Benchmark Holdings plc

Annual report and financial statements

For the year ended 30 September 2013

Registered Number 04115910

Company information page
For the year ended 30 September 2013

Directors	R J Bonney P A Cook D I Cox K P Lawless R Layton J M Muirhead M J Plampin M D F Pye P J Southgate
Company Secretary	Endeavour Secretary Limited
Registered Number	04115910
Registered Office	Benchmark House 8 Smithy Wood Drive Sheffield S35 1QN
Independent Auditor	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ

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The directors present their report and the financial statements for the year ended 30 September 2013.

Results and dividends

The profit for the year, after taxation amounted to £4,293,000 (2012: £2,783,000).

The directors have declared and paid on 20 December 2012 and 2 July 2013 dividends totalling £401,000 (2012: £194,000).

The directors have recommended a final dividend in respect of the year of £1.82 per share (a total of £164,694) which was paid after the year end.

Change of name

The company re-registered as a public company on 22 November 2013 and changed its name from Benchmark Holdings Limited to Benchmark Holdings plc on that date.

Directors

The directors who served during the year are noted on the company information page.

All of the directors benefitted from qualifying third-party indemnity provisions in place during the year and at the date of this report.

Substantial shareholders

At 11 December 2013, the directors had been notified of the following interests which amounted to 3% or more of the issued share capital in the Company:

	Number of Shares	Percentage
M D F Pye	21,630	23.95%
R J Bonney	21,630	23.95%
R Layton	21,630	23.95%
J M Muirhead	7,782	8.62%
P A Cook	7,210	7.98%
D Cox	4,666	5.17%
P J Southgate	4,666	5.17%

Employees

The Group aims to be an equal opportunities employer with a commitment to help people develop their potential. In relation to disabled people or minority Groups, the Group has a policy of giving them full and fair consideration for all vacancies for which they are suitably qualified. Employees who become disabled during employment will be retained wherever possible and retrained if necessary.

The directors recognise that communication with the Group's employees is essential and the Group places importance on the contributions and views of its employees.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing the Group financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of Benchmark Holdings plc and Group for that period.

Statement of directors' responsibilities *(continued)*

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Group and parent Company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

In the case of each director in office at the date the directors' report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 Company and Group's auditor is aware of that information.

Auditor

A resolution to re-appoint BDO LLP as auditor to the company will be put to the Annual General Meeting.

This report was approved by the board on 11 December 2013 and signed on its behalf.

M D F Pye
Director

Principal activities

The principal activity of the Company during the year was that of a holding company providing business development, acquisition, sales and marketing, management systems, financial and accounting support to the Benchmark group companies.

The principal activities of the Group during the year are embodied under the overall core objective of providing technical services, products and specialist knowledge that support the global development of sustainable business, in particular to the food and farming industries.

Specific areas of activity include:

- the provision of veterinary services, environmental services, diagnostics and animal health products to global aquaculture through Fish Vet Group (FVG Limited);
- toll manufacture of veterinary vaccines at Benchmark Animal Health Limited at the Braintree vaccine production site of Benchmark Vaccines Limited;
- sustainable farming R&D, advisory and technology transfer programmes at FAI (FAI Farms Limited);
- the provision of sustainable food production supply chain consultancy, assurance programmes and online training programmes to the major multiple restaurant chains, retailers and food processors through RL Consulting Limited;
- partnering with business and organisations to build sustainability into their policies, strategies and activities through trie^{sm} ; and
- the provision of online news and technical publications, book publishing, online shops and online distance learning programmes for the food and farming industries through 5M Publishing (5M Enterprises Limited).

Business review

This has been a progressive year for the Benchmark group with the long-term trend of sustained growth across the Group being continued through 2012-13. Turnover was up 48% from £18,546,000 to £27,543,000 and operating profits again grew strongly by 40% to £5,104,000 (2012: £3,638,000) reflecting the Company's continued programme of expansion in three highly targeted sectors:

- helping to meet the growing needs of food industry sustainability programmes;
- by researching and implementing solutions that improve aquaculture health; and
- through playing a leading role the development of online technical knowledge transfer to the global food industry.

The Company's growth continues to be built on both organic growth from within the existing business together with additional growth as the result of successful acquisitions. This has been achieved as a result of continued strong internal investment across the Group as the board follows its commitment to building long term strength through strategic investment in innovative R&D programmes, in 'state of the art' production facilities, in marketing capability that better articulates the value of the Company's work to its clients and to its own teams, and in high calibre people to manage the process of bringing innovation through into sustainable long term revenue streams. In addition the Group has now been organised into three divisions:

- Animal Health: which includes FVG together with its subsidiaries and BVL;
- Sustainability Science: which includes, FAI, FAI Brazil, RL Consulting, trie, AES and Dust, and
- Technical Publishing: which includes 5M publishing (including 5M Retail, 5M Distance Learning and NUP), 5M Inc and Curriculo Ltd

This allows Benchmark to develop greater strategic and investment focus whilst continuing to develop and exploit its many cross-group synergies.

The Group's programme of investments continues to be directly in line with Benchmark's ethical business policy whilst being designed to support its strategic long term growth objectives in both turnover and EBITDA.

Business review *(continued)*

During the year the significant investments have included:

- at Benchmark Vaccines Limited an investment in upgrading the sales and training centre for the Company, in upgrading the bioreactor capability at Braintree and in the purchase of the Edinburgh Biocampus factory required to help the Company meet the rapidly escalating demand for the toll manufacture of veterinary vaccines - the plant will be fitted out during 2014.
- at Benchmark Animal Health further significant investment in new animal health medicine and vaccine development programmes to continue to build the Group's pipeline of products for this sector.
- at Fish Vet Group investment in a new very high spec laboratory for Fish Vet Group Norge based in Oslo - this will allow the continued expansion of FVG's diagnostic capability in the important Norwegian market.
- at FAI - new investments in vaccine efficacy testing facilities and laboratory, in additional sustainable energy demonstration facilities with new solar electricity generation, and in a small-scale meat processing development plant to enhance the company's ability to conduct externally funded trials and development work.
- at rlconsulting - further investment in new large uptake distance learning animal welfare training courses for processing teams and US dairy farmers under the Fundamentals brand.
- at 5M - investment in the acquisition of Nottingham University Press (NUP) and in the development of new online publications and new technical books, plus continued investment in preparation for the launch of Curriculo.com the company's online recruitment site for the agri-food sector.
- at trie^{sm} - further investment in the launch of a US Base in New York.
- the acquisition of Allan Environment Solutions (AES) a long-standing environmental consultancy to continue to build the group's strength in this sector.
- The purchase of Dust Collective Limited - specialist design-communication group working in sustainability, to help grow the Group's ability in communicating and marketing our benefits to clients.

Throughout the year we have continued our efforts in the development of long-term strategic partnerships and in many cases these are now starting to bring new products or opportunities to the Group. In particular these include:

- the work with a number of major pharmaceutical companies and specialist molecule developers that is being applied directly to the issues faced by global aquaculture. This is making important progress, such that significant parts of it are now getting significantly closer to the licensing/marketing phase on the first of a number of important new paraciticides and biocides,
- the vaccine R&D programmes with MRI, UME and other universities working in the aquaculture arena is starting to bring new technologies into play in the search for solutions to some of the more intractable problems faced by the industry. The first of these are now also entering the licensing and marketing stages.
- the partnership with University of St Andrews has now led to the launch of the diploma/MSc courses in the Sustainable Aquaculture programme.

The programme of active collaboration with established and well respected third parties is still being expanded with new collaborations being worked on in contract vaccine manufacture, technical book publishing and research farming, and these are expected to continue to be a substantial component of the Group's future development.

Benchmark's strong growth underpins and reinforces our commitment to the strengthening and development of our management and operational teams and remains a key priority for the board. At Group level Benchmark has added a Business Development Director to lead new programmes and acquisitions across the Group and a Head of Communications to take on the growing need to manage Benchmark's interface with internal and external clients. In addition the finance team is being strengthened with new appointments in Q1 2014. At subsidiary company level we have also continued to bring in senior level industry professionals with the launch of FVG Norge bringing new senior scientists and diagnosticians, a new Technical Supply Chain Manager and Process Development Manager at BVL, new online Retail Manager and Publishers at 5M, and a new Principal Consultant at trie. In addition as in previous years the group companies continue to provide placement programmes and internships for high calibre students, graduates and post graduates, many of who go on to join the Group in permanent roles.

The Group also continues its support for community outreach programmes on sustainability and food/farming issues through school visits, training days and open days on Group R&D and farming demonstration facilities.

Business review *(continued)*

Overall the Benchmark Group's growth and performance through 2012-13 continues to strongly support the board's strategic objectives of utilising continued organic growth together with carefully targeted acquisitions to build and consolidate a leading global food industry technology Group with a core focus on sustainability and driven by the ethos of ethical business practice. The Group's interests now include operations in the UK, USA, Norway, China, Brazil Thailand and India employing 165 people.

Future developments

This rapid growth and development of the Benchmark Holdings plc Group businesses continues to highlight the very considerable potential that there is for the business and the board is putting in place further developments across the Group to exploit the unique position that has been built and to access this opportunity, these include:

- The extension of the Group's vaccines and animal health research programmes and the development of additional vaccine production capability at Benchmark Vaccines Limited following the acquisition of the Edinburgh Biocampus site.
- The establishment of an Asian subsidiary of FVG Fish Vet Group Asia and the development of an aquaculture health laboratory in Bangkok Thailand.
- The ongoing investment and development of a Centre of Aquaculture Excellence for tilapia at FAI Brazil including a new hatchery and trials facilities.
- Investment in upgrading and expanding the production capability at BVL Braintree, together with the redevelopment of the site's sales and training centre.
- New renewable solar energy resources at BVL Braintree BVL Bio campus and at FAI.
- The acquisition of aquaculture wet laboratories and research farming capabilities (FAI Aqua) in the UK
- Further acquisitions of resources, IP and businesses that are being developed across the Group.

This continues to be a period of exceptional opportunity for the Benchmark Group, with the pace of development in aquaculture, sustainable food production and technical publishing set to continue increasing for the immediately foreseeable future in each of these areas. As a result the Group has many exciting opportunities presented to it to continue to drive its growth and success. This also is an extremely important time in the development of the understanding of sustainable production and the food industry is playing an important part in this process. The Benchmark Holdings plc Group companies and the teams within them continue to build a strong platform, based on high quality personnel, strong R&D programmes, well invested modern production facilities and strong global access to the markets, from which to play a leading role in this work.

Principal risks and uncertainties

The Benchmark and group Company directors continually assess risk and uncertainty in their respective businesses. The principal risks and uncertainties facing the Benchmark group that could impact its performance together with the actions that are taken by Benchmark Holdings plc to mitigate their impact on the Group are as follows:

- Ensuring retention of turnover. Mitigation: The Group's strategy is to ensure that there is active engagement with all existing clients in order to maintain long term relationships and to invest significant professional resource in to identifying and securing new clients that share our core objectives - the continued growth of the Group indicates that overall this approach is succeeding;
- Ensuring continuity of key staff. Mitigation: Effective succession planning, development and training programmes plus competitive retention and incentive packages which include a share option scheme - the relatively low turnover of staff (on average 10% including retirements) at a time of dynamic growth indicates the value of this approach; and
- The uncertainty of achieving sales growth in new markets. Mitigation: The Group continues to develop strong specialist partnerships in new markets and is actively pursuing a policy to establish its own presence in key areas of the world – the establishment of new operations in Norway and Thailand again indicates the effectiveness of this approach.
- Financial risk including the use of financial instruments, credit risk, liquidity risk and foreign exchange risk - these are discussed in detail within note 3

This report was approved by the board on 11 December 2013 and signed on its behalf

M D F Pye
Director

Independent Auditor's report to the members of Benchmark Holdings plc
For the year ended 30 September 2013

We have audited the financial statements of Benchmark Holdings plc for the year ended 30 September 2013 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2013 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

BDO LLP

Richard Wilson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Nottingham
United Kingdom

11 December 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Benchmark Holdings plc

Consolidated income statement
For the year ended 30 September 2013

	Note	2013 £000	2012 £000
Revenue	4	27,543	18,546
Cost of sales	6	(14,766)	(10,687)
Gross profit		12,777	7,859
Other income	5	111	177
Administrative expenses		(7,784)	(4,398)
Profit from operations	6	5,104	3,638
Finance cost	10	(259)	(115)
Finance income	10	8	11
Profit before tax		4,853	3,534
Tax expense	11	(560)	(751)
Profit for the year		4,293	2,783

Consolidated statement of other comprehensive income
for the year ended 30 September 2013

		2013 £000	2012 £000
Profit for the year		4,293	2,783
Other comprehensive income			
Movement on foreign exchange reserve	25	(5)	(29)
Total other comprehensive income		(5)	(29)
Total comprehensive income		4,288	2,754
Profit for the year attributable to:			
Owners of the parent		4,294	2,782
Non-controlling interest		(1)	1
		4,293	2,783
Total comprehensive income attributable to:			
Owners of the parent		4,289	2,753
Non-controlling interest		(1)	1
		4,288	2,754

Benchmark Holdings plc
Registered Number: 04115910
Consolidated balance sheet
As at 30 September 2013

	Note	2013	2012	As at 1 October 2011
Assets		**£000**	**£000**	**£000**
Non-current assets				
Property, plant and equipment	12	**3,572**	2,172	1,005
Intangible assets	13	**3,674**	4,032	1,056
Other receivables	17	**-**	82	193
Deferred tax assets	22	**241**	144	80
Total non-current assets		7,487	6,430	2,334
Current assets				
Inventories	16	**4,203**	4,551	1,746
Agricultural assets	16	**507**	413	446
Trade and other receivables	17	**6,969**	5,501	2,353
Cash and cash equivalents	34	**3,250**	1,019	1,809
Total current assets		14,929	11,484	6,354
Total assets		22,416	17,914	8,688
Liabilities				
Current liabilities				
Trade and other payables	18	**(5,069)**	(3,839)	(1,436)
Loans and borrowings	19	**(2,244)**	(1,713)	(363)
Corporation tax liability		**(857)**	(932)	(712)
Provisions	20	**-**	-	(75)
Total current liabilities		(8,170)	(6,484)	(2,586)
Non-current liabilities				
Loans and borrowings	19	**(2,199)**	(2,849)	(80)
Other payables	18	**-**	(24)	(18)
Provisions	20	**(135)**	(585)	(465)
Total non-current liabilities		(2,334)	(3,458)	(563)
Total liabilities		(10,504)	(9,942)	(3,149)
Net assets		11,912	7,972	5,539
Issued capital and reserves attributable to owners of the parent				
Share capital	23	**90**	92	93
Share premium reserve	24	**693**	693	693
Capital redemption reserve	24	**5**	3	2
Share based payment reserve	24	**626**	301	135
Foreign exchange reserve	24	**(15)**	(10)	19
Retained earnings	24	**10,497**	6,876	4,581
Equity attributable to equity holders of the parent		**11,896**	7,955	5,523
Non-controlling interest		**16**	17	16
Total equity and reserves		11,912	7,972	5,539

The financial statements on pages 11 to 75 were approved and authorised for issue by the Board of Directors on 11 December 2013 and were signed on its behalf by:

MJ Plampin
Director

Benchmark Holdings plc
Registered Number: 04115910

Company balance sheet
As at 30 September 2013

	Note	2013 £000	2012 £000	As at 1 October 2011 £000
Assets				
Non-current assets				
Property, plant and equipment	12	**66**	75	63
Investments	15	**4,071**	2,744	2,483
Other receivables	17	**-**	-	279
Deferred tax assets	22	**79**	64	29
Other financial assets	15	**1,965**	1,166	-
Total non-current assets		**6,181**	4,049	2,854
Current assets				
Trade and other receivables	17	**4,496**	4,981	3,382
Cash and cash equivalents	34	**418**	148	65
Total current assets		**4,914**	5,129	3,447
Total assets		**11,095**	9,178	6,301
Liabilities				
Current liabilities				
Trade and other payables	18	**(1,337)**	(1,010)	(718)
Total current liabilities		**(1,337)**	(1,010)	(718)
Non-current liabilities				
Loans and borrowings	19	**(60)**	(60)	(60)
Total non-current liabilities		**(60)**	(60)	(60)
Total liabilities		**(1,397)**	(1,070)	(778)
Net assets		**9,698**	8,108	5,523
Issued capital and reserves attributable to owners of the parent				
Share capital	23	**90**	92	93
Share premium reserve	24	**693**	693	693
Capital redemption reserve	24	**5**	3	2
Share based payment reserve	24	**497**	248	107
Retained earnings	24	**8,413**	7,072	4,628
Total equity and reserves		**9,698**	8,108	5,523

The financial statements on pages 11 to 75 were approved and authorised for issue by the Board of Directors on 11 December 2013 and were signed on its behalf by:

MJ Plampin
Director

Benchmark Holdings plc

Consolidated statement of cash flows
For the year ended 30 September 2013

	Note	2013 £000	2012 £000
Cash flows from operating activities			
Profit before tax:		4,853	3,534
Adjustments for:			
Depreciation of property, plant and equipment	12	347	252
Impairment of property, plant and equipment	12	-	42
Amortisation of intangible fixed assets	13	784	153
Impairment losses on intangible assets	13	-	110
Finance income	10	(8)	(11)
Finance expense	10	259	115
Loss on sale of property, plant and equipment		3	1
Share-based payment expense	29	233	135
Exchange movements		-	27
		6,471	4,358
Increase in trade and other receivables		(1,483)	(3,101)
Decrease in inventories and agricultural assets		254	120
Increase in trade and other payables		1,268	1,480
(Decrease)/increase in provisions		(450)	5
		6,060	2,862
Income taxes paid		(542)	(500)
Net cash flows from operating activities		5,518	2,362
Investing activities			
Acquisition of subsidiary, net of cash acquired	30	(280)	(6,000)
Purchases of property, plant and equipment	12	(1,748)	(666)
Sale of property, plant and equipment		-	42
Purchase of intangibles	13	(156)	(56)
Interest paid		(251)	(104)
Net cash used in investing activities		(2,435)	(6,784)
Financing activities			
Purchase of ordinary shares		(272)	(293)
Proceeds from bank borrowings		145	3,460
Repayment of bank borrowings		(876)	-
New finance leases		112	-
Payments to finance lease creditors		(42)	(27)
Dividends paid to the holders of the parent	21	(401)	(194)
Net cash (used in)/from financing activities		(1,334)	2,946
Net increase / (decrease) in cash and cash equivalents		1,749	(1,476)
Cash and cash equivalents at beginning of year		(3)	1,473
Cash and cash equivalents at end of year	34	1,746	(3)

Benchmark Holdings plc

Company statement of cash flows
For the year ended 30 September 2013

	Note	2013 £000	2012 £000
Cash flows from operating activities			
Profit before tax:		**2,016**	2,901
Adjustments for:			
Depreciation of property, plant and equipment	12	**19**	21
Finance income		**(1)**	-
Finance expense		**117**	224
Share-based payment expense	29	**40**	25
		2,191	3,171
Increase in trade and other receivables		**484**	(1,319)
Increase in trade and other payables		**327**	292
		811	(1,027)
Income taxes paid		**-**	-
Net cash flows from operating activities		**3,002**	2,144
Investing activities			
Loans to subsidiary undertakings		**(2,050)**	(1,527)
Purchases of property, plant and equipment	12	**(10)**	(33)
Interest received / (paid)		**1**	(14)
Net cash used in investing activities		**(2,059)**	(1,574)
Financing activities			
Purchase of ordinary shares for cancellation		**(272)**	(293)
Dividends paid to the holders of the parent	21	**(401)**	(194)
Net cash used in financing activities		**(673)**	(487)
Net increase in cash and cash equivalents		**270**	83
Cash and cash equivalents at beginning of year		**148**	65
Cash and cash equivalents at end of year	34	**418**	148

Benchmark Holdings plc

Consolidated statement of changes in equity
For the year ended 30 September 2013

	Share capital (note 23)	Share premium reserve (note 24)	Capital redemption reserve (note 24)	Foreign exchange reserve (note 24)	Share based payment reserve (note 24)	Retained earnings (note 24)	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
1 October 2012	92	693	3	(10)	301	6,876	**7,955**	17	**7,972**
Comprehensive Income for the year									
Profit for the year	-	-	-	-	-	4,294	**4,294**	(1)	**4,293**
Deferred tax on share options	-	-	-	-	92	-	**92**	-	**92**
Other comprehensive income (Note 25)	-	-	-	(5)	-	-	**(5)**	-	**(5)**
Total comprehensive income for the year	-	-	-	(5)	92	4,294	**4,381**	(1)	**4,380**
Contributions by and distributions to owners									
Dividends	-	-	-	-	-	(401)	**(401)**	-	**(401)**
Share based payment	-	-	-	-	233	-	**233**	-	**233**
Shares purchased for cancellation	(2)	-	2	-	-	(272)	**(272)**	-	**(272)**
Total contributions by and distributions to owners	(2)	-	2	-	233	(673)	**(440)**	-	**(440)**
30 September 2013	**90**	**693**	**5**	**(15)**	**626**	**10,497**	**11,896**	**16**	**11,912**

Consolidated statement of changes in equity *(continued)*
For the year ended 30 September 2013

	Share capital (note 23)	Share premium reserve (note 24)	Capital redemption reserve (note 24)	Foreign exchange reserve (note 24)	Share based payment reserve (note 24)	Retained earnings (note 24)	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
1 October 2011	93	693	2	19	135	4,581	**5,523**	16	**5,539**
Comprehensive income for the year									
Profit for the year	-	-	-	-	-	2,782	**2,782**	1	**2,783**
Deferred tax on share options	-	-	-	-	31	-	**31**	-	**31**
Other comprehensive income (Note 25)	-	-	-	(29)	-	-	**(29)**	-	**(29)**
Total comprehensive income for the year	-	-	-	(29)	31	2,782	**2,784**	1	**2,785**
Contributions by and distributions to owners									
Dividends	-	-	-	-	-	(194)	**(194)**	-	**(194)**
Share based payment	-	-	-	-	135	-	**135**	-	**135**
Shares purchased for cancellation	(1)	-	1	-	-	(293)	**(293)**	-	**(293)**
Total contributions by and distributions to owners	(1)	-	1	-	135	(487)	**(352)**	-	**(352)**
30 September 2012	92	693	3	(10)	301	6,876	**7,955**	17	**7,972**

Benchmark Holdings plc

Company statement of changes in equity
For the year ended 30 September 2013

	Share capital (note 23)	Share premium reserve (note 24)	Capital redemption reserve (note 24)	Share based payment reserve (note 24)	Retained earnings (note 24)	Total attributable to equity holders of parent
	£000	£000	£000	£000	£000	£000
1 October 2012	92	693	3	248	7,072	8,108
Comprehensive Income for the year						
Profit for the year	-	-	-	-	2,014	2,014
Deferred tax on share options	-	-	-	16	-	16
Total comprehensive income for the year	-	-	-	16	2,014	2,030
Contributions by and distributions to owners						
Dividends	-	-	-	-	(401)	(401)
Share based payment	-	-	-	233	-	233
Shares purchased for cancellation	(2)	-	2	-	(272)	(272)
Total contributions by and distributions to owners	(2)	-	2	233	(673)	(440)
30 September 2013	**90**	**693**	**5**	**497**	**8,413**	**9,698**

Benchmark Holdings plc

Company statement of changes in equity *(continued)*
For the year ended 30 September 2013

	Share capital (note 23)	Share premium reserve (note 24)	Capital redemption reserve (note 24)	Share based payment reserve (note 24)	Retained earnings (note 24)	Total attributable to equity holders of parent
	£000	£000	£000	£000	£000	£000
1 October 2011	93	693	2	107	4,628	5,523
Comprehensive Income for the year						
Profit for the year	-	-	-	-	2,931	2,931
Deferred tax on share options	-	-	-	6	-	6
Total comprehensive income for the year	-	-	-	6	2,931	2,937
Contributions by and distributions to owners						
Dividends	-	-	-	-	(194)	(194)
Share based payment	-	-	-	135	-	135
Shares purchased for cancellation	(1)	-	1	-	(293)	(293)
Total contributions by and distributions to owners	(1)	-	1	135	(487)	(352)
30 September 2012	92	693	3	248	7,072	8,108

1 Accounting policies

Corporate information

Benchmark Holdings plc (the Company) is a public limited company incorporated and domiciled in England and Wales. The registered office is at Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN.

The Group is principally engaged in the provision of technical services, products and specialist knowledge that support the global development of sustainable food and farming industries.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The Company and Group have adequate resources to continue in operational existence for the foreseeable future and as a result of this the going concern basis has been adopted in preparing the financial statements.

For all periods up to and including the year ended 30 September 2012, the Group prepared its financial statements in accordance with local generally accepted accounting principles (UK GAAP). These financial statements for the year ended 30 September 2013 are the first the Group has prepared in accordance with IFRS as adopted by the European Union. Refer to note 35 for information on how the Company and Group adopted IFRS.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and those parts of the Companies Act 2006 that are applicable to companies that prepare financial statements in accordance with IFRS.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 30 September 2013. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases.

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions, balances, unrealised gains and losses resulting from intra- Group transactions and dividends are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

A separate income statement for the Company is not presented, in accordance with Section 408 of the Companies Act 2006. The profit for the year for the Company was £2,014,000 (2012: £2,931,000).

Standards issued but not effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The following new standards, interpretations and amendments, which have not been applied in these financial statements will or may have an effect on the Group's future financial statements.

1 Accounting policies *(continued)*

***Standards issued but not effective** (continued)*

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

This standard becomes effective for annual periods beginning on or after 1 January 2014.

IFRS12 Disclosure of Interests in Other Entities

IFRS12 includes all of the disclosures that were previously in IAS27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS31 and IAS28. These disclosures relate to an entity's interests in subsidiaries. A number of new disclosures are also required, but has no impact on the Group's financial position or performance.

This standard becomes effective for annual periods beginning on or after 1 January 2014.

IFRS13 Fair Value Measurement

IFRS13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

None of the other new standards, interpretations and amendments, which are effective for periods beginning on or after 1 October 2012 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

1 Accounting policies *(continued)*

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific criteria must also be met before revenue is recognised:

Sale of goods

Within Benchmark Animal Health, revenue from the sales of licenced veterinary vaccines and vaccine components is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer usually on delivery. Where the buyer has a right of return, the Group defers recognition of revenue and derecognises the related gross receivable until the point at which it is estimated that the returns will not occur.

Within Benchmark Sustainability Science, revenue from the sales of agricultural produce is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer usually on delivery. Where the buyer has a right of return, the Group defers recognition of revenue until the right to return has lapsed.

Rendering of services

Services including sustainable food production consultancy, technical consultancy and assurance services are provided by Benchmark Sustainability Science. Online news and technical publications, book publishing, online shops and online distance learning programs are provided by Benchmark Technical Publishing.

Provided the amount of revenue can be measured reliably and it is probable that the Group will receive any consideration, revenue for these services is recognised in the period in which they are rendered.

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and its amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the aquiree's identifiable assets.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated income statement. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is initially measured at cost, being the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated income statement on the acquisition date.

Non-controlling interests

For business combinations completed prior to 1 January 2010, the Group initially recognised any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date. The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

1 Accounting policies *(continued)*

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill are undertaken annually at the financial year end or at any other time when an indication of impairment arises. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the consolidated income statement, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Foreign currency

The Group's consolidated financial statements are presented in UK pounds sterling, which is also the parent Company's functional currency. For each entity the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the consolidated income statement.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the income statement in the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated income statement as part of the profit or loss on disposal.

1 Accounting policies *(continued)*

Financial assets

The Group classifies all of its financial assets as loans and receivables and has not classified any of its financial assets as held to maturity.

Loans and receivable assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated income statement (operating profit).

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated balance sheet.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less from inception, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated balance sheet.

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities which include the following items:

- Bank borrowings which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated balance sheet.

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1 Accounting policies *(continued)*

Share capital

The Group's ordinary shares are classified as equity instruments.

Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated income statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

In-process research and development programmes acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for development costs below are not met.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Websites	20% per annum straight line	Assessment of estimated revenues and profits
Patents	20% - 50% straight line	Cost to acquire
Trademarks	20% - 50% straight line	Cost to acquire
Contracts	33.3% per annum straight line	Assessment of estimated revenues and profits
Licences	16.7% per annum straight line	Costs to acquire

1 Accounting policies *(continued)*

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the cost of sales line in the consolidated income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated income statement as incurred.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold property	-	2% per annum straight line
Long term lease-hold property improvements	-	2% - 10% per annum straight line
Plant and machinery	-	15% per annum reducing balance
E commerce infrastructure	-	10% per annum straight line
Other fixed assets	-	15% - 33% per annum straight line

1 Accounting policies *(continued)*

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Livestock

Livestock are measured at their fair value less costs to sell. The fair value of livestock is based on quoted prices of livestock of similar age, breed, and genetic merit in the principal (or most advantageous) market for the livestock.

Government grants

Government grants received on capital expenditure are included in the balance sheet as deferred income and released to the statement of comprehensive income over the life of the asset. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated income statement or netted against the asset purchased.

Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount including those for onerous leases, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

Investments in subsidiary undertakings

Investments in subsidiaries are stated at cost less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

(a) Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. More information including carrying values is included in note 14.

2 Critical accounting estimates and judgements (continued)

Estimates and assumptions (continued)

(b) Legal proceedings

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

(c) Valuation of contracts and licences

The valuation of contracts and licences acquired as part of a business combination has been calculated based upon value in use which requires the use of a discount rate in order to calculate the present value of cash flows. These intangibles are reviewed annually for impairment.

(d) Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

(e) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

3 Financial instruments - Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans

3 **Financial instruments - Risk Management** (continued)

Group

A summary of the financial instruments held by category is provided below:

			Financial assets Loans and receivables
	2013 £000	2012 £000	As at 1 October 2011 £000
Cash and cash equivalents	3,250	1,019	1,809
Trade and other receivables	5,853	4,814	1,861
Total financial assets	9,103	5,833	3,670

Financial liabilities			Financial liabilities at amortised cost
	2013 £000	2012 £000	As at 1 October 2011 £000
Trade and other payables	4,649	3,530	1,367
Loans and borrowings	4,443	4,562	443
Total financial liabilities	9,092	8,092	1,810

Company

A summary of the financial instruments held by category is provided below:

			Financial assets Loans and receivables
	2013 £000	2012 £000	As at 1 October 2011 £000
Investments	4,071	2,744	2,483
Other financial assets	1,965	1,166	-
Cash and cash equivalents	418	148	65
Trade and other receivables	4,361	4,884	3,140
Total financial assets	10,815	8,942	5,688

Financial liabilities			Financial liabilities at amortised cost
	2013 £000	2012 £000	As at 1 October 2011 £000
Trade and other payables	1,306	986	697
Loans and borrowings	60	60	60
Total financial liabilities	1,366	1,046	757

There were no financial instruments classified as fair value through profit or loss available for sale.

3 Financial instruments - Risk Management (continued)

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Board receives monthly reports from the Group Finance Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

General objectives, policies and processes

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 17.

Fair value and cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. It is currently Group policy that 50% of the floating rate element of the Group's borrowings (excluding short-term overdraft facilities and finance lease payables) is capped at 2%. Although the Board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks. This policy is managed centrally. The Group has paid an upfront premium to purchase the cap and so is not exposed to adverse movements in the value of the cap.

During 2013 and 2012, the Group's borrowings at variable rate were denominated in Sterling.

At 30 September 2013, if interest rates on Pound Sterling-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, profit after tax for the year and net assets would have been £44,000 (2012: £5,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. The directors consider that 100 basis points is the maximum likely change in Sterling interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

3 Financial instruments - Risk Management (continued)

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency (primarily US dollar or Pound Sterling) with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group is predominantly exposed to currency risk on purchases made from a major supplier in US Dollars and on sales in North and South America made in US dollars. There is a natural hedge between these two transactions; any surplus US dollars generated are used to fund the overseas US dollar denominated operations of the Group.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by capping interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

The Board receives rolling 3-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

At 30 September 2013	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 year £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	5,069	-	-	-	-
Loans and borrowings	2,244	-	2,199	-	-
Total	7,313	-	2,199	-	-

At 30 September 2012	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 year £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	3,879	-	24	-	-
Loans and borrowings	1,713	-	2,849	-	-
Total	5,552	-	2,873	-	-

3 Financial instruments - Risk Management (continued)

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings, and share based payment reserve). The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.
Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 10-12% (2012: 12-15%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The debt-to-adjusted-capital ratios at 30 September 2013 and at 30 September 2012 were as follows:

	2013 £000	2012 £000
Loans and borrowings	4,443	4,562
Less: cash and cash equivalents	(3,250)	(1,019)
Net debt	1,193	3,543
Total adjusted capital	11,912	7,972
Debt to adjusted capital ratio (%)	10.0%	44.4%

The decrease in the debt to adjusted capital ratio during 2013 resulted primarily from the increase in equity due to the profit and the increase of cash resulting from operating activities.

4 Revenue

Revenue arises from:	2013 £000	2012 £000
Sale of goods	24,117	15,824
Provision of services	3,426	2,722
	27,543	18,546

5 Other income

	2013 £000	2012 £000
Grants receivable	111	177

Grants receivable include grants and donations received by the Group's subsidiary FAI do Brasil Criacao Animal Ltda, in respect of projects carried out by this entity. Since this is not considered to be part of the main revenue generating activities, the Group presents this income separately from revenue.

6 Expenses by nature

	2013 £000	2012 £000
Changes in inventories of finished goods and work in progress	(2,728)	823
Write-down of inventory to net realisable value	215	-
Raw materials and consumables used	10,803	6,970
Staff costs (see note 8)	7,064	4,061
Depreciation of property, plant and equipment	347	252
Impairment of property, plant and equipment	-	42
Amortisation of intangible assets*	784	153
Impairment of intangible assets*	-	110
Research and development costs	752	235
Foreign exchange (gains)	37	1
Operating lease expense:		
Property	295	259
Loss on disposal of property, plant and equipment	3	1
Transportation expenses	360	150
Advertising expenses	187	136
Other costs	4,431	1,892
Total cost of sales, administrative expenses, and other operating expenses	22,550	15,085

* Amortisation and impairment charges on the Group's intangible assets are recognised in the administrative expenses line item in the consolidated income statement.

7 Auditor's remuneration

	2013 £000	2012 £000
Audit of these financial statements	4	2
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	51	41
Services relating to taxation	20	9
All other services	31	54
	106	106

8 Staff costs

	2013 £000	2012 £000
Staff costs (including directors) comprise:		
Wages and salaries	5,997	3,415
Defined contribution pension cost	305	161
Share-based payment expense (note 28)	233	135
Social security contributions and similar taxes	529	350
	7,064	4,061

	2013 No.	2012 No.
The average monthly number of employees, including directors, during the year was as follows:		
Production	103	69
Administration	25	16
Management	23	27
	151	112

Key management personnel compensation and directors remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the company listed on page 2 and the directors of the Group's subsidiary companies.

	2013 £000	2012 £000
Emoluments	1,522	1,330
Total pension and other post-employment benefit costs	98	85
Share based payment expense	40	25
	1,660	1,440

Directors' remuneration

	2013 £000	2012 £000
Emoluments	885	947
Total pension and other post-employment benefit costs	66	70
Share based payment expense	40	25
	991	1,042

During the year retirement benefits were accruing to 9 directors in respect of defined contribution pension schemes (2012: 9).

The highest paid director received remuneration of £139,000 (2012: £144,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2012: £13,000).

9 Segment information

For management purposes the Group is organised into divisions based on their products and services and has three reportable segments as follows:

- *Animal Health Division* - provides veterinary services, environmental services diagnostics and animal health products to global aquaculture and manufactures licenced veterinary vaccines and vaccine components;
- *Sustainability Science Division* - provides sustainable food production consultancy, technical consultancy and assurance services.
- *Technical Publishing Division* - promotes sustainable food production and ethics through online news and technical publications for the international agriculture and food processing sectors.

No operating segments have been aggregated to form the above reportable operating segments.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, Chief Operating Officer and the Group Finance Director.

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with EU Adopted IFRS but excluding non-recurring losses, such as goodwill impairment, and the effects of share-based payments.

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities. Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the Group position.

9 Segment information *(continued)*

	Animal Health 2013 £000	Sustainability Science 2013 £000	Technical Publishing 2013 £000	Corporate 2013 £000	Total 2013 £000
Revenue					
Total revenue	25,878	2,099	2,343	783	31,103
Inter-segmental revenue	(904)	(573)	(1,300)	(783)	(3,560)
Total revenue from external customers	24,974	1,526	1,043	-	27,543
Group's revenue per consolidated income statement	24,974	1,526	1,043	-	27,543
Depreciation	(148)	(133)	(47)	(19)	(347)
Amortisation	(720)	-	(64)	-	(784)
Segment profit	8,369	(418)	(4)	(2,610)	5,337
Share-based payments					(233)
Finance expense					(259)
Finance income					8
Group profit before tax					4,853

9 Segment information *(continued)*

	Animal Health 2012 £000	Sustainability Science 2012 £000	Technical Publishing 2012 £000	Corporate 2012 £000	Total 2012 £000
Revenue					
Total revenue	17,144	1,816	2,012	460	21,432
Inter-segmental revenue	(801)	(509)	(1,116)	(460)	(2,886)
Total revenue from external customers	16,343	1,307	896	-	18,546
Group's revenue per consolidated income statement	16,343	1,307	896	-	18,546
Depreciation	(103)	(73)	(55)	(21)	(252)
Amortisation	(80)	-	(73)	-	(153)
Segment profit	5,672	94	101	(1,942)	3,925
Impairment of assets					(152)
Share-based payments					(135)
Finance expense					(115)
Finance income					11
Group profit before tax					3,534

9 Segment information *(continued)*

	Animal Health 2013 £000	Sustainability Science 2013 £000	Technical Publishing 2013 £000	Corporate 2013 £000	Total 2013 £000
Additions to non-current assets	439	598	(68)	(9)	960
Reportable segment assets	18,570	2,177	729	699	22,175
Deferred tax asset					241
Total Group assets					22,416
Reportable segment liabilities	5,532	812	450	861	7,655
Loans and borrowings (excluding leases and overdrafts)					2,849
Total Group liabilities					10,504

9 Segment information *(continued)*

	Animal Health 2012 £000	Sustainability Science 2012 £000	Technical Publishing 2012 £000	Corporate 2012 £000	Total 2012 £000
Additions to non-current assets	3,805	44	171	12	4,032
Reportable segment assets	14,654	1,697	1,098	321	17,770
Deferred tax asset					144
Total Group assets					17,914
Reportable segment liabilities	4,544	964	301	613	6,422
Loans and borrowings (excluding leases and overdrafts)					3,520
Total Group liabilities					9,942

	External revenue by location of customers		Non-current assets by location of assets	
	2013 £000	2012 £000	2013 £000	2012 £000
United Kingdom	9,520	8,791	7,011	5,981
Rest of European Union	693	340	3	-
Norway	6,728	8,304	-	-
Chile	8,587	-	-	-
USA	1,313	-	256	266
Other	702	1,111	20	-
Brazil	-	-	197	183
	27,543	18,546	7,487	6,430

	Customers with in excess of 10% of total turnover	
	2013 £000	2012 £000
Customer A	6,728	8,304
Customer B	3,039	4,096
Customer C	7,994	-
Customer D	2,940	-
	20,701	12,400

All of the above customers purchase goods from the Animal Health operating segment.

10 Finance income and expense

Recognised in income statement

Finance income	2013 £000	2012 £000
Interest received on bank deposits	8	11

Finance cost	2013 £000	2012 £000
Finance leases (interest portion)	3	3
Interest expense on financial liabilities measured at amortised cost	256	112
Total finance expense	259	115
Net finance expense recognised in profit or loss	251	104

11 Tax expense

	2013 £000	2012 £000
Current tax expense		
Current tax on profits for the year	836	933
Adjustment for under provision in prior periods	(271)	(149)
Total current tax	565	784
Deferred tax expense		
Origination and reversal of temporary differences (Note 22)	(5)	(33)
Total tax expense	560	751

11 Tax expense *(continued)*

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2013 £000	2012 £000
Accounting profit before income tax	4,853	3,534
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 23.5% (2012: 25%)	1,140	884
Expenses not deductible for tax purposes, other than goodwill amortisation	13	38
Research and development relief	(392)	-
Deferred tax not recognised	12	(4)
Adjustments to tax charge in respect of prior periods	(271)	(149)
Different tax rates in overseas jurisdictions	58	(18)
Total tax expense	560	751

Changes in tax rates and factors affecting the future tax charge

Finance Act 2013 includes provision for the main rate of corporation tax to reduce to 21% on 1 April 2014 and 20% on 1 April 2015. The reductions in the corporation tax rate were substantively enacted on 3 July 2013 and will reduce future tax charges. Deferred tax has been calculated at 20% being the rate applying from April 2015.

There was no deferred tax recognised in other comprehensive income.

12 Property, plant and equipment

Group

	Freehold land and buildings	Long Term Lease-hold Property Improvements	Plant and Machinery	E commerce infra-structure	Office equipment and fixtures	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
Balance at 1 October 2011	-	202	1,344	188	170	1,904
Additions	-	143	77	50	396	666
Disposals	-	-	(42)	-	(31)	(73)
Foreign exchange rate movements	-	-	(12)	-	-	(12)
On acquisition of subsidiaries	-	600	250	-	-	850
Balance at 30 September 2012	-	945	1,617	238	535	3,335
Balance at 1 October 2012	-	945	1,617	238	535	3,335
Additions	**700**	**376**	**535**	**137**	-	**1,748**
Disposals	-	-	**(13)**	-	-	**(13)**
Balance at 30 September 2013	**700**	**1,321**	**2,139**	**375**	**535**	**5,070**
Accumulated depreciation						
Balance at 1 October 2011	-	30	764	39	66	899
Depreciation charge for the year	-	17	101	37	97	252
Disposals	-	-	(26)	-	(4)	(30)
Impairment charge	-	-	-	42	-	42
Balance at 30 September 2012	-	47	839	118	159	1,163
Balance at 1 October 2012	-	47	839	118	159	1,163
Depreciation charge for the year	-	**53**	**166**	**32**	**96**	**347**
Disposals	-	-	**(12)**	-	-	**(12)**
Balance at 30 September 2013	-	**100**	**993**	**150**	**255**	**1,498**
Net book value						
At 1 October 2011	-	172	580	149	104	1,005
At 30 September 2012	-	898	778	120	376	2,172
At 30 September 2013	**700**	**1,221**	**1,146**	**225**	**280**	**3,572**

Security over the assets is disclosed within note 19.

12 Property, plant and equipment *(continued)*

The net carrying amount of property, plant and equipment includes the following amounts in respect of *assets held under finance leases* (note 26):

	2013 £000	2012 £000	As at 1 October 2011 £000
Plant and machinery	208	49	80

Company	Office equipment and fixtures £000
Cost or valuation	
Balance at 1 October 2011	79
Additions	33
Balance at 30 September 2012	112
Balance at 1 October 2012	112
Additions	10
Balance at 30 September 2013	122
Accumulated depreciation	
Balance at 1 October 2011	16
Depreciation charge for the year	21
Balance at 30 September 2012	37
Balance at 1 October 2012	37
Depreciation charge for the year	19
Balance at 30 September 2013	56
Net book value	
At 1 October 2011	63
At 30 September 2012	75
At 30 September 2013	66

13 Intangible assets

	Websites £000	Goodwill £000	Patents £000	Trademarks £000	Contracts £000	Licences £000	Total £000
Cost							
Balance at 1 October 2011	459	995	187	187	-	-	1,828
Additions - internally developed	56	-	-	-	-	-	56
Additions - externally acquired on acquisition	-	439	-	-	1,565	1,194	3,198
Foreign exchange rate movements	-	(15)	-	-	-	-	(15)
Balance at 30 September 2012	515	1,419	187	187	1,565	1,194	5,067
Balance at 1 October 2012	515	1,419	187	187	1,565	1,194	5,067
Additions - externally acquired	-	270	78	78	-		426
Balance at 30 September 2013	**515**	**1,689**	**265**	**265**	**1,565**	**1,194**	**5,493**
Accumulated amortisation and impairment							
Balance at 1 October 2011	255	273	122	122	-	-	772
Amortisation charge for the year	73	-	10	10	43	17	153
Impairment charge	-	-	55	55	-	-	110
Balance at 30 September 2012	328	273	187	187	43	17	1,035
Balance at 1 October 2012	328	273	187	187	43	17	1,035
Amortisation charge for the year	63	-	-	-	522	199	784
Balance at 30 September 2013	**391**	**273**	**187**	**187**	**565**	**216**	**1,819**
Net book value							
At 1 October 2011	204	722	65	65	-	-	1,056
At 30 September 2012	187	1,146	-	-	1,522	1,177	4,032
At 30 September 2013	**124**	**1,416**	**78**	**78**	**1,000**	**978**	**3,674**

Current estimates of useful economic lives of intangible assets are as follows:

Goodwill	Infinite
Patents	5 years
Websites	5 years
Trademarks	5 years
Contracts	3 years
Licences	6 years

14 Impairment testing of goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Goodwill arises across all of the Group's operating segments, and is allocated specifically against the following CGUs:

	Animal Health 2013 £000	Sustainability Science 2013 £000	Technical Publishing 2013 £000	Total 2013 £000
FVG Limited	288	-	-	288
Benchmark Vaccines Limited	439	-	-	439
FAI do Brazil Criacao Animal Ltda	-	96	-	96
Dust Collective Limited	-	120	-	120
Allan Environmental Solutions and Management Limited	-	150	-	150
5M Enterprises Limited	-	-	323	323
	727	366	323	1,416

	Animal Health 2012 £000	Sustainability Science 2012 £000	Technical Publishing 2012 £000	Total 2012 £000
FVG Limited	288	-	-	288
Benchmark Vaccines Limited	439	-	-	439
FAI do Brazil Criacao Animal Ltda	-	96	-	96
5M Enterprises Limited	-	-	323	323
	727	96	323	1,146

14 Impairment testing of goodwill *(continued)*

The recoverable amounts of the above CGUs have been determined from value in use calculations which have been predicated on discounted cash flow projections from formally approved budgets covering a two year period to 30 September 2015, and extrapolated in perpetuity taking account of specific growth rates as tabulated below for future cash flows. Other major assumptions are as follows:

	Operating Margin* 2013	Discount rate 2013	Growth rate beyond 2 yrs* 2013
FVG Ltd	45%	18%	0%
Benchmark Vaccines Ltd	39%	18%	400% in year 3, flat thereafter
FAI Brazil	N/A^	18%	Various uplifts applied in years 3 to 5, then flat
5M Enterprises Ltd	6%	18%	£133,000 pa in years 3,4 and 5, then flat

* The growth rate and operating margin assumptions apply only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year two.

^ FAI Brazil derives income from grants and donations which are not classified as revenue generating activities, and so no operating margin is disclosed.

No impairment testing was carried out for Dust Collective Limited or Allan Environmental Solutions and Management Limited at 30 September 2013, or for Benchmark Vaccines Limited at 30 September 2012, due to the close proximity of the acquisition dates to the year-end date.

Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions. Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to the cash generating unit.

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

	Operating Margin*	Discount rate	Growth rate beyond 2 yrs*
FVG Limited	No reasonably possible changes	No reasonably possible changes	No reasonably possible changes
Benchmark Vaccines Limited	Fall from 6% to 1.6%	No reasonably possible changes	Growth declines by 79% in year 3, then flat
FAI do Brazil Criacao Animal Ltda	N/A	Increase from 18% to 44%	No growth in year 3 and only £50,000 growth in year 4
5M Enterprises Limited	Fall from 6% to 0%	Increase from 18% to 96%	Growth of only £100,000 in years 3, 4 and 5

15 Subsidiaries

The principal subsidiaries of Benchmark Holdings plc, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation	Proportion of ownership interest at 30 September 2013	2012
RL Consulting Limited	United Kingdom	100%	100%
FAI Farms Limited	United Kingdom	100%	100%
5M Enterprises Limited	United Kingdom	98.5%	98.5%
Woodland Limited	United Kingdom	100%	100%
FVG Limited	United Kingdom	100%	100%
FAI do Brazil Criacao Animal Ltda (9% owned by 5M Enterprises Limited and 91% owned by FAI Farms Limited)	Brazil	99.25%	99.25%
5M Enterprises Inc (wholly owned by 5M Enterprises Limited)	USA	98.5%	98.5%
FVG Inc (wholly owned by FVG Limited)	USA	100%	100%
Benchmark Vaccines Limited	United Kingdom	100%	100%
Dust Collective Limited	United Kingdom	100%	-
Allan Environmental Solutions and Management Limited	United Kingdom	100%	-
Fish Vet Group Limited	United Kingdom	100%	100%
Benchmark Animal Health Limited	United Kingdom	100%	100%
Trie Benchmark Limited	United Kingdom	100%	100%
Fish Vet Group Norge AS	Norway	100%	-
Fish Vet Group Asia Limited	Thailand	100%	-

Company	Loans to subsidiary companies £000	Investments in subsidiary companies £000
Cost or valuation		
Balance at 1 October 2011	-	2,483
Additions	1,166	261
Balance at 30 September 2012	1,166	2,744
Balance at 1 October 2012	1,166	2,744
Additions	1,965	1,327
Amounts repaid	(1,166)	-
Balance at 30 September 2013	**1,965**	**4,071**
Net book value		
At 1 October 2011	-	2,483
At 30 September 2012	1,166	2,744
At 30 September 2013	**1,965**	**4,071**

Inter-company balances with group companies which will not be settled within one year have been classified as loans to subsidiaries and have been discounted at the Company's weighted average cost of capital.

In 2013 the Company acquired 100% of the ordinary share capital of Dust Collective Limited for consideration of £130,000, and a loan of £1,005,000 due from FAI Farms Limited was classified within cost of investments. After the year end £1,000,000 of this loan was converted into share capital. Additionally £192,000 of the charge associated with share based options relates to employees of subsidiary companies, and so this amount has been treated as an investment in the books of the Company.

16 Inventories and agricultural assets

Inventories

Group	2013 £000	2012 £000	As at 1 October 2011 £000
Raw materials	**935**	3,917	322
Work in progress	**160**	-	-
Finished goods and goods for resale	**3,108**	634	1,424
Total inventories at the lower of cost and net realisable value	**4,203**	4,551	1,746

During 2013 £11,018,000 (2012: £6,970,000) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales. The cost of inventories recognised as an expense includes £215,000 (2012: £nil) in respect of write-downs of inventory to net realisable value, and has been reduced by £53,000 (2012: £nil) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

Agricultural assets

Group	2013 £000	2012 £000	As at 1 October 2011 £000
Organic sheep	**214**	251	169
Organic beef	**287**	-	257
Organic pigs	**6**	6	8
Chickens	-	-	12
Total livestock	**507**	413	446

The Group operates a commercial and research farming and technology transfer business, and at 30 September 2013 held 2,559 head of sheep, 271 head of cattle and 42 pigs. The Group had farming sales of £237,000 in the year ended 30 September 2013.

The Group is exposed to financial risks arising from changes in the market value of farm animals. The Group does not anticipate that prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in livestock price. The Group reviews its outlook for livestock prices regularly in considering the need for active financial risk management.

17 Trade and other receivables

Group	2013 £000	2012 £000	As at 1 October 2011 £000
Trade receivables	5,890	4,852	1,678
Less: provision for impairment of trade receivables	(37)	(85)	(18)
Trade receivables - net	5,853	4,767	1,660
Loans to related parties	-	47	201
Total financial assets other than cash and cash equivalents classified as loans and receivables	5,853	4,814	1,861
Prepayments	221	356	64
Other receivables	895	413	621
Total trade and other receivables	6,969	5,583	2,546
Less: non-current portion	-	(82)	(193)
Current portion	6,969	5,501	2,353

The fair values of trade and other receivables classified as loans and receivables are not materially different to their carrying values. As at 30 September 2013 trade receivables of £1,517,000 (2012: £2,581,000, 2011: £983,000) were past due but not impaired. They relate to the customers with no default history. The ageing analysis of these receivables is as follows:

	2013 £000	2012 £000	As at 1 October 2011 £000
Up to 3 months overdue	1,296	2,426	900
3 to 6 months overdue	221	155	83
6 to 12 months overdue	-	-	-
	1,517	2,581	983

All non-current receivables are due within two years of 30 September 2013.

Movements on the Group provision for impairment of trade receivables are as follows:

	2013 £000	2012 £000	As at 1 October 2011 £000
At 1 October	85	18	18
Provided during the year	20	84	-
Receivable written off during the year as uncollectible	(68)	(17)	-
At 30 September	37	85	18

The movement on the provision for impaired receivables has been included in the administrative expenses line in the consolidated income statement.

In accordance with the accounting policy on revenue recognition £296,000 (2012 - £nil) has been derecognised from gross trade receivables as this is subject to a specific return clause.

17 Trade and other receivables *(continued)*

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

Company	2013 £000	2012 £000	As at 1 October 2011 £000
Receivables from related parties	**4,361**	4,884	3,140
Total financial assets other than cash and cash equivalents classified as loans and receivables	**4,361**	**4,884**	**3,140**
Prepayments	11	19	3
Other receivables	124	78	518
Total trade and other receivables	**4,496**	4,981	3,661
Less: non-current portion	-	-	(279)
Current portion	**4,496**	4,981	3,382

18 Trade and other payables

Group	2013 £000	2012 £000	As at 1 October 2011 £000
Trade payables	1,416	1,918	565
Other payables	2,083	819	56
Accruals	1,150	793	746
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	4,649	3,530	1,367
Other payables - tax and social security payments	277	149	87
Deferred income	143	184	-
Total trade and other payables	5,069	3,863	1,454
Less: non-current portion	-	(24)	(18)
Current portion	5,069	3,839	1,436

Book values approximate to fair value at 30 September 2013, 2012 and 2011.

Company	2013 £000	2012 £000	As at 1 October 2011 £000
Trade payables	75	193	60
Payables to related parties	536	457	439
Other payables	1	14	9
Accruals	694	322	189
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities liabilities measured at amortised cost	1,306	986	697
Other payables - tax and social security payments	31	24	21
Total trade and other payables	1,337	1,010	718

Book values approximate to fair value at 30 September 2013, 2012 and 2011.

19 Loans and borrowings

Group

The book value and fair value of loans and borrowings are as follows:

	Book Value 2013 £000	Fair Value 2013 £000	Book Value 2012 £000	Fair Value 2012 £000
Non-Current				
Bank loans secured	**2,069**	**2,069**	2,784	2,784
Other loans	**60**	**60**	60	60
Finance lease creditor (note 26)	**70**	**70**	5	5
	2,199	**2,199**	2,849	2,849
Current				
Overdrafts	**1,504**	**1,504**	1,022	1,022
Bank loans secured	**720**	**720**	676	676
Finance lease creditor (note 26)	**20**	**20**	15	15
	2,244	**2,244**	1,713	1,713
Total loans and borrowings	**4,443**	**4,443**	4,562	4,562

	Book Value 2011 £000	Fair Value 2011 £000
Non-Current		
Other loans	60	60
Finance lease creditor (note 26)	20	20
	80	80
Current		
Overdrafts	336	336
Finance lease creditor (note 26)	27	27
	363	363
Total loans and borrowings	443	443

Finance lease creditors are secured on the assets concerned.

19 Loans and borrowings *(continued)*

Company

The book value and fair value of loans and borrowings are as follows:

	Book Value 2013 £000	Fair Value 2013 £000	Book Value 2012 £000	Fair Value 2012 £000
Non-Current				
Other loans	**60**	**60**	60	60
Total loans and borrowings	**60**	**60**	60	60

	Book Value 2011 £000	Fair Value 2011 £000
Non-Current		
Other loans	60	60
Total loans and borrowings	60	60

Finance lease creditors are secured on the assets concerned.

The currency profile of the Group's loans and borrowings is as follows:

	2013 £000	2012 £000	As at 1 October 2011 £000
Sterling	**4,443**	4,562	443

The interest rate on bank loans is 4.5% (2012: 4.5%) above LIBOR.

Bank Borrowings

The bank loans are secured by a full cross guarantee across the assets of the Group. The loans are also secured by a first and only legal charge over freehold property and a fixed and floating charge over the assets and undertakings of the company.

The bank loan is repayable in quarterly instalments of £180,000 and is fully repayable on 30 August 2017

20 Provisions

	Legal fees provision £000	Repairs provision £000	Onerous contract provision £000	Total £000
At 1 October 2011	450	15	75	540
Arising in the year	97	40	16	153
Utilised in year	(17)	-	(91)	(108)
At 30 September 2012	530	55	-	585
At 1 October 2012	530	55	-	585
Charged to profit or loss	40	-	-	40
Utilised in year	(490)	-	-	(490)
At 30 September 2013	80	55	-	135
Current	-	-	-	-
Non-current	80	55	-	135
At 30 September 2013	80	55	-	135
Current	-	-	-	-
Non-current	530	55	-	585
At 30 September 2012	530	55	-	585
Current	-	-	75	75
Non-current	450	15	-	465
At 30 September 2011	450	15	75	540

Legal fees provision

There is an on-going legal dispute involving FVG Limited, a subsidiary company, relating to the use of the Salmosan trademark in Spain for an entirely different product. In addition the company has two further on-going disputes, one relating to improper usage of the Salmosan product and the other relating to a dispute regarding a distribution agreement. At the year end, the directors reviewed the adequacy of the provision based on current information relating to the dispute and consider that it should be decreased by £490,000 to £40,000 (2012: £530,000, 2011: £450,000). The directors consider this to be a reasonable estimate of the potential legal costs that will be incurred in defending the company's position. Additionally, a provision of £40,000 is held for other legal matters. The directors expect these to be settled in the financial year ending 30 September 2015.

Repairs provision

Under property operating lease agreements, FAI Farms Limited, a subsidiary company, has an obligation to maintain all properties to the standard that prevailed at the inception of the lease. The directors estimate the costs of this obligation at £15,000 (2012: £55,000, 2011: £15,000). Additionally, Benchmark Vaccines Limited has a repairs provision of £40,000 in respect of its Braintree premises. The directors expect these to be settled in the financial year ending 30 September 2015.

Onerous contract provision

The onerous contract provision reduced to £nil at 30 September 2012 because the obligation to which it related expired during that year.

21 Dividends paid and proposed

	2013 £000	2012 £000
Declared and paid during the year		
Interim dividend for 2013: £4.44 per share (2012: nil per share)	401	-
Final dividend for 2013: £nil per share (2012: £2.12 per share)	-	194
	401	194

Subsequent to 30 September 2013 the Company declared a dividend of £1.82 per share (a total of £164,694) in respect of the year then ended.

22 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2012: 23%). Finance Act 2013 includes provision for the main rate of corporation tax to reduce to 21% on 1 April 2014 and 20% on 1 April 2015. The reductions in the corporation tax rate were substantively enacted on 3 July 2013 and will reduce future tax charges. Deferred tax has been calculated at 20% being the rate applying from April 2015.

The movement on the deferred tax account is as shown below:

Group

	2013 £000	2012 £000
At 1 October	144	80
Recognised in income statement		
Tax expense (note 11)	5	33
Recognised in equity	92	31
At 30 September	241	144

Company

	2013 £000	2012 £000
At 1 October	64	29
Recognised in income statement		
Tax expense	(1)	29
Recognised in equity	16	6
At 30 September	79	64

There was no deferred tax recognised in other comprehensive income.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. As the earnings are continually reinvested by the Group and there is no intention for these entities to pay dividends, no tax is expected to be payable on them in the foreseeable future.

22 Deferred tax *(continued)*

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period, together with amounts recognised in the consolidated income statement and amounts recognised in other comprehensive income are as follows:

Group

	Asset 2013 £000	Liability 2013 £000	Net 2013 £000	(Charged)/ credited to profit or loss 2013 £000	(Charged)/ credited to equity 2013 £000
Accelerated capital allowances	-	(58)	(58)	(44)	-
Other temporary and deductible differences	96	-	96	37	-
Available losses	44	-	44	12	-
Fair value of share options	159	-	159	-	92
Net tax assets /(liabilities)	299	(58)	241	5	92

	2012 £000	2012 £000	2012 £000	2012 £000	2012 £000
Accelerated capital allowances	-	(14)	(14)	17	-
Other temporary differences	59	-	59	(12)	-
Available losses	32	-	32	28	-
Fair value of share options	67	-	67	-	31
Net tax assets /(liabilities)	158	(14)	144	33	31

	2011 £000	2011 £000	2011 £000	2011 £000	2011 £000
Accelerated capital allowances	-	(31)	(31)	2	-
Other temporary differences	71	-	71	59	-
Available losses	4	-	4	(34)	-
Fair value of share options	36	-	36	-	36
Net tax assets /(liabilities)	111	(31)	80	27	36

22 Deferred tax *(continued)*

Company

	Asset 2013 £000	Liability 2013 £000	Net 2013 £000	(Charged)/ credited to profit or loss 2013 £000	(Charged)/ credited to equity 2013 £000
Accelerated capital allowances	-	(8)	(8)	1	-
Other temporary and deductible differences	55	-	55	(1)	-
Available losses	3	-	3	(1)	-
Fair value on share options	29	-	29	-	16
Net tax assets /(liabilities)	87	(8)	79	(1)	16

	2012 £000	2012 £000	2012 £000	2012 £000	2012 £000
Accelerated capital allowances	-	(9)	(9)	(3)	-
Other temporary differences	56	-	56	32	-
Available losses	3	-	3	-	-
Fair value on share options	14	-	14	-	6
Net tax assets /(liabilities)	73	(9)	64	29	6

	2011 £000	2011 £000	2011 £000	2011 £000	2011 £000
Accelerated capital allowances	-	(6)	(6)	(6)	-
Other temporary differences	24	-	24	24	-
Available losses	3	-	3	3	-
Fair value on share options	8	-	8	-	8
Net tax assets /(liabilities)	35	(6)	29	21	8

23 Share capital

	Allotted, called up and fully paid		
			As at 1 October
	2013	2012	2011
	£000	£000	£000
Ordinary shares of £1 each	90	92	93

	Allotted, called up and fully paid		
			As at 1 October
	2013	2012	2011
	No.	No.	No.
Balance at 1 October	91,711	93,266	93,266
Shares purchased for cancellation	(1,404)	(1,555)	-
Balance at 30 September	90,307	91,711	93,266

On 6 April 2012 Benchmark Holdings plc repurchased 1,555 £1 ordinary shares with an aggregate nominal value of £1,555 from A E Wall, a former director of the company, using the available distributable reserves of the company (see note 30). The consideration paid was £187.20 per share and the amount charged to distributable reserves including costs was £291,096. On 8 April 2013 an additional 1,404 shares were repurchased for consideration of £274,000.

Employee share option scheme

The Company introduced an employee share option scheme in 2010. Options exist over 4,239 £1 ordinary shares in the Company and the exercise price is the nominal value of £1 per share. During the year 1,319 additional options have been granted and none of the existing options lapsed (see note 29).

Members of the scheme can exercise the options at any point from the third anniversary of joining the scheme (second anniversary in respect of the June 2012 tranche) until the options lapse on the tenth anniversary of joining. Options cannot be exercised after the option holder ceases to hold employment with any member of the Group.

24 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Share-based payment reserve	The share-based payment transaction reserve issued to recognise the value of equity-settled share-based payment transactions provided to employees, including management personnel, as part of their remuneration. Refer to note 29 for further details of these plans.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into sterling.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

25 Analysis of amounts recognised in other comprehensive income

	£000
Year to 30 September 2013	
Exchange differences arising on translation of foreign operations	**(5)**
	(5)
Year to 30 September 2012	
Exchange differences arising on translation of foreign operations	(29)
	(29)

26 Leases

Finance leases

The Group leases plant and machinery with a carrying value of £208,000 (2012: £49,000, 2011: £80,000). Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Future lease payments are due as follows:

	Minimum lease payments 2013 £000	Interest 2013 £000	Present value 2013 £000
Not later than one year	23	3	20
Later than one year and not later than five years	75	5	70
Later than five years	-	-	-
	98	8	90

	Minimum lease payments 2012 £000	Interest 2012 £000	Present value 2012 £000
Not later than one year	5	-	5
Later than one year and not later than five years	16	1	15
Later than five years	-	-	-
	21	1	20

	Minimum lease payments 2011 £000	Interest 2011 £000	Present value 2011 £000
Not later than one year	30	3	27
Later than one year and not later than five years	22	2	20
Later than five years	-	-	-
	52	5	47

26 Leases *(continued)*

Finance leases (continued)

The present values of future lease payments are analysed as:

	2013 £000	2012 £000	As at 1 October 2011 £000
Current liabilities	20	15	27
Non-current liabilities	70	5	20
	90	20	47

Operating leases - lessee

The Group has entered into commercial leases on certain items of land and buildings. These leases have an average life of between two and five years. There are no restrictions placed on the Group by entering into these leases.

The total future value of minimum lease payments under non-cancellable operating leases for land and buildings are as follows:

	2013 £000	2012 £000	As at 1 October 2011 £000
Not later than one year	533	453	322
Later than one year and not later than five years	1,411	1,373	1,227
Later than five years	2,069	2,186	1,451
	4,013	4,012	3,000

27 Retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £305,000 (2012: £161,000). Contributions totalling £11,000 (2012: £21,000) were payable to the fund at the balance sheet date and are included in other payables.

28 Capital commitments

At 30 September 2013 the Group and Company had capital commitments as follows:

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Contracted for but not provided within these financial statements	460	-	-	-

29 Share-based payment

The Group operates an EMI based equity settled share option scheme for certain employees. Options are exercisable at a price equal to the nominal value of the parent Company's shares. The vesting period is three years. If the option remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

The share options under the scheme are as follows:

Year ended 30 September 2012:

Year	No of options				Option Price	Exercise Period
	As at 1 October 2011	Granted in 2012	Lapsed in 2012	As at 30 September 2012		
2010	1,500	-	-	1,500	100.00P	September 2013 to September 2020
2012	-	1,420	-	1,420	100.00P	June 2014 to June 2022

Year ended 30 September 2013:

Year	No of options				Option Price	Exercise Period
	As at 1 October 2012	Granted in 2013	Lapsed in 2013	As at 30 September 2013		
2010	1,500	-	-	1,500	100.00P	September 2013 to September 2020
2012	1,420	-	-	1,420	100.00P	June 2014 to June 2022
2013	-	126	-	126	100.00P	August 2016 to July 2023
2013	-	1,193	-	1,193	100.00P	August 2016 to July 2023

Of the total number of options outstanding at 30 September 2013, 1,500 (2012: nil) were exercisable.

Share options issued in August 2010

Share options outstanding at the year-end had a weighted average exercise price of 100.00p (2012: 100.00p) and a weighted average remaining contractual life of 7 years.

The fair value of the EMI equity settled share options granted is estimated at the date of grant using the Black Scholes Merton model taking into account the terms and conditions on which the options were granted. The expense recognised for these options during the year was £85,000 (2012: £100,000). This has been reflected in the income statement and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year-end is in respect of these options is £284,000 (2012: £199,000).

Share options issued in June 2012

Share options outstanding at the year-end had a weighted average exercise price of 100.00p (2012: 100.00p) and a weighted average remaining contractual life of 9 years.

The fair value of the EMI equity settled share options granted is estimated at the date of grant using the Black Scholes Merton model taking into account the terms and conditions on which the options were granted. The expense recognised for these options during the year was £136,000 (2012: £35,000). This has been reflected in the income statement and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year-end is in respect of these options is £171,000 (£35,000).

29 Share-based payment *(continued)*

Share options issued in August 2013

Share options outstanding at the year-end had a weighted average exercise price of 100.00p and a weighted average remaining contractual life of 10 years.

The fair value of the EMI equity settled share options granted is estimated at the date of grant using the Black Scholes Merton model taking into account the terms and conditions on which the options were granted. The expense recognised for these options during the year was £2,000 (2012: £nil). This has been reflected in the income statement and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year-end is in respect of these options is £2,000 (£nil).

Additional share options issued in August 2013

Share options outstanding at the year-end had a weighted average exercise price of 100.00p and a weighted average remaining contractual life of 10 years. The fair value of the EMI equity settled share options granted is estimated at the date of grant using the Black Scholes Merton model taking into account the terms and conditions on which the options were granted.

The expense recognised for these options during the year was £10,000 (2012: £nil). This has been reflected in the income statement and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year-end is in respect of these options is £10,000 (2012: £nil).

The Group balance on the share option reserve at the year-end is £467,000 (2012: £234,000). The total charge reflected in the consolidated income statement and included within administrative expenses was £233,000 (2012: £135,000). The share-based remuneration expense (note 8) comprises:

	2013 £000	2012 £000
Equity-settled schemes	233	135

The Company balance on the share option reserve at the year-end is £467,000 (2012: £234,000). The total charge reflected in the company's income statement and included within administrative expenses was £40,000 (2012: £25,000). The share-based remuneration expense for the Company comprises:

	2013 £000	2012 £000
Equity-settled schemes	40	25

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period. The following information is relevant in the determination of the fair value of options granted during the year under the equity settled share based remuneration schemes operated by the Group.

	Tranche 4	Tranche 3	Tranche 2	Tranche 1
Date option granted	**August 2013**	**August 2013**	**June 2012**	**August 2010**
Option pricing model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Weighted average share price at grant date	£285.15	£285.15	£191.75	£189.65
Exercise price	£1.00	£1.00	£1.00	£1.00
Weighted average contractual life	10 years	10 years	9 years	7 years
Expected volatility	25%	25%	25%	25%
Expected dividend growth rate	1.48%	1.48%	1.1%	1.1%
Risk-free interest rate	0.41%	0.41%	0.19%	0.19%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years.

30 Acquisition completed in prior period

On 31 August 2012 Benchmark Vaccines Limited, a wholly owned subsidiary of Benchmark Holdings plc, acquired the Braintree veterinary vaccine business which included a production and development site from Novartis. This fulfilled a long-term Group requirement to bring animal health product manufacturing in-house beginning with toll manufacture of vaccines. This is a fast growing area of the animal health business and one where the Group's intense focus on innovation and technology development will be highly advantageous as the company seeks to grow this business very dynamically in the short to medium term.

Details of the (restated) fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Fair value £	IFRS adjustment £	Restated value £
Property, plant and equipment (note 12)	850	-	850
Licences (note 13)	-	1,194	1,194
Customer contracts (note 13)	-	1,565	1,565
Inventories	3,006	-	3,006
Other payables and provision	(40)	-	(40)
Total net assets	3,816	2,759	6,575
Fair value of consideration paid			
Cash	6,000	-	6,000
Deferred consideration	1,014	-	1,014
Acquisition costs	193	(193)	-
Purchase consideration transferred	7,207	(193)	7,014
Goodwill arising on acquisition (note 13)			439

All deferred consideration was paid in January 2013

The 2012 comparatives have been restated in these financial statements to effect the adjustments as noted above. Business combinations were previously calculated under UK GAAP. The main IFRS adjustments are in relation to:

- Acquisition costs of £193,000 that arose as a result of the transaction previously treated as part of purchase consideration under UK GAAP have been recognised as part of administrative expenses in the consolidated income statement.

- Licences of £1,194,000 which qualify for separate recognition under IAS38 have been recognised as an intangible asset. This was previously included within recognised goodwill in accordance with UK GAAP, and so has resulted in a decrease in the carrying amount of goodwill.

- Customer contracts of £1,565,000 which qualify for separate recognition under IAS 38 have been recognised as an intangible asset. This was previously included within recognised goodwill in accordance with UK GAAP, and so has resulted in a decrease in the carrying amount of goodwill.

31 Related party transactions

Transactions between the Company and its subsidiary undertakings, which are related parties, amounted to £783,000 in the year (2012: £460,000). These transactions related to inter-company recharges. Balances with subsidiary undertakings are shown in notes 17 and 18. Details of transactions between the Group and other related parties are disclosed in the following note.

31 Related party transactions *(continued)*

Included within trade and other receivables/ (trade and other payables) due within one year are the following loans to related parties:

			Group			Company
	2013	2012	2011	2013	2012	2011
	£000	£000	£000	£000	£000	£000
Benchmark Holdings Limited Executive Pension scheme	**37**	47	201	**-**	47	201
Key management personnel	**-**	6	6	**-**	-	-
Total	**37**	53	207	**-**	47	201

Included within trade and other receivables/ (trade and other payables) due after more than one year are the following loans to related parties:

			Group			Company
	2013	2012	2011	2013	2012	2011
	£000	£000	£000	£000	£000	£000
Benchmark Holdings Limited Executive Pension scheme	**-**	-	111	**-**	-	111
Key management personnel	**(60)**	(60)	(60)	**(60)**	(60)	(60)
Total	**(60)**	(60)	51	**(60)**	(60)	51

The loan to other related parties was charged at a rate of 5% above the base rate of Barclays Bank Plc. The loan is secured on the property to which it relates at 8 Smithy Wood Drive, Sheffield, S35 1QN. The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rates of interest. The loan from key management personnel is non-repayable.

During the year, the Group entities entered into the following trading transactions with related parties that are not members of the Group:

			Purchases			Interest received
	2013	2012	2011	2013	2012	2011
	£000	£000	£000	£000	£000	£000
Benchmark Holdings Limited Executive Pension scheme	**36**	36	36	**-**	15	17

The following balances are outstanding at the end of the reporting period:

	2013	2012	2011
	£000	£000	£000
Benchmark Holdings Limited Executive Pension scheme	**36**	36	44

Purchase of own shares

On 8 April 2011 Benchmark Holdings plc entered into an unconditional agreement with a director of the Company to repurchase his minority shareholding using the available distributable reserves of the Company. A total of 4,666 shares representing 5% of the Company's voting rights were to be repurchased at a price of £187.20 per share. Benchmark Holdings plc repurchased the first tranche of 1,707 shares on 8 April 2011. On 6 April 2012 the second tranche amounting to 1,555 shares were repurchased for a consideration of £293,000. The final tranche amounting to 1,404 shares was repurchased on 8 April 2013 for £274,000

31 Related party transactions *(continued)*

Dividends paid to directors

Dividends declared in the year amounted to £401,000 (2012: £194,000) of which a total of £397,000 (2012: £193,000) was paid to the directors of the Company on 20 December 2012 and 2 July 2013. The amounts paid are analysed below:

	2013 £000	2012 £000	2011 £000
R J Bonney	96	47	48
P A Cook	32	16	16
D I Cox	21	10	10
R Layton	96	47	49
J M Muirhead	35	16	16
M D F Pye	96	47	49
K P Lawless	-	-	-
P J Southgate	21	10	10
	397	193	198

The Company is controlled by the shareholders. There is no single controlling party.

32 Events after the reporting date

On 14 October 2013 the Group acquired 100% of the ordinary share capital of Viking Fish Farms Limited, a company whose principal activity is the development of marine aquaculture science and technology. The principal reason for this acquisition was to enhance the Group's position as an innovator in aquaculture and to secure sufficient capacity to deliver its planned product development pipeline.

The book value of the net assets acquired is as follows:	£'000
Property, plant and equipment	60
Inventories	87
Receivables	141
Cash	93
Payables	(245)
Total	136

At the date of authorisation of these financial statements a detailed assessment of the fair value of the identifiable net assets has not been completed.

On acquisition Viking Fish Farms Limited held trade receivables with a book value of £98,000. The group is still assessing the debtor book and is not yet in a position to accurately assess the final level of uncollectable contractual cash flows.

Fair value of consideration paid	£'000
Cash	300
Shares	100
Total	400

Whilst fair value adjustments may result in recognised goodwill of less than £264,000, it is expected that some goodwill will be recognised. This goodwill represents assets, such as the assembled workforce, which do not qualify for separate recognition.

33 Contingent liabilities

There is a full cross guarantee in respect of borrowings of other Group undertakings. Total borrowings of other Group undertakings at 30 September were £4,293,000 (2012: £4,482,000; 2011: £336,000).

34 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprises:

Group	2013 £000	2012 £000
Cash at banks and on hand	3,250	1,019
Bank overdrafts	(1,504)	(1,022)
Cash and cash equivalents	1,746	(3)

Company	2013 £000	2012 £000
Cash at banks and on hand	418	148
Cash and cash equivalents	418	148

35 First time adoption of IFRS

The Group has prepared financial statements which comply with IFRS applicable for periods ending on or after 30 September 2013, together with the comparative period data as at and for the year ended 30 September 2012, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening balance sheet was prepared as at 1 October 2011, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its UK GAAP financial statements, including the balance sheet as at 1 October 2011 and the financial statements as at and for the year ended 30 September 2012.

IFRS 1 allows first time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- *IFRS 3 Business Combinations* has not been applied to acquisitions of subsidiaries, which are considered businesses for IFRS or of interests in joint ventures that occurred before 1 October 2011. Use of this exemption means that the UK GAAP carrying amounts of assets and liabilities, that are to be recognised under IFRS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with IFRS. Assets and liabilities which do not qualify for recognition under IFRS are excluded from the opening IFRS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of IFRS recognition requirements.

- IFRS1 also requires that the UK GAAP carrying amount of goodwill is used in the opening IFRS balance sheet (apart from adjustments for goodwill impairment and recognition or de-recognition of intangibles assets). The cumulative translation differences arising are therefore deemed to be 'zero' at the date of transition. In accordance with IFRS1, the Group has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was deemed necessary at 1 October 2011.

- The Group has not applied IAS21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further differences occur.

- The estimates at 1 October 2011 and at 30 September 2012 are consistent with those made for the same dates in accordance with UK GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 October 2011, the date of transition to IFRS and as of 30 September 2012.

35 First time adoption of IFRS *(continued)*

Group reconciliation of equity as at 1 October 2011 (date of transition to IFRS)

	Note	UK GAAP £000	Remeasurements £	IFRS as at 1 October 2011 £
Assets				
Non-current assets				
Property, plant and equipment	A	1,209	(204)	1,005
Intangible assets	A	852	204	1,056
Other receivables	B	-	193	193
Deferred tax assets	C	-	80	80
Total non-current assets		2,061	273	2,334
Current assets				
Inventories	D	2,078	(332)	1,746
Agricultural assets	D	-	446	446
Trade and other receivables	B,C	2,590	(237)	2,353
Cash and cash equivalents		1,809	-	1,809
Total current assets		6,477	(123)	6,354
Total assets		8,538	150	8,688
Liabilities				
Current liabilities				
Trade and other payables	F	(1,322)	(114)	(1,436)
Loans and borrowings		(363)	-	(363)
Corporation tax liability		(712)	-	(712)
Provisions	E	-	(75)	(75)
Total current liabilities		(2,397)	(189)	(2,586)
Non-current liabilities				
Loans and borrowings		(80)	-	(80)
Other payables		(18)	-	(18)
Provisions	E	(540)	75	(465)
Total non-current liabilities		(638)	75	(563)
Total liabilities		(3,035)	(114)	(3,149)
Net assets		5,503	36	5,539
Issued capital and reserves attributable to owners of the parent				
Share capital		93	-	93
Share premium reserve		693	-	693
Capital redemption reserve		2	-	2
Share based payment reserve	C	99	36	135
Foreign exchange reserve		19	-	19
Retained earnings	D,F	4,581	-	4,581
Equity attributable to equity holders of the parent		5,487	36	5,523
Non-controlling interest		16	-	16
Total equity and reserves		5,503	36	5,539

35 First time adoption of IFRS *(continued)*

Group reconciliation of equity as at 30 September 2012

	Note	UK GAAP £000	Remeasurements £000	IFRS as at 30 September 2012 £000
Assets				
Non-current assets				
Property, plant and equipment	A	2,359	(187)	2,172
Intangible assets	A	3,931	101	4,032
Other receivables	B	-	82	82
Deferred tax assets	C	-	144	144
Total non-current assets		6,290	140	6,430
Current assets				
Inventories	D	4,832	(281)	4,551
Agricultural assets	D	-	413	413
Trade and other receivables	B,C	5,660	(159)	5,501
Cash and cash equivalents		1,019	-	1,019
Total current assets		11,511	(27)	11,484
Total assets		17,801	113	17,914
Liabilities				
Current liabilities				
Trade and other payables	E	(3,707)	(132)	(3,839)
Loans and borrowings		(1,713)	-	(1,713)
Corporation tax liability		(932)	-	(932)
Total current liabilities		(6,352)	(132)	(6,484)
Non-current liabilities				
Loans and borrowings		(2,849)	-	(2,849)
Other payables		(24)	-	(24)
Provisions		(585)	-	(585)
Total non-current liabilities		(3,458)	-	(3,458)
Total liabilities		(9,810)	(132)	(9,942)
Net assets		7,991	(19)	7,972
Issued capital and reserves attributable to owners of the parent				
Share capital		92	-	92
Share premium reserve		693	-	693
Capital redemption reserve		3	-	3
Share based payment reserve	C	234	67	301
Foreign exchange reserve		(10)	-	(10)
Retained earnings	A,C,D,E	6,962	(86)	6,876
Equity attributable to equity holders of the parent		7,974	(19)	7,955
Non-controlling interest		17	-	17
Total equity and reserves		7,991	(19)	7,972

35 First time adoption of IFRS *(continued)*

Group reconciliation of total comprehensive income for the year ended 30 September 2012

	Note	UK GAAP £000	IFRS remeasurements £000	Other adjustments £000	IFRS as at 30 September 2012 £000
Revenue		18,546	-	-	18,546
Cost of sales	F	(8,343)	-	(2,344)	(10,687)
Gross profit		10,203	-	(2,344)	7,859
Other operating income		177	-	-	177
Administrative expenses	B, F	(6,656)	(86)	2,344	(4,398)
Operating profit		3,724	(86)		3,638
Finance costs		(115)	-	-	(115)
Finance income		11	-	-	11
Profit before tax from continuing operations		3,620	(86)	-	3,534
Income tax expense		(751)	-	-	(751)
Profit for the year		2,869	(86)	-	2,783
Attributable to:					
Equity holders of the parent		2,868	(86)	-	2,782
Non-controlling interests		1	-	-	1
		2,869	(86)	-	2,783
Other comprehensive income					
Exchange differences on translation of Foreign operations		(29)	-	-	(29)
Total comprehensive income for the year net of tax		2,840	(86)	-	2,754
Total comprehensive income attributable to:					
Equity holders of the parent		2,839	(86)	-	2,753
Non-controlling interest		1	-	-	1
		2,840	(86)	-	2,754

35 First time adoption of IFRS *(continued)*

Notes to the group reconciliation of equity as at 1 October 2011 (date of transition to IFRS)

A **Intangible assets** - website costs of £204,000 considered as a tangible fixed asset under UK GAAP have been re-classified to intangible assets under IFRS. There is no change in the profit for the year.

B **Other debtors** - other debtors of £193,000 were recognised under UK GAAP as a current asset. Under IFRS these have been classified as a non-current asset. There is no change in the profit for the year.

C **Deferred tax** - a deferred tax asset of £44,000 previously included under UK GAAP within trade and other receivables in current assets has been transferred to other receivables within non-current assets. Additionally, deferred tax recognised on share options under IFRS is different to UK GAAP. An additional asset of £36,000 in relation to these timing differences has been included with non-current assets and within the share based payment reserve.

D **Inventories and agricultural assets** - under UK GAAP agricultural assets were included within inventories at cost. Under IAS41 these are valued at sales price less costs to sell. The UK GAAP value of £332,000 has been removed from inventories and an uplifted value of £446,000 has been included within agricultural assets. This has increased retained earnings by £114,000.

E **Provisions** - under UK GAAP all provisions were included as a non-current liability. Under IFRS a provision for £75,000 is considered to be due within one year and is included with current liabilities. There is no change in profit for the year.

F **Trade and other payables** - as a result of the transfer to IFRS the group has recognised a holiday pay accrual of £114,000. This has reduced retained earnings by £114,000.

Notes to the group reconciliation of equity and income statement for year ended 30 September 2012

A **Intangible assets** - website costs of £187,000 considered as a tangible fixed asset under UK GAAP have been re-classified to intangible assets under IFRS. There is no change in the profit for the year. Additionally, acquisition costs of £193,000 capitalised under UK GAAP have been written off under IFRS. This has reduced profit for the year by £193,000. Under UK GAAP goodwill was amortised, but under IFRS the intangible assets were classified further and there was a resultant reduction in amortisation of £107,000 which overall decreased profit and retained earnings by £86,000.

B **Other debtors** - other debtors of £82,000 were recognised under UK GAAP as a current asset. Under IFRS these have been classified as a non-current asset. There is no change in the profit for the year.

C **Deferred tax** - a deferred tax asset of £77,000 previously included under UK GAAP within trade and other receivables in current assets has been transferred to other receivables within non-current assets. Additionally, deferred tax recognised on share options under IFRS is different to UK GAAP. An additional asset of £67,000 in relation to these timing differences has been included with non-current assets and within the share based payment reserve.

D **Inventories and agricultural assets** - under UK GAAP agricultural assets were included within inventories as cost. Under IAS41 these are valued at sales price less costs to sell. The UK GAAP value of £281,000 has been removed from inventories and an uplifted value of £413,000 has been included within agricultural assets. This has increased retained earnings by £132,000.

E **Trade and other payables** - as a result of the transfer to IFRS the group has recognised a holiday pay accrual of £132,000. This has reduced retained earnings by £132,000.

F **Cost of sales and administrative expenses** - certain salary costs, totalling £2,344,000, which were previously categorised as administrative expenses, have been reclassified as cost of sales in order to better reflect the nature of these expenses.

Statement of cash-flows - the transition from UK GAAP to IFRS has not had a material impact on the statement of cash-flows.

35 First time adoption of IFRS *(continued)*

Company reconciliation of equity as at 1 October 2011 (date of transition to IFRS)

	Note	UK GAAP £000	IFRS remeasurements £000	Other adjustments £000	IFRS as at 1 October 2011 £000
Assets					
Non-current assets					
Property, plant and equipment		63	-	-	63
Investments	B	2,405	-	78	2,483
Other receivables		279	-	-	279
Deferred tax assets	A	-	29	-	29
Total non-current assets		2,747	29	78	2,854
Current assets					
Trade and other receivables	A	3,403	(21)	-	3,382
Cash and cash equivalents		65	-	-	65
Total current assets		3,468	(21)	-	3,447
Total assets		6,215	8	78	6,301
Liabilities					
Current liabilities					
Trade and other payables		(718)	-	-	(718)
Total current liabilities		(718)	-	-	(718)
Non-current liabilities					
Loans and borrowings		(60)	-	-	(60)
Total non-current liabilities		(60)	-	-	(60)
Total liabilities		(778)	-	-	(778)
Net assets		5,437	8	78	5,523
Issued capital and reserves attributable to owners of the parent					
Share capital		93	-	-	93
Share premium reserve		693	-	-	693
Capital redemption reserve		2	-	-	2
Share based payment reserve	A	99	8	-	107
Retained earnings	B	4,550	-	78	4,628
Total equity and reserves		5,437	8	78	5,523

35 First time adoption of IFRS *(continued)*

Company reconciliation of equity as at 30 September 2012

Assets	Note	UK GAAP £000	IFRS remeasurements £000	Other adjustments £000	IFRS as at 30 September 2012 £000
Non-current assets					
Property, plant and equipment		75	-	-	75
Investments	A,B	3,932	(1,377)	189	2,744
Other receivables		-	-	-	-
Deferred tax assets	C	-	64	-	64
Other financial assets	A	-	1,166	-	1,166
Total non-current assets		4,007	(147)	189	4,049
Current assets					
Trade and other receivables	C,D	5,026	(45)	-	4,981
Cash and cash equivalents		148	-	-	148
Total current assets		5,174	(45)	-	5,129
Total assets		9,181	(192)	189	9,178
Liabilities					
Current liabilities					
Trade and other payables	D	(1,005)	(5)	-	(1,010)
Total current liabilities	D	(1,005)	(5)	-	(1,010)
Non-current liabilities					
Loans and borrowings		(60)	-	-	(60)
Total non-current liabilities		(60)	-	-	(60)
Total liabilities		(1,065)	(5)	-	(1,070)
Net assets		8,116	(197)	189	8,108
Issued capital and reserves attributable to owners of the parent					
Share capital		92	-	-	92
Share premium reserve		693	-	-	693
Capital redemption reserve		3	-	-	3
Share based payment reserve	A	234	14	-	248
Retained earnings	B	7,094	(211)	189	7,072
Total equity and reserves		8,116	(197)	189	8,108

35 First time adoption of IFRS *(continued)*

Company reconciliation of total comprehensive income for the year ended 30 September 2012

	Note	UK GAAP £000	IFRS remeasurements £000	Other adjustments £000	IFRS as at 30 September 2012 £000
Revenue		460	-	-	460
Cost of sales		-	-	-	-
Gross profit		460	-	-	460
Other operating income		5,066	-	-	5,066
Administrative expenses	B	(2,512)	111	-	(2,401)
Operating profit		3,014	111		3,125
Finance costs	A	(13)	(211)	-	(224)
Finance income		-	-	-	-
Profit before tax from continuing operations		3,001	(100)	-	2,901
Income tax expense		30	-	-	30
Profit for the year		3,031	(100)	-	2,931
Attributable to:					
Equity holders of the parent		3,031	(100)	-	2,931
Non-controlling interests		-	-	-	-
		3,031	(100)	-	2,931
Other comprehensive income					
Total comprehensive income for the year net of tax		3,031	(100)	-	2,931
Total comprehensive income attributable to:					
Equity holders of the parent		3,031	(100)	-	2,931
Non-controlling interest		-	-	-	-
		3,031	(100)	-	2,931

35 First time adoption of IFRS *(continued)*

Notes to the company reconciliation of equity as at 1 October 2011 (date of transition to IFRS)

A **Deferred tax** - a deferred tax asset of £21,000 previously included under UK GAAP within trade and other receivables in current assets has been transferred to other receivables within non-current assets. Additionally, deferred tax recognised on share options under IFRS is different to UK GAAP. An additional asset of £8,000 in relation to these timing differences has been included with non-current assets and within the share based payment reserve.

B **Other debtors** - the share option charge was previously charged fully to Benchmark Holdings plc. A value of £78,000 relates to other group companies and as such this has been included as an investment in subsidiaries in the balance sheet and has resulted in a £78,000 increase in profit for the year and an increase in retained earnings of £78,000.

Notes to the company reconciliation of equity and income statement for year ended 30 September 2012

A **Investments** - under UK GAAP loans to subsidiaries totalling £1,377,000 were included within investments. Under IFRS these are included within other financial assets at their fair value of £1,166,000 and as a result there has been a discounting charge of £211,000 which has reduced profit in the income statement for the year and reduced retained earnings.

B **Investments** - the share option charge was previously charged fully to Benchmark Holdings plc. A value of £189,000 relates to other group companies and as such this has been included as an investment in subsidiaries in the balance sheet and has resulted in a £111,000 increase in profit for the year and an increase in retained earnings bought forward of £78,000.

C **Deferred tax** - a deferred tax asset of £50,000 previously included under UK GAAP within trade and other receivables in current assets has been transferred to other receivables within non-current assets. Additionally, deferred tax recognised on share options under IFRS is different to UK GAAP. An additional asset of £14,000 in relation to these timing differences has been included with non-current assets and within the share based payment reserve.

D **Other receivables** - there has been a reclassification of balances between current assets and current liabilities of £5,000. There is no profit impact.

Statement of cash-flows - the transition from UK GAAP to IFRS has not had a material impact on the statement of cash-flows.