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

Company balance sheet
Year ended 31 December 2023

	Note	31 December 2023 £m	31 December 2022 £m
Non-current assets			
Goodwill	C4	43.0	43.0
Intangible assets	C5	123.2	114.7
Property, plant and equipment	C6	27.7	28.6
Right of use assets	C7	81.8	47.5
Investments	C8	558.0	494.7
Deferred tax asset	C9	11.4	0.5
		845.1	729.0
Current assets			
Inventories	C11	42.1	37.7
Trade and other receivables	C12	106.5	123.7
Loan receivable	C10	0.7	57.7
Current tax receivable		16.1	13.6
Derivative financial instruments		—	0.5
Cash and cash equivalents		49.8	27.1
		215.2	260.3
Total assets		1,060.3	989.3
Current liabilities			
Trade and other payables	C13	(162.2)	(142.8)
Derivative financial instruments		—	(0.8)
Lease liabilities	C7	(6.4)	(2.0)
Borrowings	C14	—	(119.6)
Borrowings with Group companies		(1.8)	(4.2)
		(170.4)	(269.4)
Net current assets		44.8	(9.1)
Total assets less current liabilities		889.9	719.9
Non-current liabilities			
Lease liabilities	C7	(81.5)	(50.6)
		(81.5)	(50.6)
Total liabilities		(251.9)	(320.0)
Net assets		808.4	669.3
Equity			
Share capital	C15	0.5	0.5
Share premium account		487.7	269.4
Merger reserve	C15	68.6	68.6
Own shares	C15	—	(1.9)
Hedging reserve	C15	—	(0.1)
Retained earnings		251.6	332.8
Total shareholders' funds		808.4	669.3

The Company reported a loss for the year ended 31 December 2023 of £137.9m (period ended 31 December 2022: profit of £0.8m).

The financial statements of the Company on were approved by the Board on 17 May 2024 and signed on its behalf by:


Christopher Bouda
Director

Company statement of changes in equity
Year ended 31 December 2023

	Share capital £m	Share premium account £m	Merger reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total shareholders' funds £m
Balance as at 1 January 2022	0.5	268.3	68.6	(2.2)	0.2	310.9	646.3
Profit for the year	—	—	—	—	—	0.8	0.8
Other comprehensive expense	—	—	—	—	(0.3)	—	(0.3)
Total comprehensive income	—	—	—	—	(0.3)	0.8	0.5
Issue of ordinary shares	—	1.1	—	—	—	—	1.1
Own shares disposed of on exercise of share options	—	—	—	0.3	—	(0.3)	—
Share-based payments inclusive of deferred tax	—	—	—	—	—	21.6	21.6
Purchase of own shares	—	—	—	—	—	(0.2)	(0.2)
Balance as at 31 December 2022	0.5	269.4	68.6	(1.9)	(0.1)	332.8	669.3
Loss for the year	—	—	—	—	—	(137.9)	(137.9)
Other comprehensive income	—	—	—	—	0.1	0.9	1.0
Total comprehensive income / (expense)	—	—	—	—	0.1	(137.0)	(136.9)
Issue of ordinary shares	—	218.3	—	—	—	—	218.3
Own shares disposed of on exercise of share options	—	—	—	1.9	—	0.8	2.7
Share-based payments, inclusive of deferred tax	—	—	—	—	—	42.5	42.5
Purchase of own shares	—	—	—	—	—	(0.1)	(0.1)
Deferred tax arising from transactions outside profit or loss	—	—	—	—	—	12.6	12.6
Balance as at 31 December 2023	0.5	487.7	68.6	—	—	251.6	808.4

Notes to the Company financial statements

Year ended 31 December 2023

C1. Basis of preparation

The Company is incorporated in the United Kingdom and the separate financial statements of the Company have been presented as required by the Companies Act 2006.

The financial statements have been prepared under the historical cost convention (as modified to include revaluation of certain financial instruments to fair value) and on the going concern basis (see note 1 to the consolidated financial statements). The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' except for the departure explained in note C4 and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- Business combinations.
- Share-based payments.
- Financial instruments.
- Fair value measurement.
- Statement of cash flows.
- Certain related party transactions including those with subsidiaries.
- Certain plant, property and equipment disclosure.
- Certain impairment testing related disclosures.
- The effects of new but not yet effective IFRSs.

The basis for the above exemptions is because equivalent disclosures are included in the Group financial statements in which the entity is consolidated.

The adopted principal accounting policies, which have been applied consistently, are the same as those set out in note 3 to the consolidated financial statements except as noted below in respect of those which are Company specific.

Investments

Investments in subsidiaries are stated at cost plus capital contributions less, where appropriate, provisions for impairment. Where applicable, acquisition costs incurred in acquiring the subsidiary are capitalised as part of the investment cost.

Critical accounting judgements and estimates

The preparation of the Company financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the Company financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The critical accounting judgements and estimates are those set out in note 4 of the consolidated financial statements. These judgements have been applied consistently within the Company financial statements, where applicable.

C2. Income statement

In accordance with the exemption permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement or statement of comprehensive income for the year.

C3. Employees and remuneration

Details of Directors' remuneration, share-based payments and pension entitlements in notes 8, 26 and 28 of the consolidated financial statements form part of these Company financial statements. Information on the main employee share-based payments is given in note 26 of the consolidated financial statements. Details of the key management personnel are given in note 28 of the consolidated financial statements.

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

	Year ended 31 December 2023 number	Year ended 31 December 2022 number
Management, administrative, marketing and distribution	555	598
Laboratory	116	117
	671	715

Their aggregate remuneration comprised:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Wages and salaries	49.5	43.1
Social security costs	8.1	7.7
Other pension costs	4.5	4.5
Share-based payments charge	15.8	19.3
Total staff costs	77.9	74.6

C4. Goodwill

	31 December 2023 £m	31 December 2022 £m
Cost		
At beginning and end of year	43.0	43.0
Accumulated impairment losses		
At beginning and end of year	—	—
Carrying amount	43.0	43.0

The Companies Act Accounting Regulations require goodwill to be amortised, however, the Company has chosen not to do so but instead an annual impairment test is performed with any impairment identified being recognised as a charge to the income statement. This is a departure from the Companies Act 2006, for the overriding purpose of providing a true and fair view in line with the requirements of FRS 101.

A finite life for the goodwill has not been identified; however, the effect of amortising over a useful life of 20 years would be an income statement charge of £2.1m (period ended 31 December 2022: £2.1m) and a reduction of £9.7m (period ended 31 December 2022: £7.6m) in the carrying value of goodwill in the balance sheet.

Impairment review

Goodwill is tested for impairment on an annual basis in accordance with IAS 36 'Impairment of assets' or more frequently if there are any indications that the goodwill might be impaired. These reviews are carried out using the same criteria as set out in note 12 to the consolidated financial statements.

C5. Intangible assets

	Acquisition Intangibles								Total £m
	Customer relationships and distribution rights £m	Patents, technology and know-how £m	License fees £m	Trade names £m	Sub-total £m	Internally developed technology £m	Software £m	Patents and licenses £m	
Cost									
At 1 January 2022	3.1	19.0	10.7	0.8	33.6	44.3	86.9	1.6	166.4
Additions	—	—	—	—	—	9.3	14.5	0.4	24.2
Transfer to asset held for sale	—	—	—	—	—	(5.2)	—	—	(5.2)
At 31 December 2022	3.1	19.0	10.7	0.8	33.6	48.4	101.4	2.0	185.4
Additions	—	—	—	—	—	9.8	15.3	0.5	25.6
At 31 December 2023	3.1	19.0	10.7	0.8	33.6	58.2	116.7	2.5	211.0
Accumulated Amortisation									
At 1 January 2022	1.7	2.5	4.3	0.1	8.6	14.7	36.3	0.5	60.1
Charge for the period	0.3	1.2	1.0	0.1	2.6	2.9	6.0	0.4	11.9
Impairments	—	—	—	—	—	0.3	0.7	—	1.0
Transfer to asset held for sale	—	—	—	—	—	(2.3)	—	—	(2.3)
At 31 December 2022	2.0	3.7	5.3	0.2	11.2	15.6	43.0	0.9	70.7
Charge for the year	0.2	1.2	1.0	0.1	2.5	3.3	8.1	1.0	14.9
Impairments	—	—	—	—	—	2.0	—	0.2	2.2
At 31 December 2023	2.2	4.9	6.3	0.3	13.7	20.9	51.1	2.1	87.8
Carrying amount									
At 31 December 2022	1.1	15.3	5.4	0.6	22.4	32.8	58.4	1.1	114.7
At 31 December 2023	0.9	14.1	4.4	0.5	19.9	37.3	65.6	0.4	123.2
Included in carrying amount – Assets under construction									
At 31 December 2022	—	—	—	—	—	8.4	14.7	0.9	24.0
At 31 December 2023	—	—	—	—	—	10.3	3.0	0.0	13.3

During the year ended 31 December 2022, the assets relating to Firefly Bioworks multiplex and assay technology were actively marketed, along with other assets relating to this technology and product range. Internally developed technology with a total carrying amount of £2.9m were classified as assets held for sale in May 2022.

Capital commitments at 31 December 2023 amounted to £0.3m (31 December 2022: £2.3m).

Individually material intangible assets

	Carrying amount £m	Remaining Amortisation period years
Expedeon antibody labelling and conjugation technology	13.5	12
Roche license agreement	4.3	5
Website platform	26.6	7
ERP System	28.4	7

C6. Property, plant and equipment

	Laboratory equipment £m	Office fixtures, fittings and other equipment £m	Leasehold improvements £m	Cell line assets £m	Total £m
Cost					
At 1 January 2022	12.1	5.1	20.1	8.5	45.8
Additions	1.4	0.5	—	1.9	3.8
At 31 December 2022	13.5	5.6	20.1	10.4	49.6
Additions	0.8	0.2	—	2.4	3.4
Disposals during the year	(1.7)	—	—	—	(1.7)
31 December 2023	12.6	5.8	20.1	12.8	51.3
Accumulated depreciation					
At 1 January 2022	9.0	3.4	2.9	1.2	16.5
Charge for the period	1.6	0.7	1.0	1.2	4.5
At 31 December 2022	10.6	4.1	3.9	2.4	21.0
Charge for the year	1.5	0.7	1.0	1.0	4.2
Disposals during the year	(1.6)	—	—	—	(1.6)
31 December 2023	10.5	4.8	4.9	3.4	23.6
Net book value					
31 December 2022	2.9	1.5	16.2	8.0	28.6
31 December 2023	2.1	1.0	15.2	9.4	27.7

Capital commitments as at 31 December 2023 amounted to £0.1m (31 December 2022: £0.1m)

C7. Leases
Right of use assets

	Land and Buildings £m	Other £m	Total £m
Cost			
At 1 January 2022	58.2	0.1	58.3
At 31 December 2022	58.2	0.1	58.3
Addition	—	0.1	0.1
Remeasurement	37.7	—	37.7
At 31 December 2023	95.9	0.2	96.1
Accumulated Amortisation			
At 1 January 2022	7.6	0.1	7.7
Charge for the period	3.1	—	3.1
At 31 December 2022	10.7	0.1	10.8
Charge for the year	3.5	—	3.5
At 31 December 2023	14.2	0.1	14.3
Carrying amount			
At 31 December 2022	47.5	—	47.5
At 31 December 2023	81.7	0.1	81.8

Lease liabilities

Maturity analysis of lease liabilities

	31 December 2023 £m	31 December 2022 £m
Amounts falling due within		
One year	6.4	2.0
Between one and five years	19.7	11.5
Later than five years	61.8	39.1
	87.9	52.6

The interest expense incurred on lease liabilities included within finance costs was £0.7m (period ended 31 December 2022: £0.7m). The lease expense relating to short-term leases and low value assets (that are not shown in the tables above) was £nil (period ended 31 December 2022: £0.1m). Cash outflows in respect of right of use assets were £3.1m (period ended 31 December 2022: £3.1m).

C8. Investments

	31 December 2023			31 December 2022		
	Investments in subsidiary undertakings £m	Other investments £m	Total £m	Investments in subsidiary undertakings £m	Other investments £m	Total £m
At beginning of year	492.1	2.6	494.7	214.8	2.6	217.4
Capital contribution (i)	21.4	—	21.4	4.1	—	4.1
Additions	—	0.9	0.9	—	—	—
Capitalisation of intercompany loan (ii)	41.0	—	41.0	273.2	—	273.2
At end of year	554.5	3.5	558.0	492.1	2.6	494.7

(i) Comprises mainly of capital contribution in Abcam US Group Holdings Inc.

(ii) Comprises capitalisation of loan between Abcam Limited and Abcam US Group Holdings Inc.

Directly held subsidiary undertakings

	Registered office	Country of incorporation or registration	Principal activity
Abcam Australia Pty Limited	Level 16, 414 La Trobe Street, Melbourne, VIC 3000	Australia	Sales and distribution
Abcam KK	Sumitomo Fudousan, Ningyocho Bldg 2F, 2-2-1 Nihonbashi Horidomecho Chuo-ku Tokyo 103-0012	Japan	Sales and distribution
Abcam (Hong Kong) Limited	1301 Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central Hong Kong SAR	Hong Kong	Sales and distribution
Abcam Taiwan Company Limited	15F, No.2-1, Sec.3, Minquan E. Road., Zhongshan District, Taipei City, Taiwan	Taiwan	Sales and distribution
Abcam (Netherlands) B.V.	Kingsfordweg 151, 1043GR Amsterdam	Netherlands	Sales and distribution
Abcam US Group Holdings, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	Holding company
Abcam Singapore Pte. Limited	11 North Buona Vista Drive, #16-08 The Metropolis Tower Two, Singapore 138589	Singapore	Sales and distribution
AbShare Share Plan Limited	Discovery Drive, Cambridge Biomedical Campus, Cambridge, CB2 0AX	England	Dormant
Ascent Scientific Limited*	C/O BDO LLP, 55 Baker Street, London, W1U 7EU	England	Dormant
Expedeon Holdings Limited	Discovery Drive, Cambridge Biomedical Campus, Cambridge, CB2 0AX	England	Holding company

* In liquidation

C8. Investments continued
Indirectly held subsidiary undertakings

	Registered office	Country of incorporation or registration	Principal activity
Abcam (Hangzhou) Biotechnology Co., Limited	1418 Moganshan Road, Hangzhou Zhejiang, 310011	China	R&D and manufacturing
Abcam Trading (Shanghai) Co., Limited	Room 5401, Floor 4, Building 5, No. 338 Galileo Road, Pudong New Area, Shanghai	China	Sales and distribution
Abcam Inc.	152 Grove Street, Suite 1100, Waltham, MA 02453	USA	Sales and distribution
Abcam LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	Holding company
Abcam (US) Limited	Discovery Drive, Cambridge Biomedical Campus, Cambridge CB2 0AX	England	Holding company
Axiomx Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	R&D and manufacturing
BioVislon, Inc.	CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833	USA	Sales and distribution
Calico Biolabs Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	Dormant
Eptomics Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	R&D and manufacturing
Eptomics Holdings, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	Holding company
Expedeon Limited	Discovery Drive, Cambridge Biomedical Campus, Cambridge CB2 0AX	England	Dormant
Firefly BioWorks Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	R&D and manufacturing
Innova BioSciences Limited	Discovery Drive, Cambridge Biomedical Campus, Cambridge, CB2 0AX	England	Dormant
Marker Gene Technologies, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	R&D and manufacturing
MitoSciences Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808	USA	R&D and manufacturing
NKY Blotech US, Inc.	CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833	USA	Holding company
TGR BioSciences Pty Limited	31 Dalgleish Street, Thebarton, SA 5031, Australia	Australia	R&D and manufacturing

The Group's holdings in subsidiaries are all through ordinary shares and are all 100% owned.

Subsidiary undertakings exempt from audit

The following subsidiaries, which are incorporated in England and Wales, are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of that Act:

Name	Company registration number
AbShare Share Plan Limited	06706259
Abcam (US) Limited	08151375
Expedeon Limited	04681599
Expedeon Holdings Limited	06785444
Innova Biosciences' Limited	04415674

C9. Deferred tax

	Accelerated capital allowances £m	Share-based payment £m	Acquired Intangible assets £m	Losses £m	Other temporary differences £m	Total £m
At 1 January 2022	(14.8)	3.6	—	4.7	0.9	(5.6)
Credit/(charge) to income statement	(1.1)	4.6	—	4.0	0.2	7.7
Charge to equity	—	(1.7)	—	—	0.1	(1.6)
At 31 December 2022	(15.9)	6.5	—	8.7	1.2	0.5
Credit/(charge) to income statement	1.7	(11.7)	—	1.0	2.1	(6.9)
Charge to equity	—	5.2	—	12.6	—	17.8
At 31 December 2023	(14.2)	—	—	22.3	3.3	11.4

Deferred tax balances are comprised as follows:

	31 December 2023 £m	31 December 2022 £m
Deferred tax assets to be recovered		
Within 12 months	—	4.7
After more than 12 months	11.4	(4.2)
	11.4	0.5
Deferred tax liabilities to be recovered		
Within 12 months	—	—
After more than 12 months	—	—
	—	—
Deferred tax assets/liabilities (net)	11.4	0.5

Deferred tax is calculated using tax rates that are expected to apply in the period when the liability or asset is expected to be realised based on rates enacted or substantively enacted by the reporting date. Deferred tax assets mainly relate to tax losses that will be recovered against future profits of the Company. As at 31 December 2023, the Company had an unrecognized deferred tax asset of £11.6m (31 December 2022: £nil).

C10. Loans receivable

	31 December 2023 £m	31 December 2022 £m
Amounts owed by subsidiary undertakings		
Within 12 months	0.7	57.7
	0.7	57.7

Comprising:

	Borrower	Principal \$m	Repayment date	Interest rate	31 December 2023 £m	31 December 2022 £m
Term Loan 1	Abcam US Group Holdings Inc.	33.0	On demand	4.50%	—	27.4
Term Loan 2	Abcam US Group Holdings Inc.	34.0	On demand	8.69%	—	28.3
Other loans	Various	Various	On demand	Various	0.7	2.0
					0.7	57.7

Changes in the values of each loan include foreign exchange movements and settlements.

Term loans 1 and 2 were partially re-paid during the year and the remaining outstanding amount (£41.0m) was capitalized.

C11. Inventories

	31 December 2023 £m	31 December 2022 £m
Raw materials	7.8	2.2
Work in progress	4.1	5.9
Finished goods	30.2	29.6
	42.1	37.7

C12. Trade and other receivables

	31 December 2023 £m	31 December 2022 £m
Amounts receivable for the sale of goods and services	2.6	3.7
Amounts owed by subsidiary undertakings	78.4	110.7
Amounts owed from parent undertaking	17.3	—
Other receivables	2.4	2.5
Prepayments	5.8	6.8
	106.5	123.7

The carrying amount of trade and other receivables approximates their fair value.

On 7 December 2023, the Company issued 11,452,653 new ordinary shares for consideration of £218.3 million, following the capitalization of promissory notes issued by Diadem Holdco Limited. Consideration of £17.3 million in relation to these shares remained unpaid at the year end and is included as 'amounts owed from parent undertaking'.

C13. Trade and other payables

	31 December 2023 £m	31 December 2022 £m
Trade payables	6.8	11.7
Amounts owed to subsidiary undertakings	95.2	101.8
Accruals	18.0	20.7
Deferred income	7.7	4.1
Other taxes and social security	34.1	2.0
Other payables	0.4	2.5
	162.2	142.8

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

C14. Borrowings

	31 December 2023 £m	31 December 2022 £m
RCF	—	119.6

On 7 March 2023, the Group replaced its existing RCF which was due to expire on January 31 2024 with a new RCF for an amount of £300m.

All outstanding drawings on the RCF, which amounted to £120m, were re-paid in full on Abcam Limited's behalf by its parent company, Diadem Holdco Limited, in December 2023, following the acquisition of the Company. This liability, along with other liabilities relating to professional fees associated with the acquisition, were initially replaced with promissory notes issued by Diadem Holdco Limited that were subsequently capitalized in exchange for the issue of 11.5m new ordinary shares.

The RCF was closed in December 2023.

C15. Share capital and reserves

Details of share capital and reserves are set out in note 23 to the Group financial statements.

C16. Related party transactions

Directors' transactions

Related party transactions relating to Directors of the Company are shown in note 28 to the consolidated financial statements.